

Centre for
Mental Health



Realising a better future

Company number: 4373019

Charity number: 1091156

Centre for Mental Health

Report and financial statements
For the year ended 5 April 2017

Centre for Mental Health

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For the year ended 5 April 2017

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Centre for Mental Health

Reference and administrative information

For the year ended 5 April 2017

Company number 4373019

Charity number 1091156

Registered office and operational address Office 2D21, South Bank Technopark
London
SE1 6LB

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lady Elizabeth Vallance	Chair
Mr Richard Fass	Treasurer
Professor Susan Bailey	
Rt. Hon Lord Bradley of Withington	
Ms Sophie Corlett	(retired 19 January 2017)
Sir Andrew Dillon	
Lady Edwina Grosvenor	
Dr Ian McPherson	
Michael Morley	(appointed 19 January 2017)

Key management Ms Sarah Hughes Chief Executive (appointed 30 Jan 2017)

personnel Prof Sean Duggan RGN RMN MBA Chief Executive (resigned 25 Nov 2016)
Mr Andrew Bell BA MA Deputy Chief Executive
Mr David Lyon BA FCCA Director of Resources (resigned 19 Dec 2016)
Ms Jan Hutchinson MA DipSW Director of Programmes
Ms Agnieszka Dajczer MAcc Financial Controller (appointed 1 Nov 2016)

Bankers National Westminster Bank
20 Dean Street
London
W1A 1SX

Solicitors Russell Cooke
8 Bedford Row
London, WC1R 4BX

Centre for Mental Health

Reference and administrative information

For the year ended 5 April 2017

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 5 April 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102, 2015).

Structure, governance & management

The organisation is a charitable company limited by guarantee, incorporated on 13 February 2002 and registered as a charity on 1 March 1985.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. There were no trustee expenses reclaimed from the charity.

Centre for Mental Health is run by a Board of Trustees who are the Directors and Members of the charitable company; their details are set out above. Trustees concern themselves with matters of a strategic nature, deciding broad policy and ensuring good governance and compliance. Trustees meet regularly, both in plenary or in Committee groups to oversee the affairs of the Centre. Trustees are recruited for their expertise and experience in mental health, in charity governance, in fundraising and in financial management as well as their commitment to and enthusiasm for the Centre's aims and objectives.

The Nominations Committee oversees the recruitment, induction and training of all trustees. All trustees participate in external and internal training opportunities covering developments in mental health as well as charity governance and trustee responsibilities.

The Finance and Audit Committee has a special responsibility for issues of financial control, human resources, governance and risk management. A Remuneration Committee decides on staff reward including salaries.

Trustees delegate day to day management to the Executive team lead by the Chief Executive. Trustees are advised of the terms of reference for executive committees and processes for operational management.

Objectives and activities

Purposes and aims

Public benefit focus on ensuring that our activities achieve our charitable aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the advancement of learning in the science and practice of mental health care, and are undertaken to further Centre for Mental Health's charitable purposes for the public benefit.

Centre for Mental Health is an independent charity that changes people's lives by using evidence to bring about fairer policies and better services nationwide.

Achievement of our objectives for 2016/17

1 Giving more children the best start in life

By 2020, we want more children to get quicker, more effective and more relevant help for their mental health.

In 2016, we published a major new report giving evidence about the mental health of children and young people in the UK. The report, *Missed Opportunities*, reviewed recent research evidence to help policymakers, commissioners, service providers and charitable funders to focus on the most pressing needs and biggest inequalities in children's mental health. The report found a 'decade of delay' between difficulties first starting and young people getting help. The report was discussed on ITV News and Good Morning Britain, helping us to raise awareness of the importance of getting earlier help for childhood mental health difficulties.

We have also been evaluating pioneering projects in Birmingham to improve the wellbeing and mental health of young men from African and Caribbean communities. With funding from Comic Relief, we have trained young men from the community to be 'peer researchers' to identify what puts young Black men at greater risk of poor mental health and what would support their wellbeing and resilience.

