

MENTAL HEALTH MATTERS

England & Wales · Charity number 514829

Details

Other names NORTHERN SCHIZOPHRENIA FELLOWSHIP, M H M

Status Registered

Legal form Charitable company

Company number [01786914](#)

Registered 1984-02-09

Register [View on the Charity Commission register](#)

Contact

Address Mental Health Matters
Waterside House
Wearfield
Sunderland Enterprise Park
Sunderland
SR5 2TZ

Phone 01915163500

Email info@mhm.org.uk

Website www.mhm.org.uk

Activities

Objects: "THE CHARITY'S OBJECTS ARE, FOR THE BENEFIT OF THE PUBLIC, TO RELIEVE AND PROMOTE THE WELL-BEING OF PERSONS WHO ARE EXPERIENCING MENTAL OR PHYSICAL HEALTH PROBLEMS OR ILLNESSES, HOWEVER THOSE PROBLEMS OR ILLNESSES HAVE ARISEN, AND THEIR FAMILIES AND CARERS, BOTH IN THE UK AND OVERSEAS".

Activities: To develop and provide the widest range of support and services to people with mental health needs and people with learning difficulties.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Disability, Accommodation/housing, Economic/community Development/employment
- **Who:** People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** SEE OBJECTS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£28,197,849	£27,598,166	£5,424,346	604
2024-03-31	£25,534,438	£25,340,736	£4,824,663	564
2023-03-31	£23,567,954	£23,667,056	£4,630,961	525
2022-03-31	£21,508,118	£20,551,750	£4,730,063	454
2021-03-31	£17,809,521	£17,536,000	£3,773,695	408

Trustees

Name	Role	Appointed
Jasmine Whitbread	Chair	2025-03-25
Anthony Tatlow		2023-12-13
Dr Jordan Soondar		2026-03-25
George Jenkins		2021-06-22
Jill Anne Lanham		2021-06-22
Kate Evans		2021-06-22
Martyn Booth		2021-06-22
Matthew Atherton		2022-09-27
Pooja Sachdev		2025-03-25

MENTAL HEALTH MATTERS

England & Wales - Charity number 514829

Accounts

Registered number: 1786914
Charity number: 514829

MENTAL HEALTH MATTERS
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Chair's statement	2 - 3
Trustees' report	4 - 24
Trustees' responsibilities statement	25
Independent auditor's report on the financial statements	26 - 29
Statement of financial activities	30
Balance sheet	31
Statement of cash flows	32
Notes to the financial statements	33 - 57

MENTAL HEALTH MATTERS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	S J Baines, Trustee (resigned 25 March 2025) G Jenkins, Trustee M Booth, Trustee P Rolland, Trustee (resigned 26 June 2024) J Lanham, Trustee K Evans, Trustee M Atherton, Trustee C Kaplan, Trustee A Tatlow, Trustee P Sachdev, Trustee (appointed 25 March 2025) J Whitbread, Chair (appointed 7 February 2025)
Company registered number	1786914
Charity registered number	514829
Registered office	Waterside House Wearfield Sunderland Enterprise Park Sunderland Tyne and Wear SR5 2TZ
Chief executive officer	J Hughes
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors One Strawberry Lane Newcastle upon Tyne NE1 4BX

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

I am delighted to present our Annual Report and Accounts for 2024-25 which provide a summary of the year's activity and details of our accounts for this financial year. For full details of the impact of our work this year, see our Impact Report which is accessible via this link <https://www.mhm.org.uk/our-impact>.

This is my first Report as Chair of the Board following my appointment as trustee in February 2025 and taking on the role as Chair from April. I wish to acknowledge and thank Sally Baines who stepped down as Chair of the Board in March 2025 when she reached the end of her tenure. During her seven years as a trustee, including four as Chair, Sally skilfully led the development and implementation of strategies which resulted in significant expansion of the organisation, the range of services offered, and the number of people supported with their mental health. Mental Health Matters has gone from strength to strength with the insight to develop the infrastructure required to support a growing and geographically disparate charity.

In June 2024, Peter Rolland also stepped down from the Board after contributing significantly as a trustee on the Audit and Risk Committee. In March 2025, Pooja Sachdev was appointed as a new trustee to the Board.

Our Quality and Safeguarding and Audit and Risk Committees, provide space for focused scrutiny and monitoring of service quality, financial sustainability and the organisation's risks and opportunities. They provide additional assurance to the Board and are a key pillar of our governance. Our time limited steering groups also bring together trustees with relevant skills, supporting our Executive and Leadership teams with major workstreams, including the implementation of our digital strategies. Our Remuneration Committee continues to oversee the Charity's remuneration strategy, policies and framework and takes recommendations to the Board on an annual basis.

Despite the challenging environment, a general election and change in government during the year, Mental Health Matters continued to grow and develop services, further widening our geographical footprint to new areas across the country. We have continued to build our portfolio of crisis havens as a non-clinical alternative to A&E for people experiencing a mental health crisis and embedded the expansion of employment advice services.

We continued to fulfil the objectives of our three-year strategy for 2022-2025, cementing our growth, service quality, impact and infrastructure. This strategy followed a significant review of the organisation and brand in 2022 and during 2024 we celebrated 40 years of Mental Health Matters with a relocation to newly refurbished Central Offices in Sunderland.

We took the opportunity to consult with numerous stakeholders who helped us in shaping our new strategy '**Proud Past, Bold Future 2025 – 2028**'.

Our vision, purpose and values remain unchanged, and at the heart of everything we do.

Our Vision is: That everyone can access support for their mental health to live a meaningful life, in a society free from stigma.

Our Purpose is: To provide innovative, life-changing mental health support for individuals and communities.

Our Values are:

- **Compassionate:** We are compassionate to the needs of the people who access our services, their experiences, and their aspirations.
- **Collaborative:** We believe that by working together, we achieve the best outcomes for individuals, communities, and society.
- **Accountable:** We are accountable, we are transparent and hold ourselves to the highest standards in every interaction.
- **Proud:** We are proud of what we stand for – those who access our services, our people and changing lives.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

During 2024-25, the four themes of our strategy addressed our future ambitions as a provider of mental health services and as an advocate for those with mental health needs who require access to support. One particular area of focus included collaborating with experts by experience to ensure we provide accessible, impactful, high quality and innovative services that meet locally identified needs. We also helped shape future care and support by influencing the transformation of services, ensuring we take a personalised and place-based approach to deliver life changing impact whilst challenging stigma.

A vital aspect of our role as a charity is to use our voice in external forums to promote mental health and support the development of mental health strategy and services and this forms a major part of our 2025-28 strategy. We continue to do this through our established networks, helping to shape integrated workforces and the evolution of new roles in this sector. We have also worked with our commissioners and partners across health and social care to support the integration of services.

We have supported the developing transformation of community mental health services in various locations where we operate as a provider. This includes chairing the Transformation Leadership Board in Northumberland as well as being an active founder member of the Durham Mental Wellbeing Alliance. We have also played a proactive role in responding to a variety of consultations, including the reform of the Mental Health Act. We continue to be active in the development of support for those potentially facing crisis and have mobilised a range of crisis alternative models including those that open 24/7 and are co-located on a hospital site. We work proactively with system partners to maximise the impact of the crisis alternative models and ensure they relieve pressure on the wider system.

Our focus within the organisation is to build on our work, implementing our strategy and values. Developing a culture that is underpinned by our values will ensure we can attract and retain a skilled, knowledgeable and diverse workforce for the future, that is appropriately recognised and rewarded.

We have transformed our internal systems and processes which will enable us to be more user-friendly and efficient and thereby maximising our impact in helping people to achieve meaningful lives. Our strong financial position is supporting investment in a digital strategy that will modernise the infrastructure, equipment, tools, and resources that support hybrid working and new innovative models of service provision.

The General Election in July impacted new business opportunities and the number of marketing leads that we were able to pursue. Consultations were withdrawn pre-election and not put back out to the market within year. Opportunities to engage with MPs were also limited during this period, in line with guidance and rules from the Charity Commission and NHS England.

We know the next year will continue to provide challenges to us as a charity and service provider as well as to those people accessing our services. I am confident that we will continue to work in a collaborative way alongside our partners and networks, playing our part in the implementation of the NHS 10 Year Plan and focusing on delivering our strategy. We will continue to use our voice to grow our influence in the sector and to advocate for those experiencing mental distress and illness at a time when there are ambitious plans within the health and social care sector to truly transform services and tackle inequalities.

Jasmine Whitbread

Jasmine Whitbread (Dec 15, 2025 18:03:48 GMT)

.....
J Whitbread

Chair of Trustees

Date: 15/12/2025

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006, and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

a. Public Benefit

Mental Health Matters (MHM) exists for the benefit of the public through the provision of its services to any member of the public who has a mental or physical health need that impacts on their wellbeing. All of the services provided by MHM are within the aims and objectives as set out in the Articles of Association.

Throughout the Achievements and Performance section of this report (pages 9-20), we have identified and evaluated the benefits that individuals gain from accessing our services and maximising independence through self-directed support. This is particularly reflected in our psychological therapy services and community-based services focusing on positive outcomes for individuals.

In shaping our objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an organisation we also provide a range of accessible literature, online resources and training courses to educate, inform and guide people with mental and physical health needs, their families, carers and networks, and the wider community.

b. Objectives

The primary objective of the Charity is to act for the benefit of the public, to promote the well-being of persons who are experiencing mental or physical health problems or illnesses, however those problems or illnesses have arisen, and their families and carers, both in the UK and overseas.

During 2024/25 our focus has been on:

- provision of high quality, sector leading services;
- business development and growth;
- a motivated and relevant workforce; and
- system & process improvement.

During the year, as detailed in the Chair's statement above, we continued to follow our organisational strategy for 2022-25, developed in consultation with our commissioners, partners, employees, and those who access our services.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management

a. Governance and trustees

MHM is a charitable company limited by guarantee (registration number 1786914), incorporated in 1984 and governed by its Articles of Association, most recently amended in 2022 to provide clarity around recruitment of trustees, terms of office and the functioning of the Board and its sub-committees. MHM is registered as a charity in England and Wales (registration number 514829).

The Board of Trustees has ultimate responsibility for the strategic direction of MHM. The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of this report were:

S J Baines, Chair (Resigned 25 March 2025)
J Whitbread (appointed Trustee 7 February 2025; appointed Chair 1 April 2025)
G Jenkins
M Booth
J Lanham
P Rolland (resigned 26 June 2025)
K Evans
M Atherton
A Tatlow
C Kaplan
P Sachdev (appointed 25 March 2025)

At 31 March 2025 and at the date of signing this report had 9 serving trustees.

b. Organisation

The Board of Trustees meets quarterly during the year to ensure that MHM achieves its charitable objectives. The Board's role includes strategic oversight, and monitoring of quality and effectiveness of governance arrangements, operational performance and financial performance, business plans, budgets, and the schedule of delegation. Terms of reference for the committees (Audit & Risk, Quality & Safeguarding and Remuneration Committees) and the Executive Team are reviewed and agreed annually and monitored by the Board of Trustees.

The Audit & Risk Committee meets quarterly and seeks assurance over the organisation's financial and governance systems, including the annual financial auditing process and the corporate risk framework. The findings from the organisation's annual cycle of internal quality and assurance systems auditing are reported to this committee.

The Quality & Safeguarding Committee, established in December 2022 and embedded during 23/24, also meets quarterly. Its purpose is to support the Board of Trustees in discharging its responsibilities for the safe and effective delivery of services and to oversee the strive for excellence and continuous quality improvement.

Board of Trustees meetings are held either in person or using online platforms. Committee meetings are generally held online.

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the Charity. The Board of Trustees has systems in place for the delegation of authority to the Chief Executive Officer and the Executive Team.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

c. Trustee induction and training

MHM's Board of Trustees is made up of individuals with the skills, competences and experience required to govern the organisation. The Trustees keep these requirements under review in order to ensure that the organisation is effectively governed. Recruitment to the Charity's Board of Trustees complies with the process detailed in its Articles of Association.

Each year the Board of Trustees, Chief Executive Officer and Executive Team meet with their charitable and company law legal advisor. The purpose of the meeting is to refresh their knowledge of the respective duties of trustees and employees, and also to update them on any key amendments in charity law and Charity Commission expectations, with a view to potential impact on the Charity's governing framework.

The Trustees have access to the MHM intranet and to a range of e-learning, including modules that are mandatory for trustees, covering a range of relevant content. For example, these include the organisation induction, mental health awareness, safeguarding, information governance, and health and safety. They also receive regular refresher training around their roles and responsibilities.

d. Related parties and co-operation with other organisations

None of the Trustees receives remuneration or other benefit from their work with the Charity.

Three current Trustees have connections with organisations that provide funding to MHM; the details are presented in note 26. Where decisions are made by the Board of Trustees that relate to those organisations, the Trustees concerned do not participate in the decision-making process.

MHM has continued to work with many NHS and third sector organisations during the year and entered into contracts with several new commissioners. Our commissioners are listed on page 17.

MHM has a wholly owned trading company, Moorpark Limited. This subsidiary ceased its trading activities in June 2013 and is currently inactive.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

e. Fundraising

In 2024 we continued to support and develop our fundraising opportunities, appointing a 2 day a week temporary Fundraising Officer that became a permanent 3 day a week position in January 2025.

During the year we have continued to develop and adapt our fundraising activity and have started to build strong foundations and an infrastructure to support future growth. The team has delivered an impressive performance, raising £151,283 including a £45,000 legacy donation thanks to the generosity of our supporters. This was against a target of £50,000 for the financial year. We are grateful to all those who participated at events such as Tough Mudder, Ultra Challenge or any other events chosen by our fundraisers. It is thanks to their dedication and tenacity that we have received a higher-than-expected level of donations.

We are also continuing to work hard on our internal infrastructure to build on the success and growth of recent years. We are improving our supporter experience, modernising our offer, and streamlining our processes.

Fundraising operational policies are in place for all our main fundraising areas: individual giving, community and events fundraising, corporate fundraising, and major giving. We are registered with the Fundraising Regulator and adhere to the Code of Fundraising Practice. We monitor amendments to the Code of Fundraising Practice to make sure we comply with the latest fundraising standards, and our operational policies and practices are regularly updated in line with these. Reviewing the standards recently we are satisfied that we meet all current obligations. As fundraising is set to become a larger income stream in the future it may be necessary to review roles and responsibilities and provide further clarity on expenditure of funds.

Donations received during the year totalled £151,283 (2024: £67,959).

f. Pay policy for key management personnel

The Trustees consider that key management is comprised of the Chief Executive Officer and Executive Team who are in charge of directing and controlling, running and operating the Charity on a day-to-day basis.

The pay of the Executive Team is reviewed annually and normally increased to reflect cost of living changes. In view of the nature of the Charity, the Trustees also benchmark against pay levels in other similar organisations and of a similar size. The ratio of the Chief Executive Officer's rate of pay to the average rate of pay for all employees in March 2025 was 3.05:1 (2024: 3.3:1).

g. Gender pay gap

For MHM at April 2024 the mean gender pay gap was 0% (April 2023: -4%) and the median gender pay gap was 0% (April 2023: 0%). Policies and procedures ensure that employees in directly comparable roles are paid at the same rate. The mean gap is attributable to the fact that the management team at the time was predominantly female. MHM is committed to providing equal opportunities in recruitment and in learning and development to male and female employees and prospective employees. MHM remains alert to barriers that might affect the balance of male and female employees in each type of role and is committed to addressing those barriers if it has the power to do so.

MHM operates a pay and grading structure in which all roles are evaluated against the HR Xpert framework and benchmarked against industry standards using Brightmine. The pay structure includes a two-tier pay recognition structure and allows employees to receive a higher rate of pay based on their contribution to the organisation. Through the implementation of the structure, all employees have the same opportunities for pay progression, regardless of their protected characteristic.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

h. Equality

MHM incorporates equal opportunities throughout its policies. These policies ensure that, in accordance with both current legislation and best practice, no service user, person employed or job applicant will be treated unfavourably by reason of their 'protected characteristic' as set out in the Equality Act 2010.

i. Disability Confident Employer

MHM are privileged to be recognised as a Disability Confident Employer and this year it has been increased to Level 2 due to our consistent application of the commitments detailed within the award. This includes a guaranteed interview scheme for anyone with a disability whose application meets the minimum criteria for that post, and to always put in place any reasonable adjustments to ensure that applicants are treated fairly and safely within both the recruitment process and the working environment. Where employees disclose a disability during their employment, MHM will engage in consultation with them to determine whether any reasonable adjustments can be made and/or to consider any alternative roles available.

j. Employee engagement

As an accredited Investor in People (Silver Award) employer, MHM believes in recognising people's skills and knowledge, and in developing its employees through learning and development. All employees have an agreed personal development plan to ensure that their learning and development is appropriate to both their role and their personal circumstances.

MHM uses its intranet to be the source of all information regarding policy, procedure, news and other matters of concern to employees.

Employees are consulted on matters directly affecting their employment and are encouraged to give feedback on an annual basis through an employee survey that enables them to give their views anonymously on matters ranging from leadership to rewards and benefits, to help inform organisational development. An action plan ensures MHM acts on and responds to views received. Feedback is also sought through a range of other means including Hive HR Engagement pulse surveys, "Tea and Chat" sessions, task and finish groups as well as a number of professional networks.

Feedback from employees informs our annual business plan for the organisation that demonstrates how strategic objectives will be achieved, helps employees understand how their role and their team's role contributes, and leads to employees taking ownership of the personal contribution they make towards the Charity's performance. This process, along with intranet updates and the reporting of key issues through regular manager meetings, service team meetings, and employee 1 to 1 meetings, ensures that a common awareness of financial and economic factors affecting performance is achieved.

Further development of employee engagement is a key focus within our 2025-26 People Strategy, and the evolution of Hive Engagement will see the introduction of the "Open Door" facility which allows for anonymous two way discussions directly between colleagues and leaders.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report

Achievements and performance

a. Overview

During 2024, MHM engaged with a broad cross section of its stakeholders to inform the development of its three-year strategic plan covering the period from 2025 to 2028. This included an externally commissioned evaluation incorporating the feedback of existing commissioners and strategic partners and engagement across the workforce as well as seeking the views of those individuals accessing our services.

In implementing the annual business plan for 2024/25, MHM continued to deliver NHS Talking Therapies services, generic and mental-health-specific housing provision, employment services, safe haven provision for people at risk of experiencing a mental health crisis, a helpline that operates 24/7 365 days a year providing wellbeing support and crisis intervention, and community services that provide innovative and tailored solutions to specific system challenges.

MHM continued to invest time and resource to retain and acquire new services across England, building on our strong brand for delivering high quality health and social care services alongside strategic partners. This has included ongoing review and refinement of MHM's portfolio of service to ensure that our services remain impactful and strategically relevant. Our focus is to respond to the changing needs of people in our communities by delivering evidence-based services and building trusted relationships with our service commissioners.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

b. Achievements and performance

MHM continues to be proud of the delivery of high-quality services focused on service users' recovery and wellbeing, and of successful bids for new services and the extension or renewal of existing services which allow MHM to expand its reach.

MHM's focus for 2024/25 was on:

- provision of high quality, sector leading services;
- business development and growth;
- a motivated and relevant workforce; and
- system & process improvement.

There have been many successes during the year, with contracts won to deliver new services and with many existing contracts extended. MHM's approach of devising bespoke delivery models suited to individual commissioners' requirements, bidding for funds to deliver services based on a combination of MHM's areas of specialism, and seeking funding to deliver services in new markets, continues to prove effective.

MHM has further grown its networks and partnerships, raising the Charity's profile and seeking to influence policy at a national level. These networks have been built with organisations across health and social care and within the charity sector. Directors have engaged with activity at national, regional and local levels, participating in opportunities to work with the new Integrated Care Systems and the transformation of local community mental health services.

Internal investment in our workforce resources has continued, adding new posts to our organisational structure and focusing on the development of management skills.

During the year to March 2025:

- over 44,912 people entered into psychological therapies in MHM or MHM Partner NHS Talking Therapies services;
- our 365/24/7 Helpline service received 46,565 calls and delivered 6,738 web chat and text messaging sessions. Our employment services helped 4,603 people to remain in work, find paid employment or access training, education and volunteering opportunities, with 8,853 people in total receiving Employment Support.
- our housing services supported 29 people to further enhance and develop their daily living skills, with 3 individuals successfully moving onto fully independent accommodation.
- 43,545 people were supported during crisis by our out-of-hours safe-haven services
- 325 support sessions provided by our Sheffield Autism Hub.
- 9425 hours of advice, navigation and community support provided.
- We expanded our reach specifically in South Yorkshire and Kent.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

c. Quality and Operations in 2023/24

24/7 Helpline

Our helpline continued to offer a confidential and non-judgemental space for individuals to receive emotional support and crisis intervention from our highly skilled team, responding to 46,565 phone calls from people through 2024/25

Our 24/7 Helpline was accredited for another three years by Helplines Partnership, the UK's only membership body for helpline organisations. The accreditation recognised our dedication to providing a high-quality service and showing best practice for the benefit of our callers, funders, colleagues and everyone impacted by our service.

The Midlands Op Courage partnership, including our 24/7 Helpline was recognised as a finalist in the Working Together category at the Soldiering on Awards. These Awards showcase the achievements of serving personnel, veterans, and their families, and their role in strengthening our society,

NHS Talking Therapies Services in 2024/25

- Our Talking Therapy services provide a comprehensive range of therapy and guided self-help to equip people with the tools and skills to manage common mental health problems. During 2024/25 44,912 people entered Talking Therapies in MHM or MHM partner services.
- NHS Talking Therapies Northumberland: MHM remains the prime contractor for this service, subcontracting our partner, Sunderland Counselling Service (providing step 2 therapy and counselling).
- NHS Talking Therapies Sefton: MHM delivers this service as a sole provider, including therapy at steps 2-4. The service played a significant part in the response to the critical incident in Southport in July 2024.
- NHS Talking Therapies Warrington: MHM, as prime contractor, delivered therapy at steps 2-4 and clinical governance. MHM also sub-contracted additional provision on behalf of Warrington Clinical Commissioning Group through Making Space (computerised cognitive behavioural therapy) and St Joseph's Family Centre (for counselling, couples' therapy and anger management).
- Staffordshire and Stoke-on-Trent Wellbeing Service: In collaboration with lead provider Midlands Partnership NHS Foundation Trust (MPFT) and other partners, met the national targets for waiting times and continued its involvement in the national programme of Talking Therapies expansion into long term conditions and medically unexplained symptoms. It continued to deliver step 2 services in four localities.
- NHS Talking Therapies Durham and Darlington: MHM was a sub-contractor to Tees, Esk and Wear Valleys NHS Trust (TEWV) providing therapists, management and administration.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

Employment Services in 2024/25

Our Employment Advisors provide flexible, personalised support focused on helping people to find, stay in or return to work. We worked in partnership with clinical commissioning groups, NHS Trusts, local authorities and voluntary sector organisations to deliver community-based employment support and Employment Advisors in NHS Talking Therapies services.

At the start of 2024, we proudly launched two new Employment Advisors in Talking Therapies services in Solihull and Durham & Darlington. These services offer their communities valuable support including access to training programmes and help to speak to employers about mental health issues. Our existing services also celebrated achievements throughout the year. Our NHS Warrington Talking Therapies Employment Service marked its fifth anniversary in 2024, delivering over 10,000 appointments.

In April, we were proud to launch our Mid Essex Employment Service, offering anyone accessing the Mid Essex Talking Therapy service the opportunity to work with a dedicated Employment Advisor. The programme brings together the skills of therapists and employment advisors to support people with common mental health challenges such as stress, anxiety, and depression in finding, sustaining, or returning to meaningful work. Just a month later, we reached a key milestone with the launch of our tenth Employment Advisors in Talking Therapies service in Northumberland.

8,853 people were assisted to remain in work, find paid employment or access training, education and volunteering opportunities to help develop employability skills.

Community Services

MHM's community services include innovative and emerging models of delivery piloting new approaches focusing on prevention and alternatives to hospital treatment. During 2024/25 we provided 9,425 hours of advice, navigation and community support via a range of bespoke services including a specialist autism service which provided 325 support sessions. A total of 987 people were supported via our community services throughout the year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

Crisis Services

The second quarter of 2024/25 saw an increase in our crisis support with 43,545 support sessions provided to people in crisis throughout the year.

Three years ago, only 14% of adults surveyed felt they were provided with the right response when in crisis and only half of the community mental health teams nationally were able to offer 24/7 same day crisis support. (NHS Long Term Plan). July saw the launch of Rotherham Safe Space, our third Crisis Alternative service in South Yorkshire. The introduction of a drop-in offer provided access to immediate, in-person support for people in a mental health crisis. The community launch event brought together partners from across the NHS, emergency services, and community organisations to raise awareness of the support on offer. In Kent, following a Mental Health Urgent and Emergency Care Transformation Programme, NHS Kent and Medway expanded our Safe Haven provision to nine sites, seven community-based and two 24/7 sites located on acute hospital sites. Since launch, the sites have been visited over 15,000 times and there has been a recognised decline in mental health visits to Accident & Emergency.

In June, we were honoured to receive national recognition at the Positive Practice in Mental Health Awards. Our Exeter team at The Moorings in Devon won the Crisis Care Pathways Award which was judged by a panel of 120 people, including people accessing services and carers. In the past year, 5,889 people told us they felt less anxious or stressed after accessing the service, and 5,864 people felt less isolated. These outcomes are testament to the commitment of the team in helping local people in a mental health crisis

In Kent, our Safe Havens were recognised with a Healthwatch Recognition Award in the 'Excellence in enabling local people to monitor standards and make improvements' category, standing out among strong competition from local Trusts and statutory services. This award acknowledged how the service had undergone transformation and expansion and ensured that local voices were heard and central to decision-making. One example included Lived Experience Leads mystery shopping the service and gathering feedback to measure community awareness.

Housing Services in 2024/25

The aim continues to be to ensure that wherever possible those accessing our housing services live as independently as they can, within their local community. During the year to March 2025, we continued to work with individuals accessing services to support their recovery, providing accommodation and support to 29 individuals. 3 individuals moved into independent living.

As part of our review of our service portfolio and planning for our new strategy for 2025-28, the decision was taken to move away from providing housing services. This will be a coordinated move during 2025-26 in conjunction and consultation with all relevant stakeholders. Priority will be to ensure those being supported by these services have a safely managed transition where continued support is maintained as required.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

d. Development in 2024/25

MHM's development team leads on the generation of new business opportunities, tendering for new contracts and retention of existing contracts, on relationship development and collaboration and on enhancing MHM's profile.

During the year to March 2025:

- Our Employment Advisor in Talking Therapies coverage grew, with our Mid and Southeast Essex services going live on the 1st April 2024.

Our Alternative to Crisis Model expanded with 9 Crisis Haven sites going live on 1st June 2024, this included 2 hospital co-located options in Thanet and Medway. With the Medway site operating 24/7. This also saw the development of a new partnership with The Sunlight Centre to deliver the Haven in Gillingham as a sub-contractor to MHM. This was followed by a 10th site in Ashford, again co-located on Hospital Grounds in February 2025.

Rotherham Support Hub expanded our South Yorkshire Alternative to Crisis Offer in July 2024.

An increased focus on external affairs activity and a drive to influence and shape policy was supported by work including:

- Contributing to 3 Parliamentary Committees: Adult Social Care, Right Care Right Person Partnership and Men's Health.
- We contributed and our views were represented in the Major Conditions Strategy and the Labour Party Mental Health Review led by Luciana Berger.
- MHM had 5 mentions and citations in 2024/25 They were the independent investigation of the NHS in England (Darzi Review). A Briefing was provided to Baroness Merron upon taking office on the Right Care, Right Person Partnership, Change NHS Consultation, The Community Mental Health Inquiry and we also made a two-page submission to the Association of Mental Health Providers to support their Community Mental Health Inquiry submission.

We were cited in the Acknowledgements of the Darzi Review, one of fewer than 250 organisations to be mentioned in this way. <https://assets.publishing.service.gov.uk/media/66f42ae630536cb92748271f/Lord-Darzi-Independent-Investigation-of-the-National-Health-Service-in-England-Updated-25-September.pdf>.

Our Marketing and Communications and External Affairs colleagues delivered two campaigns in the year: Rural campaign (July-November 2024) In 2023, the House of Commons Environment, Food and Rural Affairs Committee Report into Rural Mental Health, noted an inability to draw many conclusions due to gaps in data. As a provider of services in rural communities, from Northumberland to Devon, we committed to exploring the inequalities that exist through a research project. Recognising the immediate need for support, we were proud to establish a national 24/7 rural helpline pilot, offering emotional support to the community, including those we engaged with during the research. By attending county shows across the country and developing a survey for those living in rural communities across England, our responses showed:

- 96% felt loneliness was more of a challenge for people living in rural communities
- 98% felt farmers faced unique mental health challenges
- 62% said they found it hard or very hard to access mental health support
- The report made several key recommendations and called for a number of changes in government, including reinstating the role of Minister for Loneliness, with a focus on tackling isolation, as well as the creation of a Rural Mental Health Expert Reference Group to influence the design of mental health services to meet community needs.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

The second Campaign was a 'Gift of Support' Fundraising Campaign that we ran in December 2024, MHM's first pro-active direct donations campaign. The campaign was a small-scale pilot to explore the effectiveness of online direct donations in supporting our fundraising objectives. The campaign drove 58 new users to the website donations page, resulting in 11 direct donations which generated £181.

- Following the Southport Incident our Marketing and Communications Team worked as part of Sefton Councils Communications Cell – supporting Head of Operations and Sefton Talking Therapies colleagues to produce a range of communications for stakeholders including GP training documents, a GP webinar, and updated service resources.
- MHM's 40th birthday celebrated the scope, plan and deliverables including national birthday parties and launch of a special edition impact report and animation at the Waterside House event.
- MHM strengthened our Fundraising efforts in the year raising £151,282 over the year. We continued our participation in Tough Mudder and Ultra Challenge mass participation events throughout the year. Just Giving generated £68,518 in total from 330 pages and 2554 individual donations

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

e. Central Services in 2024/25

MHM's central services sit within 4 directorates (People and Organisational Development, Finance & Risk, Development, and Strategy and Performance), These directorates have an extensive portfolio of business support activities comprising of quality and compliance, board support, finance, human resources, organisational development, learning and development, policy and procedural review, health and safety, colleague safety, information technology, information governance, transformation and innovation and development.

During the year to March 2025 our corporate teams have:

- Relocated our central office to a larger, more modern environment designed to enhance the wellbeing facilities of a growing central team and facilitate improved collaboration across all central functions.
- Successfully retained the CHAS health and safety accreditation.
- Successfully submitted MHM's annual NHS Data Security and Protection Toolkit assessment by the 2024 deadline.
- Successfully retained Investors in People Silver, Disability Confident, Mindful Employer and Happy to Talk Flexible Working accreditation.
- Invested further in digital transformation, developing integrated finance, people and payroll systems.
- Launched the final phase of a new CRM system.
- Initiated a data strategy, designed to improve MHM's ability to measure our impact and effectively manage services,
- Continued to deliver against our Environmental Green Plan and Carbon Reduction Plan, with a net zero target of 2030.
- Carried out a comprehensive audit across all mental health support services of the implementation of Patient Reported Outcome Measures (PROMS), a sector-specific impact measurement tools in mental health support services.
- Launched and ran campaigns seeking to improve mental health provision and support in rural communities and a direct donation fundraising campaign.
- Further revised MHM's incident management framework and sought external ICB approval for MHM's approach to and compliance with PSIRF (Patient Safety Incident Reporting Framework)
- Designed and implemented MHM's Patient and Carer Race Equality Framework (PCREF) Charter in response to the NHS framework.
- Delivered 150 training sessions to over 1,180 people, enabling a better understanding of mental health and wellbeing and equipping people to help others in need of support – sessions included Mental Health First Aid, Youth Mental Health First Aid, Suicide Prevention and Trauma-Informed Approach; and
- Conducted an annual employee satisfaction survey in 2024, which had a 70% response rate. The results showed that employees are engaged and motivated to deliver the very best service to those people accessing our services and are proud to work for MHM. The survey allows for improvement areas which includes employee engagement, communication and management.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

f. Commissioners, funders and customers

MHM gratefully acknowledges the funding provided for its 2024/25 services by the following commissioners, organisations and customers:

Avon and Wiltshire MHP NHST
Canterbury Christ Church University
Combat Stress
Coventry & Warwickshire Partnership Trust
Cumbria Northumberland Tyne and Wear NHS Foundation Trust
Devon Partnership NHS Trust
East Midlands Shared Services
Essex Partnership University
Gateshead Council
Gloucestershire Health and Care
Herefordshire & Worcestershire Health and Care NHS Trust
Hertfordshire Partnership NHS Foundation Trust
Home Group Management Ltd
Karbon Homes
Knowsley Council
Leicester City Council
Leicestershire Partnership NHS Trust
Lincolnshire Partnership NHS Trust
Livewell Southwest
LM Global Telecoms
Making Space
Mersey Care NHS Foundation Trust
Middlesbrough Council
Midlands Partnership NHS Foundation Trust
Newcastle City Council
NHS Cheshire & Merseyside ICB
NHS Devon ICB
NHS England
NHS Frimley ICB
NHS Humber and North Yorkshire
NHS Kent and Medway ICB
NHS Leicester and Rutland ICB
NHS Northeast & Cumbria ICB
NHS South Yorkshire ICB
Oxford Health NHS Foundation
Penderels Trust
Porchlight
Solihull MB Council
South Tyneside Council
Tees Esk & Wear Valley NHS
Victim Support
Walking With the Wounded

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

g. Risk Management

MHM has a comprehensive risk management framework in place, and the Trustees and the Executive Team maintain a continuous review of the risks the Charity may face and the systems and procedures to mitigate and minimise any potential impact on the Charity should those risks materialise.

MHM has reviewed the risks to achievement of its strategic objectives during the year to ensure they are fully integrated into the risk assessment, management and mitigation procedures. Risks are assessed within the following areas: strategic impact, market, commissioners, people who access MHM services, third party reliance, legal/regulatory, reputation, financial, IT/digital, information governance, and climate change/environmental.

The Audit & Risk Committee, comprising suitably qualified and experienced trustees, meets four times per year, and receives reports from senior management. The Committee's remit includes providing assurance to the Board that there are effective systems in place for financial and wider governance, including risk management and compliance with all aspects of the law, relevant regulations, and good practice. In addition, specific areas of risk to the Charity are monitored by the full Board of Trustees, including consideration of the issues related to identification, mitigation and elimination of the risk. In addition, the Board and Executive Team began a review of the risk appetite as part of the development of the new strategy for 2025-28.

The key risks facing the Charity were monitored and appropriately mitigated during the year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

h. Principal Risks and Uncertainties

The vision of national policy changes are to continue transforming mental health and community mental health services to improve access to appropriate and timely care for those needing support. MHM must monitor and manage the implications for our organisation. We continue to take proactive steps to influence and shape future commissioning and available resource through our networking and advocacy at local and national levels. Our engagement with stakeholders, policy and decision makers enables us to understand evolving policy and contribute to the dialogue around future services and commissioning.

The principal risks and uncertainties facing the Charity are considered to be:

- Attraction, retention, and development of an inclusive and diverse workforce to ensure we have the right skills in the right place at the right time to deliver our strategy.
 - A People strategy has been implemented to establish MHM as an employer of choice: to attract and retain skilled and qualified workforce to engage, develop, motivate and empower our workforce.
 - As the risk of harm to colleagues across the NHS continues to grow, a specialised training program has been developed and will be delivered to minimise any risk to our employees.
 - Complexities being presented to our employees has enabled a full review and redesign of the Health and Wellbeing Strategy, which is underpinned by Trauma Informed training and personal wellbeing plans.

- Changes in the commissioning environment (including availability of funding) and the need to ensure that we continue to be able to fulfil our commissioner proposition and our service standards.
 - Our commissioner proposition and service standards are central to the contract mobilisation process, and specific risks are monitored initially through our assurance process for new contracts, then through contract management and monitoring of KPIs.
 - Ongoing development of our management, our workforce and our organisational infrastructure is focused on the need to continue to deliver consistency of contract management, and influence and respond to the transformation of community mental health services.
 - Our IT transformation programme includes a data workstream which aims to deliver more accurate and timely data to enhance both reporting to commissioners and ability to assess & respond to issues arising within services.

- Our obligations, duty of care and safeguarding responsibilities to those who access MHM's services and the importance of maintaining high quality, safe standards in our service delivery:
 - Our services have well-developed relationships with local agencies with responsibility for safeguarding and care; we have policies and procedures in place for safe and effective work with those people who access MHM's services, and for reporting, recording and responding to incidents, including safeguarding incidents; Our employees are provided with induction, mandatory and role-specific training, and ongoing development for the responsibilities of each post. Our Trustees receive appropriate governance refresher training.
 - The Quality & Safeguarding Committee is embedded within MHM's governance framework and is now providing board-level scrutiny of associated activity and risk.
 - MHM have continued to use the services of an external subject matter expert to support the organisation in relation to its safeguarding responsibilities, including the delivery of training to MHM's Board of Trustees.
 - Co-production plays a key role in the design and development of services.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

- Ensuring that IT systems and support are effective and do not compromise or disrupt the ability to deliver services safely and effectively, or prevent or delay the transformation of processes set out in the 2022-25 strategy.
 - We have a third party managed service provider in place, with appropriate accreditation, ISO27001 and Cyber Essentials Plus, to ensure that our IT platforms are secure and resilient.
 - IT arrangements are covered by our Business Continuity Plan and Disaster Recovery Plan, and we have proven ability to accommodate remote working.
 - An IT audit and strategic review was carried out in late 2020, leading to the development of an IT Transformation Programme which is now close to conclusion; this has been reviewing and improving current systems; supporting, documenting and embedding best practice for MHM processes; enabling access to the right data for the right people at the right time; and supporting a move to cloud systems. A new CRM system has been introduced for services and to incorporate incident management.

Financial review

a. Financial review

MHM principal funding sources are shown in note 4 to the financial statements. There has been an 10% increase in incoming resources for the year, due to new services in talking therapies and community support and to expansion of existing employment and talking therapies services.

The £599,683 surplus generated for the year reflects:

- the growth in incoming resources
- rigorous control of costs

Following the Trustees decision to leave the TPT Retirement Solutions pension scheme during 2021-22, remaining estimated exit debts of £40,027 remain fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme Trustee is seeking court direction. Possible additional costs cannot be calculated at this time. However, MHM's advisors indicate that these will not be material.

Governance costs amount to 0.5% of expenditure.

Potential bad debts amounting to £628 were identified at 31 March 2025, and provision has been made for this amount. All other outstanding debts are considered recoverable.

The cash position has fluctuated greatly throughout this year due to a combination of circumstances including a general election, NHS reform, and a tighter funding environment creating some uncertainty. Cash balances continue to be monitored to ensure that they are adequate to support the Charity's aims and objectives; funds are held on notice deposits when not required for short term cashflow, and it is intended to undertake more proactive investment of cash balances during 2025/26.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Major factors likely to affect the financial position of the Charity in 2025/26 are MHM's ability to design contemporary talking therapies and community services that meet the requirements of commissioners and other customers; to develop and sustain strong relationships with commissioners; to continue to respond effectively to commissioning through provider collaboratives and alliances; and to continue to develop a diverse portfolio of funding in order to mitigate the impact of contracts at risk. The Trustees are confident of MHM's ability to achieve these goals, supported by continued investment in a robust workforce and infrastructure, and planning for a range of possible funding scenarios as part of MHM's strategic planning in 2025/26 and beyond, particularly in light of current economic forecasting, including inflation.

The Trustees have assessed MHM's ability to continue as a going concern by reviewing budgets, reserves and cashflow forecasts, and the impact of a range of possible scenarios. This assessment demonstrated that in the worst-case scenario, MHM could sustain its status as a going concern over the next 12 months from the date of sign off of these financial statements. In support of this conclusion, financial performance in 2025/26 to date is ahead of budget.

b. Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of delivering the current services, and to the reserve policy set out below, have operated a policy of keeping available funds in interest-bearing accounts, and seek to diversify risk whilst achieving the highest possible return from investing in appropriate institutions. The invested funds held on deposit achieved interest payments of £26,027 during the year to 31 March 2025.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

c. Reserves Policy and Going Concern

The Charity Commission expects trustees to decide, publish, implement and monitor their charity's reserves policy to comply with their legal duties to; act in the interests of their charity and its beneficiaries; protect and safeguard the assets of their charity; act with reasonable care and skill; and ensure their charity is accountable.

MHM Trustees review MHM's policy on reserves held by the Charity at least annually to ensure that it complies with these Charity Commission requirements, supports the achievement of MHM's strategic objectives, and remains appropriate for the economic environment, the health and social care sectors, and other relevant factors affecting MHM's activities.

The Trustees recognise that reserves are required to:

- meet the continuing financial commitments of delivering commissioned services to beneficiaries, including the need for working capital so that liabilities incurred can be met as they fall due; and
- invest in the development of facilities, services and business processes as necessary to ensure that MHM is compliant with regulatory requirements, aspire to develop and embed best practice in its ways of working, and respond to such new business opportunities as are identified.

The financial obligations associated with MHM's commissioned services tend to be aligned with the funding of those services. However, it is important for MHM to hold reserves to cover financial obligations that are not directly funded, in order that those obligations can continue to be met if unforeseen circumstances lead to a reduction in incoming resources. The Trustees believe that free reserves are required to cover six months of projected central and infrastructure costs, plus an additional allowance agreed annually to be in a position to fund development activity as the need arises, including investment in facilities and adoption of best practice systems and procedures within the fields of health and social care.

For the year 2024/25 the amount of free reserves required is assessed by the Trustees as £2.8m. This level of reserves allows for 6 months of central office costs (including enhanced central capacity to support organisational growth). It also allows for infrastructure development.

MHM total reserves at 31 March 2025 amount to £5,424,346. and consist of:

- restricted funds (subject to specific terms) of £364,082 (see note 18); and
- unrestricted funds of £5,060,264 (see note 18).

From unrestricted funds, the Trustees have designated an amount totalling £856,119 towards future projects.

General funds therefore amount to £4,204,145. After deducting fixed assets and investments totalling £780,211, the value of free reserves available is £3,423,934, exceeding the required value.

Compliance with this reserves policy will be monitored on an ongoing basis by the Audit & Risk Committee, which will report any non-compliance to the Board of Trustees in order that any corrective action required can be agreed.

The Trustees have considered budgets to March 2026 and cashflow forecasts to September 2026. As noted above, MHM incoming resources have grown during the year. Costs remain under careful review, and the Trustees believe that the level of reserves available for 2025/26 is sufficient, and the net current assets and cash flow of the Charity are at such a level, that the Charity is able to operate for the foreseeable future, and that the going concern basis is appropriate for these financial statements.

Close monitoring of reserves, along with relevant scenario planning, will continue in order to ensure that MHM's financial strength is maintained. The degree of certainty over future funding streams will be kept under review, and the Trustees intend that MHM will continue to position itself as a provider and partner of choice, able to meet the opportunities presented by commissioners to meet the expected increased demand for mental health services, and to adapt delivery models to offer blended services which feature both digital and face-to-face delivery.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

d. Plans for future periods

The Trustees have established a new strategic plan for the three years commencing April 2025.

In 2024, we celebrated our 40th anniversary and the organisation's proud history and significant achievements made over many years. Our strategy for 2025 – 2028, titled 'Proud Past, Bold Future' is grounded in recognition of our ongoing impact, strong foundations, and an ambitious vision for the future. It was built around five core commitments:

1. We will be courageous and bold, fearlessly pursuing our vision and purpose.
2. We will be led by lived experience.
3. We will value and empower our people.
4. We will collaborate for greatest impact.
5. We will inspire, influence, and drive meaningful change.

Service Delivery and Strategic Focus

We will continue to deliver high-quality, impactful, and co-produced services across our established areas, including:

- Talking Therapies
- Employment Support
- Alternatives to Crisis, including our Helpline service
- Community-Based Services

Expanding Our Reach

In response to identified unmet needs, we aspire to broaden our impact by extending our services into new and emerging priority areas. Specifically, we will focus on:

- Children, Young People and Families
- Neurodiversity and Autism
- Supporting new markets and sectors through knowledge and sharing our expertise

Research and Innovation

A key ambition underpinning our strategy is to deepen our involvement in research and innovation. We will actively seek partnerships with educational institutions and research organisations to undertake meaningful studies aimed at improving outcomes in mental health provision.

Digital Transformation

Building on our recent progress in digital transformation, we will continue to explore how emerging technologies can enhance the experience of those accessing our support and increase efficiency in how we work. We aim to harness innovation to deliver more efficient, effective, and user-friendly services.

Social Value and Sustainability

We remain deeply committed to creating meaningful and lasting social value. This includes a strong focus on sustainability and environmental responsibility. Through all our work, we will strive to ensure that the people and communities we support experience positive, transformative change.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Armstrong Watson Audit Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Jasmine Whitbread

Jasmine Whitbread (Dec 15, 2025 18:03:48 GMT)

.....
J Whitbread

Chair of Trustees

Date: 15 December 2025

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees and signed on its behalf by:

Jasmine Whitbread
Jasmine Whitbread (Dec 15, 2025 18:03:48 GMT)

.....
J Whitbread
Trustee
Date: 15 December 2025

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS

Opinion

We have audited the financial statements of Mental Health Matters (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2025 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 Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

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 contained within the Annual report. 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. 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 course of 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 5 (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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with laws and regulations.

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 Auditor's report.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Simon Turner (Dec 16, 2025 08:34:46 GMT)

Simon Turner (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Newcastle upon Tyne

15 December 2025

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Designated funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income and endowments from:					
Donations and legacies	151,283	-	-	151,283	67,959
Charitable activities	4 24,520,156	3,467,680	-	27,987,836	25,402,384
Investments	5 26,027	-	-	26,027	26,530
Other income	32,703	-	-	32,703	37,565
Total income and endowments	<u>24,730,169</u>	<u>3,467,680</u>	<u>-</u>	<u>28,197,849</u>	<u>25,534,438</u>
Expenditure on:					
Charitable activities	23,339,916	3,478,235	502,175	27,320,326	25,340,736
Other expenditure	9 -	-	277,840	277,840	-
Total expenditure	<u>23,339,916</u>	<u>3,478,235</u>	<u>780,015</u>	<u>27,598,166</u>	<u>25,340,736</u>
Net income/(expenditure)	1,390,253	(10,555)	(780,015)	599,683	193,702
Transfers between funds	18 (1,206,778)	(10,384)	1,217,162	-	-
Net movement in funds	<u>183,475</u>	<u>(20,939)</u>	<u>437,147</u>	<u>599,683</u>	<u>193,702</u>
Reconciliation of funds:					
Total funds brought forward	4,020,670	385,021	418,972	4,824,663	4,630,961
Net movement in funds	183,475	(20,939)	437,147	599,683	193,702
Total funds carried forward	<u><u>4,204,145</u></u>	<u><u>364,082</u></u>	<u><u>856,119</u></u>	<u><u>5,424,346</u></u>	<u><u>4,824,663</u></u>

Other expenditure consists of expenditure incurred relating to non-capitalised project costs from designated funds.

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 57 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)
REGISTERED NUMBER: 1786914

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	13	710,534	231,508
Tangible assets	14	69,676	23,351
Investments	15	1	1
		780,211	254,860
Current assets			
Debtors	16	5,376,025	4,637,649
Cash at bank and in hand		2,576,578	1,882,863
		7,952,603	6,520,512
Creditors: amounts falling due within one year	17	(3,308,468)	(1,950,709)
Net current assets		4,644,135	4,569,803
Total net assets		5,424,346	4,824,663
Charity funds			
Designated funds	18	856,119	418,972
Restricted funds	18	364,082	385,021
Unrestricted funds	18	4,204,145	4,020,670
Total funds		5,424,346	4,824,663

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Jasmine Whitbread

Jasmine Whitbread (Dec 15, 2025 18:03:48 GMT)

.....
J Whitbread

Trustee

Date: 15 December 2025

The notes on pages 33 to 57 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	21	1,236,935	<i>(1,949,934)</i>
Cash flows from investing activities			
Disposal of tangible fixed assets		-	978
Purchase of intangible assets		(502,177)	<i>(231,507)</i>
Purchase of tangible fixed assets		(67,070)	<i>(31,504)</i>
Interest received		26,027	26,530
Net cash used in investing activities		(543,220)	(235,503)
Change in cash and cash equivalents in the year		693,715	(2,185,437)
Cash and cash equivalents at the beginning of the year		1,882,863	4,068,300
Cash and cash equivalents at the end of the year	22	2,576,578	<i>1,882,863</i>

The notes on pages 33 to 57 form part of these financial statements

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Mental Health Matters (the 'charitable company') is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Waterside House Wearfield, Sunderland Enterprise Park, Sunderland, Tyne and Wear, SR5 2TZ.

The charity exists for the benefit of the public through the provision of its services to any member of the public who has mental or physical health needs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

Mental Health Matters meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts set out the results of the charitable company only. The trustees consider that the charitable company's subsidiary is not material to the group and so no consolidated accounts have been prepared in accordance with exemption under section 405 of the Companies Act.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act 2006. At 31 March 2025 there were nine members (2024: nine members).

2.3 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow forecasts have been prepared covering 12 months from the date of approval of the financial statements. Forecasts indicate that adequate cash and reserves will be available throughout the period under review, with no financing required. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Consequently, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Income

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Grants and contracted funding

Grants and contracted funding, including capital grants for the purchase of tangible fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they become receivable. Where the conditions of receipt have not yet been met, the income is transferred to deferred income in the balance sheet and recognised in the statement of financial activities in a future accounting period.

Rental and support income

Rental and support income is recognised in full in the Statement of Financial Activities in the year in which it is receivable, net of any provision for arrears. Where rent and support income is received in advance for a future accounting period, the income is deferred and included in rents in advance and recognised in the Statement of Financial Activities in a future accounting period.

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.

Donations and legacies

Donations and legacies are recognised as income when the charity has entitlement, receipt is probable, and the amount can be measured reliably. Where donations are subject to conditions or restrictions, income is deferred until those conditions are met or recognised within restricted funds in accordance with donor intent.

2.5 Expenditure

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 all considered as expenditure on charitable activities, and is subdivided into the four main activities of the charity being employment services, community support and personalised services, housing services and talking therapies services. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include both the direct costs of providing services to the charity's beneficiaries and an apportionment of support and governance costs.

Support costs comprise the central management and support services. They have been apportioned between charitable activities as shown in note 7, based on the proportion of expenditure within each charitable activity.

Governance costs comprise all costs in connection with the strategic management of the charity and compliance with constitutional and statutory requirements. Specific costs on a particular charitable activity are included as such. Shared governance costs are apportioned based on time spent across each charitable activity. They have been apportioned between charitable activities as shown in note 7.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	% 10%-33% straight line
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold property improvements	- 10%-33% straight line
Fixtures, furniture and equipment	- 10%-33% straight line
Computer equipment	- 20%-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and 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.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.13 Financial instruments

The Company 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.

2.14 Operating leases

The charity as a lessee

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

The charity as a lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

2.15 Pensions

The charity participates in two multi-employer pension schemes for its employees. For both schemes, contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted, at a rate according to FRS 102, when they are not expected to be settled wholly within 12 months of the period end. The unwinding of the discount rate is recognised as a finance cost.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgement and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property, plant and equipment and note 2.8 for the useful economic lives for each class of assets.

(ii) Determining the exit value for commitments to a defined benefit pension scheme liability

The calculation of the exit value for commitments to a defined benefit pension scheme liability is subjective, due to the estimation uncertainty associated with the choice of actuarial assumptions used to determine the overall defined benefit pension scheme liability. Management uses an external actuarial expert to perform the calculation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. Income from charitable activities

	Community Services	Crisis	Helpline	Employment Services	Housing Services	Talking Therapies	Total 2025	Total 2024
	£	£	£	£	£	£	£	£
Grants & contracted funding	440,350	5,260,108	552,153	4,205,237	186,713	17,048,870	27,693,431	25,135,431
Other income	-	-	-	-	294,405	-	294,405	266,953
	<u>440,350</u>	<u>5,260,108</u>	<u>552,153</u>	<u>4,205,237</u>	<u>481,118</u>	<u>17,048,870</u>	<u>27,987,836</u>	<u>25,402,384</u>

Analysis by fund
For the year ended 31 March 2025

Unrestricted funds	440,350	1,792,428	552,153	4,205,237	481,118	17,048,870	24,520,156
Restricted funds	-	3,467,680	-	-	-	-	3,467,680
Total	<u>440,350</u>	<u>5,260,108</u>	<u>552,153</u>	<u>4,205,237</u>	<u>481,118</u>	<u>17,048,870</u>	<u>27,987,836</u>

Analysis by fund
For the year ended 31 March 2024

Unrestricted funds	1,075,802	1,937,108	1,275,894	2,387,044	410,216	16,884,329	23,970,392
Restricted funds	-	1,431,992	-	-	-	-	1,431,992
Total	<u>1,075,802</u>	<u>3,369,100</u>	<u>1,275,894</u>	<u>2,387,044</u>	<u>410,216</u>	<u>16,884,329</u>	<u>25,402,384</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4 Income from charitable activities (continued)

Grants and contracted funding

	2025	2024
	£	£
Local authority funding	412,159	798,133
Health authority and NHS trust funding	26,547,574	23,482,648
Other charities & trusts	527,261	689,553
Client direct payments	-	-
Housing associations	206,437	165,097
	27,693,431	25,135,431
	27,693,431	25,135,431

5. Investment income

	Unrestricted funds 2025	Total funds 2025	<i>Total funds 2024</i>
	£	£	£
Bank interest	26,027	26,027	26,530
	26,027	26,027	26,530
	26,027	26,027	26,530

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6. Analysis of expenditure on charitable activities

	Community Services	Crisis	Helpline	Employment Services	Housing Services	Talking Therapies	Total 2025	Total 2024
	£	£	£	£	£	£	£	£
Staff salary costs	362,784	2,986,349	808,732	3,021,424	186,697	9,850,055	17,216,041	16,348,053
Other staff costs	7,986	57,382	8,375	53,163	14,568	1,177,608	1,319,082	1,902,566
Payments to subcontractors	-	185,227	-	5,804	-	1,504,477	1,695,508	289,590
Property costs	20,497	367,351	35,979	20,689	149,125	630,737	1,224,378	1,124,122
Other operating costs	62,607	147,047	146,141	60,766	15,401	920,218	1,352,180	1,491,949
Depreciation and amortisation	453	7,234	1,298	431	-	6,263	15,679	47,654
Total	454,327	3,750,590	1,000,525	3,162,277	365,791	14,089,358	22,822,868	21,203,934
Share of support costs (see note 7)	86,841	716,897	191,243	604,445	69,918	2,693,069	4,362,413	4,013,171
Share of governance costs (see note 7)	2,688	22,193	5,920	18,712	2,164	83,368	135,045	123,631
Total	543,856	4,489,680	1,197,688	3,785,434	437,873	16,865,795	27,320,326	25,340,736
Analysis by fund								
For the year ended 31 March 2025								
Unrestricted funds	543,856	1,011,445	1,197,688	3,785,434	437,873	16,865,795	23,842,091	
Restricted funds	-	3,478,235	-	-	-	-	3,478,235	
Total	543,856	4,489,680	1,197,688	3,785,434	437,873	16,865,795	27,320,326	
Analysis by fund								
For the year ended 31 March 2024								
Unrestricted funds	1,022,016	2,059,122	1,392,048	2,169,025	394,392	16,629,148		23,665,751
Restricted funds	-	1,674,985	-	-	-	-		1,674,985
Total	1,022,016	3,734,107	1,392,048	2,169,025	394,392	16,629,148		25,340,736

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Support costs

	Support costs	Governance costs	2025	2024
	£	£	£	£
Staff salary costs	2,254,520	-	2,254,520	2,096,593
Other staff costs	503,366	-	503,366	345,490
Property costs	167,808	-	167,808	91,642
Other operating costs	1,388,163	-	1,388,163	1,429,312
Depreciation and amortisation	28,217	-	28,217	25,426
Legal fees	20,339	-	20,339	24,708
Staff costs	-	95,053	95,053	88,608
Professional fees	-	25,800	25,800	23,400
Office costs	-	10,272	10,272	9,063
Trustee meetings	-	3,920	3,920	2,560
	<u>4,362,413</u>	<u>135,045</u>	<u>4,497,458</u>	<u>4,136,802</u>
Analysed as				
Charitable activities	<u>4,362,413</u>	<u>135,045</u>	<u>4,497,458</u>	<u>4,136,802</u>

8. Net movement in funds

Net movement in funds is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of owned tangible fixed assets	20,745	68,804
Amortisation of intangible assets	23,151	20,774
Operating lease charges - equipment	7,004	-
Operating lease charges - land and buildings	680,886	817,098

9. Other expenditure

	Designated funds 2025 £	Total funds 2025 £	Total funds 2024 £
Project costs	277,840	277,840	-
	<u>277,840</u>	<u>277,840</u>	<u>-</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Auditor's remuneration

	2025	2024
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	21,500	15,375
Fees payable to the Company's auditor in respect of: All non-audit services not included above	4,335	4,125
	<u><u>25,835</u></u>	<u><u>19,500</u></u>

11. Staff costs

	2025	2024
	£	£
Wages and salaries	17,304,098	16,487,555
Social security costs	1,743,303	1,481,571
Contribution to defined contribution pension schemes	638,935	564,015
	<u><u>19,686,336</u></u>	<u><u>18,533,141</u></u>

The average number of persons employed by the Company during the year was as follows:

	2025	2024
	No.	No.
Employment services	93	57
Community support and personalised services	195	194
Housing services	7	6
Talking therapies services	251	251
Administration and support	58	56
	<u><u>604</u></u>	<u><u>564</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. Staff costs (continued)

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

	2025	2024
	No.	No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	5	2
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	4	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The key management personnel of the charity comprise the chief executive officer and the executive team. The remuneration of key management personnel is as follows:

	2025	2024
	£	£
Aggregate compensation	592,462	522,305

12. Trustees' remuneration and expenses

The Trustees received no remuneration during the year (2024: £NIL) and no Trustees received payment for professional or other services supplied to the charity (2024: £NIL).

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, travel expenses totalling £920 were reimbursed or paid directly to 3 Trustees (2024 - £431 paid to 2 Trustees).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Intangible assets

	Computer software £
Cost	
At 1 April 2024	746,503
Additions	502,177
At 31 March 2025	1,248,680
Amortisation	
At 1 April 2024	514,995
Charge for the year	23,151
At 31 March 2025	538,146
Net book value	
At 31 March 2025	710,534
<i>At 31 March 2024</i>	231,508

The amortisation charge for the year is recognised within expenditure on charitable activities.

There are no contractual commitments to acquire intangible assets at 31 March 2025 (2024: £NIL).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2024	14,641	214,303	814,235	1,043,179
Additions	40,097	20,231	6,742	67,070
Disposals	-	(50,405)	(537,460)	(587,865)
At 31 March 2025	<u>54,738</u>	<u>184,129</u>	<u>283,517</u>	<u>522,384</u>
Depreciation				
At 1 April 2024	3,624	212,737	803,467	1,019,828
Charge for the year	7,541	2,296	10,908	20,745
On disposals	-	(50,405)	(537,460)	(587,865)
At 31 March 2025	<u>11,165</u>	<u>164,628</u>	<u>276,915</u>	<u>452,708</u>
Net book value				
At 31 March 2025	<u><u>43,573</u></u>	<u><u>19,501</u></u>	<u><u>6,602</u></u>	<u><u>69,676</u></u>
At 31 March 2024	<u><u>11,017</u></u>	<u><u>1,566</u></u>	<u><u>10,768</u></u>	<u><u>23,351</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2024	1
At 31 March 2025	1
	1
Net book value	
At 31 March 2025	1
At 31 March 2024	1
	1

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Holding
Moorpark Limited	Dormant company	100%

16. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	4,182,059	3,854,442
Amounts owed by group undertakings	2,727	2,727
Other debtors	14,342	2,995
Prepayments and accrued income	1,160,601	777,974
Other debtor arrears	16,296	(489)
	5,376,025	4,637,649
	5,376,025	4,637,649

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

17. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	331,699	464,728
Other taxation and social security	422,878	349,493
Deferred income	1,943,458	355,946
Other creditor arrears	2,177	1,304
Other creditors and accruals	459,752	644,563
Provision for pension contributions	148,504	134,675
	3,308,468	1,950,709
	3,308,468	1,950,709
	2025	2024
	£	£
Deferred income at 1 April	355,946	1,466,655
Resources deferred during the year	1,918,479	276,226
Amounts released from previous periods	(330,967)	(1,386,935)
	1,943,458	355,946
Deferred income at 31 March	1,943,458	355,946

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
General funds	4,020,670	24,730,169	(23,339,916)	(1,206,778)	4,204,145
Designated funds					
Designated funds	418,972	-	(780,015)	1,217,162	856,119
Restricted funds					
Central	125,032	-	-	-	125,032
Community support and personalised services	259,989	3,467,680	(3,478,235)	(10,384)	239,050
	<u>385,021</u>	<u>3,467,680</u>	<u>(3,478,235)</u>	<u>(10,384)</u>	<u>364,082</u>
Total of funds	<u><u>4,824,663</u></u>	<u><u>28,197,849</u></u>	<u><u>(27,598,166)</u></u>	<u><u>-</u></u>	<u><u>5,424,346</u></u>

During the prior year management determined that separate disclosure of designated funds on the face of the Statement of Financial Activities provided the user of the accounts with a clearer and true and fair view of the activities and performance of the Charity. They amended the presentation of the Statement of Financial Activities to reflect that in the prior year. Management have considered this presentation for the financial year and determine that it remains appropriate to maintain this presentation. Management will continue to annually consider the appropriateness of this presentation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
General funds	3,420,326	24,102,446	(23,629,471)	127,369	4,020,670
Designated funds					
Designated funds	490,280	-	(36,280)	(35,028)	418,972
Restricted funds					
Central	125,032	-	-	-	125,032
Employment services	82,272	-	-	(82,272)	-
Community support and personalised services	513,051	1,431,992	(1,674,985)	(10,069)	259,989
	<u>720,355</u>	<u>1,431,992</u>	<u>(1,674,985)</u>	<u>(92,341)</u>	<u>385,021</u>
Total of funds	<u><u>4,630,961</u></u>	<u><u>25,534,438</u></u>	<u><u>(25,340,736)</u></u>	<u><u>-</u></u>	<u><u>4,824,663</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
General funds	4,020,670	24,730,169	(23,339,916)	(1,206,778)	4,204,145
Designated funds	418,972	-	(780,015)	1,217,162	856,119
Restricted funds	385,021	3,467,680	(3,478,235)	(10,384)	364,082
	<u>4,824,663</u>	<u>28,197,849</u>	<u>(27,598,166)</u>	<u>-</u>	<u>5,424,346</u>

Summary of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
General funds	3,420,326	24,102,446	(23,629,471)	127,369	4,020,670
Designated funds	490,280	-	(36,280)	(35,028)	418,972
Restricted funds	720,355	1,431,992	(1,674,985)	(92,341)	385,021
	<u>4,630,961</u>	<u>25,534,438</u>	<u>(25,340,736)</u>	<u>-</u>	<u>4,824,663</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Designated funds 2025 £	Total funds 2025 £
Tangible fixed assets	69,676	-	-	69,676
Intangible fixed assets	-	-	710,534	710,534
Fixed asset investments	1	-	-	1
Current assets	7,442,936	364,082	145,585	7,952,603
Creditors due within one year	(3,308,468)	-	-	(3,308,468)
Total	4,204,145	364,082	856,119	5,424,346

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Designated funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	23,351	-	-	23,351
Intangible fixed assets	231,508	-	-	231,508
Fixed asset investments	1	-	-	1
Current assets	5,716,519	385,021	418,972	6,520,512
Creditors due within one year	(1,950,709)	-	-	(1,950,709)
Total	4,020,670	385,021	418,972	4,824,663

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	599,683	193,702
Adjustments for:		
Depreciation and impairment of tangible fixed assets	20,745	97,139
Amortisation and impairment of intangible assets	23,151	33,968
Investment income recognised in statement of financial activities	(26,027)	(26,530)
(Increase) in debtors	(738,376)	(645,687)
Increase in creditors	(229,753)	(491,817)
(Decrease) in deferred income	1,587,512	(1,110,709)
Net cash provided by/(used in) operating activities	1,236,935	(1,949,934)

22. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	2,576,578	1,882,863
Total cash and cash equivalents	2,576,578	1,882,863

23. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,882,863	693,715	2,576,578

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. Pension commitments

Defined contribution scheme

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £638,935 (2024: £435,576). Contributions of £108,477 (2024: £76,741) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit schemes

The charity participated in two multi-employer pension plans, being TPT Retirement Solutions' Growth Plan (formerly the Pensions Trust's Growth Plan) and the NHS Pension Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

The contributions payable by the charity charged to income and expenditure amounted to:

	2025	<i>2024</i>
	£	£
The Growth Plan	-	-
NHS Pension Scheme	-	<i>128,587</i>
	<hr/>	<hr/>
	-	<i>128,587</i>
	<hr/>	<hr/>

Expenditure on pensions is allocated to service line according to staff time. Costs are split between restricted and unrestricted based upon project specific cost accounting.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 26 active members of the Scheme employed by the charity. The Scheme is not open to new employees unless they are transferred under TUPE agreements from an NHS Foundation Trust.

The Scheme has a number of different benefit structures. For the 1995 section annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service; for the 2008 section annual pensions are normally based on 1/60th of the average of the best three consecutive years' pensionable pay in the final ten years of service for each year of service; for the 2015 section, which is a career average revalued earnings scheme, annual pensions are based on 1/54th of each year's pensionable pay.

Members of the 1995 section normally receive a lump sum on retirement of three times their annual pension. Members of the 2008 and 2015 sections receive a lump sum which may be a maximum of 25% of the value of their pension at retirement, their choice subsequently affecting the level of annual pension due. In all cases, the lump sum available is subject to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in the Consumer Price Index in the twelve months ending 30 September in the previous calendar year.

On death, a pension of 50%, 37.5% or 33.75% of the member's pension is normally payable to the surviving spouse, civil partner or nominated partner. The percentage payable depends on whether the member was in the 1995, 2008 or 2015 section. In addition, each section provides for a lump sum payable on death.

The Scheme is subject to a full actuarial valuation every four years, and an FRS 102 accounting valuation every year. At the conclusion of the 2016 full valuation the Scheme actuary reported that employer contributions should increase to 20.6% from 14.3% from April 2019. In addition, employers are required to pay a scheme administration levy of 0.08% of pensionable pay. For the 2019-20, 2020-21 and 2021-22 scheme years, employers were responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally.

The valuation of scheme liability in accordance with FRS 102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme Annual Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TPT Retirement Solutions' Growth Plan

TPT Retirement Solutions' Growth Plan ('the Plan') is funded and was not contracted out of the state scheme. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. For contributions from November 2012 the capital guarantee was removed.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore,

The Plan is accounted for as if it were a defined contribution scheme. The cost to the charity of participating in the Plan is taken as equal to the contributions payable to the Plan for the accounting

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

period.

There is a potential debt on the employer that would be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing guaranteed benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Plan.

During 2021/22 the trustees carefully considered the pros and cons of opting to withdraw from the TPT Retirement Solutions' Growth Plan scheme and decided to do so with effect from 30 September 2021.

At the balance sheet date there were 0 active members of the Plan employed by the charity. The charity no longer offers membership of the Plan to its employees.

Following the Trustees' decision to leave the TPT Retirement Solutions pension scheme during 2021-22, remaining estimated exit debts of £40,027 remain fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme Trustee is seeking court direction. Possible additional costs can not be calculated at this time. However, MHM's advisors indicate that these will not be material.

There are potential additional liabilities associated with an ongoing review of the way in which changes to benefits have been implemented. The Scheme Trustee is seeking court directions on how to interpret the rules. Until this matter is resolved, it is not possible to assess with any degree of certainty the likelihood or value of additional liabilities. However, the trustees do not expect these to be material.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

25. Operating lease commitments

The charity as a lessee:

At 31 March 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Within 1 year	523,719	693,269
Between 1 and 5 years	782,540	1,131,442
	<u>1,306,259</u>	<u>1,824,711</u>

The charity as a lessor:

The charity has a large number of tenancy agreements with tenants utilising the services of the charity. The lease agreements have varying terms, however all leases are cancellable as the intention of the charity is that tenants vacate premises once they are recovered.

At the year end, the charity had no contracts with tenants under non-cancellable operating leases.

26. Related party transactions

During the year the Charity entered into transactions with the following related parties:

- P Rolland, trustee, who is employed as a programme lead for Health Education England, which provides funding for clinical trainees in talking therapy services;
- J Lanham, trustee, whose husband is employed by Combat Stress UK, with whom the charity has a contract for community support services; and
- C Kaplan, trustee, who is International Director at Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust, with whom the charity has contracts for talking therapy services

No related party has had any involvement in the delivery of the services nor have they had any involvement in decision making in relation to the contracts in question.

The income generated by MHM in the year from each of these contractual arrangements with related parties is as follows:

	2025 £	2024 £
Health Education England	755,960	768,013
Combat Stress	377,819	261,999
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust	5,917,593	5,409,731
	<u>7,051,372</u>	<u>6,439,743</u>










Mental Health Matters Accounts Signing

Final Audit Report

2025-12-16

Created:	2025-12-15
By:	Jake Higgins (Jake.Higgins@armstrongwatson.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfOy6XO07_9sr0uYO0zC67twPMWZlhgmT

"Mental Health Matters Accounts Signing" History

-  Document created by Jake Higgins (Jake.Higgins@armstrongwatson.co.uk)
2025-12-15 - 12:25:36 GMT - IP address: 62.89.150.154
-  Document emailed to jwhitbread@mhm.org.uk for signature
2025-12-15 - 12:29:19 GMT
-  Email viewed by jwhitbread@mhm.org.uk
2025-12-15 - 12:29:28 GMT - IP address: 72.145.83.106
-  Signer jwhitbread@mhm.org.uk entered name at signing as Jasmine Whitbread
2025-12-15 - 18:03:46 GMT - IP address: 86.173.249.142
-  Document e-signed by Jasmine Whitbread (jwhitbread@mhm.org.uk)
Signature Date: 2025-12-15 - 18:03:48 GMT - Time Source: server- IP address: 86.173.249.142
-  Document emailed to Simon Turner (simon.turner@armstrongwatson.co.uk) for signature
2025-12-15 - 18:03:50 GMT
-  Email viewed by Simon Turner (simon.turner@armstrongwatson.co.uk)
2025-12-15 - 18:03:59 GMT - IP address: 172.186.8.64
-  Document e-signed by Simon Turner (simon.turner@armstrongwatson.co.uk)
Signature Date: 2025-12-16 - 08:34:46 GMT - Time Source: server- IP address: 62.89.150.154
-  Agreement completed.
2025-12-16 - 08:34:46 GMT

MENTAL HEALTH MATTERS

England & Wales - Charity number 514829

Accounts

Registered number: 1786914
Charity number: 514829

MENTAL HEALTH MATTERS
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Chair's statement	2 - 3
Trustees' report	4 - 21
Trustees' responsibilities statement	22
Independent auditor's report on the financial statements	23 - 26
Statement of financial activities	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 52

MENTAL HEALTH MATTERS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees

S J Baines, Chair
D M Corner, Trustee (resigned 26 September 2023)
G Jenkins, Trustee
M Booth, Trustee
P Rolland, Trustee (resigned 26 June 2024)
J Lanham, Trustee
K Evans, Trustee
M Atherton, Trustee
C Kaplan, Trustee (appointed 17 July 2023)
A Tatlow, Trustee (appointed 13 December 2023)

Company registered number 1786914

Charity registered number 514829

Registered office Waterside House Wearfield
Sunderland Enterprise Park
Sunderland
Tyne and Wear
SR5 2TZ

Chief executive officer J Hughes

Independent auditor Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

I am delighted to present our Annual Report and Accounts for 2023-24 which provide a summary of the year's activity and details of our accounts for this financial year. For full details of the impact of our work this year, see our Impact Report which is accessible via this link <https://www.mhm.org.uk/our-impact>.

During the year we continued to progress with our three-year strategy for 2022-2025 to cement our growth, service quality and infrastructure. This strategy followed a significant review of the organisation and brand, but I am conscious that as we now move into the last year of our strategy, we will be reviewing our progress and looking to the future to inform the focus of our strategy for 2025-2028.

In the meantime, our vision, purpose and values remain unchanged, and at the heart of everything we do.

Our Vision is: That everyone can access support for their mental health to live a meaningful life, in a society free from stigma.

Our Purpose is: To provide innovative, life-changing mental health support for individuals and communities.

Our Values are:

- Compassionate: We are compassionate to the needs of the people who access our services, their experiences, and their aspirations.
- Collaborative: We believe that by working together, we achieve the best outcomes for individuals, communities, and society.
- Accountable: We are accountable, we are transparent and hold ourselves to the highest standards in every interaction.
- Proud: We are proud of what we stand for – those who access our services, our people and changing lives.

The four themes of our strategy address our future ambitions as a provider of mental health services and as an ambassador for those with mental health needs who require access to support. One particular area of focus includes collaborating with experts by experience to ensure we provide accessible, impactful, high quality and innovative services that meet locally identified needs. We will also help shape future care and support by influencing the transformation of services, ensuring we take a personalised and place-based approach to deliver life changing impact whilst challenging stigma.

A vital aspect of our role as a charity is to use our voice in external forums to promote mental health and support the development of mental health strategy and services. We continue to do this through our established networks, helping to shape integrated workforces and the evolution of new roles in this sector. We have also worked with our commissioners and partners across health and social care to support the integration of services.

We have supported the developing transformation of community mental health services in various locations where we operate as a provider. This includes chairing the Transformation Leadership Board in Northumberland as well as being an active founder member of the new Durham Mental Wellbeing Alliance. We have also played a proactive role in responding to a variety of consultations, including the reform of the Mental Health Act. We continue to be active in the development of support for those potentially facing crisis and are working to develop co-located services on hospital sites. We have also played an active role in the implementation of the Right Care Right Person model and continue to advocate for best practice and a partnership approach in areas where our sector has not been engaged.

Our focus within the organisation is to build on our work, implementing our strategy and values. Developing a culture that is underpinned by our values will ensure we can attract and retain a skilled, knowledgeable and diverse workforce for the future, that is appropriately recognised and rewarded.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

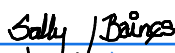
We are continuing to transform our internal systems and processes which will enable us to be more user-friendly and efficient and thereby maximizing our impact in helping people to achieve meaningful lives. Our strong financial position is supporting investment in a digital strategy that will modernise the infrastructure, equipment, tools, and resources that support hybrid working and new innovative models of service provision.

Whilst the pandemic is now thankfully moving into the past, our services continue to feel the effects of it, and are likely to do so for some considerable time to come as the long-term impact on mental health continues. There is no question that this is increasing demand and putting more strain on our services. It also continues to provide other challenges for us, particularly around the area of recruitment. Despite this we have successfully established a number of new services this year and increased the number of people that we have been able to reach and support.

Since I took on the role of Chair of the Board of Trustees in September 2021, David Corner has been a key support to me, particularly in his role as Chair of the Audit and Risk Sub-committee. I therefore want to say a particular thank you to him for his contribution and commitment to Mental Health Matters throughout his time as a trustee. Overall, our Board of Trustees has had a more stable membership this year, following a period of more significant change, but I also want to welcome both Carole Kaplan and Tony Tatlow to the Board. Tony has taken over David's role as Chair of the Audit and Risk Committee.

To support our continued focus on quality we established a Quality and Safeguarding Committee last year to work alongside our current Audit and Risk Committee, providing additional assurance to the Board, as the breadth and range of service models expand. I am very pleased to say that this Committee is now well established and has become a key pillar of our governance. Our time limited steering groups also bring together trustees with relevant skills, supporting our Executive and Leadership teams with major workstreams, including the implementation of our workforce and digital strategies. Following our pay and benefits review last year, we have also established a Remuneration Committee for the first time. This Committee oversees the Charity's remuneration strategy, policies and framework.

We know the next year will continue to provide challenges to us as a charity and service provider as well as to those people accessing our services. I am confident that we will continue to work in a collaborative way alongside our partners and networks to focus on delivering our strategy. We will continue to use our voice to grow our influence in the sector and to advocate for those experiencing mental distress and illness at a time when there are ambitious plans within the health and social care sector to truly transform services and tackle inequalities.



[Sally J Baines \(Oct 7, 2024 13:12 GMT+1\)](#)

S J Baines

Chair of Trustees

Date: **07/10/2024**

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006, and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

a. Public Benefit

Mental Health Matters (MHM) exists for the benefit of the public through the provision of its services to any member of the public who has a mental or physical health need that impacts on their wellbeing. All of the services provided by MHM are within the aims and objectives as set out in the Articles of Association.

Throughout the Achievements and Performance section of this report (pages 8-18), we have identified and evaluated the benefits that individuals gain from accessing our services and maximising independence through self-directed support. This is particularly reflected in our psychological therapy services and community-based services focusing on positive outcomes for individuals.

In shaping our objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an organisation we also provide a range of accessible literature, online resources and training courses to educate, inform and guide people with mental and physical health needs, their families, carers and networks, and the wider community.

b. Objectives

The primary objective of the Charity is to act for the benefit of the public, to promote the well-being of persons who are experiencing mental or physical health problems or illnesses, however those problems or illnesses have arisen, and their families and carers, both in the UK and overseas.

During 2023/24 our focus has been on:

- provision of high quality, sector leading services;
- business development and growth;
- a motivated and relevant workforce; and
- system & process improvement.

During the year, as detailed in the Chair's statement above, we continued to follow our organisational strategy for 2022-25, developed in consultation with our commissioners, partners, employees, and those who access our services.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

a. Governance and trustees

MHM is a charitable company limited by guarantee (registration number 1786914), incorporated in 1984 and governed by its Articles of Association, most recently amended in 2022 to provide clarity around recruitment of trustees, terms of office and the functioning of the Board and its sub-committees. MHM is registered as a charity in England and Wales (registration number 514829).

The Board of Trustees has ultimate responsibility for the strategic direction of MHM. The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of this report were:

S Baines (Chair)
D Corner (resigned 23 September 2023)
G Jenkins
M Booth
P Rolland
J Lanham
K Evans
M Atherton
T Tatlow (appointed 13 December 2023)
C Kaplan (appointed 17 July 2023)

At 31 March 2024 and at the date of signing this report had 9 serving trustees.

b. Organisation

The Board of Trustees meets quarterly during the year in order to ensure that MHM achieves its charitable objectives. The Board's role includes strategic oversight, and monitoring of quality and effectiveness of governance arrangements, operational performance and financial performance. Business plans, budgets, the schedule of delegation, and terms of reference for the sub-committees (Audit & Risk, Quality & Safeguarding and Remuneration Committees) and the Executive Team are reviewed and agreed annually and monitored by the Board of Trustees.

The Audit & Risk Committee meets quarterly and seeks assurance over the organisation's financial and governance systems, including the annual financial auditing process and the corporate risk framework. The findings from the organisation's annual cycle of internal quality and assurance systems auditing are reported to this committee.

The Quality & Safeguarding Committee, established in December 2022 and embedded during 23/24, also meets quarterly. Its purpose is to support the Board of Trustees in discharging its responsibilities for the safe and effective delivery of services and to oversee the strive for excellence and continuous quality improvement.

Board of Trustees meetings are held either in person or using online platforms. Sub-committee meetings are generally held online.

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the Charity. The Board of Trustees has systems in place for the delegation of authority to the Chief Executive Officer and the Executive Team.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

c. Trustee induction and training

MHM's Board of Trustees is made up of individuals with the skills, competences and experience required to govern the organisation. The Trustees keep these requirements under review in order to ensure that the organisation is effectively governed. Recruitment to the Charity's Board of Trustees complies with the process detailed in its Articles of Association.