2 Helping more people with mental health problems to get work

By 2020, we want people with mental health problems who would like help with work to have access to an IPS service.

In 2016, we have helped more mental health services than ever to offer effective employment support to people who want help to get into work. Only a minority of people using mental health services are in paid work, yet at least half would like a job. Centre for Mental Health has helped mental health services across the country to adopt Individual Placement and Support, by far the most effective approach to employment support. We have trained 8 teams and 125 people to use IPS and seen a dramatic improvement in employment rates in areas we have supported.

We are now working the NHS England and the NHS Benchmarking Network to find out how many areas have IPS services and where there are gaps to help to implement the Mental Health Five Year Forward View pledge of doubling the provision of these services by 2020/21.

3 Keeping people with mental health problems out of prison

By 2020, we want all police stations and courts to have access to Liaison and Diversion services.

In 2016, we have supported Liaison and Diversion services in police stations and courts in Greater London. Together with NHS England we have helped these new teams to adopt the most effective practice and learn from each other's experiences.

We have also completed a major review of how best to prevent loss of life through suicide in prison. Together with the Howard League for Penal Reform, with funding from The Monument Trust, we listened to the views and experiences of prisoners, families, staff and experts in the field. Our review concluded that radical changes are required to make prisons safer, to have a bigger focus on wellbeing and to take the mental health of both prisoners and staff more seriously.

4 Breaking down the divide between mental and physical health care

By 2020, we want people who have both mental and physical health problems to get more integrated support.

In 2016, the Centre published *Priorities for Mental Health* to inform the national Mental Health Five Year Forward View. The report identified improvements in mental health support for people with long-term conditions as a major opportunity to offer better care and generate savings to the NHS. We have shared this evidence with commissioners of NHS services across the country and with those responsible for developing Sustainability and Transformation Plans to encourage them to invest in effective support.

5 Tackling the biggest inequalities in mental health

By 2020, we want people who face the poorest life chances to have their needs met more quickly and effectively.

Young people involved in gangs and youth crime have very high levels of mental health difficulty that traditional services are not usually able to address. In 2017 we published the results of a three-year evaluation programme of the work of MAC-UK in three pilot projects in London. Our report, *Meeting us where we're at*, highlighted the importance of working together with young people, providing support in locations they feel safe and offering help with basic needs alongside psychological interventions.

In 2016, the Centre also published a review of mental health support in Immigration Removal Centres in England. We found evidence of widespread mental health difficulty among detainees, many of whom had experienced major traumas. We made recommendations for change to ensure anyone placed in an IRC is given the best possible support at a very distressing time in their life.

Informing policy and practice across the country

The Centre brings high quality evidence to inform local and national policies relating to mental health. We make use of the evidence we generate to bring about change in people's lives, including through:

The Mental Health Challenge: an initiative we coordinate in partnership on behalf of a group of national mental health charities to help local authorities to champion mental health in their communities. Through it, we now support 90 local council member champions for mental health across the country.

Collaboration and coalition: the Centre works closely with other charitable bodies to bring about change where it is needed most. We are a member of the Mental Health Policy Group, which actively lobbies for fairer funding for mental health care. We are also members of the Children and Young People's Mental Health Coalition, the Mental Health Alliance (which campaigns on issues relating to the Mental Health Act) and the Bradley Report Group and Care Not Custody coalition (which seek improved mental health support in the criminal justice system).

Training for commissioners: we have provided training in making use of economic evidence for more than 50 NHS commissioners in the North-West, the Midlands and London.

Our web site and social media: all of the Centre's reports are available free of charge on our web site. We provide easily accessible information, facts and figures to help health services, local authorities and others to use high quality evidence to inform their strategies and plans. And through our social media platforms we share our research with more than 20,000 followers internationally.