Each year the Board of Trustees, Chief Executive Officer and Executive Team meet with their charitable and company law legal advisor. The purpose of the meeting is to refresh their knowledge of the respective duties of trustees and employees, and also to update them on any key amendments in charity law and Charity Commission expectations, with a view to potential impact on the Charity's governing framework.

The Trustees have access to the MHM intranet and to a range of e-learning, including modules that are mandatory for trustees, covering a range of relevant content. For example, these include the organisation induction, mental health awareness, safeguarding, information governance, and health and safety. They also receive regular refresher training around their roles and responsibilities.

d. Related parties and co-operation with other organisations

None of the Trustees receives remuneration or other benefit from their work with the Charity.

Three current Trustees have connections with organisations that provide funding to MHM; the details are presented in note 25 on page 52. Where decisions are made by the Board of Trustees that relate to those organisations, the Trustees concerned do not participate in the decision-making process.

MHM has continued to work with many NHS and third sector organisations during the year and entered into contracts with several new commissioners. Our commissioners are listed on page 15.

MHM has a wholly owned trading company, Moorpark Limited. This subsidiary ceased its trading activities in June 2013 and is currently inactive.

e. Fundraising

MHM's primary source of funding is statutory funding, and the delivery of our services does not rely on donations or public fundraising. However, for the public, donating or fundraising is often seen as a positive way of supporting our services and as a way of expressing gratitude for the support received by themselves or a loved one. All funds received are used to support our charitable objects. Some of our donors ask that their contributions are used for the benefit of particular services and therefore the Charity restricts the use to meet these requests.

MHM is committed to best fundraising practice and compliance with appropriate guidance, and is registered with the Fundraising Regulator. Details of our approach to fundraising are available on our website: <https://www.mhm.org.uk/fundraising-statement>

Donations received during the year totalled £67,959 (2023: £22,568).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

f. Pay policy for key management personnel

The Trustees consider that key management is comprised of the Chief Executive Officer and Executive Team who are in charge of directing and controlling, running and operating the Charity on a day-to-day basis.

The pay of the Executive Team is reviewed annually and normally increased to reflect cost of living changes. In view of the nature of the Charity, the Trustees also benchmark against pay levels in other similar organisations and of a similar size. The ratio of the Chief Executive Officer's rate of pay to the average rate of pay for all employees in March 2024 was 3.3:1 (2023: 2.9:1).

g. Gender pay gap

For MHM at April 2023 the mean gender pay gap was -4% (April 2022: 1%) and the median gender pay gap was 0% (April 2022: 5%). Policies and procedures ensure that employees in directly comparable roles are paid at the same rate. The mean gap is attributable to the fact that the management team at the time was predominantly female. MHM is committed to providing equal opportunities in recruitment and in learning and development to male and female employees and prospective employees. MHM remains alert to barriers that might affect the balance of male and female employees in each type of role and is committed to addressing those barriers if it has the power to do so.

MHM operates a pay and grading structure in which all roles are evaluated against the HR Xpert framework and benchmarked against industry standards using Cendex (now Brightmine). The pay structure includes a two-tier pay recognition structure and allows employees to receive a higher rate of pay based on their contribution to the organisation. Through the implementation of the structure, all employees have the same opportunities for pay progression, regardless of their protected characteristic.

h. Equality

MHM incorporates equal opportunities throughout its policies. These policies ensure that, in accordance with both current legislation and best practice, no service user, person employed or job applicant will be treated unfavourably by reason of their 'protected characteristic' as set out in the Equality Act 2010.

i. Disability Confident Employer

MHM are privileged to be recognised as a Disability Confident Employer and this year it has been increased to Level 2 due to our consistent application of the commitments detailed within the award. This includes a guaranteed interview scheme for anyone with a disability whose application meets the minimum criteria for that post, and to always put in place any reasonable adjustments to ensure that applicants are treated fairly and safely within both the recruitment process and the working environment. Where employees disclose a disability during their employment, MHM will engage in consultation with them to determine whether any reasonable adjustments can be made and/or to consider any alternative roles available.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

j. Employee engagement

As an accredited Investor in People (Silver Award) employer, MHM believes in recognising people's skills and knowledge, and in developing its employees through learning and development. All employees have an agreed personal development plan to ensure that their learning and development is appropriate to both their role and their personal circumstances.

MHM uses its intranet to be the source of all information regarding policy, procedure, news and other matters of concern to employees.

Employees are consulted by their managers on matters directly affecting their employment and are consulted on an annual basis through an employee survey that enables them to give their views anonymously on matters ranging from leadership to rewards and benefits, in order to inform organisational development. An action plan ensures MHM acts on and responds to views received. Feedback is also sought through a range of other means including: pulse surveys, Investors in People annual survey, "Tea and Chat" sessions, task and finish groups as well as a number of professional networks.

Feedback from employees informs our annual business plan for the organisation that demonstrates how strategic objectives will be achieved, helps employees understand how their role and their team's role contributes, and leads to employees taking ownership of the personal contribution they make towards the Charity's performance. This process, along with intranet updates and the reporting of key issues through regular manager meetings, service team meetings, and employee 1-1 meetings, ensures that a common awareness of financial and economic factors affecting performance is achieved.

Further development of employee engagement is a key focus within our 2022/25 strategy and the introduction of the Hive Five platform has been welcomed by employees as a means of recognising their colleagues.

Strategic report

Achievements and performance

a. Overview

During 2022, MHM engaged with a broad cross section of its stakeholders to inform the development of its three year strategic plan covering the period from 2022 to 2025.

In implementing the annual business plan for 2023/24, MHM continued to deliver high quality services including: primary care psychological (talking) therapies; generic and mental-health-specific housing provision (from floating support through to registered care); recovery and employment services (including for people with mild to moderate anxiety disorders and/or depression, long term conditions, dual diagnoses and addictions); safe haven provision for people at risk of experiencing a mental health crisis; 365/24/7 telephone emotional support and tele-therapy services; and advocacy, user voice, advice and information services.

MHM continued to invest time and resource to retain and acquire new services across England, building on our strong brand for delivering high quality health and social care services alongside strategic partners. This has included commissioning independent reviews into our housing and employment services and completing a comprehensive review of our portfolio. Our focus is to respond to the changing needs of people in our communities by delivering evidence-based services and building trusted relationships with our service commissioners.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

b. Achievements and performance

MHM continues to be proud of the delivery of high-quality services focused on service users' recovery and wellbeing, and of successful bids for new services and the extension or renewal of existing services which allow MHM to expand its reach.

MHM's focus for 2023/24 was on:

- provision of high quality, sector leading services;
- business development and growth;
- a motivated and relevant workforce; and
- system & process improvement.

There have been many successes during the year, with contracts won to deliver new services and with many existing contracts extended. MHM's approach of devising bespoke delivery models suited to individual commissioners' requirements, bidding for funds to deliver services based on a combination of MHM's areas of specialism, and seeking funding to deliver services in new markets, continues to prove effective.

MHM has further grown its networks and partnerships, raising the Charity's profile and seeking to influence policy at a national level. These networks have been built with organisations across health and social care and within the charity sector. Directors have engaged with activity at national, regional and local levels, participating in opportunities to work with the new Integrated Care Systems and the transformation of local community mental health services.

Internal investment in our workforce resources has continued, adding new posts to our organisational structure and focusing on the development of management skills.

During the year to March 2024:

- over 43,000 people entered into psychological therapies in MHM or MHM Partner NHS Talking Therapies services;
- our 365/24/7 Helpline service received over 94,000 calls and delivered 7,500 web chat and text messaging sessions;
- our employment services helped over 4,400 people to remain in work, find paid employment or access training, education and volunteering opportunities;
- our housing services supported 27 people to further enhance and develop their daily living skills, with three individuals successfully moving onto fully independent accommodation;
- over 12,800 people were supported during crisis by our out-of-hours safe-haven services;
- over 750 people accessed support from our Community Based services;
- over 200 people accessed practical advice about benefits, debt and housing;
- our advocacy services supported and empowered 32 people; and
- we expanded our geographical reach into new areas.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

c. Quality and Operations in 2023/24

24/7 Helpline

Our helpline continued to offer a confidential and non-judgemental space for individuals to receive emotional support from our highly skilled and compassionate team, responding to 94235 phone calls from people in distress through 2023/4.

In April, we expanded our support for veterans through Op COURAGE, a specialised mental health service designed to help serving personnel transitioning out of the military, reservists, armed forces veterans and their families. Our Helpline became the first point of contact for people across the Midlands, Essex, and South West, connecting them with local partners.

NHS Talking Therapies Services in 2023/24

- Our Talking Therapy services provide a comprehensive range of therapy and guided self-help to equip people with the tools and skills to manage common mental health problems. During 2023/4 43,130 people entered into talking therapies in MHM or MHM partner services.
- NHS Talking Therapies Northumberland: MHM remains the prime contractor for this service, working with a subcontractor Sunderland Counselling Service (providing step 2 therapy and counselling). In its ninth year of delivery, the service had over 5,000 people entering treatment, met the national 18 week waiting list target and by the year end, achieved the national recovery target of 50%.
- NHS Talking Therapies Sefton: MHM delivers this service as a sole provider, including therapy at steps 2-4. The service had over 4,500 people entering treatment and met the national 18 week waiting list target throughout the year.
- NHS Talking Therapies Warrington: MHM, as prime contractor, delivered therapy at steps 2-4 and clinical governance. MHM also sub-contracted additional provision on behalf of Warrington Clinical Commissioning Group through Making Space (computerised cognitive behavioural therapy) and St Joseph's Family Centre (for counselling, couples' therapy and anger management). The service had over 3,900 people enter treatment during 2023/4.
- Staffordshire and Stoke-on-Trent Wellbeing Service: In collaboration with lead provider Midlands Partnership NHS Foundation Trust (MPFT) and other partners, met the national targets for waiting times and continued its involvement in the national programme of Talking Therapies expansion into long term conditions and medically unexplained symptoms. It continued to deliver step 2 services in four localities. Over 15,820 people entered treatment in the year. The recovery rate for the service exceeded the national target.
- NHS Talking Therapies Durham and Darlington: MHM was a sub-contractor to Tees, Esk and Wear Valleys NHS Trust (TEWV) providing therapists, management and administration. Over 13,900 people entered treatment in the year. Waiting times for the service are within national targets and the recovery rate exceeds the national target.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

Employment Services in 2023/24

Our Employment Advisors provide flexible, personalised support focused on helping people to find, stay in or return to work. We worked in partnership with clinical commissioning groups, NHS Trusts, local authorities and voluntary sector organisations to deliver community-based employment support and Employment Advisors in NHS Talking Therapies services.

At the start of 2024, we proudly launched two new Employment Advisors in Talking Therapies services in Solihull and Durham & Darlington. These services offer their communities valuable support including access to training programmes and help to speak to employers about mental health issues. Our existing services also celebrated achievements throughout the year. Our NHS Warrington Talking Therapies Employment Service marked its fifth anniversary in 2024, delivering over 10,000 appointments.

In Hertfordshire, we were shortlisted by the Employment Related Services Association (ERSA) Awards, for the Digital Solution of The Year Award. This recognised the partnership between the service and Mid Essex Talking Therapies for the ground-breaking "Managing Employment and Emotional Wellbeing" webinar, designed to encourage people to access support. Through these efforts, we continue to make a significant impact on the lives of those struggling with mental health challenges, fostering a path to employment and improved quality of life.

4,449 people were assisted to remain in work, find paid employment or access training, education and volunteering opportunities to help develop employability skills; 897 of these people moved into paid employment.

Community Services

We continued to deliver community-based wellbeing services to over 768 individuals during the year. This included services across Leicestershire and Rutland and in Easington, County Durham, providing a variety of group interventions, advice and drop-in sessions as well as individual support.

In our North West Leicester, Hinckley & Bosworth Mental Health, Wellbeing and Recovery Service, the team introduced new community drop-in sessions to provide wrap-around support and has developed partnerships with other community organisations to ensure people have ongoing support after their time with the service.

In October, we opened our first Community Connectors service in Leicester, focused on the relationship between loneliness, isolation, and poor mental health. The launch event, held at Leicester City Football Club, with support from Leicester City in the Community, brought together over 70 people representing the City's charity sector, social care, and NHS services. Our range of services grew once more in November, with the opening of our Adult Autism Support Hub in Sheffield, providing information, advice and community connection to autistic people and their families and carers.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

Crisis Services

Throughout the year our safe haven services in Coventry (in partnership with Coventry & Rugby Clinical Commissioning Group, Devon (in partnership with Devon Partnership NHS Trust), Kent (in partnership with Kent & Medway Clinical Commissioning Group), York (commissioned by Tees Esk and Wear Valley NHS Foundation Trust), and East Berkshire, have expanded to offer support to the community seven days a week. Services also opened in Sheffield and Barnsley as well as neighbourhood cafes in 8 locations across Leicester.

In July, our Devon Moorings site in Exeter moved to co-locate at Wonford House Hospital. In collaboration with Devon Partnership NHS Trust, we celebrated the opening of this new facility with a fantastic event that brought together partners from across the system. Following the success of this event, the team was delighted to welcome Sarah-Jane Marsh, National Director of Integrated Urgent and Emergency Care, to visit the service.

Housing Services in 2023/24

The aim continues to be to ensure that wherever possible those accessing our housing services live as independently as they are able to, within their local community. During the year to March 2024, we continued to work with service users to support their recovery, providing accommodation and support to 27 individuals. 3 individuals moved into independent living.

We undertook a review of our housing services to explore our strengths and highlight opportunities to innovate our models of support. Following this review, a decision was made to withdraw from two existing services and focus on the areas of dispersed and crisis housing.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

d. Development in 2023/24

MHM's development team leads on the generation of new business opportunities, tendering for new contracts and retention of existing contracts, on relationship development and collaboration and on enhancing MHM's profile.

During the year to March 2024:

- We rebranded our IAPT services in line with the national requirement to NHS Talking Therapies.
- Our Employment Advisor in Talking Therapies coverage grew, with services mobilising in Solihull, Durham and Darlington, Mid and South East Essex and Northumberland.
- Our support for Veterans and Serving Armed Forces personnel grew with partnerships with Avon and Wiltshire NHS Trust to deliver OpCOURAGE in the South West of the Country, Partnership with Essex Partnership University NHS Trust to deliver OpCOURAGE in the East and a third partnership in the Midlands with Lincolnshire NHS Trust to deliver the same single point of access to the OpCOURAGE initiative.
- Our partnership with Avon and Wiltshire NHS Trust also extended to our Helpline providing the referral line for their Department of Health Gambling Harms programme.
- Our Sheffield Support Hub also expanded their remit to offer a drop in information, advice and navigation service for Adults with Autism, 'Sheffield Autism Hub'.
- In August 2023 we launched our Community Connectors service in Leicester. A public health initiative covering some of the most deprived wards in Leicester, enabling people to build connections and overcome loneliness and isolation.
- During the year we contributed to 3 Parliamentary Committees; Adult Social Care, Right Care Right Person Partnership and Men's Health.
- We contributed and our views were represented in the Major Conditions Strategy and the Labour Party Mental Health Review led by Luciana Berger.
- We made eight website statements across the year including: Response to the Spring Budget (2024); Response to AACE letter on Right Care, Right Person, Response to the Autumn Statement (2023); Statement on the Major Conditions Strategy, Police and mental health (RCRP); Statement on the events at the NHS Confederation Expo; Statement on Government's Response to the Hewitt Review; Statement on Environment, Food and Rural Affairs Committee Report into Rural Mental Health.
- In October 2023 we led a full Workforce conference in the North West, with over 400 employees in attendance. This 2 day event allowed employees to meet their colleagues across the country, be recognised for the innovative work they do and gain new and exciting insights into developments in mental health support.
- As a team our Marketing and Communications and External Affairs colleagues delivered two campaigns in the year: University Mental Health Day and Homelessness (in partnership with The Connection).
- In addition, we reviewed, re-designed and re-launched MHM's external website - mhm.org.uk
- MHM took part in its first Mass Participation event in 2023, Tough Mudder. At the outturn of the year we had exceeded our Fundraising targets and achieved £67,941 in year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

e. Central Services in 2023/24

MHM's central services sit within 4 directorates (People and Organisational Development, Finance & Risk, Development and Strategy and Performance), These directorates have an extensive portfolio of business support activities comprising of quality and compliance, board support, finance, human resources, learning and development, policy and procedural review, health and safety, information technology, information governance, transformation and innovation and development.

During the year to March 2024 our corporate teams have:

- successfully retained the CHAS health and safety accreditation;
- successfully submitted MHM's annual NHS Data Security and Protection Toolkit assessment by the 2023 deadline;
- achieved Investors in People Silver;
- successfully retained Disability Confident, Mindful Employer and Happy to Talk Flexible Working accreditation;
- launched phase 1 of a new CRM system;
- developed MHM's Environmental Green Plan and established our Carbon Reduction Plan baseline with a net zero target of 2030;
- piloted and implemented sector specific impact measurement tools in mental health support services;
- completed a piece of research linked to older people accessing talking therapies;
- implemented a volunteer framework;
- revised MHM's incident management framework in preparation for the implementation of PSIRF (Patient Safety Incident Reporting Framework);
- introduced both an estates management and procurement function;
- delivered 138 training sessions to over 1,180 people, enabling a better understanding of mental health and wellbeing and equipping people to help others in need of support – sessions included Mental Health First Aid, Youth Mental Health First Aid, Suicide Prevention and Trauma-Informed Approach; and
- conducted an annual employee satisfaction survey in 2023, which had a 66% response rate. The results showed that employees are engaged and motivated to deliver the very best service to those people accessing our services and are proud to work for MHM. The survey allows for improvement areas which includes employee engagement, communication and management.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

f. Commissioners, funders and customers

MHM gratefully acknowledges the funding provided for its 2023/24 services by the following commissioners, organisations and customers:

Avon and Wiltshire MHP NHST
Combat Stress
Cornwall Partnership NHS Foundation Trust
Coventry and Warwickshire Partnership NHS Trust
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Devon Partnership NHS Trust
East Midlands Shared Services
Essex Partnership University
Gateshead Council
Herefordshire and Worcestershire Health and Care NHS Trust
Hertfordshire Partnership NHS Foundation Trust
Home Group Management Ltd
Karbon Homes
Knowsley Council
Leicester City Council
Lincolnshire Partnership NHS Foundation Trust
Livewell South West
Making Space
MerseyCare NHS Foundation Trust
Middlesbrough Council
Middlesbrough Football Club
Midlands Partnership NHS Foundation Trust
NHS Cheshire and Merseyside ICB
NHS Coventry and Warwickshire ICB
NHS England
NHS Frimley ICB
NHS Humber and North Yorkshire
NHS Kent and Medway ICB
NHS Leicester, Leicestershire and Rutland ICB
NHS North East & Cumbria ICB
NHS South Sefton CCG
NHS South Yorkshire ICB
NHS Southport & Formby CCG
Oxford Health NHS Foundation
Penderels Trust
Porchlight
Solihull Metropolitan Borough Council
South Tyneside Council
Staffordshire University
Tees Esk & Wear Valley NHS

MHM also gratefully acknowledges the generous donations provided in 2023/24 by The Handley Trust and the Community Foundation, as well as a number of other individuals and organisations.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

g. Risk Management

MHM has a comprehensive risk management framework in place, and the Trustees and the Executive Team maintain a continuous review of the risks the Charity may face and the systems and procedures to mitigate and minimise any potential impact on the Charity should those risks materialise.

MHM has reviewed the risks to achievement of its strategic objectives during the year to ensure they are fully integrated into the risk assessment, management and mitigation procedures. Risks are assessed within the following areas: strategic impact, market, commissioners, people who access MHM services, third party reliance, legal/regulatory, reputation, financial, IT/digital, information governance, and climate change/environmental.

The Audit & Risk Committee, comprising suitably qualified and experienced trustees, meets four times per year, and receives reports from senior management. The Committee's remit includes providing assurance to the Board that there are effective systems in place for financial and wider governance, including risk management and compliance with all aspects of the law, relevant regulations, and good practice. In addition, specific areas of risk to the Charity are monitored by the full Board of Trustees, including consideration of the issues related to identification, mitigation and elimination of the risk.

The key risks facing the Charity were monitored and appropriately mitigated during the year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

h. Principal Risks and Uncertainties

The changes underway to mental health commissioning and the transformation of community mental health services are intended to improve care for service users, but they also present risks which MHM must manage closely. MHM aims to continue to influence and shape future commissioning and available resource through our networking and advocacy at local and national levels and anticipates being in a position to be responsive to the increased demand for mental health services and to the changes in commissioning.

The principal risks and uncertainties facing the Charity are considered to be:

- Attraction, retention, and development of an inclusive and diverse workforce to ensure we have the right skills in the right place at the right time to deliver our strategy.
 - A People strategy has been implemented to establish MHM as an employer of choice: to attract and retain skilled and qualified workforce to engage, develop, motivate and empower our workforce.
 - As the risk of harm to colleagues across the NHS continues to grow, a specialised training program has been developed and will be delivered to minimise any risk to our employees.
 - Complexities being presented to our employees has enabled a full review and redesign of the Health and Wellbeing Strategy, which is underpinned by Trauma Informed training and personal wellbeing plans.

- Changes in the commissioning environment (including availability of funding) and the need to ensure that we continue to be able to fulfil our commissioner proposition and our service standards.
 - Our commissioner proposition and service standards are central to the contract mobilisation process, and specific risks are monitored initially through our assurance process for new contracts, then through contract management and monitoring of KPIs.
 - Ongoing development of our management, our workforce and our organisational infrastructure is focused on the need to continue to deliver consistency of contract management, and influence and respond to the transformation of community mental health services.
 - Our IT transformation programme includes a data workstream which aims to deliver more accurate and timely data to enhance both reporting to commissioners and ability to assess & respond to issues arising within services.

- Our obligations, duty of care and safeguarding responsibilities to those who access MHM's services and the importance of maintaining high quality, safe standards in our service delivery.
 - Our services have well-developed relationships with local agencies with responsibility for safeguarding and care; we have policies and procedures in place for safe and effective work with those people who access MHM's services, and for reporting, recording and responding to incidents, including safeguarding incidents; our employees are provided with induction, mandatory and role specific training, and ongoing development for the responsibilities of each post. Our Trustees receive appropriate governance refresher training.
 - The Quality & Safeguarding Committee is embedded within MHM's governance framework and is now providing board-level scrutiny of associated activity and risk.
 - MHM have continued to use the services of an external subject matter expert to support the organisation in relation to its safeguarding responsibilities, including the delivery of training to MHM's Board of Trustees.
 - A Co-Production Strategy was developed during 2022/23 and began to play a key role in service development during 2023/24.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Strategic report (continued)

Achievements and performance (continued)

- Ensuring that IT systems and support are effective and do not compromise or disrupt the ability to deliver services safely and effectively, or prevent or delay the transformation of processes set out in the 2022-25 strategy.
 - We have a third party managed service provider in place, with appropriate accreditation, ISO27001 and Cyber Essentials Plus, to ensure that our IT platforms are secure and resilient.
 - IT arrangements are covered by our Business Continuity Plan and Disaster Recovery Plan, and we have proven ability to accommodate remote working.
 - An IT audit and strategic review was carried out in late 2020, leading to the development of an IT Transformation Programme which is now close to conclusion; this has been reviewing and improving current systems; supporting, documenting and embedding best practice for MHM processes; enabling access to the right data for the right people at the right time; and supporting a move to cloud systems. A new CRM system has been introduced for services and to incorporate incident management. The review will now move on to Back Office systems during the coming year.

Financial review

a. Financial review

MHM principal funding sources are shown in note 4 to the financial statements. There has been an 8% increase in incoming resources for the year, due to new services in talking therapies and community support and to expansion of existing employment and talking therapies services.

The £193,702 surplus generated for the year reflects:

- the growth in incoming resources;
- rigorous control of costs; and
- considerable savings on agency costs as the impact of our Compensation and Benefits review and a higher level of employees in established posts took effect.

Included in the surplus generated in the year is unused 23-24 funding categorised as restricted for use in accordance with the commissioner's intentions in future years. This amounts to £54,809.

Following the Trustees' decision to leave the TPT Retirement Solutions pension scheme during 21-22, remaining estimated exit debts of £40,027 remain fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme Trustee is seeking court direction. Possible additional costs cannot be calculated at this time. However, MHM's advisors indicate that these will not be material.

Governance costs amount to less than 0.5% of expenditure.

Potential bad debts amounting to £7,503 were identified at 31 March 2024, and provision has been made for this amount. All other outstanding debts are considered recoverable.

The cash position has fluctuated greatly throughout this year due to a combination of circumstances including the re-organisation of commissioners, and a tighter funding environment but the latter part of the 2023/24 saw some significant improvement in this. Cash balances continue to be monitored to ensure that they are adequate to support the Charity's aims and objectives; funds are held on notice deposits when not required for short term cashflow, and it is intended to undertake more proactive investment of cash balances during 2024/25.

MHM's "overall business risk" is classified by a leading independent credit monitoring agency as low risk.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Major factors likely to affect the financial position of the Charity in 2024/25 are MHM's ability to design contemporary talking therapies and community services that meet the requirements of commissioners and other customers; to develop and sustain strong relationships with commissioners; to continue to respond effectively to commissioning through provider collaboratives and alliances; and to continue to develop a diverse portfolio of funding in order to mitigate the impact of contracts at risk. The Trustees are confident of MHM's ability to achieve these goals, supported by continued investment in a robust workforce and infrastructure, and planning for a range of possible funding scenarios as part of MHM's strategic planning in 2024/25 and beyond, particularly in light of current economic forecasting, including inflation.

The Trustees have assessed MHM's ability to continue as a going concern by reviewing budgets, reserves and cashflow forecasts, and the impact of a range of possible scenarios. This assessment demonstrated that in the worst-case scenario, MHM could sustain its status as a going concern over the next 12 months from the date of sign off of these financial statements. In support of this conclusion, financial performance in 2024/25 to date is ahead of budget.

b. Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of delivering the current services, and to the reserve policy set out below, have operated a policy of keeping available funds in interest-bearing accounts, and seek to diversify risk whilst achieving the highest possible return from investing in appropriate institutions. The invested funds held on deposit achieved an average of 4.45% during the year to 31 March 2024, but investing surplus cash generally proved more difficult during the year due to the wider fluctuations in the level of cash balances.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

c. Reserves Policy and Going Concern

The Charity Commission expects trustees to decide, publish, implement and monitor their charity's reserves policy in order to comply with their legal duties to: act in the interests of their charity and its beneficiaries; protect and safeguard the assets of their charity; act with reasonable care and skill; and ensure their charity is accountable.

MHM Trustees review MHM's policy on reserves held by the Charity at least annually in order to ensure that it complies with these Charity Commission requirements, supports the achievement of MHM's strategic objectives, and remains appropriate for the economic environment, the health and social care sectors, and other relevant factors affecting MHM's activities.

The Trustees recognise that reserves are required in order to:

- meet the continuing financial commitments of delivering commissioned services to beneficiaries, including the need for working capital so that liabilities incurred can be met as they fall due; and
- invest in the development of facilities, services and business processes as necessary to ensure that MHM is compliant with regulatory requirements, aspire to develop and embed best practice in its ways of working, and respond to such new business opportunities as are identified.

The financial obligations associated with MHM's commissioned services tend to be aligned with the funding of those services. However it is important for MHM to hold reserves to cover financial obligations that are not directly funded, in order that those obligations can continue to be met if unforeseen circumstances lead to a reduction in incoming resources. The Trustees believe that free reserves are required to cover six months of projected central and infrastructure costs, plus an additional allowance agreed annually in order to be in a position to fund development activity as the need arises, including investment in facilities and adoption of best practice systems and procedures within the fields of health and social care.

For the year 2024/25 the amount of free reserves required is assessed by the Trustees as £2.8m. This level of reserves allows for six months of central office costs (including enhanced central capacity to support organisational growth). It also allows for infrastructure development.

MHM total reserves at 31 March 2024 amount to £4,824,663 and consist of:

- restricted funds (subject to specific terms) of £385,021 (see note 18); and
- unrestricted funds of £4,439,642 (see note 18).

From unrestricted funds, the Trustees have designated an amount totalling £418,972 towards future projects.

General funds therefore amount to £4,020,670. After deducting fixed assets and investments totalling £254,860, the value of free reserves available is £3,765,810, exceeding the required value.

Compliance with this reserves policy will be monitored on an ongoing basis by the Audit & Risk Committee, which will report any non-compliance to the Board of Trustees in order that any corrective action required can be agreed.

The Trustees have considered budgets to March 2024 and cashflow forecasts to September 2025. As noted above, MHM incoming resources have grown during the year. Costs remain under careful review, and the Trustees believe that the level of reserves available for 2024/25 is sufficient, and the net current assets and cash flow of the Charity are at such a level, that the Charity is able to operate for the foreseeable future, and that the going concern basis is appropriate for these financial statements.

Close monitoring of reserves, along with relevant scenario planning, will continue in order to ensure that MHM's financial strength is maintained. The degree of certainty over future funding streams will be kept under review, and the Trustees intend that MHM will continue to position itself as a provider and partner of choice, able to meet the opportunities presented by commissioners to meet the expected increased demand for mental health services, and to adapt delivery models to offer blended services which feature both digital and face-to-face delivery.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

d. Plans for future periods

The Trustees will be looking to establish a new strategic plan for the three years commencing April 2025. MHM's priorities under its current strategy remain as previously set out and are:

- Co-produced High-Quality Services - We will collaborate with those with lived experience to deliver accessible, impactful, high quality and innovative services that meet the needs of individuals, their families, carers and communities.
- Engaged & Ambitious Workforce - We will develop a people culture underpinned by our values, that attracts, develops, rewards and retains a skilled, knowledgeable and diverse workforce.
- Shaping Future Care & Support - We will influence and drive the transformation of care and support, through a holistic and locally tailored approach that delivers life changing impact.
- Transforming How We Work - We will ensure that our processes, tools and resources are efficient, simple and user-friendly, to increase our reach, maximise our impact and help more people to achieve meaningful lives.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Armstrong Watson Audit Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 07/10/2024 and signed on their behalf by:


[Sally J Baines \(Oct 7, 2024 13:12 GMT+1\)](#)

S J Baines
(Chair of Trustees)

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on **07/10/2024** and signed on its behalf by:


[Sally J Baines \(Oct 7, 2024 13:12 GMT+1\)](#)

S J Baines
(Chair of Trustees)

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS

Opinion

We have audited the financial statements of Mental Health Matters (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2024 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 Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

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 contained within the Annual report. 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. 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 course of 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 5 (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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with laws and regulations.

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 Auditor's report.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Newcastle upon Tyne

Date: 07/10/2024

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Designated funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Note					
Income and endowments from:					
Donations and legacies	67,959	-	-	67,959	22,568
Charitable activities	23,970,392	1,431,992	-	25,402,384	23,482,883
Investments	26,530	-	-	26,530	42,783
Other income	37,565	-	-	37,565	19,720
Total income and endowments	24,102,446	1,431,992	-	25,534,438	23,567,954
Expenditure on:					
Charitable activities	23,629,471	1,674,985	36,280	25,340,736	23,667,056
Total expenditure	23,629,471	1,674,985	36,280	25,340,736	23,667,056
Net income/(expenditure)	472,975	(242,993)	(36,280)	193,702	(99,102)
Transfers between funds	127,369	(92,341)	(35,028)	-	-
Net movement in funds	600,344	(335,334)	(71,308)	193,702	(99,102)
Reconciliation of funds:					
Total funds brought forward	3,420,326	720,355	490,280	4,630,961	4,730,063
Net movement in funds	600,344	(335,334)	(71,308)	193,702	(99,102)
Total funds carried forward	4,020,670	385,021	418,972	4,824,663	4,630,961

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 52 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)
REGISTERED NUMBER: 1786914

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	231,508	33,969
Tangible assets	13	23,351	89,964
Investments	14	1	1
		254,860	123,934
Current assets			
Debtors	15	4,637,649	3,991,962
Cash at bank and in hand		1,882,863	4,068,300
		6,520,512	8,060,262
Creditors: amounts falling due within one year	16	(1,950,709)	(3,553,235)
Net current assets		4,569,803	4,507,027
Total net assets		4,824,663	4,630,961
Charity funds			
Designated funds	17	418,972	490,280
Restricted funds	17	385,021	720,355
Unrestricted funds	17	4,020,670	3,420,326
Total funds		4,824,663	4,630,961

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 07/10/2024 and signed on their behalf by:


[Sally J Baines \(Oct 7, 2024 13:12 GMT+1\)](#)

S J Baines
(Chair of Trustees)

The notes on pages 30 to 52 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	20	(1,949,934)	(760,815)
Cash flows from investing activities			
Disposal of tangible fixed assets		978	10,052
Purchase of intangible assets		(231,507)	(8,463)
Purchase of tangible fixed assets		(31,504)	-
Interest received		26,530	42,783
Net cash (used in)/provided by investing activities		(235,503)	44,372
Change in cash and cash equivalents in the year		(2,185,437)	(716,443)
Cash and cash equivalents at the beginning of the year		4,068,300	4,784,743
Cash and cash equivalents at the end of the year	21	1,882,863	4,068,300

The notes on pages 30 to 52 form part of these financial statements

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Mental Health Matters (the 'charitable company') is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Waterside House Wearfield, Sunderland Enterprise Park, Sunderland, Tyne and Wear, SR5 2TZ.

The charity exists for the benefit of the public through the provision of its services to any member of the public who has mental or physical health needs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

Mental Health Matters meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts set out the results of the charitable company only. The trustees consider that the charitable company's subsidiary is not material to the group and so no consolidated accounts have been prepared in accordance with exemption under section 405 of the Companies Act.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act 2006. At 31 March 2024 there were nine members (2023: eight members).

2.3 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow forecasts have been prepared covering 12 months from the date of approval of the financial statements. Forecasts indicate that adequate cash and reserves will be available throughout the period under review, with no financing required. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Consequently, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Income

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Grants and contracted funding

Grants and contracted funding, including capital grants for the purchase of tangible fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they become receivable. Where the conditions of receipt have not yet been met, the income is transferred to deferred income in the balance sheet and recognised in the statement of financial activities in a future accounting period.

Rental and support income

Rental and support income is recognised in full in the Statement of Financial Activities in the year in which it is receivable, net of any provision for arrears. Where rent and support income is received in advance for a future accounting period, the income is deferred and included in rents in advance and recognised in the Statement of Financial Activities in a future accounting period

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.

2.5 Expenditure

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 all considered as expenditure on charitable activities, and is subdivided into the four main activities of the charity being employment services, community support and personalised services, housing services and talking therapies services. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include both the direct costs of providing services to the charity's beneficiaries and an apportionment of support and governance costs.

Support costs comprise the central management and support services. They have been apportioned between charitable activities as shown in note 7, based on the proportion of income within each charitable activity.

Governance costs comprise all costs in connection with the strategic management of the charity and compliance with constitutional and statutory requirements. Specific costs on a particular charitable activity are included as such. Shared governance costs are apportioned based on time spent across each charitable activity. They have been apportioned between charitable activities as shown in note 7.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	% 10%-33% straight line
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold property improvements	- 10%-33% straight line
Fixtures, furniture and equipment	- 10%-33% straight line
Computer equipment	- 20%-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and 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.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.13 Financial instruments

The Company 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.

2.14 Operating leases

The charity as a lessee

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

The charity as a lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

2.15 Pensions

The charity participates in two multi-employer pension schemes for its employees. For both schemes, contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted, at a rate according to FRS 102, when they are not expected to be settled wholly within 12 months of the period end. The unwinding of the discount rate is recognised as a finance cost.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgement and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 2.8 for the useful economic lives for each class of assets.

(ii) Determining the exit value for commitments to a defined benefit pension scheme liability

The calculation of the exit value for commitments to a defined benefit pension scheme liability is subjective, due to the estimation uncertainty associated with the choice of actuarial assumptions used to determine the overall defined benefit pension scheme liability. Management uses an external actuarial expert to perform the calculation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. Income from charitable activities

	Social Care £	Employment Services £	Housing Services £	Talking Therapies £	Total 2024 £	Total 2023 £
Grants & contracted funding	5,720,795	2,387,044	143,263	16,884,329	25,135,431	22,933,506
Other income	-	-	266,953	-	266,953	549,377
	<u>5,720,795</u>	<u>2,387,044</u>	<u>410,216</u>	<u>16,884,329</u>	<u>25,402,384</u>	<u>23,482,883</u>
Analysis by fund						
Unrestricted funds	4,288,803	2,387,044	410,216	16,884,329	23,970,392	
Restricted funds	1,431,992	-	-	-	1,431,992	
Total	<u>5,720,795</u>	<u>2,387,044</u>	<u>410,216</u>	<u>16,884,329</u>	<u>25,402,384</u>	
Analysis by fund For the year ended 31 March 2023						
Unrestricted funds	4,313,486	2,088,177	739,497	15,457,372		22,598,532
Restricted funds	884,351	-	-	-		884,351
Total	<u>5,197,837</u>	<u>2,088,177</u>	<u>739,497</u>	<u>15,457,372</u>		<u>23,482,883</u>

Grants and contracted funding

	2024 £	2023 £
Local authority funding	798,133	1,000,949
Health authority and NHS trust funding	23,482,648	21,098,046
Other charities & trusts	689,553	775,718
Client direct payments	-	-
Housing associations	165,097	58,793
	<u>25,135,431</u>	<u>22,933,506</u>

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest	26,530	26,530	42,783
	<u>26,530</u>	<u>26,530</u>	<u>42,783</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Analysis of expenditure on charitable activities

	Social Care	Employment Services	Housing Services	Talking Therapies	Total 2024	Total 2023
	£	£	£	£	£	£
Staff salary costs	4,097,873	1,700,409	155,087	10,394,684	16,348,053	15,731,244
Other staff costs	238,989	33,273	24,604	1,605,700	1,902,566	320,753
Payments to subcontractors	(1,929)	5,035	-	286,484	289,590	1,259,024
Property costs	372,444	15,558	127,382	608,738	1,124,122	1,198,983
Other operating costs	426,972	60,327	22,936	981,714	1,491,949	1,316,279
Depreciation and amortisation	<u>10,151</u>	<u>336</u>	<u>-</u>	<u>37,167</u>	<u>47,654</u>	<u>69,247</u>
Total	5,144,500	1,814,938	330,009	13,914,487	<u>21,203,934</u>	19,895,530
Share of support costs (see note 7)	973,676	343,505	62,459	2,633,531	4,013,171	3,688,802
Share of governance costs (see note 7)	<u>29,995</u>	<u>10,582</u>	<u>1,924</u>	<u>81,130</u>	<u>123,631</u>	<u>82,724</u>
Total	<u>6,148,171</u>	<u>2,169,025</u>	<u>394,392</u>	<u>16,629,148</u>	<u>25,340,736</u>	<u>23,667,056</u>
Analysis by fund						
Unrestricted funds	4,473,186	2,169,025	394,392	16,629,148	23,665,751	
Restricted funds	<u>1,674,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,674,985</u>	
Total	<u>6,148,171</u>	<u>2,169,025</u>	<u>394,392</u>	<u>16,629,148</u>	<u>25,340,736</u>	
For the year ended 31 March 2023						
Unrestricted funds	4,195,979	1,931,949	1,038,697	15,786,626		22,953,251
Restricted funds	<u>713,805</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>713,805</u>
Total	<u>4,909,784</u>	<u>1,931,949</u>	<u>1,038,697</u>	<u>15,786,626</u>		<u>23,667,056</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Support costs

	Support costs	Governance costs	2024	2023
	£	£	£	£
Staff salary costs	2,096,593	-	2,096,593	1,911,929
Other staff costs	345,490	-	345,490	294,711
Property costs	91,642	-	91,642	71,446
Other operating costs	1,429,312	-	1,429,312	1,348,896
Depreciation and amortisation	25,426	-	25,426	20,288
Legal fees	24,708	-	24,708	41,531
Staff costs	-	88,608	88,608	59,986
Professional fees	-	23,400	23,400	13,995
Office costs	-	9,063	9,063	8,500
Trustee meetings	-	2,560	2,560	244
	<u>4,013,171</u>	<u>123,631</u>	<u>4,136,802</u>	<u>3,771,526</u>
Analysed as				
Charitable activities	<u>4,013,171</u>	<u>123,631</u>	<u>4,136,802</u>	<u>3,771,526</u>

8. Net movement in funds

Net movement in funds is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of owned tangible fixed assets	68,804	102,025
Amortisation of intangible assets	20,774	2,965
Operating lease charges - equipment	-	9,642
Operating lease charges - land and buildings	817,098	614,909

9. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,375	13,995
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>4,125</u>	<u>3,750</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. Staff costs

	2024	2023
	£	£
Wages and salaries	16,487,555	14,296,436
Social security costs	1,481,571	1,453,020
Contribution to defined contribution pension schemes	564,015	525,673
	<u>18,533,141</u>	<u>16,275,129</u>

The average number of persons employed by the Company during the year was as follows:

	2024	2023
	No.	No.
Employment services	57	49
Community support and personalised services	194	162
Housing services	6	12
Talking therapies services	251	253
Administration and support	56	49
	<u>564</u>	<u>525</u>

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	1	-

The key management personnel of the charity comprise the chief executive officer and the executive team. The remuneration of key management personnel is as follows:

	2024	2023
	£	£
Aggregate compensation	<u>522,305</u>	<u>480,132</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Trustees' remuneration and expenses

The Trustees received no remuneration during the year (2023: £NIL) and no Trustees received payment for professional or other services supplied to the charity (2023: £NIL).

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, travel expenses totalling £431 were reimbursed or paid directly to 2 Trustees (2023 - £242 paid to 2 Trustees).

12. Intangible assets

	Computer software £
Cost	
At 1 April 2023	581,104
Additions	231,507
Disposals	(66,108)
	746,503
At 31 March 2024	746,503
Amortisation	
At 1 April 2023	547,135
Charge for the year	33,968
On disposals	(66,108)
	514,995
At 31 March 2024	514,995
Net book value	
At 31 March 2024	231,508
<i>At 31 March 2023</i>	33,969

The amortisation charge for the year is recognised within expenditure on charitable activities.

There are no contractual commitments to acquire intangible assets at 31 March 2024 (2023: £NIL).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	43,746	324,015	797,372	1,165,133
Additions	14,641	-	16,863	31,504
Disposals	(43,746)	(109,712)	-	(153,458)
At 31 March 2024	<u>14,641</u>	<u>214,303</u>	<u>814,235</u>	<u>1,043,179</u>
Depreciation				
At 1 April 2023	42,768	299,020	733,381	1,075,169
Charge for the year	3,624	23,429	70,086	97,139
On disposals	(42,768)	(109,712)	-	(152,480)
At 31 March 2024	<u>3,624</u>	<u>212,737</u>	<u>803,467</u>	<u>1,019,828</u>
Net book value				
At 31 March 2024	<u><u>11,017</u></u>	<u><u>1,566</u></u>	<u><u>10,768</u></u>	<u><u>23,351</u></u>
<i>At 31 March 2023</i>	<u><u>978</u></u>	<u><u>24,995</u></u>	<u><u>63,991</u></u>	<u><u>89,964</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2023	1
	1
At 31 March 2024	1
 Net book value	
At 31 March 2024	1
	1
At 31 March 2023	1

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Holding
Moorpark Limited	Dormant company	100%

15. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	3,854,442	2,113,634
Amounts owed by group undertakings	2,727	2,727
Other debtors	2,995	5,677
Prepayments and accrued income	777,974	1,860,185
Other debtor arrears	(489)	9,739
	4,637,649	3,991,962

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	464,728	318,458
Other taxation and social security	349,493	308,520
Deferred income	355,946	1,466,655
Other creditor arrears	1,304	1,472
Other creditors and accruals	644,563	1,333,727
Provision for pension contributions	134,675	124,403
	1,950,709	3,553,235
	2024	2023
	£	£
Deferred income at 1 April	1,466,655	2,050,178
Resources deferred during the year	276,226	813,234
Amounts released from previous periods	(1,386,935)	(1,396,757)
Deferred income at 31 March	355,946	1,466,655

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General funds	3,420,326	24,102,446	(23,629,471)	127,369	4,020,670
Designated funds					
Designated funds	490,280	-	(36,280)	(35,028)	418,972
Restricted funds					
Central	125,032	-	-	-	125,032
Employment services	82,272	-	-	(82,272)	-
Community support and personalised services	513,051	1,431,992	(1,674,985)	(10,069)	259,989
	<u>720,355</u>	<u>1,431,992</u>	<u>(1,674,985)</u>	<u>(92,341)</u>	<u>385,021</u>
Total of funds	<u><u>4,630,961</u></u>	<u><u>25,534,438</u></u>	<u><u>(25,340,736)</u></u>	<u><u>-</u></u>	<u><u>4,824,663</u></u>

During the prior year management determined that separate disclosure of designated funds on the face of the Statement of Financial Activities provided the user of the accounts with a clearer and true and fair view of the activities and performance of the Charity. They amended the presentation of the Statement of Financial Activities to reflect that in the prior year. Management have considered this presentation for the financial year and determine that it remains appropriate to maintain this presentation. Management will continue to annually consider the appropriateness of this presentation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds					
General funds	3,419,924	22,683,603	(22,543,201)	(140,000)	3,420,326
Designated funds					
Designated funds	760,330	-	(410,050)	140,000	490,280
Restricted funds					
Central	125,032	-	-	-	125,032
Employment services	82,272	-	-	-	82,272
Community support and personalised services	342,505	884,351	(713,805)	-	513,051
	<u>549,809</u>	<u>884,351</u>	<u>(713,805)</u>	<u>-</u>	<u>720,355</u>
Total of funds	<u><u>4,730,063</u></u>	<u><u>23,567,954</u></u>	<u><u>(23,667,056)</u></u>	<u><u>-</u></u>	<u><u>4,630,961</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
General funds	3,420,326	24,102,446	(23,629,471)	127,369	4,020,670
Designated funds	490,280	-	(36,280)	(35,028)	418,972
Restricted funds	720,355	1,431,992	(1,674,985)	(92,341)	385,021
	<u>4,630,961</u>	<u>25,534,438</u>	<u>(25,340,736)</u>	<u>-</u>	<u>4,824,663</u>

Summary of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
General funds	3,419,924	22,683,603	(22,543,201)	(140,000)	3,420,326
Designated funds	760,330	-	(410,050)	140,000	490,280
Restricted funds	549,809	884,351	(713,805)	-	720,355
	<u>4,730,063</u>	<u>23,567,954</u>	<u>(23,667,056)</u>	<u>-</u>	<u>4,630,961</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Designated funds 2024 £	Total funds 2024 £
Tangible fixed assets	23,351	-	-	23,351
Intangible fixed assets	231,508	-	-	231,508
Fixed asset investments	1	-	-	1
Current assets	5,716,519	385,021	418,972	6,520,512
Creditors due within one year	(1,950,709)	-	-	(1,950,709)
Total	4,020,670	385,021	418,972	4,824,663

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Designated funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	89,964	-	-	89,964
Intangible fixed assets	33,969	-	-	33,969
Fixed asset investments	1	-	-	1
Current assets	6,849,627	720,355	490,280	8,060,262
Creditors due within one year	(3,553,235)	-	-	(3,553,235)
Total	3,420,326	720,355	490,280	4,630,961

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net income/expenditure for the period (as per Statement of Financial Activities)	193,702	(99,102)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	97,139	118,551
Amortisation and impairment of intangible assets	33,968	20,774
Investment income recognised in statement of financial activities	(26,530)	(42,783)
(Increase) in debtors	(645,687)	(483,692)
Increase in creditors	(491,817)	308,960
(Decrease) in deferred income	(1,110,709)	(583,523)
Net cash used in operating activities	(1,949,934)	(760,815)

21. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand	1,882,863	4,068,300
Total cash and cash equivalents	1,882,863	4,068,300

22. Analysis of changes in net debt

	At 1 April	Cash flows	At 31 March
	2023	£	2024
	£		£
Cash at bank and in hand	4,068,300	(2,185,437)	1,882,863

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23. Pension commitments

Defined contribution scheme

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £435,576 (2023: £376,167). Contributions of £76,741 (2023: £66,800) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit schemes

The charity participated in two multi-employer pension plans, being TPT Retirement Solutions' Growth Plan (formerly the Pensions Trust's Growth Plan) and the NHS Pension Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

The contributions payable by the charity charged to income and expenditure amounted to:

	2024	<i>2023</i>
	£	£
The Growth Plan	-	<i>1,708</i>
NHS Pension Scheme	128,587	<i>160,723</i>
	<hr/> 128,587 <hr/>	<hr/> <i>162,431</i> <hr/>

Expenditure on pensions is allocated to service line according to staff time. Costs are split between restricted and unrestricted based upon project specific cost accounting. Contributions totalling £17,907 (2023: £17,229) were payable to the funds at the year end and are included in creditors.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 26 active members of the Scheme employed by the charity. The Scheme is not open to new employees unless they are transferred under TUPE agreements from an NHS Foundation Trust.

The Scheme has a number of different benefit structures. For the 1995 section annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service; for the 2008 section annual pensions are normally based on 1/60th of the average of the best three consecutive years' pensionable pay in the final ten years of service for each year of service; for the 2015 section, which is a career average revalued earnings scheme, annual pensions are based on 1/54th of each year's pensionable pay.

Members of the 1995 section normally receive a lump sum on retirement of three times their annual pension. Members of the 2008 and 2015 sections receive a lump sum which may be a maximum of 25% of the value of their pension at retirement, their choice subsequently affecting the level of annual pension due. In all cases, the lump sum available is subject to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in the Consumer Price Index in the twelve months ending 30 September in the previous calendar year.

On death, a pension of 50%, 37.5% or 33.75% of the member's pension is normally payable to the surviving spouse, civil partner or nominated partner. The percentage payable depends on whether the member was in the 1995, 2008 or 2015 section. In addition, each section provides for a lump sum payable on death.

The Scheme is subject to a full actuarial valuation every four years, and an FRS 102 accounting valuation every year. At the conclusion of the 2016 full valuation the Scheme actuary reported that employer contributions should increase to 20.6% from 14.3% from April 2019. In addition, employers are required to pay a scheme administration levy of 0.08% of pensionable pay. For the 2019-20, 2020-21 and 2021-22 scheme years, employers were responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally.

The valuation of scheme liability in accordance with FRS 102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme Annual Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TPT Retirement Solutions' Growth Plan

TPT Retirement Solutions' Growth Plan ('the Plan') is funded and was not contracted out of the state scheme. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. For contributions from November 2012 the capital guarantee was removed.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore,

The Plan is accounted for as if it were a defined contribution scheme. The cost to the charity of participating in the Plan is taken as equal to the contributions payable to the Plan for the accounting period.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

There is a potential debt on the employer that would be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing guaranteed benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Plan.

During 2021/22 the trustees carefully considered the pros and cons of opting to withdraw from the TPT Retirement Solutions' Growth Plan scheme and decided to do so with effect from 30 September 2021.

At the balance sheet date there were 0 active members of the Plan employed by the charity. The charity no longer offers membership of the Plan to its employees.

Following the Trustees' decision to leave the TPT Retirement Solutions pension scheme during 2021-22, remaining estimated exit debts of £40,027 remain fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme Trustee is seeking court direction. Possible additional costs can not be calculated at this time. However, MHM's advisors indicate that these will not be material.

There are potential additional liabilities associated with an ongoing review of the way in which changes to benefits have been implemented. The Scheme Trustee is seeking court directions on how to interpret the rules. Until this matter is resolved, it is not possible to assess with any degree of certainty the likelihood or value of additional liabilities. However, the trustees do not expect these to be material.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

24. Operating lease commitments

The charity as a lessee:

At 31 March 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Within 1 year	693,269	332,763
Between 1 and 5 years	1,131,442	98,627
	<u>1,824,711</u>	<u>431,390</u>

The charity as a lessor:

The charity has a large number of tenancy agreements with tenants utilising the services of the charity. The lease agreements have varying terms, however all leases are cancellable as the intention of the charity is that tenants vacate premises once they are recovered.

At the year end, the charity had no contracts with tenants under non-cancellable operating leases.

25. Related party transactions

During the year the Charity entered into transactions with the following related parties:

- P Rolland, trustee, who is employed as a programme lead for Health Education England, which provides funding for clinical trainees in talking therapy services;
- J Lanham, trustee, whose husband is employed by Combat Stress UK, with whom the charity has a contract for community support services; and
- C Kaplan, trustee, who is International Director at Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust, with whom the charity has contracts for talking therapy services

No related party has had any involvement in the delivery of the services nor have they had any involvement in decision making in relation to the contracts in question.

The income generated by MHM in the year from each of these contractual arrangements with related parties is as follows:

	2024 £	2023 £
Health Education England	768,013	350,743
Combat Stress	261,999	777,075
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust	5,409,731	-
	<u>6,439,743</u>	<u>1,127,818</u>


58338 - 2024-03-31 - Mental Health Matters - Final Accounts as at 20.09.24

Final Audit Report

2024-10-07

Created:	2024-10-07
By:	Christopher Knight (Christopher.Knight@armstrongwatson.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-bfEdsPNG9TjvhiAub2jUg6F-FNEYIDp


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MENTAL HEALTH MATTERS

England & Wales - Charity number 514829

Accounts

Registered number: 1786914
Charity number: 514829

MENTAL HEALTH MATTERS
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

mhm
mentalhealthmatters™

ArmstrongWatson®
Accountants, Business & Financial Advisers

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisors	1
Chair's statement	2 - 3
Trustees' report	4 - 19
Trustees' responsibilities statement	20
Independent auditor's report on the financial statements	21 - 24
Statement of financial activities	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 50

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	S J Baines, Chair D M Corner, Trustee G Jenkins, Trustee M Booth, Trustee P Rolland, Trustee J Lanham, Trustee K Evans, Trustee M Atherton, Trustee (appointed 27 September 2022)
Company registered number	1786914
Charity registered number	514829
Registered office	Avalon House Saint Catherines Court Sunderland Tyne And Wear SR5 3XJ
Chief executive officer	J Hughes
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors One Strawberry Lane Newcastle upon Tyne NE1 4BX

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

I am delighted to present our Annual Report and Accounts for 2022-23 which provide a summary of the year's activity and details of our accounts for this financial year. For full details of the impact of our work this year, please see our Impact Report which is accessible via this link <https://www.mhm.org.uk/our-impact>.

Mental Health Matters has continued to grow and develop our services this year with our total income increasing by almost 10% to £23.6m. As we grow, we continue to increase our geographical footprint to new areas of the country and to expand our range of service models, and in particular those providing support and preventing crisis escalation. We expect, and are planning for, further expansion with our service models attracting strong interest from commissioners and service partners. To underpin this, we have maintained our strong balance sheet during the last year, with our general reserves sitting at over £3.4m in line with last year.

We are now one year into our three-year strategy for 2022-2025 aimed at continuing our growth while cementing service quality. I am very pleased to report that we have been successful in achieving the expectations for the year in our strategy.

If you read my report last year you will recall that we revised our vision and purpose, and we had a new set of values which resonate with the organisation and will continue to be embedded in everything we do. As they are so central and important to us, I wanted to restate them here:-

Our Vision is: That everyone can access support for their mental health to live a meaningful life, in a society free from stigma.

Our Purpose is: To provide innovative, life-changing mental health support for individuals and communities.

Our Values are:

- Compassionate: We are compassionate to the needs of the people who access our services, their experiences, and their aspirations.
- Collaborative: We believe that by working together, we achieve the best outcomes for individuals, communities, and society.
- Accountable: We are accountable, we are transparent and hold ourselves to the highest standards in every interaction.
- Proud: We are proud of what we stand for – those who access our services, our people and changing lives.

The strategy has four themes addressing our future ambitions as a provider of mental health services and as an advocate for those with mental health needs who require access to timely and appropriate support. Our areas of focus include collaborating with experts by experience to ensure we provide accessible, impactful, high quality and innovative services that meet locally identified needs. We will also help shape future care and support by influencing the transformation of services, taking a personalized and place-based approach to deliver life changing impact whilst challenging stigma.

As a charity, a vital aspect of our work is using our voice in external forums, to promote mental health and support the development of mental health strategy and services. We will continue to do this through our established networks to help shape integrated workforces and the evolution of new roles within the sector. During this year we have played an active role in the changes across health and social care as integrated care systems are developed and established. In various locations where we operate as a provider, we have supported the developing transformation of community mental health services. This has included chairing the Transformation Leadership Board in Northumberland as well as being an active and founder member of the new Durham Mental Wellbeing Alliance. We have also played a pro-active role in responding to a number of consultations, including the review of the Mental Health Act and workforce reform and benchmarking.

Our focus within the organisation remains to continue to implement our strategy and values, as we look to develop a culture that has our values at its heart and will ensure we can attract and retain a skilled, knowledgeable and diverse workforce for the future, that is appropriately recognised, and rewarded.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

We completed a full review of our remuneration and benefits package for employees to ensure we reward our people appropriately and can offer a range of development opportunities and career pathways. This is especially important in a competitive market, enabling us to attract people with the knowledge, skills and values that are essential for us to achieve our goals. We understand the importance of recognition of those who work so passionately to ensure we can deliver high quality, impactful services. Building on our learning from the pandemic, we continue to strengthen our focus on employee wellbeing and ensure everyone has a voice within Mental Health Matters.

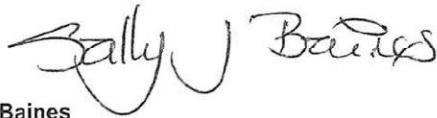
Early in 2022 the health system was still responding to the pandemic and changes to service need. Our Executive and Management Teams worked with our employees to respond to changes in Government guidance following the pandemic to ensure that those needing our help continued to get the support they needed through the provision of blended services. This was not easy, and on behalf of the board of Trustees, I can only commend again the efforts of all those involved. The remaining challenge now will be to deal with the ongoing mental health impact which is apparent in both the complexity and acuity of the needs of those who access our support.

We are also transforming our internal systems and processes to be more user-friendly and efficient to maximize our impact in helping people achieve meaningful lives. Our strong financial position is supporting investment in a digital strategy that will modernize the infrastructure, equipment, tools, and resources that support hybrid working and new innovative models of service provision. During the year we invested £270k from our designated reserves for this purpose.

Our Quality and Safeguarding Sub-Committee works alongside our current Audit and Risk Sub-Committee, to support our continued focus on quality by providing additional assurance to the Board, as the breadth and range of models of services expand. Our time limited steering groups also bring together trustees with relevant skills, supporting our Executive and Management teams with major workstreams, including the implementation of our workforce and digital strategies.

I was delighted to take on the role of Chair of the Board of Trustees in September 2021, and this is now my second annual report as Chair. Our Board has been joined by a number of new Trustees over the last year to 18 months, and they have transitioned seamlessly into their roles with us, allowing the board to continue to function strongly throughout. This ongoing process of refreshment and regeneration of our Board continues as our Chair of the Audit and Risk Committee comes to the end of his term of office and I will reach the end of my time as a Trustee, and therefore Chair, during the coming year. We are being proactive to enable stability and continuity to the organisation through induction and handover to new people taking on these roles in the future.

We know the next year will continue to provide challenges both to us as a charity and service provider as well as to our service users. I am confident that the foundations given by our vision and values, as well as our strong financial position, and our established networks and relationships will be fundamental to us building on our strong reputation in a more collaborative environment going forward. We will use this to continue to grow our influence and advocate for those experiencing mental distress and illness at a time where ambitious plans for the health and social care sector hold the potential to truly transform services and tackle the inequalities in mental health services.



S J Baines

Chair of Trustees

Date: 26 - 9 - 2023

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1st January 2019).

Objectives and activities

a. Public Benefit

Mental Health Matters (MHM) exists for the benefit of the public through the provision of its services to any member of the public who has a mental or physical health need that impacts on their wellbeing. All of the services provided by MHM are within the aims and objectives as set out in the Articles of Association.

Throughout the Achievements and Performance section of this report (pages 9 - 13), we have identified and evaluated the benefits that individuals gain from accessing our services and maximising independence through self-directed support. This is particularly reflected in our psychological therapy services and community-based services focusing on positive outcomes for individuals.

In shaping our objectives for the year and planning our activities, the trustees considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an organisation we also provide a range of accessible literature, online resources and training courses to educate, inform and guide people with mental and physical health needs, their carers and networks, and the wider community.

b. Objectives

The primary object of the charity is to act for the benefit of the public, to promote the well-being of persons who are experiencing mental or physical health problems or illnesses, however those problems or illnesses have arisen, and their families and carers, both in the UK and overseas.

During 2022/23 our focus has been on:

- provision of high quality, sector leading services
- business development and growth
- a motivated and relevant workforce, and
- system & process improvement.

During the year, as detailed in the Chair's statement above, we created an organisational strategy for 2022-25, developed in consultation with our commissioners, partners, employees, and those who access our services.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

a. Governance and trustees

MHM is a charitable company limited by guarantee (registration number 1786914), incorporated in 1984 and governed by its Articles of Association, most recently amended in 2022 to provide clarity around recruitment of trustees, terms of office and the functioning of the Board and its sub-committees. MHM is registered as a charity in England and Wales (registration number 514829).

The Board of Trustees has ultimate responsibility for the strategic direction of MHM. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of this report were:

S Baines (Chair)
D Corner
M Booth
K Evans
J Horsman (resigned 4 April 2022)
G Jenkins
J Lanham
P Rolland
D Dragomir (appointed 27 September 2022, resigned 17 January 2023)
M Atherton (appointed 27 September 2022)

At 31 March 2023 MHM had 8 serving trustees, and at the date of signing this report MHM had 8 serving trustees.

b. Organisation

The Board of Trustees meets quarterly during the year in order to ensure that MHM achieves its charitable objectives. The board's role includes strategic oversight, and monitoring of quality and effectiveness of governance arrangements, operational performance and financial performance. Business plans, budgets, the schedule of delegation, and terms of reference for the sub-committees (Audit & Risk and Quality & Safeguarding) and the Executive Team are reviewed and agreed annually and monitored by the Board of Trustees.

The Audit & Risk Committee meets quarterly and seeks assurance over the organisation's financial and governance systems, including the annual financial auditing process and the corporate risk framework. The findings from the organisation's annual cycle of internal quality and assurance systems auditing are reported to this committee.

The Quality & Safeguarding Committee was established during the year and will meet quarterly. Its purpose is to support the Board of Trustees in discharging its responsibilities for the safe and effective delivery of services and to oversee the strive for excellence and continuous quality improvement.

Board of Trustees meetings are held either in person or using online platforms. Sub-committee meetings are generally held online.

A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. The Board of Trustees has systems in place for the delegation of authority to the Chief Executive Officer and the Executive Team.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

c. Trustee induction and training

MHM's Board of Trustees is made up of individuals with the skills, competences and experience required to govern the organisation. The trustees keep these requirements under review in order to ensure that the organisation is effectively governed. Recruitment to the charity's Board of Trustees complies with the process detailed in its Articles of Association.

Each year the Board of Trustees, Chief Executive Officer and Executive Team meet with their charitable and company law legal advisor. The purpose of the meeting is to refresh their knowledge of the respective duties of trustees and employees, and also to update them on any key amendments in charity law and Charity Commission expectations, with a view to potential impact on the charity's governing framework.

The trustees have access to the MHM intranet and to a range of e-learning, including modules that are mandatory for trustees, covering a range of relevant content including organisation induction, mental health awareness, safeguarding, information governance, and health & safety.

d. Related parties and co-operation with other organisations

None of the trustees receives remuneration or other benefit from their work with the charity.

Two current trustees have connections with organisations that provide funding to MHM; the details are presented in note 26 on page 53. Where decisions are made by the Board of Trustees that relate to those organisations, the trustees concerned do not participate in the decision-making process.

MHM has continued to work with many NHS and third sector organisations during the year, and entered into contracts with several new commissioners. Our commissioners are listed on page 14.

MHM has a wholly owned trading company, Moorpark Limited. This subsidiary ceased its trading activities in June 2013, and is currently dormant.

e. Fundraising

MHM's primary source of funding is statutory funding, and the delivery of our services does not rely on donations or public fundraising. However, for the public, donating or fundraising is often seen as a positive way of supporting our services and as a way of expressing gratitude for the support received by themselves or a loved one. All funds received will be used to support our charitable objectives.

MHM is committed to best fundraising practice and compliance with appropriate guidance, and is registered with the Fundraising Regulator. Details of our approach to fundraising are available on our website: <https://www.mhm.org.uk/fundraising-statement>

Donations received during the year totalled £22,568 (2022: £44,551).

f. Pay policy for key management personnel

The trustees consider that key management is comprised of the Chief Executive Officer and Executive Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The pay of the Executive Team is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other organisations of a similar size run on a voluntary basis. The ratio of the Chief Executive Officer's rate of pay to the average rate of pay for all employees in March 2023 was 2.9:1 (2022: 3.3:1).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

g. Gender pay gap

For MHM at April 2022 the mean gender pay gap was 1% (April 2021: -2%) and the median gender pay gap was 5% (April 2020: 8%). Policies and procedures ensure that employees in directly comparable roles are paid at the same rate. The mean gap is attributable to the fact that the management team at the time was predominantly female, and the median gap is attributable to the fact that male employees are more likely to be in higher paid roles than female employees at present. MHM is committed to providing equal opportunities in recruitment and in learning and development to male and female employees and prospective employees. MHM remains alert to barriers that might affect the balance of male and female employees in each type of role, and is committed to addressing those barriers if it has the power to do so.

h. Equality

MHM incorporates equal opportunities throughout its policies. These policies ensure that, in accordance with both current legislation and best practice, no service user, person employed or job applicant will be treated unfavourably by reason of their 'protected characteristic' as set out in the Equality Act 2010.

i. Disabled employees

MHM's policy in relation to recruitment of disabled persons is to guarantee to interview anyone with a disability whose application for a post meets the minimum criteria for that post, and to always put in place any reasonable adjustments to ensure that applicants are treated fairly and safely within both the recruitment process and the working environment. Where employees become disabled during their employment, MHM will engage in consultation with them to determine whether any reasonable adjustments can be made and/or to consider any alternative roles available. This approach has been applied consistently throughout 2022/23.

j. Employee engagement

As an accredited Investor in People, MHM believes in recognising people's skills and knowledge, and in developing its employees through learning and development. All employees have an agreed personal development plan to ensure that their learning and development is appropriate to both their role and their personal circumstances.

MHM uses its staff intranet to be the source of all information regarding policy, procedure, news and other matters of concern to employees.

Staff are consulted by their managers on matters directly affecting their employment, and are consulted on an annual basis through an employee survey that enables them to give their views anonymously on matters ranging from leadership to rewards and benefits, in order to inform organisational development. An action plan ensures MHM acts on and responds to views received.

MHM agrees an annual business plan for the organisation that demonstrates how strategic objectives will be achieved, helps employees understand how their role and their team's role contributes, and leads to employees taking ownership of the personal contribution they make towards the charity's performance. This process, along with intranet updates and the reporting of key issues through regular manager meetings, service team meetings, and staff 1-1 meetings, ensures that a common awareness of financial and economic factors affecting performance is achieved.

Further development of employee engagement is a key focus within our 2022/25 strategy.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

k. Response to Covid-19

Throughout the Covid-19 pandemic, the primary focus of the Board of Trustees, the Chief Executive Officer and the Executive Team was on balancing the absolute priority of the safety of our staff and service users with a desire to maintain effective service delivery.

MHM's ability to maintain services, secure new services and implement different ways of working during the pandemic gave MHM a strong foundation for 2021/22, 2022/23 and beyond. Through consultation and collaboration with staff, we introduced hybrid models of working that offered greater flexibility, whilst ensuring our service users had access to support in the best way for them.

Strategic report

Achievements and performance

a. Overview

MHM launched our new 3-year strategy from April 2023, with the Executive Team delivering roadshows to colleagues across the country, to ensure that there was collective understanding, ownership and implementation of the four pillars outline below:

- **Co-Produced High-Quality Services** – We will collaborate with experts by experience to deliver accessible, impactful, high quality and innovative service that meet the needs of individuals, their families, carers and communities.
- **Engaged and Ambitious Workforce** – We will develop a people culture, underpinned by our values that attracts, develops, rewards and retains a skilled, knowledgeable and diverse workforce.
- **Shaping Future Care and Support:** We will influence and drive the transformation of care and support through a holistic and place-based approach that delivers life changing impact.
- **Transforming How We Work** – We will ensure that our processes, tools and resources are efficient, simple and user friendly to increase our reach, maximise our impact and help more people to achieve meaningful lives.

In implementing the strategic delivery plan for 2022/23, MHM continued to deliver high quality services including: primary care psychological (talking) therapies; generic and mental-health-specific housing provision (from floating support through to registered care); recovery and employment services (including for people with mild to moderate anxiety disorders and/or depression, long term conditions, dual diagnoses and addictions); safe haven provision for people at risk of experiencing a mental health crisis; 365/24/7 telephone emotional support and tele-therapy services; and advocacy, user voice, advice and information services.

MHM continued to invest time and resource to retain and acquire new services across England, building on our strong brand for delivering high quality health and social care services alongside strategic partners. This has included implementing recommendations from independent reviews into our housing and employment services, responding to the changing needs of people in our communities by delivering evidence-based services and building trusted relationships with our service commissioners.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

b. Achievements and performance

MHM continues to be proud of the delivery of high-quality services focused on service users' recovery and wellbeing, and of successful bids for new services and the extension or renewal of existing services which allow MHM to expand its reach.

There have been many successes during the year, with contracts won to deliver new services and with many existing contracts extended. MHM's approach of devising bespoke delivery models suited to individual commissioners' requirements, bidding for funds to deliver services based on a combination of MHM's areas of specialism, and seeking funding to deliver services in new markets continues to prove effective.

MHM has further grown its networks and partnerships, raising MHM's profile and seeking to influence policy at a national level. These networks have been built with organisations across health and social care and within the charity sector. Directors have engaged with activity at national, regional and local levels, participating in opportunities to work with the new Integrated Care Systems and the transformation of local community mental health services.

Internally investment in our staff resources has continued, adding new posts to our organisational structure and focusing on the development of management skills.

During the year to March 2022:

- over 40,800 people accessed our talking therapy services;
- our 365/24/7 helpline service supported clients on over 54,400 calls and 6,600 web chat and text sessions;
- our employment services helped over 4,100 people to remain in work, find paid employment or access training, education and volunteering opportunities;
- our housing services helped 9 people to transition to more independent living;
- over 38,000 sessions of support were delivered to individuals by our out-of-hours safe haven services either in person, via telephone, text, or virtually; and
- we expanded our geographical reach into new areas.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

c. Quality and Operations in 2022/23

Community Support - Employment Services in 2022/23

We worked in partnership with Integrated Commissioning Boards (ICBs), NHS trusts, local authorities and voluntary sector organisations to deliver community-based employment support and Employment Advisors in Talking Therapy services (formerly IAPT (Improving Access to Psychological Therapies)).

Longstanding commissioners have continued to demonstrate their confidence in MHM's employment services by awarding contract extensions, and MHM has continued to show the value of our experience of both employment services and Talking Therapies in helping commissioners to deliver services to support clients with mild to moderate anxiety and/or depression with seamless, personalised employment support to help them remain in, return to or find paid employment.

We launched a new employment service as part of the Durham Mental Wellbeing Alliance. A collective of organisations driven by shared values and a commitment to supporting mental health, wellbeing and recovery in County Durham.

Employment services are well used, delivering positive outcomes in working with people. Outcomes include people moving from employment benefits into paid employment, maintaining current employment and avoiding periods of sick leave, returning to work following time off sick, looking for new or alternative employment, and undertaking training or voluntary work. In addition MHM has supported employers with retention and to have a greater understanding of mental health issues in the workplace.

4142 people were assisted to remain in work, find paid employment or access training, education and volunteering opportunities to help develop employability skills; 849 of these people moved into paid employment.

Community Support - Community Support and Personalised Services in 2022/23

In 2022/23 MHM's 24/7 emotional support helpline, which is accredited by the Helpline Partnership, expanded its range of contracts and continued to provide 24/7 wrap-around support to clients of MHM's talking therapies and recovery services. The helpline provided active listening and direct interventions to vulnerable callers. We also launched the Sunderland and South Tyneside Helpline service in year.

We continued to deliver community-based wellbeing services to over 737 clients during the year. This included services in Leicestershire, Staffordshire, Knowsley & Solihull, providing a variety of group interventions, advice and drop-in sessions as well as individual support.

Our Pathways group of services continued to offer excellent support, providing 261 people with advocacy, or advice and information about welfare benefits, debt, housing and employment issues.

Throughout the year our safe haven services in Coventry, Devon, Kent & Medway York and the North West Virtual Haven. continued to provide a safe place for people in acute distress or at risk of a mental health crisis.. We launched further safe haven services in Sunderland and South Tyneside (Virtual), East Berkshire, 5 sites in Leicestershire, Barnsley and Sheffield. These services offered support in a non-clinical setting to 8647 people experiencing anxiety or distress or at risk of self-harm or suicide.

As an illustration of impact, evaluation of the Devon service showed that the service had prevented 114 suicides and 130 incidents of self-harm in 2022/23.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

Community Support - Housing Services in 2022/23

The aim continues to be to ensure that wherever possible those accessing our housing services live as independently as they are able to, within their local community. During the year to March 2023, we continued to work with service users to support their recovery, providing accommodation and support.

Following an independent review of MHM's Housing provision, the decision was taken to focus on services where we feel we can have greatest impact, specifically our dispersed housing, floating support services and the development of crisis housing models. This decision led to the closure of two existing services within Newcastle and Teesside, with existing clients fully supported to find alternative accommodation to meet their support needs.

Talking Matters - Talking Therapies Services in 2022/23

Throughout 2022/23 MHM continued to be a large national provider of NHS Talking Therapy services, delivered both in partnership with NHS foundation trusts and as a lead contractor:

- NHS Northumberland Talking Therapies: MHM remains the prime contractor for this service, working with a sub-contractor Sunderland Counselling Service (providing step 2 therapy and counselling). In its eighth year of delivery, the service had over 6,120 people entering treatment, met the national 18 week waiting list target and by the year end, achieved the national recovery target of 50%.
- NHS Sefton Talking Therapies: MHM delivers this service as a sole provider, including therapy at steps 2-4. The service had over 4300 people entering treatment and met the national 18 week waiting list target throughout the year.
- NHS Warrington Talking Therapies: MHM, as prime contractor, delivered therapy at steps 2-4. MHM also sub-contracted additional provision on behalf of Warrington Clinical Commissioning Group through Making Space (for computerised cognitive behavioural therapy) and St Joseph's Family Centre (for counselling, couples' therapy and anger management). The service had over 3,500 people entering treatment, met the national 18 week waiting list target for waiting times, achieved the national recovery target of 50% and continued its involvement in the national programme of IAPT expansion into long term conditions and medically unexplained symptoms.
- NHS Staffordshire and Stoke-on-Trent Talking Therapies: In collaboration with lead provider Midlands Partnership University NHS Foundation Trust (MPFT) and other partners, MHM continued to deliver step 2 services in four localities. Over 14,400 people entered treatment in the year. The recovery rate for the service exceeded the national target.
- NHS Durham and Darlington Talking Therapies : MHM was a sub-contractor to Tees, Esk and Wear Valleys NHS Trust (TEWV) providing therapists, management and administration. Over 12,300 people entered treatment in the year. Waiting times for the service are within national targets and the achieved the national recovery rate target.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

d. Development in 2022/23

MHM's development team leads on the generation of new business opportunities through tendering for new contracts partnerships and strategic relationships and retention of existing contracts. The team also encompasses both internal and external communications, raising MHM's profile and ensuring we have a voice in relation to mental health national and regional policy and innovation.

During the year to March 2023:

- Following the engagement of our External Affairs and Policy Manager MHM were involved in the consultation on the Major Conditions Strategy early this year, we currently await any new strategy announcement by the Secretary of State. MHM also commented via our social media on the commitment in the spring budget statement to £10 million to tackle suicide prevention.
- Following the growth of our service in Solihull we became members of the Birmingham and Solihull VCSE Provider Collaborative.
- Continued positive local work in Leicester and Leicestershire led to the re-procurement of our Advice and Wellbeing Service and the introductions of 5 Crisis Café's across the area, including the development of a University model, supporting students in Leicester Uni, Loughborough and DeMontford. We are now active members of the Leicester, Leicestershire and Rutland VCSE Alliance.
- In February of 2023 following our own research we launched a campaign on University Mental Health Day to raise awareness of student mental health and the experience of those attending English Universities. Our findings showed that every year since the pandemic began the number of students reporting mental health conditions to their universities has increased, impacting more than 63,000 students in the last academic year. This awareness raising with University institutions continues.
- In addition to expansion in Solihull and Leicester we have launched a number of other services, expanding our models nationally, this includes: Sunderland and South Tyneside Virtual Haven, East Berkshire Safe Haven, Barnsley and Sheffield Support Hub and Knowsley Moving Forward Together.
- As an active member of The Association for Mental Health Providers, we continued to work closely with a range of members on a weekly basis to address various challenges and opportunities at a sector level. This has included sharing our perspectives in relation to future workforce requirements and planning, thereby informing NHS England & NHS Improvement, Health Education England, Association of Directors of Adult Social Services, Local Government Associations and the Department of Health and Social Care. It also allowed us to comment on and influence winter planning from the mental health needs perspective.
- Our Executive Team also helped to influence policy through membership of the Social Care for Mental Health and Wellbeing Policy & Oversight Group which reports to the Department of Health and Social Care. This work includes helping to inform priorities and the role of social care in the transformation of community mental health services.
- Horizon 2.0 was launched in 2022/23 with all MHM colleagues having access to an improved intranet system, easier access to training opportunities, job vacancies and information about services activities across the country.

The development team also designed a 3 year Business Strategy aligned to the organizational strategy, outlining our commitment to growth, retention, partnerships, collaboration and reducing the stigma associated with mental health. Alongside this and following the growth of our Marketing and Communication Team we agreed a 3 year Marketing Strategy outlining our commitment the external profile of MHM including how those who access our services get the right information at the right time in the right format for them. Our Internal communication strategy was developed based on feedback from our staff, ensuring all of our colleagues feel informed and consulted on matters that are important to them in the work they do and as colleagues within the organisation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

e. Governance & Corporate Services in 2022/23

MHM central services provide an infrastructure and governance framework for the organisation. During the year the structure of these central functions was reviewed and re-aligned to better fit with the organisation's overall needs, and to better support the operations and services provided by MHM.

The central functions are now split into:-

- Finance
- People and Organisational Development
- IT
- Business Development
- Strategy and Performance

f. Commissioners, funders and customers

MHM gratefully acknowledges the funding provided for its 2022/23 services by the following commissioners, organisations and customers:

Combat Stress
Cornwall Partnership NHS Foundation Trust
Coventry & Warwickshire Partnership Foundation Trust
Middlesbrough Council
Middlesbrough College
Cumbria Northumberland Tyne
Devon Partnership NHS Trust
East Leicestershire & Rutland
East Midlands Shared Services
Gateshead Council
Health Education England
Herefordshire & Worcestershire
Hertfordshire Partnership NHS Foundation Trust
Hitachi Solutions
Home Group
Karbon Homes
Knowsley Council
Lincolnshire Partnership NHS
Livewell Southwest
Making Space
Mersey Care NHS Foundation Trust
Midlands Partnership NHS Foundation Trust
Newcastle City Council
NHS County Durham CCG
NHS Cheshire and Merseyside ICB
NHS Durham Dales Easington and Sedgefield CCG
NHS Coventry and Warwickshire
NHS Frimley ICB
NHS Kerit and Medway ICB
NHS Northumberland CCG

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

g. Risk Management

MHM has a comprehensive risk management framework in place, and the trustees and the executive team maintain a continuous review of the risks the charity may face and the systems and procedures to minimise any potential impact on the charity should those risks materialise.

MHM has reviewed the risks to achievement of its strategic objectives during the year to ensure they are fully integrated into the risk assessment, management and mitigation procedures. Risks are assessed within the following areas: strategic impact, market, commissioners, clients, third party reliance, legal/regulatory, reputation, financial, IT, information governance, and climate change/environmental.