Meeting the Need: the Centre explored how local authorities can best understand the mental health needs of their communities. The results of our research, funded by Public Health England, have been shared nationwide to support local public health teams to make the biggest impact in their work.

Supporting local organisations: we offer bespoke support and strategic advice to providers and commissioners of mental health services. We have worked with local authorities, mental health trusts, clinical commissioning groups and voluntary sector organisations across the country to explore ways of improving the support they offer and getting good value for money in meeting people's needs more effectively and efficiently.

Financial Review

Unrestricted income for the year amounted to £1,055,931 (2015/16 – £1,083,111) whilst unrestricted expenditure amounted to £1,050,899 (2015/16 – £1,269,281). This gave rise to a surplus of unrestricted funds for the year of £5,032 (2015/16 deficit –£210,138), as shown on the Statement of Financial Activities.

Activity within restricted funds has also given rise to a deficit in the year of £25,592. This does not represent a call on reserves, as the deficit is instead covered by restricted funds carried forward within projects that are active over a number of financial years. Details of these restricted activities and funds can be found in note 20 to the accounts.

Total consolidated funds carried forward at 5 April 2017 are £792,834 (2015/16: £813,394). The Gatsby Charitable Foundation, through its support for core costs, helped ensure that the Centre can meet its objectives. Gatsby grants for core activities amounted to £400,000, accounting for approximately 24% of the year's total income (2015/16 – 18%).

Reserves Policy

Reserves are required to:

- * smooth out surpluses and deficits year on year;
- * replace capital expenditure or restructure the organisation;
- * deal with the effects of any risks that materialise;

Centre for Mental Health

Trustees' annual report

For the year ended 5 April 2017

- * allow the organisation to take on opportunities that may arise in a timely manner;
- * deal with the unexpected.

Trustees are required to set an appropriate minimum level of reserves, and in doing so take into account these reasons for holding reserves, as well as current and future financial needs.

The trustees have decided to set minimum reserves set as :

- Winddown reserve– set as 3 months of anticipated core expenditure
- Cash flow reserve – set as 3 months' cycle calculated on 15 months cashflow forecast

As at 5 April 2017, that will require minimum free reserves of £533,000 to be held (2016: £650,000).

In view of the demands on unrestricted funds that will arise over the next few years, and as existing guaranteed core funding is significantly reduced, and the Centre continues to build its internal capacity to generate replacement core funding, the trustees designated £450,000 in 2013 to meet those medium term strategic objectives. The designated fund at the start year was £73,810 and was increased by £122,031, leaving £195,841 under the designation at the start of 2017/18

Group free reserves held at 5 April 2017 amounted to £533,000, being group net assets of £792,834, less restricted funds of £112,993 and designated funds of £146,842.

The Trustees consider that the level of reserves held is within an appropriate margin of the minimum level as set, given the need to be able to respond to fundraising opportunities, and that the going concern basis remains appropriate for the preparation of the group's accounts. This policy is reviewed as necessary by Trustees and at least once a year as part of the annual reporting process.

Trading subsidiary

Centre for Mental Health Training Ltd is a wholly-owned subsidiary of Centre for Mental Health that carries out programme-related trading activity on behalf of the parent charity. During 2016/17 sales income was derived from a number of sources including sales of the Workplace Training packages offered under licence from beyondblue, a mental health charity in Australia, and consultancy services. The subsidiary made an operating profit of £101,019 (2015/16: £64,175), which has been donated via Gift Aid to the charitable parent. Further details are given in Note 12 on page 24 of the financial statements.

Risk Management

The Trustees are responsible for the management of the risks faced by the charity. Detailed considerations of risk are delegated to the Finance and Audit Committee, which is assisted by senior charity staff and external experts. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a regular basis. The key controls used by the charity include:

- * formal reporting of risk management processes to Trustees' meetings;
- * detailed terms of reference for all sub-committees;
- * comprehensive strategic planning, budgeting and management accounting;
- * established organisational and governance structure and lines of reporting;
- * formal written policies;
- * hierarchical authorisation and approval levels

Trustees view the challenge of finding replacement sustainable core funding following the Gatsby Charitable Foundation's decision to withdraw the core grant, and the ability to attract and retain key staff as the principal risks faced by the charity. The trustees consider that, having drawn up and commenced the implementation of a five year income generation strategy, this risk is being appropriately addressed.