The Audit & Risk Committee, comprising suitably qualified and experienced trustees, meets four times per year, and receives reports from senior management. The committee's remit is to provide assurance to the board that there are effective systems in place for financial and wider governance, including risk management and compliance with all aspects of the law, relevant regulations, and good practice. In addition, specific areas of risk to the charity are monitored by the full Board of Trustees, including consideration of the issues related to identification, mitigation and elimination of the risk.

The key risks facing the charity were monitored and appropriately mitigated during the year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Principal Risks and Uncertainties

The changes underway to mental health commissioning, with the advent of Integrated Care Systems (as advocated by the NHS Long Term Plan in order to integrate services more comprehensively into the wider health system and to give better, more joined up care) and the transformation of community mental health services are intended to improve care for service users, but they also present risks which MHM must manage closely. MHM aims to continue to influence and shape future commissioning and available resource through our networking and advocacy at local and national levels, and anticipates being in a position to be responsive to the increased demand for mental health services and to the changes in commissioning.

The principal risks and uncertainties facing the charity are considered to be:

- Attraction, retention, and development of an inclusive and diverse workforce to ensure we have the right skills in the right place at the right time to deliver our strategy -
 - A Talent Acquisition Lead has been recruited to lead on MHM's approach to this risk.
 - A People strategy has been developed and will be implemented to establish MHM as an employer of choice: to attract and retain skilled and qualified staff; to engage, develop, motivate and empower our workforce; to ensure that staff wellbeing is at the forefront of decision making; and to promote workforce diversity.
 - MHM has increased flexible ways of working post-Covid 19, including hybrid workplace/home working where appropriate.
 - Additional resource within the People & Organisational Development team has been deployed to support implementation of the People strategy, and resource requirements are kept under constant review in order to best meet the recruitment challenges within the sector.

- Changes in the commissioning environment and the need to ensure that we continue to be able to fulfil our commissioner proposition and our service standards -
 - Our commissioner proposition and service standards are central to the contract mobilisation process, and specific risks are monitored initially through our assurance process for new contracts, then through contract management and monitoring of KPIs.
 - Ongoing development of our management, our workforce and our organisational infrastructure is focused on the need to continue to deliver consistency of contract management, and influence and respond to the transformation of community mental health services.
 - Our IT transformation programme includes a data workstream which aims to deliver more accurate & timely data to enhance both reporting to commissioners and ability to assess & respond to issues arising within services.

- Our obligations, duty of care and safeguarding responsibilities to clients and the importance of maintaining high quality, safe standards in our service delivery -
 - Our services have well-developed relationships with local agencies with responsibility for safeguarding and care; we have policies and procedures in place for safe and effective work with clients, and for reporting, recording and responding to incidents, including safeguarding incidents; and our staff are provided with induction, mandatory and role specific training, and ongoing staff development for the responsibilities of each post and our trustees receive appropriate refresher training.
 - A Quality & Safeguarding Committee has been established since the year end to provide board-level scrutiny of this risk, and this committee's work will be developed during 2022-23.
 - MHM have secured the involvement of an external subject matter expert to support the organisation in relation to its safeguarding responsibilities.
 - A Co-Production Strategy will be developed during 2022/23 to ensure sufficient client engagement and feedback.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

- Ensuring that IT systems and support are effective and do not compromise or disrupt the ability to deliver services safely and effectively, or prevent or delay the transformation of processes set out in 2022-25 strategy.
 - We have a third party managed service provider in place, with appropriate accreditation, ISO27001 and Cyber Essentials Plus, to ensure that our IT platforms are secure and resilient.
 - IT arrangements are covered by our Business Continuity Plan and Disaster Recovery Plan, and we have proven ability to accommodate remote working.
 - An IT audit and strategic review was carried out in late 2020, leading to the development of an IT Transformation Programme which has begun; this will review and improve current systems; support, document and embed best practice for MHM processes; enable access to the right data for the right people at the right time; and support a move to cloud systems.

Financial review

a. Financial review

MHM principal funding sources are shown in note 4 to the financial statements. There has been a 10% increase in incoming resources for the year, due to new services in talking therapies and community support and to expansion of existing employment and talking therapies services.

The £99,102 deficit generated for the year reflects:

- Costs of £410,050 being taken from previously designated funds for IT development, leaving an underlying surplus of £310,948;
- the continuing growth in incoming resources, largely on block-funded contracts;
- rigorous control of costs; and
- considerable staff cost savings as a result of recruitment challenges – however, vacancies lead to pressure on our colleagues to be able to deliver services effectively. Where applicable, we have engaged agency staff to fill some vacancies. The People strategy described above is intended to mitigate this challenge.

Included in the deficit generated in the year is unused funding categorised as restricted for use in accordance with the commissioner's intentions in future years. This amounts to £170,546.

Following the trustees' decision to leave the TPT Retirement Solutions pension scheme in the previous year, remaining estimated exit debts of £40,027 remain fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme trustee is seeking court direction. Possible additional costs cannot be calculated at this time. However MHM's advisors indicate that these will not be material.

Governance costs amount to less than 0.5% of expenditure.

Potential bad debts amounting to £5,396 were identified at 31 March 2023, and provision has been made for this amount. All other outstanding debts are considered recoverable.

The cash position has remained healthy throughout the year. The increase against the prior year is due to the expansion of services described above. Cash balances continue to be monitored to ensure that they are adequate to support the charity's aims and objectives, funds are held on notice deposits when not required for short term cashflow.

MHM's "overall business risk" is classified by a leading independent credit monitoring agency as low risk.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Major factors likely to affect the financial position of the charity in 2023/24 are MHM's ability to design contemporary talking therapies and social care services that meet the requirements of commissioners and other customers; to develop and sustain strong relationships with commissioners, to continue to respond effectively to commissioning through provider collaboratives and alliances; and to continue to develop a diverse portfolio of funding in order to mitigate the impact of contracts at risk. The trustees are confident of MHM's ability to achieve these goals, supported by continued investment in robust staffing and infrastructure, and planning for a range of possible funding scenarios forms part of MHM's strategic planning in 2023/24 and beyond, particularly in light of current economic forecasting including inflation.

The trustees have assessed MHM's ability to continue as a going concern by reviewing budgets, reserves and cashflow forecasts, and the impact of a range of possible scenarios. This assessment demonstrated that in the worst-case scenario, MHM could sustain its status as a going concern over the next 12 months from the date of sign off of these financial statements. In support of this conclusion, financial performance in 2023/24 to date is ahead of budget, and our annual target for net business growth is on schedule.

b. Investment Powers and Policy

The trustees, having regard to the liquidity requirements of delivering the current services, and to the reserve policy set out below, have operated a policy of keeping available funds in interest-bearing accounts, and seek to diversify risk whilst achieving the highest possible return from investing in appropriate institutions. The invested funds held on deposit achieved an average of 0.96% during the year to 31 March 2023. At the balance sheet date £1.5m was held in notice deposits and consideration of further interest-bearing investments will be undertaken during the year ahead.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c. Reserves Policy and Going Concern

The Charity Commission expects trustees to decide, publish, implement and monitor their charity's reserves policy in order to comply with their legal duties to: act in the interests of their charity and its beneficiaries; protect and safeguard the assets of their charity; act with reasonable care and skill; and ensure their charity is accountable.

MHM trustees review MHM's policy on reserves held by the charity at least annually in order to ensure that it complies with these Charity Commission requirements, supports the achievement of MHM's strategic objectives, and remains appropriate for the economic environment, the health and social care sectors, and other relevant factors affecting MHM's activities.

The trustees recognise that reserves are required in order to:

- meet the continuing financial commitments of delivering commissioned services to beneficiaries, including the need for working capital so that liabilities incurred can be met as they fall due; and
- invest in the development of facilities, services and business processes as necessary to ensure that MHM is compliant with regulatory requirements, aspires to develop and embed best practice in its ways of working, and is able to respond to such new business opportunities as are identified.

The financial obligations associated with MHM's commissioned services tend to be aligned with the funding of those services. However it is important for MHM to hold reserves to cover financial obligations that are not directly funded, in order that those obligations can continue to be met if unforeseen circumstances lead to a reduction in incoming resources. The trustees believe that free reserves are required to cover six months of projected central and infrastructure costs, plus an additional allowance agreed annually in order to be in a position to fund development activity as the need arises, including investment in facilities and adoption of best practice systems and procedures within the fields of health and social care.

For the year 2023/24 the amount of free reserves required is assessed by the trustees as £2,100,000. This level of reserves allows for 6 months of central office costs (including enhanced central capacity to support organisational growth). It also allows for infrastructure development.

MHM total reserves at 31 March 2023 amount to £4,630,961 and consist of:

- restricted funds (subject to specific terms) of £720,355 (see note 18); and
- unrestricted funds of £3,910,606 (see note 18).

From unrestricted funds, the trustees have designated an amount of £400,280 to meet indicative future costs of the IT transformation programme.

General funds therefore amount to £3,420,326. After deducting fixed assets and investments totalling £123,934, the value of free reserves available is £3,296,392, exceeding the required value.

Compliance with this reserves policy will be monitored on an ongoing basis by the Audit & Risk Committee, which will report any non-compliance to the Board of Trustees in order that any corrective action required can be agreed.

The trustees have considered budgets to March 2024 and cashflow forecasts to December 2024. As noted above, MHM incoming resources have grown during the year. Costs remain under careful review, and the trustees believe that the level of reserves available for 2023/24 is sufficient, and the net current assets and cash flow of the charity are at such a level, that the charity is able to operate for the foreseeable future, and that the going concern basis is appropriate for these financial statements.

Close monitoring of reserves, along with relevant scenario planning, will continue in order to ensure that MHM's financial strength is maintained. The degree of certainty over future funding streams will be kept under review, and the trustees intend that MHM will continue to position itself as a provider and partner of choice, able to meet the opportunities presented by commissioners to meet the expected increased demand for mental health services, and to adapt delivery models to offer blended services which feature both digital and face-to-face delivery.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

d. Plans for future periods

As noted above, the trustees agreed to establish a new strategic plan for the three years commencing April 2022. MHM's priorities for 2022-2025, as set out in this new organisational strategy, are:

Co-produced High-Quality Services - We will collaborate with those with lived experience to deliver accessible, impactful, high quality and innovative services that meet the needs of individuals, their families, carers and communities.

Engaged & Ambitious Workforce - We will develop a people culture underpinned by our values, that attracts, develops, rewards and retains a skilled, knowledgeable and diverse workforce.

Shaping Future Care & Support - We will influence and drive the transformation of care and support, through a holistic and locally tailored approach that delivers life changing impact.

Transforming How We Work - We will ensure that our processes, tools and resources are efficient, simple and user-friendly, to increase our reach, maximise our impact and help more people to achieve meaningful lives.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Armstrong Watson Audit Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 26/09/23 and signed on their behalf by:

Sally J Briggs

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 26/09/23 and signed on its behalf by:

Sally J. Brown

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS

Opinion

We have audited the financial statements of Mental Health Matters (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2023 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 Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

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 contained within the Annual report. 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. 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 course of 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with laws and regulations.

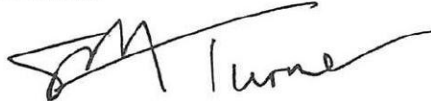
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Simon Turner', with a long horizontal flourish extending to the right.

Simon Turner (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Newcastle upon Tyne

Date: 26 - 9 - 23

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Income and endowments from:					
Donations and legacies	22,568	-	-	22,568	44,578
Charitable activities	4 22,598,532	884,351	-	23,482,883	21,461,199
Investments	5 42,783	-	-	42,783	2,341
Other income	19,720	-	-	19,720	-
Total income and endowments	<u>22,683,603</u>	<u>884,351</u>	<u>-</u>	<u>23,567,954</u>	<u>21,508,118</u>
Expenditure on:					
Charitable activities	6 22,543,201	713,805	410,050	23,667,056	20,551,750
Total expenditure	<u>22,543,201</u>	<u>713,805</u>	<u>410,050</u>	<u>23,667,056</u>	<u>20,551,750</u>
Net income/(expenditure)	140,402	170,546	(410,050)	(99,102)	956,368
Transfers between funds	17 (140,000)	-	140,000	-	-
Net movement in funds	<u>402</u>	<u>170,546</u>	<u>(270,050)</u>	<u>(99,102)</u>	<u>956,368</u>
Reconciliation of funds:					
Total funds brought forward	17 3,419,924	549,809	760,330	4,730,063	3,773,695
Net movement in funds	402	170,546	(270,050)	(99,102)	956,368
Total funds carried forward	<u>3,420,326</u>	<u>720,355</u>	<u>490,280</u>	<u>4,630,961</u>	<u>4,730,063</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 50 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)
REGISTERED NUMBER: 1786914

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	33,969	46,280
Tangible assets	13	89,964	218,567
Investments	14	1	1
		123,934	264,848
Current assets			
Debtors	15	3,991,962	3,508,270
Cash at bank and in hand		4,068,300	4,784,743
		8,060,262	8,293,013
Creditors: amounts falling due within one year	16	(3,553,235)	(3,827,798)
Net current assets		4,507,027	4,465,215
Total assets less current liabilities		4,630,961	4,730,063
Total net assets		4,630,961	4,730,063
Charity funds			
Restricted funds	17	720,355	549,809
Unrestricted funds			
Designated funds		490,280	760,330
General funds		3,420,326	3,419,924
Total unrestricted funds	17	3,910,606	4,180,254
Total funds		4,630,961	4,730,063

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26-9-23 and signed on their behalf by:

Sealy J. Burns

The notes on pages 28 to 50 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	(760,815)	790,224
Cash flows from investing activities			
Disposal of tangible fixed assets		10,052	(95,216)
Purchase of intangible assets		(8,463)	(49,245)
Interest received		42,783	2,341
Net cash provided by/(used in) investing activities		44,372	(142,120)
Change in cash and cash equivalents in the year		(716,443)	648,104
Cash and cash equivalents at the beginning of the year		4,784,743	4,136,639
Cash and cash equivalents at the end of the year	21	4,068,300	4,784,743

The notes on pages 28 to 50 form part of these financial statements

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Mental Health Matters (the 'charitable company') is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Avalon House, St Catherine's Court, Sunderland, Tyne and Wear, SR5 3XJ.

The charity exists for the benefit of the public through the provision of its services to any member of the public who has mental or physical health needs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mental Health Matters meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts set out the results of the charitable company only. The trustees consider that the charity's subsidiary is not material to the group and so no consolidation accounts have been prepared in accordance with exemption under section 405 of the Companies Act.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act 2006. At 31 March 2023 there were eight members (2022: eight members).

2.3 Going concern

FRS 102 requires that, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow forecasts have been prepared covering 12 months from the date of approval of the financial statements. Forecasts indicate that adequate cash and reserves will be available throughout the period under review, with no financing required. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Consequently, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Income

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Grants and contracted funding

Grants and contracted funding, including capital grants for the purchase of tangible fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they become receivable. Where the conditions of receipt have not yet been met, the income is transferred to deferred income in the balance sheet and recognised in the statement of financial activities in a future accounting period.

Rental and support income

Rental and support income is recognised in full in the Statement of Financial Activities in the year in which it is receivable, net of any provision for arrears. Where rent and support income is received in advance for a future accounting period, the income is deferred and included in rents in advance and recognised in the Statement of Financial Activities in a future accounting period

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.

2.5 Expenditure

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 all considered as expenditure on charitable activities, and is subdivided into the four main activities of the charity being employment services, community support and personalised services, housing services and talking therapies services. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include both the direct costs of providing services to the charity's beneficiaries and an apportionment of support and governance costs.

Support costs comprise the central management and support services. They have been apportioned between charitable activities as shown in note 7, based on the proportion of income within each charitable activity.

Governance costs comprise all costs in connection with the strategic management of the charity and compliance with constitutional and statutory requirements. Specific costs on a particular charitable activity are included as such. Shared governance costs are apportioned based on time spent across each charitable activity. They have been apportioned between charitable activities as shown in note 7.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 25 % straight line
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold property improvements	- 20% to 33% straight line
Fixtures, furniture and equipment	- 20% to 33% straight line
Computer equipment	- 20% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and 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.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Financial instruments

The Company 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.

2.14 Operating leases

The charity as a lessee

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

The charity as a lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

2.15 Pensions

The charity participates in two multi-employer pension schemes for its employees. For both schemes, contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted, at a rate according to FRS102, when they are not expected to be settled wholly within 12 months of the period end. The unwinding of the discount rate is recognised as a finance cost.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgement and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 2.8 for the useful economic lives for each class of assets.

(ii) Determining the exit value for commitments to a defined benefit pension scheme liability

The calculation of the exit value for commitments to a defined benefit pension scheme liability is subjective, due to the estimation uncertainty associated with the choice of actuarial assumptions used to determine the overall defined benefit pension scheme liability. Management uses an external actuarial expert to perform the calculation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Income from charitable activities

	Social Care	Employment Services	Housing Services	Talking Therapies	Total 2023	Total 2022
	£	£	£	£	£	£
Grants & contracted funding	5,197,837	2,088,177	175,274	15,472,218	22,933,506	20,110,796
Other income	-	-	564,223	(14,846)	549,377	1,350,403
	<u>5,197,837</u>	<u>2,088,177</u>	<u>739,497</u>	<u>15,457,372</u>	<u>23,482,883</u>	<u>21,461,199</u>

Analysis by fund

Unrestricted funds	4,313,486	2,088,177	739,497	15,457,372	22,598,532
Restricted funds	<u>884,351</u>	-	-	-	<u>884,351</u>
Total	<u>5,197,837</u>	<u>2,088,177</u>	<u>739,497</u>	<u>15,457,372</u>	<u>23,482,883</u>

For the year ended 31 March 2022

Unrestricted funds	3,749,734	2,268,381	1,039,489	13,515,045	20,572,649
Restricted funds	<u>732,424</u>	<u>28,502</u>	-	127,624	<u>888,550</u>
Total	<u>4,482,158</u>	<u>2,296,883</u>	<u>1,039,489</u>	<u>13,642,669</u>	<u>21,461,199</u>

Grants and contracted funding

	2023 £	2022 £
Local authority funding	1,000,949	1,149,862
Health authority and NHS trust funding	21,098,046	19,773,851
Other charities & trusts	775,718	457,056
Client direct payments	-	9,038
Housing associations	58,793	64,137
Central Government funding	-	7,255
	<u>22,933,506</u>	<u>21,461,199</u>

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	42,783	42,783	2,341
	<u>42,783</u>	<u>42,783</u>	<u>2,341</u>

The income from investments was £42,783 (2022: £2,341).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure on charitable activities

	Social Care	Employment Services	Housing Services	Talking Therapies	Total 2023	Total 2022
	£	£	£	£	£	£
Staff salary costs	3,251,504	1,527,297	558,418	10,394,025	15,731,244	11,767,391
Other staff costs	150,125	25,645	4,994	139,989	320,753	1,980,434
Payments to subcontractors	7,002	16,285	-	1,235,737	1,259,024	1,536,443
Property costs	370,469	16,869	240,596	571,049	1,198,983	1,048,809
Other operating costs	331,976	37,718	66,796	879,789	1,316,279	1,178,069
Depreciation and amortisation	16,297	264	2,368	50,318	69,247	65,503
	<u>4,127,373</u>	<u>1,624,078</u>	<u>873,172</u>	<u>13,270,907</u>	<u>19,895,530</u>	<u>17,576,649</u>
Share of support costs (see note 7)	765,250	301,118	161,894	2,460,540	3,688,802	2,905,893
Share of governance costs (see note 7)	17,161	6,753	3,631	55,179	82,724	69,208
Total	<u><u>4,909,784</u></u>	<u><u>1,931,949</u></u>	<u><u>1,038,697</u></u>	<u><u>15,786,626</u></u>	<u><u>23,667,056</u></u>	<u><u>20,551,750</u></u>
Analysis by fund						
Unrestricted funds	4,195,979	1,931,949	1,038,697	15,786,626	22,953,251	
Restricted funds	<u>713,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>713,805</u>	
Total	<u><u>4,909,784</u></u>	<u><u>1,931,949</u></u>	<u><u>1,038,697</u></u>	<u><u>15,786,626</u></u>	<u><u>23,667,056</u></u>	
For the year ended						
31 March 2022						
Unrestricted funds	3,234,505	1,737,024	1,329,361	13,520,946		19,821,836
Restricted funds	<u>574,875</u>	<u>27,415</u>	<u>-</u>	<u>127,624</u>		<u>729,914</u>
Total	<u><u>3,809,380</u></u>	<u><u>1,764,439</u></u>	<u><u>1,329,361</u></u>	<u><u>13,648,570</u></u>		<u><u>20,551,750</u></u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Staff salary costs	1,911,929	-	1,911,929	1,457,222
Other staff costs	294,711	-	294,711	466,640
Property costs	71,446	-	71,446	81,179
Other operating costs	1,348,896	-	1,348,896	831,924
Depreciation and amortisation	20,288	-	20,288	41,774
Legal fees	41,531	-	41,531	27,154
Staff costs	-	59,986	59,986	43,104
Professional fees	-	13,995	13,995	19,155
Office costs	-	8,500	8,500	6,030
Trustee meetings	-	242	242	920
	<u>3,688,801</u>	<u>82,723</u>	<u>3,771,524</u>	<u>2,975,102</u>
Analysed as				
Charitable activities	<u>3,688,801</u>	<u>82,723</u>	<u>3,771,524</u>	<u>2,975,102</u>

8. Net movement in funds

Net movement in funds is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of owned tangible fixed assets	68,804	102,025
Amortisation of intangible assets	20,774	2,965
Operating lease charges - equipment	-	9,642
Operating lease charges - land and buildings	817,098	614,909

9. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,995	13,995
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>3,750</u>	<u>3,750</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Staff costs

	2023 £	2022 £
Wages and salaries	14,296,436	11,483,181
Social security costs	1,453,020	1,083,853
Contribution to defined contribution pension schemes	525,673	700,682
	<u>16,275,129</u>	<u>13,267,716</u>

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Employment services	49	47
Community support and personalised services	162	121
Housing services	12	18
Talking therapies services	253	233
Administration and support	49	35
	<u>525</u>	<u>454</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	3
In the band £80,001 - £90,000	1	1

The key management personnel of the charity comprise the chief executive officer and the executive team. The remuneration of key management personnel is as follows:

	2023 £	2022 £
Aggregate compensation	<u>532,642</u>	<u>480,132</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Trustees' remuneration and expenses

The Trustees received no remuneration during the year (2022: £nil) and no Trustees received payment for professional or other services supplied to the charity (2022: £nil).

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, travel expenses totalling £242 were reimbursed or paid directly to 2 Trustees (2022 - £NIL).

12. Intangible assets

	Computer software £
Cost	
At 1 April 2022	572,641
Additions	8,463
	581,104
At 31 March 2023	581,104
Amortisation	
At 1 April 2022	526,361
Charge for the year	20,774
	547,135
At 31 March 2023	547,135
Net book value	
At 31 March 2023	33,969
At 31 March 2022	46,280

The amortisation charge for the year is recognised within expenditure on charitable activities.

There are no contractual commitments to acquire intangible assets at 31 March 2023 (2022: £nil).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	43,746	370,758	810,471	1,224,975
Disposals	-	(46,743)	(13,099)	(59,842)
At 31 March 2023	<u>43,746</u>	<u>324,015</u>	<u>797,372</u>	<u>1,165,133</u>
Depreciation				
At 1 April 2022	42,167	315,120	649,121	1,006,408
Charge for the year	601	28,004	89,946	118,551
On disposals	-	(44,104)	(5,686)	(49,790)
At 31 March 2023	<u>42,768</u>	<u>299,020</u>	<u>733,381</u>	<u>1,075,169</u>
Net book value				
At 31 March 2023	<u>978</u>	<u>24,995</u>	<u>63,991</u>	<u>89,964</u>
At 31 March 2022	<u>1,579</u>	<u>55,638</u>	<u>161,350</u>	<u>218,567</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	1
At 31 March 2023	1
	1
Net book value	
At 31 March 2023	1
At 31 March 2022	1
	1

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Holding
Moorpark Limited	Dormant company	100%

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	2,113,634	2,545,140
Amounts owed by group undertakings	2,727	2,727
Other debtors	5,677	15,157
Prepayments and accrued income	1,860,185	926,686
Other debtor arrears	9,739	18,560
	3,991,962	3,508,270
	3,991,962	3,508,270

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	318,458	432,800
Other taxation and social security	308,520	291,798
Deferred income	1,466,655	2,050,178
Other creditor arrears	1,472	16,910
Other creditors and accruals	1,333,727	561,949
Provision for pension contributions	124,403	474,163
	3,553,235	3,827,798
	3,553,235	3,827,798
	2023	2022
	£	£
Deferred income at 1 April	2,050,178	2,407,767
Resources deferred during the year	813,234	1,926,137
Amounts released from previous periods	(1,396,757)	(2,283,726)
	1,466,655	2,050,178
Deferred income at 31 March	1,466,655	2,050,178

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Designated funds	760,330	-	(410,050)	140,000	490,280
General funds					
General funds	3,419,924	22,683,603	(22,543,201)	(140,000)	3,420,326
Total Unrestricted funds	4,180,254	22,683,603	(22,953,251)	-	3,910,606
Restricted funds					
Central	125,032	-	-	-	125,032
Employment services	82,272	-	-	-	82,272
Community support and personalised services	342,505	884,351	(713,805)	-	513,051
Talking therapies services	-	-	-	-	-
	549,809	884,351	(713,805)	-	720,355
Total of funds	4,730,063	23,567,954	(23,667,056)	-	4,630,961

During the year management determined that separate disclosure of designated funds on the face of the Statement of Financial Activities provided the user of the accounts with a clearer and true and fair view of the activities and performance of the Charity. They have amended the presentation of the Statement of Financial Activities to reflect that in this financial year. Management will annually consider the appropriateness of this presentation and make similar presentational changes in future periods.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Balance at 31 March 2022</i> £
Unrestricted funds					
Designated funds					
Designated funds	638,343	-	-	121,987	760,330
General funds					
General funds	2,631,065	20,619,568	(19,821,836)	(8,873)	3,419,924
Total Unrestricted funds	3,269,408	20,619,568	(19,821,836)	113,114	4,180,254
Restricted funds					
Central	137,773	-	-	(12,741)	125,032
Employment services	81,185	28,502	(27,415)	-	82,272
Community support and personalised services	184,956	732,124	(574,875)	-	342,505
Talking therapies services	100,373	127,624	(127,624)	(100,373)	-
	<u>504,287</u>	<u>888,550</u>	<u>(729,914)</u>	<u>(113,114)</u>	<u>549,809</u>
Total of funds	<u>3,773,695</u>	<u>21,508,118</u>	<u>(20,551,750)</u>	<u>-</u>	<u>4,730,063</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	760,330	-	(410,050)	140,000	490,280
General funds	3,419,924	22,683,603	(22,543,201)	(140,000)	3,420,326
Restricted funds	549,809	884,351	(713,805)	-	720,355
	<u>4,730,063</u>	<u>23,567,954</u>	<u>(23,667,056)</u>	<u>-</u>	<u>4,630,961</u>

Summary of funds - prior year

	<i>Balance at</i> <i>1 April 2021</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> <i>in/out</i> £	<i>Balance at</i> <i>31 March</i> <i>2022</i> £
Designated funds	638,343	-	-	121,987	760,330
General funds	2,631,065	20,619,568	(19,821,836)	(8,873)	3,419,924
Restricted funds	504,287	888,550	(729,914)	(113,114)	549,809
	<u>3,773,695</u>	<u>21,508,118</u>	<u>(20,551,750)</u>	<u>-</u>	<u>4,730,063</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	89,964	-	89,964
Intangible fixed assets	33,969	-	33,969
Fixed asset investments	1	-	1
Current assets	7,339,907	720,355	8,060,262
Creditors due within one year	(3,553,235)	-	(3,553,235)
Total	3,910,606	720,355	4,630,961

Included within Unrestricted Funds is the Designated Fund which has been disclosed separately in the SOFA.

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	218,567	-	218,567
Intangible fixed assets	46,280	-	46,280
Fixed asset investments	1	-	1
Current assets	7,743,204	549,809	8,293,013
Creditors due within one year	(3,827,798)	-	(3,827,798)
Total	4,180,254	549,809	4,730,063

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(99,102)	956,368
Adjustments for:		
Depreciation and impairment of tangible fixed assets	118,551	102,025
Amortisation and impairment of intangible assets	20,774	2,965
Investment income recognised in statement of financial activities	(42,783)	(2,341)
(Increase) in debtors	(483,692)	(200,073)
Increase in creditors	308,960	288,869
(Decrease) in deferred income	(583,523)	(357,589)
Net cash provided by/(used in) operating activities	(700,015)	790,224

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	4,068,300	4,784,743
Total cash and cash equivalents	4,068,300	4,784,743

22. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	4,784,743	(716,443)	4,068,300

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Pension commitments

Defined contribution scheme

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £376,167 (2022: £302,927). Contributions of £66,800 (2022: £19,619) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit schemes

The charity participated in two multi-employer pension plans, being TPT Retirement Solutions' Growth Plan (formerly the Pensions Trust's Growth Plan) and the NHS Pension Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

The contributions payable by the charity charged to income and expenditure amounted to:

	2023	2022
	£	£
The Growth Plan	-	1,708
NHS Pension Scheme	135,179	160,723
	135,179	162,431
	135,179	162,431

Expenditure on pensions is allocated to service line according to staff time. Costs are split between restricted and unrestricted based upon project specific cost accounting. Contributions totalling £17,229 (2022: £54,200) were payable to the funds at the year end and are included in creditors.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period. At the balance sheet date there were 33 active members of the Scheme employed by the charity. The Scheme is not open to new employees unless they are transferred under TUPE agreements from an NHS Foundation Trust.

The Scheme has a number of different benefit structures. For the 1995 section annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service; for the 2008 section annual pensions are normally based on 1/60th of the average of the best three consecutive years' pensionable pay in the final ten years of service for each year of service; for the 2015 section, which is a career average revalued earnings scheme, annual pensions are based on 1/54th of each year's pensionable pay.

Members of the 1995 section normally receive a lump sum on retirement of three times their annual pension. Members of the 2008 and 2015 sections receive a lump sum which may be a maximum of 25% of the value of their pension at retirement, their choice subsequently affecting the level of annual pension due. In all cases, the lump sum available is subject to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in the Consumer Price Index in the twelve months ending 30 September in the previous calendar year.

On death, a pension of 50%, 37.5% or 33.75% of the member's pension is normally payable to the surviving spouse, civil partner or nominated partner. The percentage payable depends on whether the member was in the 1995, 2008 or 2015 section. In addition, each section provides for a lump sum payable on death.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. At the conclusion of the 2016 full valuation the Scheme actuary reported that employer contributions should increase to 20.6% from 14.3% from April 2019. In addition, employers are required to pay a scheme administration levy of 0.08% of pensionable pay. For the 2019 - 20, 2020 - 21 and 2021 - 22 scheme years, employers were responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme Annual Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TPT Retirement Solutions' Growth Plan

TPT Retirement Solutions' Growth Plan ('the Plan') is funded and was not contracted out of the state scheme. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. For contributions from November 2012 the capital guarantee was removed.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore,

the Plan is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Plan is taken as equal to the contributions payable to the Plan for the accounting period.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

There is a potential debt on the employer that would be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing guaranteed benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Plan.

During 2021/22 the trustees carefully considered the pros and cons of opting to withdraw from the TPT Retirement Solutions' Growth Plan scheme and decided to do so with effect from 30 September 2021. At the balance sheet date there were 0 active members of the Plan employed by the charity. The charity no longer offers membership of the Plan to its employees.

The charity has been notified by TPT Retirement Solutions of the estimated employer debt as a result of the decision to withdraw from the Plan. based on the financial position of the Plan as at 30 September 2021. Based on this information, the estimated employer debt of the charity at 30 September 2021 is £400,268. This amount has been provided in full at 31 March 2022 and is included in creditors.

There are potential additional liabilities associated with an ongoing review of the way in which changes to benefits have been implemented. The Scheme Trustee is seeking court directions on how to interpret the rules. Until this matter is resolved, it is not possible to assess with any degree of certainty the likelihood or value of additional liabilities. However, the trustees do not expect these to be material.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. Operating lease commitments

The charity as a lessee:

At 31 March 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Within 1 year	332,763	312,721
Between 1 and 5 years	98,627	245,328
	431,390	558,049

The charity as a lessor:

The charity has a large number of tenancy agreements with tenants utilising the services of the charity. The lease agreements have varying terms, however all leases are cancellable as the intention of the charity is that tenants vacate premises once they are recovered.

At the year end, the charity had no contracts with tenants under non-cancellable operating leases.

25. Related party transactions

During the year the Charity entered into transactions with the following related parties:

- P Rolland, trustee, who is employed as a programme lead for Health Education England, which provides funding for clinical trainees in talking therapy services, and
- J Langam, trustee, whose husband is employed by Combat Stress UK, with whom the charity has a contract for community support services.

Neither related party has had any involvement in the delivery of the services nor have they had any involvement in decision making in relation to the contracts in question.

The income generated by MHM in the year from each of these contractual arrangements with related parties is as follows:

	2023 £	2022 £
Health Education England	350,743	143,489
Combat Stress	777,075	249,992
	1,127,818	393,481

MENTAL HEALTH MATTERS

England & Wales - Charity number 514829

Accounts

Registered number: 1786914
Charity number: 514829

MENTAL HEALTH MATTERS
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



mhm
mentalhealthmatters™

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Accountants, Business & Financial Advisers

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Chair's statement	2 - 3
Trustees' report	4 - 20
Trustees' responsibilities statement	21
Independent auditor's report on the financial statements	22 - 25
Statement of financial activities	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 53

MENTAL HEALTH MATTERS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	S J Baines, Chair D M Corner, Trustee G Jenkins, Trustee (appointed 22 June 2021) M Booth, Trustee (appointed 22 June 2021) P Rolland, Trustee (appointed 22 June 2021) J Lanham, Trustee (appointed 22 June 2021) K Evans, Trustee (appointed 22 June 2021) D Dragomir, Trustee (appointed 27 September 2022) M Atherton, Trustee (appointed 27 September 2022)
Company registered number	1786914
Charity registered number	514829
Registered office	Avalon House Saint Catherines Court Sunderland Tyne And Wear SR5 3XJ
Chief executive officer	J Hughes
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors 3rd Floor 10 South Parade Leeds West Yorkshire LS1 5QS

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

I am delighted to present our Annual Report and Accounts for 2021-22 which provide a summary of the year's activity and details of our accounts for this financial year. For full details of the impact of our work this year, see our Impact Report which is accessible via this link <https://www.mhm.org.uk/our-impact>.

Mental Health Matters has continued to grow and develop our services this year, including widening our geographical footprint to new areas across the country. One particular growth area is our range of service models to provide support and prevent crisis escalation. We have seen significant expansion and our service models are attracting interest from commissioners and service partners.

During the year we developed an exciting new three-year strategy for 2022-2025 to cement our growth and service quality. This followed a significant review of the organisation and brand, and I am grateful to the various stakeholders who contributed to our consultation, including staff, service users, commissioners, partners, and suppliers. This provided a rounded perspective of the organisation, our strengths and opportunities as well as areas for development.

We have revised our vision and purpose and we have a new set of values which resonate with the organisation and will continue to be embedded in everything we do.

Our Vision is: That everyone can access support for their mental health to live a meaningful life, in a society free from stigma.

Our Purpose is: To provide innovative, life-changing mental health support for individuals and communities.

Our Values are:

- **Compassionate:** We are compassionate to the needs of the people who access our services, their experiences, and their aspirations.
- **Collaborative:** We believe that by working together, we achieve the best outcomes for individuals, communities, and society.
- **Accountable:** We are accountable, we are transparent and hold ourselves to the highest standards in every interaction.
- **Proud:** We are proud of what we stand for – those who access our services, our people and changing lives.

The new strategy has four themes which address our future ambitions as a provider of mental health services and as an advocate for those with mental health needs who require access to support. Our areas of focus include collaborating with experts by experience to ensure we provide accessible, impactful, high quality and innovative services that meet locally identified needs. We will also help shape future care and support by influencing the transformation of services, taking a personalised and place-based approach to deliver life changing impact whilst challenging stigma.

Using our voice in external forums, to promote mental health and support the development of mental health strategy and services, is a vital aspect of our role as a charity. We will do this through our established networks to help shape integrated workforces and the evolution of new roles within the sector. During this year we have played an active role in the preparation for the changes across health and social care as the integrated care systems are developed and established. In various locations where we operate as a provider, we have supported the developing transformation of community mental health services. This has included chairing the Transformation Leadership Board in Northumberland as well as being an active and founder member of the new Durham Mental Wellbeing Alliance. We have also played a proactive role in responding to a variety of consultations, including the reform of the Mental Health Act.

Our focus within the organisation is to build on our work, implementing our strategy and values. Developing a culture that is underpinned by our values will ensure we can attract and retain a skilled, knowledgeable and diverse workforce for the future, that is appropriately recognised and rewarded.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

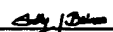
To maximise our impact in helping people achieve meaningful lives, we are transforming our internal systems and processes to be more user-friendly and efficient. Our strong financial position is supporting investment in a digital strategy that will modernise the infrastructure, equipment, tools, and resources that support hybrid working and new innovative models of service provision.

At the start of the year, few of us could have predicted the impact the Coronavirus pandemic would continue to have throughout 2021-22. Throughout this our wonderful staff have continued to adapt to provide a range of services to people living with mental health needs. Our Executive and Management Teams worked with our employees to respond to changes in Government guidance to ensure that those needing our help continued to get the support they needed through the provision of blended services. This year hasn't been easy. As well as the residual challenges from the pandemic we continue to experience recruitment pressures, like many providers in our sector, however we were able to mobilise several new and expanded services during this time.

I was delighted to take on the role of Chair of the Board of Trustees in September 2021, after three years as a trustee. At the same time, several of our long-standing trustees left at the end of their tenure. I would like to thank them for their dedication and commitment to Mental Health Matters over the years, as I am sure the charity would not be in the strong position it is now without their continued support. Six new trustees were appointed who bring a wide range of skills and experience to our board. We also refreshed our Articles of Association to ensure that they continue to support effective governance of Mental Health Matters as the organisation grows and evolves.

To support our focus on quality we established a Quality and Safeguarding Sub-Committee to work alongside our current Audit and Risk Sub-Committee, providing additional assurance to the Board, as the breadth and range of models of services expand. Our time limited steering groups also bring together trustees with relevant skills, supporting our Executive and Management teams with major workstreams, including the implementation of our workforce and digital strategies.

We know the next year will continue to provide challenges both to us as a charity and service provider as well as to our service users. I am confident that our new strategy and our established networks and relationships will be fundamental to us building on our strong reputation in a more collaborative environment going forward. We will use this to grow our influence and advocate for those experiencing mental distress and illness at a time where ambitious plans for the health and social care sector hold the potential to truly transform services and tackle the inequalities which have been further highlighted by the Covid-19 pandemic.


Sally Baines (Nov 10, 2022 14:45 GMT)

S J Baines

Chair of Trustees
Date: 10/11/2022

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1st January 2019).

Objectives and activities

a. Public Benefit

Mental Health Matters (MHM) exists for the benefit of the public through the provision of its services to any member of the public who has a mental or physical health need that impacts on their wellbeing. All of the services provided by MHM are within the aims and objectives as set out in the Articles of Association.

Throughout the Achievements and Performance section of this report (pages 9 - 13), we have identified and evaluated the benefits that individuals gain from accessing our services and maximising independence through self-directed support. This is particularly reflected in our psychological therapy services and community-based services focusing on positive outcomes for individuals.

In shaping our objectives for the year and planning our activities, the trustees considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an organisation we also provide a range of accessible literature, online resources and training courses to educate, inform and guide people with mental and physical health needs, their carers and networks, and the wider community.

b. Objectives

The primary object of the charity is to act for the benefit of the public, to promote the well-being of persons who are experiencing mental or physical health problems or illnesses, however those problems or illnesses have arisen, and their families and carers, both in the UK and overseas.

During 2021/22 our focus has been on:

- provision of high quality, sector leading services
- business development and growth
- a motivated and relevant workforce, and
- system & process improvement.

During the year, as detailed in the Chair's statement above, we created an organisational strategy for 2022-25, developed in consultation with our commissioners, partners, employees, and those who access our services.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

a. Governance and trustees

MHM is a charitable company limited by guarantee (registration number 1786914), incorporated in 1984 and governed by its Articles of Association, most recently amended in 2022 to provide clarity around recruitment of trustees, terms of office and the functioning of the Board and its sub-committees. MHM is registered as a charity in England and Wales (registration number 514829).

The Board of Trustees has ultimate responsibility for the strategic direction of MHM. The trustees, who are also the directors for the purpose of company law, and who served during the year and upto the date of this report were:

S Baines (Chair) (appointed as Chair 28 September 2021)
B Howorth (Chair) (resigned 28 September 2021)
A Britton (resigned 28 September 2021)
D Brown (resigned 28 September 2021)
N Hankinson (resigned 22 June 2021)
S Moorey (resigned 11 January 2022)
D Corner
M Booth (appointed 22 June 2021)
K Evans (appointed 22 June 2021)
J Horsman (appointed 22 June 2021, resigned 4 April 2022)
G Jenkins (appointed 22 June 2021)
J Lanham (appointed 22 June 2021)
P Rolland (appointed 22 June 2021)
D Dragomir (appointed 27 September 2022)
M Atherton (appointed 27 September 2022)

At 31 March 2022 MHM had 8 serving trustees, and at the date of signing this report MHM had 9 serving trustees.

b. Organisation

The Board of Trustees meets quarterly during the year in order to ensure that MHM achieves its charitable objectives. The board's role includes strategic oversight, and monitoring of quality and effectiveness of governance arrangements, operational performance and financial performance. Business plans, budgets, the schedule of delegation, and terms of reference for the sub-committees (Audit & Risk and Quality & Safeguarding) and the Executive Team are reviewed and agreed annually and monitored by the Board of Trustees.

The Audit & Risk Committee meets quarterly and seeks assurance over the organisation's financial and governance systems, including the annual financial auditing process and the corporate risk framework. The findings from the organisation's annual cycle of internal quality and assurance systems auditing are reported to this committee.

The Quality & Safeguarding Committee has been established since the year end and will meet quarterly. Its purpose is to support the Board of Trustees in discharging its responsibilities for the safe and effective delivery of services and to oversee the strive for excellence and continuous quality improvement.

Board of Trustees meetings are held either in person or using online platforms. Sub-committee meetings are generally held online.

A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. The Board of Trustees has systems in place for the delegation of authority to the Chief Executive Officer and the Executive Team.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

c. Trustee induction and training

MHM's Board of Trustees is made up of individuals with the skills, competences and experience required to govern the organisation. The trustees keep these requirements under review in order to ensure that the organisation is effectively governed. Recruitment to the charity's Board of Trustees complies with the process detailed in its Articles of Association.

Each year the Board of Trustees, Chief Executive Officer and Executive Team meet with their charitable and company law legal advisor. The purpose of the meeting is to refresh their knowledge of the respective duties of trustees and employees, and also to update them on any key amendments in charity law and Charity Commission expectations, with a view to potential impact on the charity's governing framework.

The trustees have access to the MHM intranet and to a range of e-learning, including modules that are mandatory for trustees, covering a range of relevant content including organisation induction, mental health awareness, safeguarding, information governance, and health & safety.

d. Related parties and co-operation with other organisations

None of the trustees receives remuneration or other benefit from their work with the charity.

Two current trustees have connections with organisations that provide funding to MHM; the details are presented in note 26 on page 53. Where decisions are made by the Board of Trustees that relate to those organisations, the trustees concerned do not participate in the decision-making process.

MHM has continued to work with many NHS and third sector organisations during the year, and entered into contracts with several new commissioners. Our commissioners are listed on page 14.

MHM has a wholly owned trading company, Moorpark Limited. This subsidiary ceased its trading activities in June 2013, and is currently dormant.

e. Fundraising

During the year MHM soft-launched a fundraising strategy. MHM's primary source of funding is statutory funding, and the delivery of our services does not rely on donations or public fundraising. However, for the public, donating or fundraising is often seen as a positive way of supporting our services and as a way of expressing gratitude for the support received by themselves or a loved one. All funds received will be used to support our charitable objects.

MHM is committed to best fundraising practice and compliance with appropriate guidance, and is registered with the Fundraising Regulator. Details of our approach to fundraising are available on our website: <https://www.mhm.org.uk/fundraising-statement>

Donations received during the year totalled £44,551 (2021: £22,970).

f. Pay policy for key management personnel

The trustees consider that key management is comprised of the Chief Executive Officer and Executive Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The pay of the Executive Team is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other organisations of a similar size run on a voluntary basis. The ratio of the Chief Executive Officer's rate of pay to the average rate of pay for all employees in March 2022 was 3.3:1 (2021: 3.3:1).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

g. Gender pay gap

For MHM at April 2021 the mean gender pay gap was -2% (April 2020: -1%) and the median gender pay gap was 8% (April 2020: 6%). Policies and procedures ensure that employees in directly comparable roles are paid at the same rate. The mean gap is attributable to the fact that the management team at the time was predominantly female, and the median gap is attributable to the fact that male employees are more likely to be in higher paid roles than female employees at present. MHM is committed to providing equal opportunities in recruitment and in learning and development to male and female employees and prospective employees. MHM remains alert to barriers that might affect the balance of male and female employees in each type of role, and is committed to addressing those barriers if it has the power to do so.

h. Equality

MHM incorporates equal opportunities throughout its policies. These policies ensure that, in accordance with both current legislation and best practice, no service user, person employed or job applicant will be treated unfavourably by reason of their 'protected characteristic' as set out in the Equality Act 2010.

i. Disabled employees

MHM's policy in relation to recruitment of disabled persons is to guarantee to interview anyone with a disability whose application for a post meets the minimum criteria for that post, and to always put in place any reasonable adjustments to ensure that applicants are treated fairly and safely within both the recruitment process and the working environment. Where employees become disabled during their employment, MHM will engage in consultation with them to determine whether any reasonable adjustments can be made and/or to consider any alternative roles available. This approach has been applied consistently throughout 2021/22.

j. Employee engagement

As an accredited Investor in People, MHM believes in recognising people's skills and knowledge, and in developing its employees through learning and development. All employees have an agreed personal development plan to ensure that their learning and development is appropriate to both their role and their personal circumstances.

MHM uses its staff intranet to be the source of all information regarding policy, procedure, news and other matters of concern to employees.

Staff are consulted by their managers on matters directly affecting their employment, and are consulted on an annual basis through an employee survey that enables them to give their views anonymously on matters ranging from leadership to rewards and benefits, in order to inform organisational development. An action plan ensures MHM acts on and responds to views received.

MHM agrees an annual business plan for the organisation that demonstrates how strategic objectives will be achieved, helps employees understand how their role and their team's role contributes, and leads to employees taking ownership of the personal contribution they make towards the charity's performance. This process, along with intranet updates and the reporting of key issues through regular manager meetings, service team meetings, and staff 1-1 meetings, ensures that a common awareness of financial and economic factors affecting performance is achieved.

Further development of employee engagement is a key focus within our 2022/25 strategy.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

k. Response to Covid-19

Throughout the Covid-19 pandemic, the primary focus of the Board of Trustees, the Chief Executive Officer and the Executive Team has been on balancing the absolute priority of the safety of our staff and service users with a desire to maintain effective service delivery.

MHM's ability to maintain services, secure new services and implement different ways of working during the pandemic gave MHM a strong foundation for 2021/22 and beyond. Through consultation and collaboration with staff, we have introduced hybrid models of working that offer greater flexibility, whilst ensuring our service users have access to support in the best way for them.

Strategic report

Achievements and performance

a. Overview

MHM had been due to renew its three-year strategic plan in April 2020. Having considered the urgent need to manage the impact of Covid-19, the Board of Trustees and Chief Executive Officer decided to establish an adaptation plan for 2020/21 to guide MHM's continued development in the context of the pandemic, and subsequently an annual business plan for 2021/22, with a view to agreeing a new strategic plan for the period commencing April 2022.

In implementing the annual business plan for 2021/22, MHM continued to deliver high quality services including: primary care psychological (talking) therapies; generic and mental-health-specific housing provision (from floating support through to registered care); recovery and employment services (including for people with mild to moderate anxiety disorders and/or depression, long term conditions, dual diagnoses and addictions); safe haven provision for people at risk of experiencing a mental health crisis; 365/24/7 telephone emotional support and tele-therapy services; and advocacy, user voice, advice and information services.

MHM continued to invest time and resource to retain and acquire new services across England, building on our strong brand for delivering high quality health and social care services alongside strategic partners. This has included commissioning independent reviews into our housing and employment services, responding to the changing needs of people in our communities by delivering evidence-based services and building trusted relationships with our service commissioners.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

b. Achievements and performance

MHM continues to be proud of the delivery of high-quality services focused on service users' recovery and wellbeing, and of successful bids for new services and the extension or renewal of existing services which allow MHM to expand its reach.

MHM's focus for 2021/22 was on:

- provision of high quality, sector leading services
- business development and growth
- a motivated and relevant workforce, and
- system & process improvement.

There have been many successes during the year, with contracts won to deliver new services and with many existing contracts extended. MHM's approach of devising bespoke delivery models suited to individual commissioners' requirements, bidding for funds to deliver services based on a combination of MHM's areas of specialism, and seeking funding to deliver services in new markets continues to prove effective.

MHM has further grown its networks and partnerships, raising MHM's profile and seeking to influence policy at a national level. These networks have been built with organisations across health and social care and within the charity sector. Directors have engaged with activity at national, regional and local levels, participating in opportunities to work with the new Integrated Care Systems and the transformation of local community mental health services.

Internally investment in our staff resources has continued, adding new posts to our organisational structure and focusing on the development of management skills.

During the year to March 2022:

- over 42,000 people accessed our talking therapy services;
- our 365/24/7 helpline service (Support Matters) supported clients on over 66,000 calls and 2,200 web chat sessions;
- our employment services helped over 4,000 people to remain in work, find paid employment or access training, education and volunteering opportunities;
- our housing services helped 51 people live more independently;
- over 5,400 people were supported during crisis by our out-of-hours safe haven services; and
- we expanded our geographical reach into new areas.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

c. Quality and Operations in 2021/22

Community Support - Employment Services in 2021/22

We worked in partnership with clinical commissioning groups, NHS trusts, local authorities and voluntary sector organisations to deliver community-based employment support and Employment Advisors in IAPT (Improving Access to Psychological Therapies) services.

Longstanding commissioners have continued to demonstrate their confidence in MHM's employment services by awarding contract extensions, and MHM has continued to show the value of our experience of both employment services and IAPT in helping commissioners to deliver services to support clients with mild to moderate anxiety and/or depression with seamless, personalised employment support to help them remain in, return to or find paid employment.

The services are well used, delivering positive outcomes in working with people. Outcomes include people moving from employment benefits into paid employment, maintaining current employment and avoiding periods of sick leave, returning to work following time off sick, looking for new or alternative employment, and undertaking training or voluntary work. In addition MHM has supported employers with retention and to have a greater understanding of mental health issues in the workplace.

4,046 people were assisted to remain in work, find paid employment or access training, education and volunteering opportunities to help develop employability skills; 919 of these people moved into paid employment.

Community Support - Community Support and Personalised Services in 2021/22

In 2021/22 MHM's 24/7 emotional support helpline, which is accredited by the Helpline Partnership, expanded its range of contracts and continued to provide 24/7 wrap-around support to clients of MHM's talking therapies and recovery services. The helpline provided active listening and direct interventions to vulnerable callers. It also provided a single point of access service for Midlands & East Veterans Service.

We continued to deliver community-based wellbeing services to over 1,341 clients during the year. This included services across Leicestershire and Rutland and in Easington, County Durham, providing a variety of group interventions, advice and drop-in sessions as well as individual support.

We launched a new community service in Knowsley, expanded several services initially funded through NHS Winter Resilience funding, and secured contracts to commence in 2022/23 in Solihull, delivering enablement and drop-in services.

Our Pathways group of services continued to offer excellent support, providing 222 people with advocacy, or advice and information about welfare benefits, debt, housing and employment issues.

Throughout the year our safe haven services in Coventry (in partnership with Coventry & Rugby Clinical Commissioning Group, Devon (in partnership with Devon Partnership NHS Trust), Kent (in partnership with Kent & Medway Clinical Commissioning Group) and York (in partnership with Tees Esk and Wear Valley NHS Foundation Trust), and Coventry) continued to provide a safe place for people in acute distress or at risk of a mental health crisis. In addition our virtual safe haven service for Mersey Care NHS Foundation Trust supported the crisis pathway in Halton, Warrington, Knowsley and St. Helens. These services offered support in a non-clinical setting to 5,496 people experiencing anxiety or distress or at risk of self-harm or suicide.

As an illustration of impact, evaluation of the Devon service showed that the service had prevented 124 suicides and 255 incidents of self-harm in 2021/22.

During the year contracts were secured to commence in 2022/23 for a new haven in East Berkshire and a new

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

virtual haven in Sunderland & South Tyneside.

Community Support - Housing Services in 2021/22

The aim continues to be to ensure that wherever possible those accessing our housing services live as independently as they are able to, within their local community. During the year to March 2022, we continued to work with service users to support their recovery, providing accommodation and support to 51 clients.

Our registered service's Care Quality Commission rating, awarded in 2022, is "good".

During the year we established a National Housing Manager role and commissioned an independent review of our services to explore our strengths and highlight opportunities to innovate our models of support. Following this review, a decision was made to withdraw from two existing services and focus on the areas of dispersed and crisis housing.

Talking Matters - Talking Therapies Services in 2021/22

Throughout 2021/22 MHM continued to be a large national provider of IAPT services, delivered both in partnership with NHS foundation trusts and as a lead contractor:

- Talking Matters Northumberland: MHM remains the prime contractor for this service, working with a sub-contractor Sunderland Counselling Service (providing step 2 therapy and counselling). In its seventh year of delivery, the service had over 6,000 people entering treatment, met the national 18 week waiting list target and by the year end, achieved the national recovery target of 50%.
- Talking Matters Sefton: 2021/22 was the first full year of delivery for this service. MHM delivers this service as a sole provider, including therapy at steps 2-4. The service had over 3,800 people entering treatment and met the national 18 week waiting list target throughout the year.
- Talking Matters Warrington: MHM, as prime contractor, delivered therapy at steps 2-4 and clinical governance. MHM also sub-contracted additional provision on behalf of Warrington Clinical Commissioning Group through Making Space (for computerised cognitive behavioural therapy) and St Joseph's Family Centre (for counselling, couples' therapy and anger management). The service had over 3,400 people entering treatment, met the national targets for waiting times and continued its involvement in the national programme of IAPT expansion into long term conditions and medically unexplained symptoms.
- Staffordshire and Stoke-on-Trent Wellbeing Service: In collaboration with lead provider Midlands Partnership NHS Foundation Trust (MPFT) and other partners, MHM continued to deliver step 2 services in four localities. Over 13,900 people entered treatment in the year. The recovery rate for the service exceeded the national target.
- Durham and Darlington Talking Changes: MHM was a sub-contractor to Tees, Esk and Wear Valleys NHS Trust (TEWV) providing therapists, management and administration. Over 14,700 people entered treatment in the year. Waiting times for the service are within national targets and the recovery rate exceeds the national target.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

d. Development in 2021/22

MHM's development team leads on the generation of new business opportunities, tendering for new contracts and retention of existing contracts, on relationship development and collaboration and on enhancing MHM's profile.

During the year to March 2022:

- Our membership of The NHS Confederation and their Mental Health Network provided us with opportunities to feed into the white paper on Reforming the Mental Health Act and the opportunity to speak about our safe havens model at their annual conference.
- In August 2021, we joined our first formal alliance, in County Durham, bringing together knowledge, skills, and resources for the benefit of local people.
- In York, we were pleased to become members of the York Consortium of Voluntary, Community and Social Enterprise (VCSE).
- In Northumberland, we chaired the Community Mental Health Transformation Leadership Board comprising of Voluntary Care Partners, Local Authority, and representation from the NHS. This collaboration ensures that support models are developed in partnership with providers with various backgrounds and experiences.
- As an active member of The Association for Mental Health Providers, we continued to work closely with a range of members on a weekly basis to address various challenges and opportunities at a sector level. This has included sharing our perspectives in relation to future workforce requirements and planning, thereby informing NHS England & NHS Improvement, Health Education England, Association of Directors of Adult Social Services, Local Government Associations and the Department of Health and Social Care. It also allowed us to comment on and influence winter planning from the mental health needs perspective.
- Our Executive Team also helped to influence policy through membership of the Social Care for Mental Health and Wellbeing Policy & Oversight Group which reports to the Department of Health and Social Care. This work includes helping to inform priorities and the role of social care in the transformation of community mental health services.

The development team also led on a review of MHM's branding, including engagement with a wide range of stakeholders, with a view to simplifying the branding and ensuring that it effectively supports the 2022/25 organisational strategy.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

e. Finance & Corporate Services in 2021/22

MHM central services provide an infrastructure and governance framework for the organisation. These services have an extensive portfolio of business support activities comprising of quality and compliance, board support, finance, human resources, learning and development, policy and procedural review, health and safety, information technology and information governance. These functions were brought together in a single directorate during the previous year, and a new business support team was established, providing more robust support for the whole organisation.

During the year to March 2022 our finance and corporate services team:

- successfully retained the CHAS health and safety accreditation;
- prepared to submit MHM's annual NHS Data Security and Protection Toolkit assessment by the 2022 deadline;
- trained managers on MHM's risk management framework and implemented a new format for service risk registers;
- delivered 138 training sessions to over 1,180 people, enabling a better understanding of mental health and wellbeing and equipping people to help others in need of support – sessions included Mental Health First Aid, Youth Mental Health First Aid, Suicide Prevention and Trauma-Informed Approach; and
- prepared to conduct an annual employee satisfaction survey in spring 2022, which had a 45% response rate. The results showed that staff are engaged and motivated to deliver the very best service to clients and are proud to work for MHM, and provided constructive feedback about ways in which MHM can further improve communication and management.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Commissioners, funders and customers

MHM gratefully acknowledges the funding provided for its 2021/22 services by the following commissioners, organisations and customers:

Combat Stress
Cornwall Partnership NHS Foundation Trust
Coventry & Warwickshire Partnership NHS Trust
Cumbria Northumberland Tyne & Wear NHS Foundation Trust
Devon Partnership NHS Trust
Durham County Council
Gateshead Council
Gloucestershire Health & Care NHS Foundation Trust
Health Education England
Herefordshire & Worcestershire Health & Care NHS Trust
Hertfordshire Partnership NHS Foundation Trust
Karbon Homes
Knowsley Council
Leicestershire County Council
Lincolnshire Partnership NHS Foundation Trust
Livewell Southwest
Making Space
Mersey Care NHS Foundation Trust
Middlesbrough Council
Midlands Partnership NHS Foundation Trust
Newcastle City Council
NHS County Durham CCG
NHS Coventry & Warwickshire CCG
NHS East Leicestershire & Rutland CCG
NHS Kent & Medway CCG
NHS Northumberland CCG
NHS South Sefton CCG
NHS South Tyneside CCG
NHS Southport & Formby CCG
NHS Warrington CCG
Norfolk & Suffolk NHS Foundation Trust
Oxford Health NHS Foundation Trust
Penderels Trust
Richmond Fellowship
Rutland County Council
Shaw Trust
South Tyneside Council
Sport England
Tees Esk & Wear Valleys NHS Foundation Trust
University of Manchester
Warwickshire County Council

MHM also gratefully acknowledges the generous donations provided in 2021/22 by The Masonic Charitable Foundation and The Freddie Green & Family Charitable Foundation, as well as a number of individuals and other organisations.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Risk Management

MHM has a comprehensive risk management framework in place, and the trustees and the executive team maintain a continuous review of the risks the charity may face and the systems and procedures to minimise any potential impact on the charity should those risks materialise.

MHM has reviewed the risks to achievement of its strategic objectives during the year to ensure they are fully integrated into the risk assessment, management and mitigation procedures. Risks are assessed within the following areas: strategic impact, market, commissioners, clients, third party reliance, legal/regulatory, reputation, financial, IT, information governance, and climate change/environmental.

The Audit & Risk Committee, comprising suitably qualified and experienced trustees, meets four times per year, and receives reports from senior management. The committee's remit is to provide assurance to the board that there are effective systems in place for financial and wider governance, including risk management and compliance with all aspects of the law, relevant regulations, and good practice. In addition, specific areas of risk to the charity are monitored by the full Board of Trustees, including consideration of the issues related to identification, mitigation and elimination of the risk.

The key risks facing the charity were monitored and appropriately mitigated during the year.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Principal Risks and Uncertainties

The changes underway to mental health commissioning, with the advent of Integrated Care Systems (as advocated by the NHS Long Term Plan in order to integrate services more comprehensively into the wider health system and to give better, more joined up care) and the transformation of community mental health services are intended to improve care for service users, but they also present risks which MHM must manage closely. MHM aims to continue to influence and shape future commissioning and available resource through our networking and advocacy at local and national levels, and anticipates being in a position to be responsive to the increased demand for mental health services and to the changes in commissioning.

The principal risks and uncertainties facing the charity are considered to be:

- Attraction, retention, and development of an inclusive and diverse workforce to ensure we have the right skills in the right place at the right time to deliver our strategy -
 - A Talent Acquisition Lead has been recruited to lead on MHM's approach to this risk.
 - A People strategy has been developed and will be implemented to establish MHM as an employer of choice: to attract and retain skilled and qualified staff; to engage, develop, motivate and empower our workforce; to ensure that staff wellbeing is at the forefront of decision making; and to promote workforce diversity.
 - MHM has increased flexible ways of working post-Covid 19, including hybrid workplace/home working where appropriate.
 - Additional resource within the People & Organisational Development team has been deployed to support implementation of the People strategy, and resource requirements are kept under constant review in order to best meet the recruitment challenges within the sector.

- Changes in the commissioning environment and the need to ensure that we continue to be able to fulfil our commissioner proposition and our service standards -
 - Our commissioner proposition and service standards are central to the contract mobilisation process, and specific risks are monitored initially through our assurance process for new contracts, then through contract management and monitoring of KPIs.
 - Ongoing development of our management, our workforce and our organisational infrastructure is focused on the need to continue to deliver consistency of contract management, and influence and respond to the transformation of community mental health services.
 - Our IT transformation programme includes a data workstream which aims to deliver more accurate & timely data to enhance both reporting to commissioners and ability to assess & respond to issues arising within services.

- Our obligations, duty of care and safeguarding responsibilities to clients and the importance of maintaining high quality, safe standards in our service delivery -
 - Our services have well-developed relationships with local agencies with responsibility for safeguarding and care; we have policies and procedures in place for safe and effective work with clients, and for reporting, recording and responding to incidents, including safeguarding incidents; and our staff are provided with induction, mandatory and role specific training, and ongoing staff development for the responsibilities of each post and our trustees receive appropriate refresher training.
 - A Quality & Safeguarding Committee has been established since the year end to provide board-level scrutiny of this risk, and this committee's work will be developed during 2022-23.
 - MHM have secured the involvement of an external subject matter expert to support the organisation in relation to its safeguarding responsibilities.
 - A Co-Production Strategy will be developed during 2022/23 to ensure sufficient client engagement and feedback.

- Ensuring that IT systems and support are effective and do not compromise or disrupt the ability to deliver services safely and effectively, or prevent or delay the transformation of processes set out in 2022-25 strategy.
 - We have a third party managed service provider in place, with appropriate accreditation, ISO27001 and Cyber Essentials Plus, to ensure that our IT platforms are secure and resilient.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

- IT arrangements are covered by our Business Continuity Plan and Disaster Recovery Plan, and we have proven ability to accommodate remote working.
- An IT audit and strategic review was carried out in late 2020, leading to the development of an IT Transformation Programme which has begun; this will review and improve current systems; support, document and embed best practice for MHM processes; enable access to the right data for the right people at the right time; and support a move to cloud systems.

Financial review

a. Financial review

MHM principal funding sources are shown in note 4 to the financial statements. There has been a 21% increase in incoming resources for the year, due to new services in talking therapies and community support and to expansion of existing employment and talking therapies services.

The £956,368 surplus generated for the year reflects:

- the growth in incoming resources, largely on block-funded contracts – 2021/22 was the first full year of the Talking Matters Sefton IAPT service, additional funding was awarded by other IAPT commissioners, and there was considerable growth in our community services;
- rigorous control of costs; and
- considerable staff cost savings as a result of recruitment challenges – however, vacancies lead to pressure on our colleagues to be able to deliver services effectively. Where applicable, we have engaged agency staff to fill some vacancies. The People strategy described above is intended to mitigate this challenge.

Included in the surplus generated in the year is unused funding categorised as restricted for use in accordance with the commissioner's intentions in future years. This amounts to £44,435.

During the year, trustees made the decision to leave the TPT Retirement Solutions' pension scheme with effect from 30 September 2021. As a result, the estimated exit debt of £400,268 has been fully provided for within these accounts. There remains uncertainty about the final exit debt, due to a review of the application of rules by the administrator of this multi-employer scheme, for which the scheme trustee is seeking court direction. Possible additional costs cannot be calculated at this time. However MHM's advisors indicate that these will not be material.

The soft launch of MHM's fundraising strategy during 2021/22 was resourced by our internal team, with no material costs for fundraising activities.

Governance costs amount to less than 0.5% of expenditure.

Potential bad debts amounting to £24,024 were identified at 31 March 2022, and provision has been made for this amount. All other outstanding debts are considered recoverable.

The cash position has remained healthy throughout the year. The increase against the prior year is due to the expansion of services described above. Cash balances continue to be monitored to ensure that they are adequate to support the charity's aims and objectives, funds are held on notice deposits when not required for short term cashflow, and it is intended to undertake more proactive investment of cash balances during 2022/23.

MHM's "overall business risk" is classified by a leading independent credit monitoring agency as low risk.

Major factors likely to affect the financial position of the charity in 2022/23 are MHM's ability to design contemporary talking therapies and social care services that meet the requirements of commissioners and other customers; to develop and sustain strong relationships with commissioners; to continue to respond effectively to commissioning through provider collaboratives and alliances; and to continue to develop a diverse portfolio of

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

funding in order to mitigate the impact of contracts at risk. The trustees are confident of MHM's ability to achieve these goals, supported by continued investment in robust staffing and infrastructure, and planning for a range of possible funding scenarios forms part of MHM's strategic planning in 2022/23 and beyond, particularly in light of current economic forecasting including inflation.

The trustees have assessed MHM's ability to continue as a going concern by reviewing budgets, reserves and cashflow forecasts, and the impact of a range of possible scenarios. This assessment demonstrated that in the worst-case scenario, MHM could sustain its status as a going concern over the next 12 months from the date of sign off of these financial statements. In support of this conclusion, financial performance in 2022/23 to date is ahead of budget, and our annual target for net business growth is on schedule.

b. Investment Powers and Policy

The trustees, having regard to the liquidity requirements of delivering the current services, and to the reserve policy set out below, have operated a policy of keeping available funds in interest-bearing accounts, and seek to diversify risk whilst achieving the highest possible return from investing in appropriate institutions. The invested funds held on deposit achieved an average of 0.1599% during the year to 31 March 2022. At the balance sheet date £1.5m was held in notice deposits and consideration of further interest-bearing investments will be undertaken during the year ahead.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Reserves Policy and Going Concern

The Charity Commission expects trustees to decide, publish, implement and monitor their charity's reserves policy in order to comply with their legal duties to: act in the interests of their charity and its beneficiaries; protect and safeguard the assets of their charity; act with reasonable care and skill; and ensure their charity is accountable.

MHM trustees review MHM's policy on reserves held by the charity at least annually in order to ensure that it complies with these Charity Commission requirements, supports the achievement of MHM's strategic objectives, and remains appropriate for the economic environment, the health and social care sectors, and other relevant factors affecting MHM's activities.

The trustees recognise that reserves are required in order to:

- meet the continuing financial commitments of delivering commissioned services to beneficiaries, including the need for working capital so that liabilities incurred can be met as they fall due; and
- invest in the development of facilities, services and business processes as necessary to ensure that MHM is compliant with regulatory requirements, aspires to develop and embed best practice in its ways of working, and is able to respond to such new business opportunities as are identified.

The financial obligations associated with MHM's commissioned services tend to be aligned with the funding of those services. However it is important for MHM to hold reserves to cover financial obligations that are not directly funded, in order that those obligations can continue to be met if unforeseen circumstances lead to a reduction in incoming resources. The trustees believe that free reserves are required to cover six months of projected central and infrastructure costs, plus an additional allowance agreed annually in order to be in a position to fund development activity as the need arises, including investment in facilities and adoption of best practice systems and procedures within the fields of health and social care.

For the year 2022/23 the amount of free reserves required is assessed by the trustees as £2,200,000. This level of reserves allows for 6 months of central office costs (including enhanced central capacity to support organisational growth). It also allows for infrastructure development.

MHM total reserves at 31 March 2022 amount to £4,730,063 and consist of:

- restricted funds (subject to specific terms) of £549,809 (see note 18); and
- unrestricted funds of £4,180,254 (see note 18).

From unrestricted funds, the trustees have designated an amount of £760,330 to meet indicative future costs of the IT transformation programme.

General funds therefore amount to £3,419,924. After deducting fixed assets and investments totalling £264,848, the value of free reserves available is £3,155,076, exceeding the required value.

Compliance with this reserves policy will be monitored on an ongoing basis by the Audit & Risk Committee, which will report any non-compliance to the Board of Trustees in order that any corrective action required can be agreed.

The trustees have considered budgets to March 2023 and cashflow forecasts to December 2023. As noted above, MHM incoming resources have grown during the year. Costs remain under careful review, and the trustees believe that the level of reserves available for 2022/23 and 2023/24 is sufficient, and the net current assets and cash flow of the charity are at such a level, that the charity is able to operate for the foreseeable future, and that the going concern basis is appropriate for these financial statements.

Close monitoring of reserves, along with relevant scenario planning, will continue in order to ensure that MHM's financial strength is maintained. The degree of certainty over future funding streams will be kept under review, and the trustees intend that MHM will continue to position itself as a provider and partner of choice, able to meet the opportunities presented by commissioners to meet the expected increased demand for mental health services, and to adapt delivery models to offer blended services which feature both digital and face-to-face delivery.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

d. Plans for future periods

As noted above, the trustees agreed to establish a new strategic plan for the three years commencing April 2022. MHM's priorities for 2022-2025, as set out in this new organisational strategy, are:

Co-produced High-Quality Services - We will collaborate with those with lived experience to deliver accessible, impactful, high quality and innovative services that meet the needs of individuals, their families, carers and communities.

Engaged & Ambitious Workforce - We will develop a people culture underpinned by our values, that attracts, develops, rewards and retains a skilled, knowledgeable and diverse workforce.

Shaping Future Care & Support - We will influence and drive the transformation of care and support, through a holistic and locally tailored approach that delivers life changing impact.

Transforming How We Work - We will ensure that our processes, tools and resources are efficient, simple and user-friendly, to increase our reach, maximise our impact and help more people to achieve meaningful lives.

Disclosure of information to auditor


Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Armstrong Watson Audit Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 10/11/2022 and signed on their behalf by:


Sally Baines (Nov 10, 2022 14:45 GMT)

S J Baines
(Chair of Trustees)

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 10/11/2022 and signed on its behalf by:


Sally Baines (Nov 10, 2022 14:45 GMT)

S J Baines
(Chair of Trustees)

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS

Opinion

We have audited the financial statements of Mental Health Matters (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2022 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 Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

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 contained within the Annual report. 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. 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 course of 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees on page 21 (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.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non compliance with laws and regulations and cannot be expected to detect all fraud and non compliance with laws and regulations.

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 Auditor's report.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS
(CONTINUED)

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ross Preston

Ross Preston (Nov 18, 2022 11:38 GMT)

Ross Preston (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

3rd Floor

10 South Parade

Leeds

West Yorkshire

LS1 5QS

Date: 18/11/2022

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	44,578	-	44,578	23,008
Charitable activities	4 20,572,649	888,550	21,461,199	17,776,519
Investments	5 2,341	-	2,341	(281)
Other income	-	-	-	10,275
Total income	20,619,568	888,550	21,508,118	17,809,521
Expenditure on:				
Charitable activities	6 19,821,836	729,914	20,551,750	17,536,000
Total expenditure	19,821,836	729,914	20,551,750	17,536,000
Net income	797,732	158,636	956,368	273,521
Transfers between funds	18 113,114	(113,114)	-	-
Net movement in funds	910,846	45,522	956,368	273,521
Reconciliation of funds:				
Total funds brought forward	3,269,408	504,287	3,773,695	3,500,174
Net movement in funds	910,846	45,522	956,368	273,521
Total funds carried forward	4,180,254	549,809	4,730,063	3,773,695

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 53 form part of these financial statements.


MENTAL HEALTH MATTERS
(A company limited by guarantee)
REGISTERED NUMBER: 1786914

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	46,280	-
Tangible assets	13	218,567	225,377
Investments	14	1	1
		264,848	225,378
Current assets			
Debtors	15	3,508,270	3,308,197
Cash at bank and in hand		4,784,743	4,136,639
		8,293,013	7,444,836
Creditors: amounts falling due within one year	16	(3,827,798)	(3,751,838)
Net current assets		4,465,215	3,692,998
Total assets less current liabilities		4,730,063	3,918,376
Creditors: amounts falling due after more than one year	17	-	(144,681)
Total net assets		4,730,063	3,773,695
Charity funds			
Restricted funds	18	549,809	504,287
Unrestricted funds			
Designated funds		760,330	638,343
General funds		3,419,924	2,631,065
Total unrestricted funds	18	4,180,254	3,269,408
Total funds		4,730,063	3,773,695

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 10/11/2022 and signed on their behalf by:


Sally Baines (Nov 10, 2022 14:45 GMT)

S J Baines
 (Chair of Trustees)

The notes on pages 29 to 53 form part of these financial statements.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	790,224	1,044,715
Cash flows from investing activities			
Purchase of tangible fixed assets		(95,216)	(167,106)
Purchase of intangible assets		(49,245)	-
Interest received		2,341	(281)
Net cash used in investing activities		(142,120)	(167,387)
Change in cash and cash equivalents in the year		648,104	877,328
Cash and cash equivalents at the beginning of the year		4,136,639	3,259,311
Cash and cash equivalents at the end of the year	22	4,784,743	4,136,639

The notes on pages 29 to 53 form part of these financial statements

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Mental Health Matters (the 'charitable company') is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Avalon House, St Catherine's Court, Sunderland, Tyne and Wear, SR5 3XJ.

The charity exists for the benefit of the public through the provision of its services to any member of the public who has mental or physical health needs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mental Health Matters meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts set out the results of the charitable company only. The trustees consider that the charity's subsidiary is not material to the group and so no consolidation accounts have been prepared in accordance with exemption under section 405 of the Companies Act.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The trustees are directors for the purposes of the Companies Act 2006. At 31 March 2022 there were 8 members (2021: nine members).

2.3 Going concern

FRS102 requires that, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow forecasts have been prepared covering 12 months from the date of approval of the financial statements. Forecasts indicate that adequate cash and reserves will be available throughout the period under review, with no financing required. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Consequently, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Income

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Grants and contracted funding

Grants and contracted funding, including capital grants for the purchase of tangible fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they become receivable. Where the conditions of receipt have not yet been met, the income is transferred to deferred income in the balance sheet and recognised in the statement of financial activities in a future accounting period.

Rental and support income

Rental and support income is recognised in full in the Statement of Financial Activities in the year in which it is receivable, net of any provision for arrears. Where rent and support income is received in advance for a future accounting period, the income is deferred and included in rents in advance and recognised in the Statement of Financial Activities in a future accounting period.

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.

2.5 Expenditure

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 all considered as expenditure on charitable activities, and is subdivided into the four main activities of the charity being employment services, community support and personalised services, housing services and talking therapies services. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include both the direct costs of providing services to the charity's beneficiaries and an apportionment of support and governance costs.

Support costs comprise the central management and support services. They have been apportioned between charitable activities as shown in note 7, based on the proportion of income within each charitable activity.

Governance costs comprise all costs in connection with the strategic management of the charity and compliance with constitutional and statutory requirements. Specific costs on a particular charitable activity are included as such. Shared governance costs are apportioned based on time spent across each charitable activity. They have been apportioned between charitable activities as shown in note 7.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 25 % straight line
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Leasehold property improvements	- 20% to 33% straight line
Fixtures, furniture and equipment	- 20% to 33% straight line
Computer equipment	- 20% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and 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.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Financial instruments

The Company 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.

2.14 Operating leases

The charity as a lessee

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

The charity as a lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

2.15 Pensions

The charity participates in two multi-employer pension schemes for its employees. For both schemes, contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted, at a rate according to FRS102, when they are not expected to be settled wholly within 12 months of the period end. The unwinding of the discount rate is recognised as a finance cost.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgement and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 2.8 for the useful economic lives for each class of assets.

(ii) Determining the exit value for commitments to a defined benefit pension scheme liability

The calculation of the exit value for commitments to a defined benefit pension scheme liability is subjective, due to the estimation uncertainty associated with the choice of actuarial assumptions used to determine the overall defined benefit pension scheme liability. Management uses an external actuarial expert to perform the calculation.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from charitable activities

	Community Services	Employment Services	Housing Services	Talking Therapies	Total 2022	Total 2021
	£	£	£	£	£	£
Grants & contracted funding	4,097,605	2,209,256	182,746	13,621,189	20,110,796	16,183,841
Other income	<u>384,553</u>	<u>87,627</u>	<u>856,743</u>	<u>21,480</u>	<u>1,350,403</u>	<u>1,592,677</u>
	<u>4,482,158</u>	<u>2,296,883</u>	<u>1,039,489</u>	<u>13,642,669</u>	<u>21,461,199</u>	<u>17,776,518</u>

Analysis by fund

Unrestricted funds	3,749,734	2,268,381	1,039,489	13,515,045	20,572,649
Restricted funds	<u>732,424</u>	<u>28,502</u>	-	<u>127,624</u>	<u>888,550</u>
Total	<u>4,482,158</u>	<u>2,296,883</u>	<u>1,039,489</u>	<u>13,642,669</u>	<u>21,461,199</u>

**For the year ended
31 March 2021**

Unrestricted funds	2,500,685	1,798,899	1,106,916	11,378,429	16,784,929
Restricted funds	<u>720,000</u>	<u>106,313</u>	-	<u>165,276</u>	<u>991,589</u>
Total	<u>3,220,685</u>	<u>1,905,212</u>	<u>1,106,916</u>	<u>11,543,705</u>	<u>17,776,518</u>

Grants and contracted funding

	2022 £	2021 £
Local authority funding	1,149,862	809,922
Health authority and NHS trust funding	19,773,851	14,995,821
Other charities & trusts	457,056	377,442
Client direct payments	9,038	-
Housing associations	64,137	-
Central Government funding	7,255	656
	<u>21,461,199</u>	<u>16,183,841</u>

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	2,341	<u>2,341</u>	<u>(281)</u>

The income from investments was £2,341 (2021: £(281)).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Analysis of expenditure on charitable activities

	Community Services	Employment Services	Housing Services	Talking Therapies	Total 2022	Total 2021
	£	£	£	£	£	£
Staff salary costs	2,230,567	1,420,713	423,532	7,692,579	11,767,391	10,095,298
Other staff costs	420,083	10,583	346,123	1,203,645	1,980,434	1,381,689
Payments to subcontracts	129,092	11,250	-	1,396,101	1,536,443	1,883,938
Property costs	269,730	26,863	264,302	487,914	1,048,809	832,179
Other operating costs	194,472	39,433	98,692	845,472	1,178,069	1,207,642
Depreciation and amortisation	<u>13,841</u>	<u>108</u>	<u>4,221</u>	<u>47,333</u>	<u>65,503</u>	<u>39,544</u>
	3,257,785	1,508,950	1,136,870	11,673,044	17,576,649	15,440,290
Share of support costs (see note 7)	538,764	249,546	188,013	1,929,570	2,905,893	2,020,130
Share of governance costs (see note 7)	<u>12,832</u>	<u>5,942</u>	<u>4,478</u>	<u>45,956</u>	<u>69,208</u>	<u>75,580</u>
Total	<u>3,809,381</u>	<u>1,764,438</u>	<u>1,329,361</u>	<u>13,648,570</u>	<u>20,551,750</u>	<u>17,536,000</u>
Analysis by fund						
Unrestricted funds	3,234,505	1,737,024	1,329,361	13,520,946	19,821,836	
Restricted funds	<u>574,875</u>	<u>27,415</u>	<u>-</u>	<u>127,624</u>	<u>729,914</u>	
Total	<u>3,809,380</u>	<u>1,764,439</u>	<u>1,329,361</u>	<u>13,648,570</u>	<u>20,551,750</u>	
For the year ended 31 March 2021						
Unrestricted funds	2,305,370	1,620,931	1,275,911	11,529,735		16,731,947
Restricted funds	<u>535,086</u>	<u>103,691</u>	<u>-</u>	<u>165,276</u>		<u>804,053</u>
Total	<u>2,840,456</u>	<u>1,724,622</u>	<u>1,275,911</u>	<u>11,695,011</u>		<u>17,536,000</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff salary costs	1,457,222	-	1,457,222	878,613
Other staff costs	466,640	-	466,640	258,165
Property costs	81,179	-	81,179	63,132
Other operating costs	831,924	-	831,924	752,521
Depreciation and amortisation	41,774	-	41,774	42,048
Legal fees	27,154	-	27,154	25,651
Staff costs	-	43,104	43,104	49,374
Professional fees	-	19,155	19,155	21,600
Office costs	-	6,030	6,030	4,606
Trustee meetings	-	920	920	4,606
	<u>2,905,893</u>	<u>69,209</u>	<u>2,975,102</u>	<u>2,095,710</u>
Analysed as				
Charitable activities	<u>2,905,893</u>	<u>69,209</u>	<u>2,975,102</u>	<u>2,095,710</u>

8. Net movement in funds

Net movement in funds is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of owned tangible fixed assets	102,025	77,547
Amortisation of intangible assets	2,965	4,045
Operating lease charges - equipment	9,642	10,424
Operating lease charges - land and buildings	614,909	630,388

9. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,995	18,000
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>3,750</u>	<u>4,600</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Staff costs

	2022 £	2021 £
Wages and salaries	11,483,181	9,760,002
Social security costs	1,083,853	901,523
Contribution to defined contribution pension schemes	700,682	361,760
	<u>13,267,716</u>	<u>11,023,285</u>

Termination benefits relating to the reporting period total £18,488 (2021: £34,206). This comprises payments in lieu of notice, accrued holiday entitlement and compensation payments.
Ex-gratia payments relating to the reporting period total £6,911 (2021: £560).

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employment services	47	54
Community support and personalised services	121	93
Housing services	18	24
Talking therapies services	233	209
Administration and support	35	28
	<u>454</u>	<u>408</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Employment services	45	49
Community support and personalised services	87	70
Housing services	17	20
Talking therapies services	216	189
Administration and support	34	26
	<u>399</u>	<u>354</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff costs (continued)

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £80,001 - £90,000	1	1

Remuneration of key management personnel

The key management personnel of the charity comprise the chief executive officer and the executive team. The remuneration of key management personnel is as follows:

	2022	2021
	£	£
Aggregate compensation	480,132	465,303

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Trustees' remuneration and expenses

The trustees received no remuneration during the year (2021: £nil) and no trustees received payment for professional or other services supplied to the charity (2021: £nil).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL). Insurance is provided to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents. Premiums paid during the year amounted to £11,051 (2021: £8,501).

12. Intangible assets

	Computer software £
Cost	
At 1 April 2021	523,396
Additions	49,245
At 31 March 2022	<u>572,641</u>
Amortisation	
At 1 April 2021	523,396
Charge for the year	2,965
At 31 March 2022	<u>526,361</u>
Net book value	
At 31 March 2022	<u>46,280</u>
At 31 March 2021	<u>-</u>

The amortisation charge for the year is recognised within expenditure on charitable activities.

There are no contractual commitments to acquire intangible assets at 31 March 2022 (2021: £nil).

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	43,746	326,906	759,107	1,129,759
Additions	-	43,852	51,364	95,216
At 31 March 2022	<u>43,746</u>	<u>370,758</u>	<u>810,471</u>	<u>1,224,975</u>
Depreciation				
At 1 April 2021	40,083	302,919	561,381	904,383
Charge for the year	2,084	12,201	87,740	102,025
At 31 March 2022	<u>42,167</u>	<u>315,120</u>	<u>649,121</u>	<u>1,006,408</u>
Net book value				
At 31 March 2022	<u>1,579</u>	<u>55,638</u>	<u>161,350</u>	<u>218,567</u>
At 31 March 2021	<u>3,663</u>	<u>23,987</u>	<u>197,726</u>	<u>225,376</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	1
At 31 March 2022	<u>1</u>
Net book value	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Holding
Moorpark Limited	Dormant company	100%

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	2,545,140	2,235,089
Amounts owed by group undertakings	2,727	2,727
Other debtors	15,157	6,619
Prepayments and accrued income	926,686	1,040,030
Other debtor arrears	18,560	23,732
	<u>3,508,270</u>	<u>3,308,197</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	432,800	273,868
Other taxation and social security	291,798	246,876
Deferred income	2,050,178	2,407,767
Other creditor arrears	16,910	8,756
Other creditors and accruals	561,949	509,299
Provision for pension contributions	474,163	305,272
	3,827,798	3,751,838
	3,827,798	3,751,838

	2022	2021
	£	£
Deferred income at 1 April	2,407,767	2,170,163
Resources deferred during the year	(2,283,726)	(708,904)
Amounts released from previous periods	1,926,137	946,508
	2,050,178	2,407,767
	2,050,178	2,407,767

17. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Provision for pension contributions	-	144,681
	-	144,681
	-	144,681

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Designated funds	638,343	-	-	121,987	760,330
General funds					
General funds	2,631,065	20,619,568	(19,821,836)	(8,873)	3,419,924
Total Unrestricted funds	3,269,408	20,619,568	(19,821,836)	113,114	4,180,254
Restricted funds					
Central	137,773	-	-	(12,741)	125,032
Employment services	81,185	28,502	(27,415)	-	82,272
Community support and personalised services	184,956	732,424	(574,875)	-	342,505
Talking therapies services	100,373	127,624	(127,624)	(100,373)	-
	504,287	888,550	(729,914)	(113,114)	549,809
Total of funds	3,773,695	21,508,118	(20,551,750)	-	4,730,063

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Statement of funds (continued)

Unrestricted funds

General funds are 'Free reserves' after allowing for designated funds.

From unrestricted funds, the trustees have made the following designation:

- An amount of £760,330 to meet projected future costs as a result of the trustees' decision to commit to an IT transformation programme

Restricted funds

The balance carried forward represents restricted income on projects to be expended in future periods. The funds are summarised on the basis of the charitable activity into which each project falls.

The restricted funds categorised as Support represent a legacy received in 2007. The restriction is that the funds must be used to support people with schizophrenia. The funds are held in cash at bank and will only be applied when relevant projects have been identified.

The restricted funds categorised as Employment Services and Community support and personalised services result from income on funded projects exceeding expenditure. These funds are held as restricted because there is an expectation that the excess will be recouped by the funders, there is a requirement of the funding that it is understood that MHM will carry over any underspend identified from the previous financial year or it is the Charity's understanding of the commissioner's intentions. These funds are also held in cash at bank.

In the year ended 31 March 2021, the restricted funds categorised as Talking therapies services related to funding granted specifically for expansion associated with an existing IAPT service. The funds were required by the funder to be used for other purposes and were returned during 2021/22.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
Designated funds					
Designated funds	923,357	-	-	(285,014)	638,343
General funds					
General funds	2,260,066	16,817,932	(16,731,947)	285,014	2,631,065
Total Unrestricted funds	3,183,423	16,817,932	(16,731,947)	-	3,269,408
Restricted funds					
Central	137,773	-	-	-	137,773
Employment services	78,563	106,313	(103,691)	-	81,185
Community support and personalised services	42	720,000	(535,086)	-	184,956
Talking therapies services	100,373	165,276	(165,276)	-	100,373
	316,751	991,589	(804,053)	-	504,287
Total of funds	3,500,174	17,809,521	(17,536,000)	-	3,773,695

MENTAL HEALTH MATTERS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Designated funds	638,343	-	-	121,987	760,330
General funds	2,631,065	20,619,568	(19,821,836)	(8,873)	3,419,924
Restricted funds	504,287	888,550	(729,914)	(113,114)	549,809
	<u>3,773,695</u>	<u>21,508,118</u>	<u>(20,551,750)</u>	<u>-</u>	<u>4,730,063</u>

Summary of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Designated funds	923,357	-	-	(285,014)	638,343
General funds	2,260,066	16,817,932	(16,731,947)	285,014	2,631,065
Restricted funds	316,751	991,589	(804,053)	-	504,287
	<u>3,500,174</u>	<u>17,809,521</u>	<u>(17,536,000)</u>	<u>-</u>	<u>3,773,695</u>

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	218,567	-	218,567
Intangible fixed assets	46,280	-	46,280
Fixed asset investments	1	-	1
Current assets	7,743,204	549,809	8,293,013
Creditors due within one year	(3,827,798)	-	(3,827,798)
Total	4,180,254	549,809	4,730,063

Analysis of net assets between funds - prior year

	<i>Unrestricted</i> <i>funds</i> 2021 £	<i>Restricted</i> <i>funds</i> 2021 £	<i>Total</i> <i>funds</i> 2021 £
Tangible fixed assets	225,376	-	225,376
Fixed asset investments	1	-	1
Current assets	6,940,549	504,287	7,444,836
Creditors due within one year	(3,751,838)	-	(3,751,838)
Creditors due in more than one year	(144,681)	-	(144,681)
Total	3,269,407	504,287	3,773,694

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income for the year (as per Statement of Financial Activities)	956,368	273,521
Adjustments for:		
Depreciation and impairment of tangible fixed assets	102,025	77,547
Amortisation and impairment of intangible assets	2,965	4,045
Investment income recognised in statement of financial activities	(2,341)	281
Decrease/(increase) in debtors	(200,073)	7,883
Increase/(decrease) in creditors	288,869	443,834
Increase/(decrease) in deferred income	(357,589)	237,604
Net cash provided by operating activities	790,224	1,044,715

22. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	4,784,743	4,136,639
Total cash and cash equivalents	4,784,743	4,136,639

23. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	4,136,639	648,104	4,784,743
	4,136,639	648,104	4,784,743

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

24. Pension commitments

Defined contribution scheme

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £302,927 (2021: £47,811) were payable to the fund at the balance sheet date and are included in creditors. £19,619 (2021: £47,811) was still outstanding at the year end.

Defined benefit schemes

The charity participated in two multi-employer pension plans, being TPT Retirement Solutions' Growth Plan (formerly the Pensions Trust's Growth Plan) and the NHS Pension Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

The contributions payable by the charity charged to income and expenditure amounted to:

	2022	2021
	£	£
The Growth Plan	1,708	208,248
NHS Pension Scheme	160,723	93,920
	<u>162,431</u>	<u>302,168</u>

Expenditure on pensions is allocated to service line according to staff time. Costs are split between restricted and unrestricted based upon project specific cost accounting. Contributions totalling £54,200 (2021: £107,801) were payable to the funds at the year end and are included in creditors.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 33 active members of the Scheme employed by the charity. The Scheme is not open to new employees unless they are transferred under TUPE agreements from an NHS Foundation Trust.

The Scheme has a number of different benefit structures. For the 1995 section annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service; for the 2008 section annual pensions are normally based on 1/60th of the average of the best three consecutive years' pensionable pay in the final ten years of service for each year of service; for the 2015 section, which is a career average revalued earnings scheme, annual pensions are based on 1/54th of each year's pensionable pay.

Members of the 1995 section normally receive a lump sum on retirement of three times their annual pension. Members of the 2008 and 2015 sections receive a lump sum which may be a maximum of 25% of the value of their pension at retirement, their choice subsequently affecting the level of annual pension due. In all cases, the lump sum available is subject to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in the Consumer Price Index in the twelve months ending 30 September in the previous calendar year.

On death, a pension of 50%, 37.5% or 33.75% of the member's pension is normally payable to the surviving spouse, civil partner or nominated partner. The percentage payable depends on whether the member was in the 1995, 2008 or 2015 section. In addition, each section provides for a lump sum payable on death.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. At the conclusion of the 2016 full valuation the Scheme actuary reported that employer contributions should increase to 20.6% from 14.3% from April 2019. In addition, employers are required to pay a scheme administration levy of 0.08% of pensionable pay. For the 2019 - 20, 2020 - 21 and 2021 - 22 scheme years, employers were responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme Annual Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TPT Retirement Solutions' Growth Plan

TPT Retirement Solutions' Growth Plan ('the Plan') is funded and was not contracted out of the state scheme. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. For contributions from November 2012 the capital guarantee was removed.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore,

the Plan is accounted for as if it were a defined contribution scheme: the cost to the charity of

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

participating in the Plan is taken as equal to the contributions payable to the Plan for the accounting period.

There is a potential debt on the employer that would be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing guaranteed benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Plan.

During 2021/22 the trustees carefully considered the pros and cons of opting to withdraw from the TPT Retirement Solutions' Growth Plan scheme and decided to do so with effect from 30 September 2021. At the balance sheet date there were 0 active members of the Plan employed by the charity. The charity no longer offers membership of the Plan to its employees.

The charity has been notified by TPT Retirement Solutions of the estimated employer debt as a result of the decision to withdraw from the Plan. based on the financial position of the Plan as at 30 September 2021. Based on this information, the estimated employer debt of the charity at 30 September 2021 is £400,268. This amount has been provided in full at 31 March 2022 and is included in creditors.

There are potential additional liabilities associated with an ongoing review of the way in which changes to benefits have been implemented. The Scheme Trustee is seeking court directions on how to interpret the rules. Until this matter is resolved, it is not possible to assess with any degree of certainty the likelihood or value of additional liabilities. However, the trustees do not expect these to be material.

MENTAL HEALTH MATTERS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

25. Operating lease commitments

The charity as a lessee:

At 31 March 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Within 1 year	312,721	350,014
Between 1 and 5 years	245,328	372,600
	<u>558,049</u>	<u>722,614</u>

The charity as a lessor:

The charity has a large number of tenancy agreements with tenants utilising the services of the charity. The lease agreements have varying terms, however all leases are cancellable as the intention of the charity is that tenants vacate premises once they are recovered.

At the year end, the charity had no contracts with tenants under non-cancellable operating leases.

26. Related party transactions

During the year the Charity entered into transactions with the following related parties:

- P Rolland, trustee, who is employed as a programme lead for Health Education England, which provides funding for clinical trainees in talking therapy services, and
- J Lanham, trustee, whose husband is employed by Combat Stress UK, with whom the charity has a contract for community support services.

Neither related party has had any involvement in the delivery of the services nor have they had any involvement in decision making in relation to the contracts in question.

In the prior year, the charity continued to work in a joint arrangement with Sunderland Counselling Service and Efficacy Limited to provide mental health services to Northumberland Clinical Commissioning Group until August 2020. The prior year expenditure in the joint arrangement is detailed below.

The income generated by MHM in the year from each of these contractual arrangements with related parties is as follows:

	2022 £	2021 £
Health Education England	143,489	-
Combat Stress	249,992	-
Sunderland Counselling Service	-	1,047,521
Efficacy Limited	-	515,756
	<u>393,481</u>	<u>1,563,277</u>

MENTAL HEALTH MATTERS

England & Wales - Charity number 514829

Accounts

Mental Health Matters Report and Financial Statements For the Year Ended 31 March 2021



Charity Registration No. 514829
Company Registration No. 1786914 (England and Wales)

MENTAL HEALTH MATTERS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Moorey D Corner S Baines M Booth K Evans J Horsman G Jenkins J Lanham P Rolland
Charity number	514829
Company number	01786914
Registered office	Avalon House St Catherine's Court Sunderland Tyne and Wear SR5 3XJ
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	Barclays Bank plc 53 Fawcett Street Sunderland Tyne & Wear SR1 1RS

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of Mental Health Matters (MHM) present our annual report, together with the financial statements of the charity, for the year ended 31 March 2021.

Chair's report

I am proud to write this introduction to MHM's annual accounts and Trustees' Report which covers a year we could not have imagined and which has tested the organisation, its personnel and operating procedures.

The pandemic has required MHM to be flexible and innovative in the delivery of its services. Operating with the interests of those who access its services at heart MHM moved swiftly to ensure services continued to be offered to those in need.

Notwithstanding the pandemic the Charity has moved forward strongly with new contracts being won, including in new geographical areas such as South Sefton and Southport and Formby.

Substantial credit must go to the staff team for their flexibility and dedication to the best interests of their clients. They demonstrate in their day to day work the focus on individuals which is central to MHM's ethos.

The Executive team has excelled this year under the leadership of the Chief Executive, Jane Hughes. The speed with which they were able to introduce remote and home working to ensure the continuation of service delivery was exemplary. In addition they have continued to drive MHM forward, restructuring the management team, introducing new services and commencing an overhaul of IT which will form a solid foundation for future development.

This has also been an excellent year in financial terms, with a surplus of over £270,000 and unrestricted reserves at the year end of almost £3.3 million which will provide security for the Charity going forward and the opportunity to invest in new projects and services.

The year also saw the start of a very successful trustee recruitment campaign which has resulted in the appointment of 6 new Trustees with a variety of experience and expertise who will strengthen the Charity and provide the oversight, advice and direction needed to ensure its continued growth and expansion in the future.

A number of Trustees are due to leave in 2021/22 and I want to thank each of them for their time and dedication to MHM. Without exception they have helped to drive forward the Charity and shape it for the future, always with the interests of its clients at the heart of their considerations.

This is my final Chair's report as I will also be stepping down from the Board in September 2021. I have been privileged to be a Trustee for 7 years and Chair for 4. That has been a time of change and growth and I am certain MHM will continue to go from strength to strength. There is no doubt the need for MHM's services will continue to grow in the future and I believe it is well placed to meet that need, building on its expertise in a wide range of areas. I am confident the focus on the individual will remain at the core of everything MHM does and I wish it, its leadership and staff and all those who access its services the very best for the future.

Mr B Howorth
Chair

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Public Benefit

Mental Health Matters (MHM) exists for the benefit of the public through the provision of its services to any member of the public who has a mental or physical health need that impacts on their wellbeing. All of the services provided by MHM are within the aims and objectives as set out in the Articles of Association.

Throughout the Achievements and Performance section of this report (pages 7 - 10), we have identified and evaluated the benefits that individuals gain from accessing our services and maximising independence through self-directed support. This is particularly reflected in our psychological therapy services and community based services focusing on positive outcomes for individuals.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an organisation we also provide a range of accessible literature, online resources and training courses to educate, inform and guide people with mental and physical health needs, their carers and networks, and the wider community.

Objectives

The primary object of the charity is to act for the benefit of the public, to promote the wellbeing of persons who are experiencing mental or physical health problems or illnesses, however those problems or illnesses have arisen, and their families and carers, both in the UK and overseas.

The vision of MHM is that everyone should receive the personalised services and support they need. To make this vision a reality, our mission is to help people achieve good mental health and physical wellbeing and live life to the full.

MHM believes that individuals gain strength and influence by sharing experience and knowledge, and seeks to provide networks to promote this.

MHM achieves its objectives by:

- empowering our service users to achieve their goals and aspirations through excellent services delivered in partnership with them;
- maintaining a financially healthy and high performing organisation;
- instilling pride and commitment whilst bringing out the best in our employees;
- growing our impact through healthy and collaborative networks and partnerships; and
- maintaining strong leadership and effective governance.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Objectives (continued)

Our values are at the core of everything we do:

- We work for social inclusion;
- We believe in the possibility of recovery even within lifelong mental illness;
- We support health equality across the whole community;
- We are positively engaged in influencing policy decisions relating to mental health issues at national and local levels;
- We believe that individuals gain strength and influence by sharing experience and knowledge;
- We will challenge any stigma and promote positive attitudes to mental health;
- We support people's right to choice, self-determination, adult responsibility and release from stigma; and
- We are a thoughtful and caring employer and service provider, embracing change.

Structure, governance and management

Governance and trustees

MHM is a charitable company limited by guarantee (registration number 01786914), incorporated in 1984 and governed by its Articles of Association, most recently amended in 2014. MHM is registered as a charity in England and Wales (registration number 514829).

The Board of Trustees has ultimate responsibility for the strategic direction of MHM. The trustees, who are also the directors for the purpose of company law, and who served during the year were:

B Howorth (Chair)	(Resigned 28 September 2021)
S Moorey	
D Corner	
A Britton	(Resigned 28 September 2021)
N Hankinson	(Resigned 22 June 2021)
D Brown	(Resigned 28 September 2021)
S Baines	(Appointed as Chair 28 September 2021)
M Booth	(Appointed 22 June 2021)
K Evans	(Appointed 22 June 2021)
J Horseman	(Appointed 22 June 2021)
G Jenkins	(Appointed 22 June 2021)
J Lanham	(Appointed 22 June 2021)
P Rolland	(Appointed 22 June 2021)

At 31 March 2021 MHM had 7 serving trustees, at the date of signing the report MHM had 12 trustees.

Organisation

The Board of Trustees meets quarterly during the year in order to ensure that MHM achieves its charitable objectives. The board's role includes strategic oversight, and monitoring of quality and effectiveness of governance arrangements, operational performance and financial performance. Business plans, budgets, the schedule of delegation, and terms of reference for the one standing sub-committee (audit) and the Executive Team are reviewed and agreed annually, and monitored by the Board of Trustees.

The Audit Committee also meets quarterly and seeks assurance over the organisation's financial and governance systems, including the annual financial auditing process. The findings from the organisation's annual cycle of internal quality and assurance systems auditing are reported to this committee.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Organisation (continued)

A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. The Board of Trustees has systems in place for the delegation of authority to the Chief Executive Officer and the Executive Team.

Where face-to-face meetings were not possible during 2020/21, all scheduled meetings continued using online platforms.

Trustee induction and training

MHM's Board of Trustees is made up of individuals with the skills, competences and experience required to govern the organisation. The trustees keep these requirements under review in order to ensure that the organisation is effectively governed. Recruitment to the charity's Board of Trustees complies with the process detailed in its Articles of Association.

Each year the Board of Trustees, Chief Executive Officer and Executive Team meet with their charitable and company law legal advisor. The purpose of the meeting is to refresh their knowledge of the respective duties of trustees and employees, and also to update them on any key amendments in charity law and Charity Commission expectations, with a view to potential impact on the charity's governing framework.

The trustees have access to a trustee-only section of the MHM intranet and to a range of e-learning, including modules that are mandatory for trustees, covering a range of relevant content including organisation induction, mental health awareness, safeguarding, information governance, and health & safety.

Related parties and co-operation with other organisations

None of the trustees receives remuneration or other benefit from their work with the charity.

During the first five months of 2020/21 the charity worked in a joint arrangement with Sunderland Counselling Service and Efficacy Limited to provide mental health services to Northumberland Clinical Commissioning Group. Subsequently, MHM has continued as the principal contractor, with Sunderland Counselling Service as sub-contractor.

MHM also continued to work with many NHS and third sector organisations, and entered into contracts with several new commissioners. Our commissioners are listed on page 11.

MHM has a wholly owned trading company, Moorpark Limited. This subsidiary ceased its trading activities in June 2013, and is currently dormant.

Fundraising

During the year MHM has not undertaken proactive fundraising activities, and has not engaged a professional fundraiser or commercial participator to assist with such activities. Therefore, neither the charity nor any person acting on its behalf was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising in respect of activities on behalf of MHM. Donations received during the year totalled £23,009 and were initiated by the donors rather than the charity.

MHM does intend to undertake proactive fundraising activities from 2021/22 and will comply with best practice and appropriate guidance in this area from the outset.

Pay policy for key management personnel

The trustees consider that key management is comprised of the Chief Executive Officer and Executive Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The pay of the Executive Team is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other organisations of a similar size run on a voluntary basis. The ratio of the Chief Executive Officer's rate of pay to the average rate of pay for all employees in March 2021 was 3.3:1 (2020: 3.4:1).

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Gender pay gap

For MHM at April 2020 the mean gender pay gap was -1% (April 2019: -4%) and the median gender pay gap was 6% (April 2019: 9%). Policies and procedures ensure that employees in directly comparable roles are paid at the same rate. The mean gap is attributable to the fact that the management team at the time was predominantly female, and the median gap is attributable to the fact that male employees are more likely to be in higher paid roles than female employees at present. MHM is committed to providing equal opportunities in recruitment and in learning and development to male and female employees and prospective employees. MHM remains alert to barriers that might affect the balance of male and female employees in each type of role, and is committed to addressing those barriers if it has the power to do so.

Equality

MHM incorporates equal opportunities throughout its policies. These policies ensure that, in accordance with both current legislation and best practice, no service user, person employed or job applicant will be treated unfavourably by reason of their 'protected characteristic' as set out in the Equality Act 2010.

Disabled employees

MHM's policy in relation to recruitment of disabled persons is to guarantee to interview anyone with a disability whose application for a post meets the minimum criteria for the post, and to always put in place any reasonable adjustments to ensure that applicants are treated fairly and safely within both the recruitment process and the working environment. Where employees become disabled during their employment, MHM will engage in consultation with them to determine whether any reasonable adjustments can be made and/or to consider any alternative roles available. This approach has been applied consistently throughout 2020/21.

Employee engagement

As an accredited Investor in People, MHM believes in recognising people's skills and knowledge, and in developing its employees through learning and development. All employees have an agreed personal development plan to ensure that their learning and development is appropriate to both their role and their personal circumstances.

MHM uses its staff intranet to be the source of all information regarding policy, procedure, news and other matters of concern to employees.

Staff are consulted by their managers on matters directly affecting their employment, and are consulted on an annual basis through an employee survey that enables them to give their views anonymously on matters ranging from leadership to rewards and benefits, in order to inform organisational development. An annual action plan ensures MHM acts on and responds to views received.

MHM agrees an annual business plan for the organisation that demonstrates how strategic objectives will be achieved, helps employees understand how their role and their team's role contributes, and leads to employees taking ownership of the personal contribution they make towards the charity's performance. This process, along with intranet updates and the reporting of key issues through regular manager meetings, service team meetings, and staff 1-1 meetings, ensures that a common awareness of financial and economic factors affecting performance is achieved.

During 2020/21, to help maintain engagement during the Covid-19 pandemic, additional measures were introduced, including a "Wellbeing Wednesday" newsletter and virtual Tea & Chat sessions hosted in turn by the Directors and open to all staff. It is the intention to retain and build on these measures throughout 2021/22 and to introduce a formal Employee Forum.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

Response to Covid-19

The impact of the Covid-19 pandemic was fundamental to MHM's activity throughout 2020/21. The primary focus of the Board of Trustees, the Chief Executive Officer and the Executive Team was on balancing the absolute priority of the safety of our staff and service users with a desire to maintain effective service delivery.

Prior to the first UK lockdown in March 2020, MHM had taken early steps to have all staff in high-risk groups working from home and to invoke business continuity arrangements.

Throughout 2020/21, MHM:

- ensured that staff in residential care services had appropriate PPE and clear guidance to enable them to continue to work safely to deliver 24/7 service with minimum disruption to clients;
- developed safe working practices and planned for the recommencement of safe face to face work with clients when that became possible;
- maintained effective working from home arrangements for the remaining workforce; and
- provided flexibility for staff who had additional caring responsibilities, including childcare.

MHM is fortunate that almost all of our funding continued throughout the pandemic. Our staff continued their work in support of our clients, albeit by working in a different way. In common with many organisations, we adopted new methods of remote communication with colleagues and clients, taking advantage of digital tools, and developed staff briefings and support for staff wellbeing in order to maintain effective staff engagement.

This means that MHM has a strong foundation for 2021/22 and beyond, is well positioned to continue to deliver effective, innovative services that are responsive to the anticipated increase in demand for mental health services following the pandemic, and is equipped to maintain and further develop new ways of working in future, prioritising accessibility for all.

Strategic Report

MHM had been due to renew its three-year strategic plan in April 2020. Having considered the urgent need to manage the impact of Covid-19, the Board of Trustees and Chief Executive Officer decided to establish an adaptation plan for 2020/21 to guide MHM's continued development in the context of the pandemic, and subsequently an annual business plan for 2021/22, with a view to agreeing a new strategic plan for the period commencing April 2022.

In implementing the adaptation plan for 2020/21, MHM continued to deliver high quality services including: primary care psychological (talking) therapies; generic and mental-health-specific housing provision (from floating support through to registered care); recovery and employment services (including for people with mild to moderate anxiety disorders and/or depression, long term conditions, dual diagnoses and addictions); safe haven provision for people at risk of experiencing a mental health crisis; 365/24/7 telephone emotional support and tele-therapy services; and advocacy, user voice, advice and information services.

MHM continued to invest time and resource to retain and acquire new services across England, building on our strong brand for delivering high quality health and social care services alongside strategic partners. This has included responding to the changing needs of people in our communities by delivering evidence-based services and building trusted relationships with our commissioners.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Achievements and performance

Against the backdrop of the Covid-19 pandemic, which inevitably had a significant effect on activity during the year to March 2021, MHM continues to be proud of the delivery of high-quality services focused on service users' recovery and wellbeing, and of successful bids for new services and the extension or renewal of existing services which allow MHM to expand its reach.

MHM's focus for 2020/21 was to:

- innovate, design and deliver flexible needs-led services;
- deliver consistent high quality, safe services;
- raise MHM's profile and secure new business opportunities;
- create a workforce strategy to facilitate organisational development; and
- establish an integrated corporate services function.

There have been many successes during the year, with contracts won to deliver new services, some as sole provider and some in innovative arrangements with new partners, and with many existing contracts extended. MHM's approach of devising bespoke delivery models suited to individual commissioners' requirements, bidding for funds to deliver services based on a combination of MHM's areas of specialism, and seeking funding to deliver services in new markets continues to prove effective.

MHM has further grown its networks and partnerships, raising MHM's profile and seeking to influence policy at a national level. These networks have been built with organisations across health and social care and within the charity sector. Directors have engaged with activity at national, regional and local levels, participating in opportunities to work with the new Integrated Care Systems and the transformation of local community mental health services.

Internally an organisational restructure commenced which led to the creation of three directorates, intended to provide the appropriate level of focus on quality and operations, development, and finance and corporate services.

During the year to March 2021:

- over 32,000 people accessed our talking therapy services;
- our services exceeded national IAPT (Improving Access to Psychological Therapies) recovery targets in Northumberland (Steps 2 to 4 provision) and Warrington (Steps 2 to 4 provision) as lead provider;
- our 365/24/7 helpline service (Support Matters) supported clients on over 107,000 calls and 2,300 web chat sessions;
- our employment services helped over 4,000 people to remain in work, find paid employment or access training, education and volunteering opportunities;
- our housing services helped 67 people live more independently;
- we added to our safe haven services with the introduction of provision in Kent, and developed a way of delivering these services virtually - over 5,200 people were supported during crisis by our out-of-hours services; and
- we expanded our geographical reach into new areas, including South Sefton and Southport and Formby.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Achievements and performance (continued)

Quality and Operations in 2020/21

Community Matters - Employment Services in 2020/21

We worked in partnership with clinical commissioning groups, NHS trusts, local authorities and voluntary sector organisations to deliver community-based employment support and Employment Advisors in IAPT services.

Longstanding commissioners have continued to demonstrate their confidence in MHM's employment services by awarding contract extensions for all, and MHM has continued to show the value of our experience of both employment services and IAPT in helping them deliver services to support clients with mild to moderate anxiety and/or depression with seamless, personalised employment support to help them remain in, return to or find paid employment.

The services are well used, delivering positive outcomes in working with people. Outcomes include people moving from employment benefits into paid employment, maintaining current employment and avoiding periods of sick leave, returning to work following time off sick, looking for new or alternative employment, and undertaking training or voluntary work. In addition MHM has supported employers with retention and to have a greater understanding of mental health issues in the workplace.

4,018 people were assisted to remain in work, find paid employment or access training, education and volunteering opportunities to help develop employability skills. (722 of these people moved into paid employment.)

Community Matters - Community Support and Personalised Services in 2020/21

In 2020/21 the 24/7 emotional support helpline, Support Matters, was successfully re-accredited by the Helpline Partnership, and retained existing contracts, launched a service for Stockport, and continued to provide 24/7 wrap-around support to clients of MHM's talking therapies and recovery services. The helpline provided active listening and direct interventions to vulnerable callers. It also provided a single point of access service for Midlands & East Veterans Service. Service provision was aided by the implementation of a new call management system which makes it easier for our staff to work either from their usual workplace or from home and gives enhanced insight into call patterns and therefore allows us to track demand and plan capacity more effectively.

We continued to deliver community-based wellbeing services to over 1,100 clients during the year. This included services across Leicestershire and Rutland and in Easington, County Durham, providing a variety of group interventions, advice and drop-in sessions as well as individual support.

We launched a bespoke service for those struggling with hoarding in Middlesbrough and a service to support service users leaving secondary care in Staffordshire.

Our Pathways group of services continued to offer excellent support, providing 176 people with advocacy, or advice and information about welfare benefits, debt, housing and employment issues.

Throughout the year our safe haven services in York (in partnership with Tees Esk and Wear Valley NHS Foundation Trust), Devon (in partnership with Devon Partnership NHS Trust) and Coventry (in partnership with Coventry & Rugby Clinical Commissioning Group) continued to provide a safe place for people in acute distress or at risk of a mental health crisis. In addition, our new service in Kent (in partnership with Kent & Medway Clinical Commissioning Group) launched during the year. These services offer support in a non-clinical setting and aim to reduce the demands on A&E and other emergency services. The York service, for example, by providing a safe, supportive environment, prevented 57 possible incidents of self-harm or suicide and provided support for 559 incidents of anxiety or distress. Due to Covid-19, these services were offered through virtual support means, as well as face-to-face provision when we were able to offer this safely.

During 2020/21 we also secured and began delivery of a virtual safe haven service for North West Boroughs NHS Foundation Trust (now Mersey Care NHS Foundation Trust) which supports the crisis pathway in Halton, Warrington, Knowsley and St. Helens.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Achievements and performance (continued)

Community Matters - Housing Services in 2020/21

The aim continues to be to ensure that wherever possible those accessing our housing services live as independently as they are able to, within their local community. During the year to March 2021, we continued to work with service users to support their recovery, and strived to manage void units effectively so that new referrals were able to take advantage of the support available. We provided accommodation and support to 15 new clients during the year.

Our registered service's Care Quality Commission rating, awarded in 2018, is "good". MHM aspires to achieve an excellent rating at the next full assessment, the inspection having been delayed due to Covid-19.

Talking Matters - Talking Therapies Services in 2020/21

Throughout 2020/21 MHM continued to be a large national provider of IAPT services, delivered both in partnership with NHS foundation trusts and as a lead contractor:

- Talking Matters Northumberland: MHM remains the prime contractor for this service, working with sub-contractors Sunderland Counselling Service (providing step 2 therapy and counselling throughout the year) and Efficacy (providing step 4 therapy and clinical leadership until August 2020). The service is in its sixth year of delivery, had over 6,100 people entering treatment, and achieved 54% recovery, exceeding the national recovery target of 50%.
- Talking Matters Sefton: MHM was successful in bidding for this service as prime contractor during 2020/21, with responsibility for delivering therapy at steps 2-4 and clinical governance. Despite the restrictions associated with the pandemic, we were able to successfully launch the service in January 2021.
- Talking Matters Warrington: MHM, as prime contractor, delivered therapy at steps 2-4 and clinical governance. MHM also sub-contracted additional provision on behalf of Warrington Clinical Commissioning Group through Making Space (for computerised cognitive behavioural therapy) and St Joseph's Family Centre (for counselling, couples' therapy and anger management). The service had over 3,800 people entering treatment, achieved the national recovery target by the year end, and continued its involvement in the national programme of IAPT expansion into long term conditions and medically unexplained symptoms.
- Staffordshire and Stoke-on-Trent Wellbeing Service: In collaboration with lead provider Midlands Partnership NHS Foundation Trust (MPFT) and other partners, MHM successfully mobilised step 2 services in four localities within this new service from April 2020, expanding on our provision in two localities in previous years. The recovery rate for the service exceeds the national target.
- Durham and Darlington Talking Changes: MHM was a sub-contractor to Tees, Esk and Wear Valleys NHS Trust (TEWV) providing therapists, management and administration. Over 11,700 people entered treatment in the year., waiting times are within national targets and access to treatment is ahead of the commissioner's target.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Achievements and performance (continued)

Development in 2020/21

MHM's development team leads on the generation of new business opportunities, tendering for new contracts and retention of existing contracts, advising on relationship development/collaboration and enhancing MHM's profile.

During the year to March 2021 our development team:

- led the successful bid for a new IAPT service contract and led mobilisation of that contract in January 2021;
- developed successful proposals with NHS trusts for effective use by MHM of NHS Winter Resilience monies to provide innovative services to people in need;
- added effective marketing and communications expertise which has helped to increase MHM's profile and our opportunity to influence local and national policy. There have been more opportunities for media interviews, press releases and requests for comment, higher website traffic and more consistent social media presence; and
- transformed our training offer to ensure activity could continue via interactive virtual delivery, and delivered 98 training sessions of mental health education to over 1,500 delegates from different private and public sector organisations - the sessions included new short webinars designed to address topical challenges being faced by employers and employees including working remotely and dealing with uncertainty.

Finance & Corporate Services in 2020/21

MHM central services provide an infrastructure and governance framework for the organisation. These services have an extensive portfolio comprising of quality and compliance, finance, human resources, learning and development, policy and procedural review, health and safety, information technology and information governance. These functions were brought together in a single directorate during the year, and a new business support team was established, providing more robust support for the whole organisation.

During the year to March 2021 our finance and corporate services team:

- successfully retained Investors in People and Contractors Health and Safety accreditations;
- prepared to submit MHM's annual NHS Data Security and Protection Toolkit assessment by the 2021 deadline;
- developed and began to implement a comprehensive risk management framework, including a refreshed corporate risk register;
- delivered over 150 online training sessions to our employees so that they were able to keep their knowledge up to date in key fields and take steps to support their own wellbeing during this challenging year;
- introduced a regular wellbeing newsletter as a vehicle to share tips with staff;
- conducted an annual employee satisfaction survey with a 49% response rate to enhance engagement with MHM employees, which showed that staff are engaged and motivated to deliver the very best service to clients and are proud to work for MHM, and provided constructive feedback about ways in which MHM can further improve communication and management;
- enhanced staff benefits and rewards, including switching to a new pension scheme, providing 3 x salary life cover for staff, and launching a comprehensive Employee Assistance Programme which has generated very positive feedback; and
- continued the Employee of the Season scheme to recognise and share the great work of our staff

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Commissioners, funders and customers

MHM gratefully acknowledges the funding provided for its 2020/21 services by the following commissioners, organisations and customers:

Cornwall Partnership NHS Foundation Trust
Coventry & Warwickshire Partnership NHS Trust
Devon Partnership NHS Trust
Durham County Council
Gateshead Council
Gloucestershire Health and Care NHS Foundation Trust
Health Education England
Hertfordshire Partnership NHS Foundation Trust
Karbon Homes
Leicestershire County Council
Lincolnshire Partnership NHS Foundation Trust
Livewell Southwest
Making Space
Middlesbrough Council
Midlands Partnership NHS Foundation Trust
Newcastle City Council
NHS Coventry & Rugby CCG
NHS Durham Dales, Easington and Sedgefield CCG
NHS Kent & Medway CCG
NHS Newcastle Gateshead CCG
NHS Northumberland CCG
NHS South Sefton CCG
NHS South Tyneside CCG
NHS Southport & Formby CCG
NHS Warrington CCG
North West Boroughs NHS Foundation Trust
Oxford Health NHS Foundation Trust
Penderels Trust
Redcar & Cleveland Council
Richmond Fellowship
Rutland County Council
Self Help Services Limited
Shaw Trust
South Tyneside Council
Stockton on Tees Borough Council
Tees Esk & Wear Valleys NHS Foundation Trust
Warwickshire County Council
Worcestershire Health & Care NHS Trust

MHM also gratefully acknowledges the generous donations provided in 2020/21 by The WA Handley Charity Trust and the Community Foundation, as well as a number of individuals and other organisations.

Risk Management

As noted above, MHM developed and began to implement a comprehensive risk management framework during the year. This includes a refreshed corporate risk register and continuous review of the risks the charity may face and the systems and procedures to minimise any potential impact on the charity should those risks materialise.

MHM has reviewed the risks to achievement of its strategic objectives during the year to ensure they are fully integrated into the risk assessment, management and mitigation procedures. Risks are now assessed within the following areas: strategic impact, market, commissioners, clients, third party reliance, legal/regulatory, reputation, financial, IT, information governance, and climate change/environmental.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Risk Management (continued)

The Audit Committee, comprising suitably qualified and experienced trustees, meets four times per year, and receives reports from senior management. The committee's remit is to provide assurance to the board that there are effective systems in place for governance, risk management, performance and compliance. In addition, specific areas of risk to the charity are considered by the full Board of Trustees, including consideration of the issues related to identification, mitigation and elimination of the risk.

Principal Risks and Uncertainties

The balance between increased demand for mental health services during and after the Covid-19 pandemic and the funding available for such services remains uncertain, and this presents a risk to MHM, which is monitored closely.

There are changes underway to mental health commissioning, with the advent of Integrated Care Systems (as advocated by the NHS Long Term Plan in order to integrate services more comprehensively into the wider health system and to give better, more joined up care) and the transformation of community mental health services. The impact and potential of these changes is promising for service providers and service users, but they also present risks which MHM must manage closely.

MHM aims to influence and shape future commissioning and available resource through our networking and advocacy at local and national levels, and anticipates being in a position to be responsive to the increased demand and to the changes in commissioning.

The principal risks and uncertainties facing the charity are considered to be:

- Changes in the commissioning environment and the need to ensure that we continue to be able to fulfil our commissioner proposition and our service standards -
 - Our commissioner proposition and service standards are central to the contract mobilisation process, and specific risks are monitored initially through our assurance process for new contracts, then through contract management and monitoring of KPIs.
 - Ongoing development of our management, our workforce and our organizational infrastructure is focused on the need to continue to deliver consistency of contract management, and influence and respond to the transformation of community mental health services.
- Our obligations, duty of care and safeguarding responsibilities to clients and the importance of maintaining high quality, safe standards in our service delivery -
 - Our services have well-developed relationships with local agencies with responsibility for safeguarding and care; we have policies and procedures in place for safe and effective work with clients, and for reporting, recording and responding to incidents, including safeguarding incidents; and our staff are provided with induction, mandatory and role specific training, and ongoing staff development to the responsibilities of each post and our trustees receive appropriate refresher training.
 - In 2021 we established a Clinical Advisor post with oversight of all MHM services.
- Attraction, retention and development of an inclusive and diverse workforce to ensure we have the right skills in the right place at the right time to deliver our strategy.
 - A new Head of People & Organisational Development post has been established to lead on MHM's approach to this risk.
 - A comprehensive workforce strategy is to be developed and implemented during 2021/22 to set out how we will: attract and retain skilled and qualified staff; engage, develop, motivate and empower our workforce; ensure that staff wellbeing is at the forefront of decision making; and promote workforce diversity.
 - An Employee Forum is to be created, to support effective communication with and engagement of staff.
 - MHM is increasing flexible ways of working post-Covid 19, including hybrid workplace/home working where appropriate.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Principal Risks and Uncertainties (continued)

- Ensuring that IT systems and support are kept up to date, taking advantage of developments such as cloud-based technology, to ensure that our ability to deliver services safely and effectively is not compromised or disrupted
 - We have a third party managed service provider in place, with appropriate accreditation, ISO27001 and Cyber Essentials Plus, to ensure that our IT platforms are secure and resilient.
 - IT arrangements are covered by our Business Continuity Plan and Disaster Recovery Plan, and we have proven ability to accommodate remote working.
 - An IT audit and strategic review was carried out in late 2020, leading to the recommendation of an IT Transformation Programme which has begun; this will review and improve current systems; support, document and embed best practice for MHM processes; enable access to the right data for the right people at the right time; and support a move to cloud systems.

Financial Review

MHM principal funding sources are shown in note 3 to the financial statements. There has been a 20% increase in incoming resources for the year, due to new services in talking therapies and community support and to expansion of existing employment and talking therapies services.

As noted above, in the delivery of some of its services MHM works in partnership with both voluntary and statutory sector agencies. In some services MHM acts as the prime contractor and in others it is a sub-contractor. Some of the sub-contract arrangements were delivered via a joint contractual arrangement for part of the year, as outlined in note 23.

The £273,521 surplus generated for the year includes the recognition of efficiency savings at the conclusion of a multi-year contract and includes funding categorised as restricted for use in accordance with the commissioner's intentions in future years. Aside from those items, the surplus is due to the growth in incoming resources described above, and rigorous control of costs.

There were no fundraising activities or costs in 2020/21.

Governance costs amount to less than 0.5% of expenditure.

Potential irrecoverable housing arrears amounting to £7,611 were identified at 31 March 2021, and provision has been made for this amount. All other outstanding debts are considered recoverable.

The cash position has remained healthy throughout the year. The increase against the prior year is due to the expansion of services described above. Cash balances continue to be monitored to ensure that they are adequate to support the charity's aims and objectives, and it is intended to undertake more proactive investment of cash balances during 2021/22.

MHM's "overall business risk" is classified by a leading independent credit monitoring agency as low risk.

Major factors likely to affect the financial position of the charity in 2021/22 are MHM's ability to design contemporary talking therapies and social care services that meet the requirements of commissioners and other customers; to develop and sustain strong relationships with commissioners; to respond to changes in commissioning with the arrival of provider collaboratives and alliances; and to develop a more diverse portfolio of funding in order to mitigate the impact of contracts at risk. The trustees are confident of MHM's ability to achieve these goals, supported by continued investment in robust staffing and infrastructure.

Throughout 2020/21, the financial consequences of the Covid-19 pandemic were not damaging for MHM. Funding continued in line with contracts, services continued to be delivered, and several commissioners made payments earlier than usual. There was some reduction in funding in housing services where it was difficult to fill vacancies during the initial UK lockdown and where the delivery of face to face floating support to clients was temporarily stopped. Inevitably costs of telephony and digital tools to allow communication by staff and support for clients increased, but there have also been significant savings in travel costs and venue costs to compensate for these additional costs. MHM did not seek support through the Covid-19 funding made available by the government, as there was neither need nor justification to do so, and did not furlough any staff.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review (continued)

MHM expects increased demand for mental health services as a result of the Covid-19 pandemic, and while the economic climate means that the funding available for such services is uncertain at present, planning for a range of possible funding scenarios forms part of MHM's strategic planning in 2021/22 and beyond.

The trustees have assessed MHM's ability to continue as a going concern by reviewing budgets, reserves and cashflow forecasts, and the impact of a range of possible scenarios. This assessment demonstrated that in the worst case scenario, MHM could sustain its status as a going concern over the next 12 months. In support of this conclusion, financial performance in 2021/22 to date is broadly in line with budget, and our annual target for business development has been met during the first half of the year.

Investment Powers and Policy

The trustees, having regard to the liquidity requirements of delivering the current services, and to the reserve policy set out below, have operated a policy of keeping available funds in interest-bearing accounts, and seek to diversify risk whilst achieving the highest possible return from investing in appropriate institutions. The invested funds held on deposit achieved an average of 0.0155% during the year to 31 March 2021; however an adjustment in respect of the previous year led to a charge to income and expenditure during 2020/21. At the balance sheet date £1.5m was held in notice deposits expected to generate a return of 0.0833% in 2021/22 and consideration of further interest-bearing investments will be undertaken during the year.

Reserves Policy and Going Concern

The Charity Commission expects trustees to decide, publish, implement and monitor their charity's reserves policy in order to comply with their legal duties to: act in the interests of their charity and its beneficiaries; protect and safeguard the assets of their charity; act with reasonable care and skill; and ensure their charity is accountable.

MHM trustees review MHM's policy on reserves held by the charity at least annually, in order to ensure that it complies with these Charity Commission requirements, supports the achievement of MHM's strategic objectives, and remains appropriate for the economic environment, the health and social care sectors, and other relevant factors affecting MHM's activities.

The trustees recognise that reserves are required in order to:

- meet the continuing financial commitments of delivering commissioned services to beneficiaries, including the need for working capital so that liabilities incurred can be met as they fall due; and
- invest in the development of facilities, services and business processes as necessary to ensure that MHM is compliant with regulatory requirements, aspires to develop and embed best practice in its ways of working, and is able to respond to such new business opportunities as are identified.

The financial obligations associated with MHM's commissioned services tend to be aligned with the funding of those services. However it is important for MHM to hold reserves to cover financial obligations that are not directly funded, in order that those obligations can continue to be met if unforeseen circumstances lead to a reduction in incoming resources. The trustees believe that free reserves are required to cover six months of projected central and infrastructure costs, plus an additional allowance agreed annually in order to be in a position to fund development activity as the need arises, including investment in facilities and adoption of best practice systems and procedures within the fields of health and social care.

At this time the trustees are also mindful of the possibility of funding being at risk due to the effect on commissioners' finances of the Covid-19 pandemic, and the need to maintain higher reserves so that MHM is better able to absorb that risk.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Reserves Policy and Going Concern (continued)

For the year 2021/22 the amount of free reserves required is assessed by the trustees as £2,329,000. This level of reserves allows for 6 months of central office costs (including enhanced central capacity to support organisational growth). It also allows for infrastructure development, and mitigation of the possible impact of Covid-19 on future funding.

MHM total reserves at 31 March 2021 amount to £3,773,695 and consist of:

- restricted funds (subject to specific terms) of £504,287 (see note 21); and
- unrestricted funds of £3,269,408 (see note 21).

From unrestricted funds, the trustees have made the following designations:

- an amount of £423,329 to meet projected additional costs to be incurred during 2021/22 as a result of the trustees' decision that MHM should leave the relevant pension scheme; and
- an amount of £215,014 to meet anticipated costs of ongoing contracts.

General funds therefore amount to £2,631,065. After deducting fixed assets and investments totalling £225,378, the value of free reserves available is £2,405,687.

Compliance with this reserves policy will be monitored on an ongoing basis by the Audit Committee, which will report any non-compliance to the Board of Trustees in order that any corrective action required can be agreed.

The trustees have considered budgets to March 2022 and cashflow forecasts to December 2022, including the impact of Covid-19 on these forecasts. As noted above, MHM funding during the pandemic has continued in line with contracts, and overall the level of that funding has not been significantly reduced. Costs remain under careful review, and the trustees believe that the level of reserves available for 2021/22 and 2022/23 is sufficient, and the net current assets and cash flow of the charity are at such a level, that the charity is able to operate for the foreseeable future, and that the going concern basis is appropriate for these financial statements.

Close monitoring of reserves will continue in order to ensure that MHM's financial strength is maintained. The degree of uncertainty over future funding streams will be kept under review, and the trustees intend that MHM will continue to position itself as a provider and partner of choice, able to meet the opportunities presented by commissioners to meet the expected increased demand for mental health services, and to adapt delivery models to offer blended services which feature both digital and face-to-face delivery.

Plans for future periods

As noted above, MHM had been due to renew its three-year strategic plan in April 2020 but instead established an adaptation plan for 2020/21 and subsequently an annual business plan for 2021/22, with a view to agreeing a new strategic plan for the period commencing April 2022.

The 2021/22 business plan capitalises on MHM's proven models of successful delivery of talking therapies and social care services, replicating and innovating them where possible, and diversifying sources of funding to limit reliance on funding of particular contracts. It also establishes targets for internal developments to strengthen our capacity and resilience, including in the areas of workforce and IT.

MENTAL HEALTH MATTERS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods (continued)

The key objectives set out in the 2021/22 business plan are:

- High quality, sector-leading services
 - Review and refine service models
 - Establish and implement a new quality improvement framework
 - Establish and implement refined audit process
 - Implement management development programme in support of new structure
 - Establish and embed organisation wide service user involvement model

- Business development & growth
 - Maintain financial stability
 - Review service portfolio in context of new strategic plan
 - Complete detailed competitor and market analysis
 - Maintain existing footprint and chosen service contracts together with business growth
 - Implement communications and marketing plan in support of strategy
 - Implement fundraising plan
 - Engage with new Integrated Care Systems and transformation of Community Mental Health Framework

- Motivated & relevant workforce
 - Appoint Head of People & Organisational Development
 - Develop and implement new workforce strategy
 - Establish MHM as an employer of choice
 - Implement and embed new structure across organisation
 - Adapt working methods in light of learning from the Covid-19 pandemic
 - Increase opportunities for employee engagement

- System & process improvement
 - Agree IT and Data Strategies and implement plans
 - Agree and apply principles to drive efficient working practices
 - Review premises requirement in light of new working practices
 - Review systems, processes and procedures in light of new working practices.

MHM intends to develop a new strategic plan for the period beyond 2021/22, having regard to the impact of both Covid-19 and changes to the NHS commissioning environment on its models of service delivery, and on its staff, clients and commissioners.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

The report was approved by the Board of Trustees.



.....
B Howorth

Trustee

Dated: 28 September 2021
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MENTAL HEALTH MATTERS

STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Mental Health Matters for the purpose of charity law, 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).

Charity law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS

Opinion

We have audited the financial statements of Mental Health Matters (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 March 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 Companies Act 2006.

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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

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 course of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

Opinion 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' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, 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

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud Irregularities are instances of non-compliance with laws and regulations.

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH MATTERS (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD

27/10/2021

MENTAL HEALTH MATTERS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies		23,009	-	23,009	13,362
Charitable activities	3	16,784,929	991,589	17,776,518	14,801,505
Investments	4	(281)	-	(281)	4,252
Other income		10,275	-	10,275	12,572
Total income		<u>16,817,932</u>	<u>991,589</u>	<u>17,809,521</u>	<u>14,831,691</u>
<u>Expenditure on:</u>					
Charitable activities	5	16,731,947	804,053	17,536,000	14,270,628
Net movement in funds		85,985	187,536	273,521	561,063
Total funds brought forward		<u>3,183,423</u>	<u>316,751</u>	<u>3,500,174</u>	<u>2,939,111</u>
Total funds carried forward		<u><u>3,269,408</u></u>	<u><u>504,287</u></u>	<u><u>3,773,695</u></u>	<u><u>3,500,174</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MENTAL HEALTH MATTERS**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	11		-		4,045
Tangible assets	12		225,377		135,818
Investments	13		1		1
			<u>225,378</u>		<u>139,864</u>
Current assets					
Debtors	14	3,308,197		3,316,080	
Cash at bank and in hand		4,136,639		3,259,311	
		<u>7,444,836</u>		<u>6,575,391</u>	
Creditors: amounts falling due within one year	15	<u>(3,751,838)</u>		<u>(3,033,166)</u>	
Net current assets			3,692,998		3,542,225
Total assets less current liabilities			3,918,376		3,682,089
Creditors: amounts falling due after more than one year	17		(144,681)		(181,915)
Net assets			<u>3,773,695</u>		<u>3,500,174</u>
Income funds					
Restricted funds	21		504,287		316,751
<u>Unrestricted funds</u>					
General funds		2,631,065		2,260,066	
Designated funds		638,343		923,357	
		<u>3,269,408</u>		<u>3,183,423</u>	
			<u>3,773,695</u>		<u>3,500,174</u>

The financial statements were approved by the board of trustees, and authorised for issue on 28 September 2021



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B Howorth
Trustee

MENTAL HEALTH MATTERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24		1,044,715		679,234
Investing activities					
Purchase of tangible fixed assets		(167,106)		(85,451)	
Interest received		(281)		4,252	
Net cash used in investing activities			(167,387)		(81,199)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			877,328		598,035
Cash and cash equivalents at beginning of year			3,259,311		2,661,276
Cash and cash equivalents at end of year			4,136,639		3,259,311

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Mental Health Matters (the 'charitable company') is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Avalon House, St Catherine's Court, Sunderland, Tyne and Wear, SR5 3XJ.

Mental Health Matters meets the definition of a public benefit entity under FRS102. The charity exists for the benefit of the public through the provision of its services to any member of the public who has mental or physical health need.

Accounting convention

The financial statements have been prepared in accordance with the governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

These accounts set out the results of the charitable company only. The trustees consider that the charity's subsidiary is not material to the group and no consolidated accounts have been prepared in accordance with exemption under section 405 of the Companies Act.

Going concern

FRS102 requires that, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow forecasts have been prepared covering 12 months from the date of approval of the financial statements. The potential impacts of Covid-19 have been considered and incorporated within these forecasts. The group derives its income from a range of sources which are largely secured and able to continue to be delivered during the Covid-19 pandemic. Forecasts indicate that adequate cash and reserves will be available throughout the period under review, with no financing required. There are no material uncertainties in respect of the charity's ability to continue as a going concern. Consequently, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis.

Charitable funds

Unrestricted funds

Incoming resources receivable or generated for the objects of the charity without further specified purpose are accounted for as unrestricted funds. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Restricted Funds

Incoming resources subject to specific restrictions imposed by funders or generated by the charity for a particular purpose are accounted for as restricted funds. Restricted funds are funds which are to be used in accordance with the donors' instructions. The aim and use of each restricted fund is set out in the notes to the financial statements.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Designated funds

These are funds allocated by the trustees for specific future purposes. These funds are created by transfer from unrestricted funds. The aim and use of each designated fund is set out in the notes to the financial statements.

Incoming resources

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Grants and contracted funding

Grants and contracted funding, including capital grants for the purchase of tangible fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they become receivable. Where the conditions of receipt have not yet been met, the income is transferred to deferred income in the balance sheet and recognised in the statement of financial activities in a future accounting period.

Rental and support income

Rental and support income is recognised in full in the Statement of Financial Activities in the year in which it is receivable, net of any provision for arrears. Where rent and support income is received in advance for a future accounting period, the income is deferred and included in rents in advance and recognised in the Statement of Financial Activities in a future accounting period.

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.

Resources expended

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 all considered as expenditure on charitable activities, and is subdivided into the four main activities of the charity being employment services, community support and personalised services, housing services and talking therapies services. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include both the direct costs of providing services to the charity's beneficiaries and an apportionment of support and governance costs.

Support costs comprise the central management and support services. They have been apportioned between charitable activities as shown in note 5, based on the proportion of income within each charitable activity.

Governance costs comprise all costs in connection with the strategic management of the charity and compliance with constitutional and statutory requirements. Specific costs on a particular charitable activity are included as such. Shared governance costs are apportioned based on the proportion of income within each charitable activity. They have been apportioned between charitable activities as shown in note 5.

All costs are inclusive of irrecoverable VAT.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight line basis as follows:

Software	25% straight line
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On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Tangible fixed assets

Individual tangible fixed assets costing £1,000 or more are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on tangible fixed assets other than freehold land, at rates calculated to write off their cost less estimated residual value over their expected useful lives as follows:

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5% straight line
Leasehold property improvements	20% to 33% straight line
Fixtures, furniture and equipment	20% to 25% straight line
Computer equipment and development	25% to 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to expenditure as incurred.

Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income or expenditure.

Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in net income/(expenditure) in the period in which they are incurred.

Cash and cash equivalents

Cash at bank and in hand includes cash held at the bank.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

All of the charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Basic financial assets

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Basic financial liabilities

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 all 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Certain employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employees' services are required.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Multi-Employer plans

The charity participates in two multi-employer pension schemes for its employees. For both schemes, contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted, at a rate according to FRS102, when they are not expected to be settled wholly within 12 months of the period end. The unwinding of the discount rate is recognised as a finance cost.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the charity as a lessee

The charity classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

Operating leases – the charity as a lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Joint arrangements

The charity has entered into certain contractual arrangements with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The charity has included its share of assets, liabilities and cash flows in this joint arrangement, measured in accordance with the terms of the arrangement. This arrangement ended during the year.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

MHM delivers contractual services both in partnership with NHS foundation trusts and other providers and on a sole basis. These are long term contracts and due to their nature require elements of management judgement on income recognition.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In providing for pension scheme liabilities under the TPT Retirement Solutions' Growth Plan, the Plan's Actuary and Trustees make estimates about the future.

3 Charitable activities

	Employment services	Community support and personalised services	Housing services	Talking therapies services	Total 2021	Total 2020
	£	£	£	£	£	£
Grants and contracted funding	1,904,149	3,219,686	71,308	10,988,698	16,183,841	13,573,991
Other income	1,063	999	1,035,608	555,007	1,592,677	1,227,514
	<u>1,905,212</u>	<u>3,220,685</u>	<u>1,106,916</u>	<u>11,543,705</u>	<u>17,776,518</u>	<u>14,801,505</u>
Analysis by fund						
Unrestricted funds	1,798,899	2,500,685	1,106,916	11,378,429	16,784,929	
Restricted funds	106,313	720,000	-	165,276	991,589	
	<u>1,905,212</u>	<u>3,220,685</u>	<u>1,106,916</u>	<u>11,543,705</u>	<u>17,776,518</u>	

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Charitable activities (Continued)

For the year ended 31 March 2020

Unrestricted funds	1,760,443	2,286,226	1,299,948	9,110,377	14,456,994
Restricted funds	195,764	-	148,747	-	344,511
	<u>1,956,207</u>	<u>2,286,226</u>	<u>1,448,695</u>	<u>9,110,377</u>	<u>14,801,505</u>

Grants and contracted funding	2021	2020
	£	£
Local authority funding	809,922	852,768
Health authority and NHS trust funding	14,995,821	12,181,765
Other charities and trusts	377,442	342,504
Client direct payments	-	(14,883)
Housing associations	-	183,580
Central Government funding	656	20,414
	<u>16,183,841</u>	<u>13,566,148</u>

4 Investments

	2021	2020
	£	£
Bank interest	(281)	4,252
	<u>(281)</u>	<u>4,252</u>

The income from investments was £(281) (2020: £4,252) of which £(281) was unrestricted (2020: £4,252).

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	Employment services	Community support and personalised services	Housing services	Talking therapies services	Total 2021	Total 2020
	£	£	£	£	£	£
Staff costs	1,385,737	1,648,534	480,698	6,580,329	10,095,298	7,981,244
Other staff costs	15,877	240,982	247,899	876,931	1,381,689	981,413
Payments to subcontractors	-	113,931	-	1,770,007	1,883,938	1,557,793
Property costs	38,338	178,944	284,418	330,479	832,179	798,513
Other operating costs	58,752	268,948	124,510	755,432	1,207,642	1,129,730
Depreciation and amortisation	-	7,191	5,972	26,381	39,544	50,952
	<u>1,498,704</u>	<u>2,458,530</u>	<u>1,143,497</u>	<u>10,339,559</u>	<u>15,440,290</u>	<u>12,499,645</u>
Share of support costs (see note 6)	216,465	369,629	125,822	1,308,214	2,020,130	1,698,039
Share of governance costs (see note 6)	9,453	12,297	6,592	47,238	75,580	72,944
	<u>1,724,622</u>	<u>2,840,456</u>	<u>1,275,911</u>	<u>11,695,011</u>	<u>17,536,000</u>	<u>14,270,628</u>
Analysis by fund						
Unrestricted funds	1,620,931	2,305,370	1,275,911	11,529,735	16,731,947	
Restricted funds	103,691	535,086	-	165,276	804,053	
	<u>1,724,622</u>	<u>2,840,456</u>	<u>1,275,911</u>	<u>11,695,011</u>	<u>17,536,000</u>	
For the year ended 31 March 2020						
Unrestricted funds	1,543,361	2,249,624	1,310,737	8,807,583		13,911,305
Restricted funds	180,347	-	178,976	-		359,323
	<u>1,723,708</u>	<u>2,249,624</u>	<u>1,489,713</u>	<u>8,807,583</u>		<u>14,270,628</u>

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	878,613	-	878,613	686,092
Other staff costs	258,165	-	258,165	210,730
Property costs	63,132	-	63,132	81,962
Other operating costs	752,521	-	752,521	614,158
Depreciation and amortisation	42,048	-	42,048	82,842
Legal fees	25,651	-	25,651	22,255
Staff costs	-	49,374	49,374	42,882
Professional fees	-	21,600	21,600	21,350
Office costs	-	4,606	4,606	3,661
Trustee meetings	-	-	-	5,051
	<u>2,020,130</u>	<u>75,580</u>	<u>2,095,710</u>	<u>1,770,983</u>
Analysed as				
Charitable activities	<u>2,020,130</u>	<u>75,580</u>	<u>2,095,710</u>	<u>1,770,983</u>

7 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	77,547	72,725
Amortisation of intangible assets	4,045	61,069
Operating lease charges - equipment	10,424	10,533
Operating lease charges - land and buildings	630,388	624,790
	<u>722,304</u>	<u>769,117</u>

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor:

	2021 £	2020 £
RSM UK Audit LLP – auditors' remuneration	18,000	16,750
	<u>18,000</u>	<u>16,750</u>

Non-audit services

RSM UK Tax and Accounting Limited – other services	4,600	4,600
	<u>4,600</u>	<u>4,600</u>

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2021	2020	2020
	Number	FTE	Number	FTE
Employment services	54	49	57	50
Community support and personalised services	93	70	69	52
Housing services	24	20	32	28
Talking therapies services	209	189	160	144
Administration and support	28	26	25	23
	<hr/>	<hr/>	<hr/>	<hr/>
Total	408	354	343	297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2021	2020
	£	£
Wages and salaries	9,760,002	7,735,898
Social security costs	901,523	693,806
Other pension costs	361,760	280,514
	<hr/>	<hr/>
	11,023,285	8,710,218
	<hr/> <hr/>	<hr/> <hr/>

	Notes	2021	2020
		£	£
Charitable activities	5	10,095,298	7,981,244
Support costs	6	878,613	686,092
Governance costs	6	49,374	42,882
		<hr/>	<hr/>
		11,023,285	8,710,218
		<hr/> <hr/>	<hr/> <hr/>

Termination benefits relating to the reporting period total £34,206 (2020: £38,568). This comprises payments in lieu of notice, accrued holiday entitlement and compensation payments.
Ex-gratia payments relating to the reporting period total £560 (2020: £nil).

The number of employees whose remuneration was £60,000 or more were:

	2021	2020
	Number	Number
£60,001 - £70,000	3	2
£80,001 - £90,000	1	-
	<hr/>	<hr/>

Pension contributions paid in the year in respect of the above staff were £23,843 (2020: £27,582).

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Employees (Continued)

Remuneration of key management personnel

The key management personnel of the charity comprise the chief executive officer and the senior management team. The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	465,303	419,671

10 Trustees

The trustees received no remuneration during the year (2020: £nil) and no trustee received payment for professional or other services supplied to the charity (2020: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to the trustees during the year was £nil (2020: £5,051). The number of persons reimbursed was 0 (2020: 6). Insurance is provided to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents. Premiums paid during the year amounted to £8,501 (2020: £4,480).

11 Intangible fixed assets

	Software £
Cost	
At 1 April 2020 and 31 March 2021	523,396
Amortisation and impairment	
At 1 April 2020	519,351
Amortisation charged for the year	4,045
At 31 March 2021	523,396
Carrying amount	
At 31 March 2021	-
At 31 March 2020	4,045

The amortisation charge for the year is recognised within expenditure on charitable activities.

There are no contractual commitments to acquire intangible assets at 31 March 2021 (2020: £nil).

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Leasehold property improvements £	Fixtures, furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 April 2020	43,746	342,037	609,010	994,793
Additions	-	2,695	164,411	167,106
Disposals	-	(17,826)	(14,314)	(32,140)
At 31 March 2021	<u>43,746</u>	<u>326,906</u>	<u>759,107</u>	<u>1,129,759</u>
Depreciation and impairment				
At 1 April 2020	36,054	293,677	529,244	858,975
Depreciation charged in the year	4,029	27,068	46,450	77,547
Eliminated in respect of disposals	-	(17,826)	(14,314)	(32,140)
At 31 March 2021	<u>40,083</u>	<u>302,919</u>	<u>561,380</u>	<u>904,382</u>
Carrying amount				
At 31 March 2021	<u>3,663</u>	<u>23,987</u>	<u>197,727</u>	<u>225,377</u>
At 31 March 2020	<u>7,692</u>	<u>48,360</u>	<u>79,766</u>	<u>135,818</u>

All tangible fixed assets are held for charitable purposes.

13 Fixed asset investments

	Investments in subsidiaries £
Cost or valuation	
At 1 April 2020 & 31 March 2021	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,235,089	2,202,578
Amounts due from subsidiary undertakings	2,727	2,727
Other debtors	6,619	14,705
Prepayments and accrued income	1,040,030	1,044,112
Rent arrears	23,732	51,958
	<u>3,308,197</u>	<u>3,316,080</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
	Notes	
Trade creditors	273,868	338,487
Other taxation and social security	246,876	145,618
Deferred income	16 2,407,767	2,170,163
Rents in advance	8,756	6,749
Other creditors and accruals	765,555	324,560
Provision for pension contributions	49,016	47,589
	<u>3,751,838</u>	<u>3,033,166</u>

16 Deferred income

	2021	2020
	£	£
Deferred income at the start of the year	2,170,163	1,160,501
Released from previous years	(708,904)	(296,705)
Amounts deferred in the year	946,508	1,306,367
	<u>2,407,767</u>	<u>2,170,163</u>

17 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Provision for pension contributions	144,681	181,915
	<u>144,681</u>	<u>181,915</u>

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Provisions for liabilities

	2021 £	2020 £
Amounts payable:		
Within one year	49,016	47,589
Within two to five years	144,681	181,915
After 5 years	-	-
	<u>193,697</u>	<u>229,504</u>

Amounts are repayable by instalments, via additional pension contributions (see note 19).

Schedule of movement in the financial year is as follows:

	£
Balance as at 1 April 2020	229,504
Unwinding of discount factor	5,157
Deficit contribution paid	(47,588)
Remeasurements	6,624
Balance as at 31 March 2021	<u>193,697</u>

19 Retirement benefit schemes

Defined contribution scheme

The charity operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

Contributions during the year were £47,811 (2020: £nil). £47,811 (2020: £nil) was still outstanding at the year end.

Defined benefit schemes

The charity participated in two multi-employer pension plans, being TPT Retirement Solutions' Growth Plan (formerly the Pensions Trust's Growth Plan) and the NHS Pension Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

The contributions payable by the charity charged to income and expenditure amounted to:

	2021 £	2020 £
The Growth Plan	208,248	212,040
NHS Pension Scheme	93,920	68,474
	<u>302,168</u>	<u>280,514</u>

Expenditure on pensions is allocated to service line according to staff time. Costs are split between restricted and unrestricted based upon project specific cost accounting. Contributions totalling £107,801 (2020: £51,469) were payable to the funds at the year end and are included in creditors.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Retirement benefit schemes (Continued)

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 40 active members of the Scheme employed by the charity. The Scheme is not open to new employees unless they are transferred under TUPE agreements from an NHS Foundation Trust.

The Scheme has a number of different benefit structures. For the 1995 section annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service; for the 2008 section annual pensions are normally based on 1/60th of the average of the best three consecutive years' pensionable pay in the final ten years of service for each year of service; for the 2015 section, which is a career average revalued earnings scheme, annual pensions are based on 1/54th of each year's pensionable pay.

Members of the 1995 section normally receive a lump sum on retirement of three times their annual pension. Members of the 2008 and 2015 sections receive a lump sum which may be a maximum of 25% of the value of their pension at retirement, their choice subsequently affecting the level of annual pension due. In all cases, the lump sum available is subject to a maximum amount permitted under HMRC rules.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in the Consumer Price Index in the twelve months ending 30 September in the previous calendar year.

On death, a pension of 50%, 37.5% or 33.75% of the member's pension is normally payable to the surviving spouse, civil partner or nominated partner. The percentage payable depends on whether the member was in the 1995, 2008 or 2015 section. In addition, each section provides for a lump sum payable on death.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. At the conclusion of the 2016 full valuation the Scheme actuary reported that employer contributions should increase to 20.6% from 14.3% from April 2019. In addition, employers are required to pay a scheme administration levy of 0.08% of pensionable pay. For the 2019 - 20, 2020 - 21 and 2021 - 22 scheme years, employers are responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme Annual Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Retirement benefit schemes (Continued)

TPT Retirement Solutions' Growth Plan

TPT Retirement Solutions' Growth Plan ("the Plan") is funded and was not contracted out of the state scheme. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. For contributions from November 2012 the capital guarantee was removed.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Therefore, the Plan is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Plan is taken as equal to the contributions payable to the Plan for the accounting period.

As at the balance sheet date there was 1 active member of the Plan employed by the charity. The charity no longer offers membership of the Plan to its employees. The charity paid contributions at rates of 3%, 5%, 6%, 8% and 8.5% during the accounting period. Members paid contributions at the rate of 0%, 5% and 6% during the accounting period.

Potential debt on withdrawal

There is a potential debt on the employer that would be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing guaranteed benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Plan.

The charity has been notified by TPT Retirement Solutions of the estimated employer debt in the event that the charity were to withdraw from the Plan based on the financial position of the Plan as at 30 September 2020. Based on this information, the estimated employer debt of the charity at 30 September 2020 is £617,026.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Retirement benefit schemes (Continued)

Additional contributions payable

The rules of the Plan give the trustees the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the trustees will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

MHM has been informed by TPT Retirement Solutions of additional contributions, which it is required to make towards the scheme deficit. These contributions will be made for a period of 10 years commencing on 1 April 2016, along with further contributions commencing on 1 April 2019 for a period of five years, both compounding by 3% annually. The full liability for these contributions has been provided at 31 March 2021 amounting to £193,697 (2020: £229,504) (note 18). The amount recognised is the net present value of the contributions payable under the agreement. The rate of discount used at 31 March 2021 was 0.66% p.a. (2020: 2.53% p.a.).

Intention to withdraw from the scheme

During 2021/22 the trustees have carefully considered the pros and cons of opting to withdraw from the TPT Retirement Solutions' Growth Plan scheme and have agreed to do so with effect from 30 September 2021. To the extent that the employer debt on withdrawal is not provided for at 31 March 2021, designated reserves have been set aside by the trustees at 31 March 2021.

20 Analysis of net assets between funds

For the year ended 31 March 2021:

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	225,377	-	225,377
Investments	1	-	1
Net current assets	3,188,711	504,287	3,692,998
Long term liabilities	(144,681)	-	(144,681)
	<u>3,269,408</u>	<u>504,287</u>	<u>3,773,695</u>

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20 Analysis of net assets between funds (Continued)

For the year ended 31 March 2020:

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	4,045	-	4,045
Tangible assets	135,818	-	135,818
Investments	1	-	1
Net current assets	3,225,474	316,751	3,542,225
Long term liabilities	(181,915)	-	(181,915)
	<u>3,183,423</u>	<u>316,751</u>	<u>3,500,174</u>

21 Funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General funds	2,260,066	16,817,932	(16,731,947)	285,014	2,631,065
Designated funds	923,357	-	-	(285,014)	638,343
	<u>3,183,423</u>	<u>16,817,932</u>	<u>(16,731,947)</u>	<u>-</u>	<u>3,269,408</u>
Restricted funds					
Support	137,773	-	-	-	137,773
Employment services	78,563	106,313	(103,691)	-	81,185
Community support and personalised services	42	720,000	(535,086)	-	184,956
Talking therapies services	100,373	165,276	(165,276)	-	100,373
Housing	-	-	-	-	-
	<u>316,751</u>	<u>991,589</u>	<u>(804,053)</u>	<u>-</u>	<u>504,287</u>
	<u>3,500,174</u>	<u>17,809,521</u>	<u>(17,536,000)</u>	<u>-</u>	<u>3,773,695</u>

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Funds (Continued)

Unrestricted funds

General funds are 'Free reserves' after allowing for designated funds.

From unrestricted funds, the trustees have made the following designations:

- an amount of £423,329 to meet projected additional costs as a result of the trustees' decision to withdraw from the relevant pension scheme during 2021/22; and
- an amount of £215,014 (2020: £472,521) to meet anticipated costs of ongoing contracts.

Restricted funds

The balance carried forward represents restricted income on projects to be expended in future periods. The funds are summarised on the basis of the charitable activity into which each project falls.

The restricted funds categorised as Support represent a legacy received in 2007. The restriction is that the funds must be used to support people with schizophrenia. The funds are held in cash at bank and will only be applied when relevant projects have been identified.

The restricted funds categorised as Employment Services and Community support and personalised services result from income on funded projects exceeding expenditure. These funds are held as restricted because there is an expectation that the excess will be recouped by the funders, there is a requirement of the funding that it is understood that Mental Health Matters will carry over any underspend identified from the previous financial year in which an Employment Advisor vacancy existed for an extended period or it is the Charity's understanding of the commissioner's intentions. These funds are also held in cash at bank.

The restricted funds categorised as Talking therapies services relate to funding granted specifically for the IAPT expansion associated with an existing IAPT service. The carried forward balance is expected to be required by the funder to be used for other purposes.

In the year ended 31 March 2020, the restricted funds categorised as Housing relate to restricted funds awarded by a housing association for use on a project to support tenants to maintain their wellbeing and their tenancies.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Funds (Continued)

For the year ended 31 March 2020:

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	1,957,770	14,487,180	(13,911,305)	(273,579)	2,260,066
Designated funds	680,007	-	-	243,350	923,357
	<u>2,637,777</u>	<u>14,487,180</u>	<u>(13,911,305)</u>	<u>(30,229)</u>	<u>3,183,423</u>
Restricted funds					
Support	137,773	-	-	-	137,773
Employment services	63,146	195,764	(180,347)	-	78,563
Community support and personalised services	42	-	-	-	42
Talking therapies services	100,373	-	-	-	100,373
Housing	-	148,747	(178,976)	30,229	-
	<u>301,334</u>	<u>344,511</u>	<u>(359,323)</u>	<u>30,229</u>	<u>316,751</u>
	<u>2,939,111</u>	<u>14,831,691</u>	<u>(14,270,628)</u>	<u>-</u>	<u>3,500,174</u>

22 Operating lease commitments

The charity as a lessee:

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Within one year	190,031	303,963	6,053	6,318
Between one and five years	147,892	55,894	6,038	6,425
	<u>337,923</u>	<u>359,857</u>	<u>12,091</u>	<u>12,743</u>

The charity as a lessor:

The charity has a large number of tenancy agreements with tenants utilising the services of the charity. The lease agreements have varying terms, however all leases are cancellable as the intention of the charity is that tenants vacate premises once they are recovered.

At the year end, the charity had no contracts with tenants under non-cancellable operating leases.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

Transactions with related parties

Until August 2020 the charity continued to work in a joint arrangement with Sunderland Counselling Service and Efficacy Limited to provide mental health services to Northumberland Clinical Commissioning Group. From September 2020 the charity continued to deliver the services as lead provider, with Sunderland Counselling Service as a subcontractor.

During the year the charity entered into the following transactions with related parties:

	Expenditure	
	2021	2020
	£	£
Sunderland Counselling Services	1,047,521	821,920
Efficacy Limited	515,756	473,114
	<u>1,563,277</u>	<u>1,295,034</u>

24 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	273,521	561,063
Adjustments for:		
Investment income recognised in statement of financial activities	281	(4,252)
Amortisation and impairment of intangible assets	4,045	61,069
Depreciation and impairment of tangible fixed assets	77,547	72,725
Movements in working capital:		
Decrease/(increase) in debtors	7,883	(928,961)
Increase in creditors	443,834	925,433
Increase/(decrease) in deferred income	237,604	(7,843)
Cash generated from operations	<u>1,044,715</u>	<u>679,234</u>

25 Analysis of changes in net debt

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	3,259,311	877,328	4,136,639
	<u>3,259,311</u>	<u>877,328</u>	<u>4,136,639</u>

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

MENTAL HEALTH MATTERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

27 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.