Through the risk management processes established by the charity, the Trustees are satisfied that the major risks identified have been adequately managed where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities planned for 2017/18

The Centre's mission continues to be as important as ever. There is now greater awareness of mental health in society, in the media and in policy (national and local). The Centre's work has helped to make the case for significant investment in better mental health support for both adults and children. But mental health services are struggling to cope with growing levels of need. Our vital work will help to ensure that investment is spent wisely and people get the best possible support from a range of services, not just in the NHS but from local authorities, employment and housing services, schools and the criminal justice system.

Our major activities in the next year will include:

To secure the best possible employment support for people with mental health problems

We will provide further training and support to local areas wishing to expand their employment services, and we will publish the results of our Department of Health funded project to create new IPS services in nine areas of England.

We will work with NHS England to support its programme to double the current provision of IPS in mental health services in England.

To tackle the biggest inequalities in mental health

We will publish our report of the Up My Street initiative in Birmingham, demonstrating the importance of supporting young Black men's wellbeing and resilience, and highlighting the impact of racism on young men's mental health.

We will explore mental health rehabilitation services and in particular the support offered to people who spend long periods of time as hospital inpatients, often far from home.

To improve mental health services for adults

We will complete a major review of the mental health workforce for the future, in partnership with the NHS Confederation Mental Health Network.

We will create a series of briefings and blogs on social care and mental health, exploring pioneering new approaches to meeting people's needs.

To ensure more children have a better start in life

We will work with Place2Be to evaluate their innovative parent counselling service alongside their existing work in schools.

To keep people with mental health problems out of prison

We will continue to support Liaison and Diversion services as they grow across the country, with a view to seeing all areas covered by 2020/21.

To stimulate awareness and debate about mental health, building on lived experience

We will provide a platform for people to share their experiences, showcasing blogs and videos made by people who want to speak out and bring about greater understanding.

We will sponsor a show garden at the Hampton Court flower show, entitled On the Edge, to bring about a thousand conversations about mental health.

Statement of responsibilities of the trustees

The trustees (who are also directors of Centre for Mental Health for the purposes of company law) are responsible for preparing the report of the trustees' 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 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 period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping 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 [the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended)]. 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Centre for Mental Health

Trustees' annual report

For the year ended 5 April 2017

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 5 April 2016 was 8 (2015 – 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 12 July 2017 and signed on their behalf by

Lady Elizabeth Vallance
Chairman

Independent auditor's report

To the members of

Centre for Mental Health

Opinion

We have audited the financial statements of Centre for Mental Health (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 5 April 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 5 April 2017 and of the group's 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
- 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Centre for Mental Health

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Centre for Mental Health

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent 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

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

Independent auditor's report

To the members of

Centre for Mental Health

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Judith Miller (Senior statutory auditor)

10 August 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Centre for Mental Health

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 5 April 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	413,013	-	413,013	304,887	-	304,887
Charitable activities							
Employment Support Programme	3	112,813	539,300	652,113	66,289	581,469	647,758
Prisons and Criminal Justice Programme	3	90,445	-	90,445	196,815	-	196,815
Children and Young People	3	112,958	45,467	158,425	102,959	27,234	130,193
Supporting Recovery	3	-	-	-	107,446	-	107,446
Influencing Policy and Practice	3	101,800	14,676	116,476	27,184	10,157	37,341
Other Programmes	3	224,305	-	224,305	276,960	-	276,960
Investments – Interest receivable		597	-	597	571	-	571
Total income		1,055,931	599,443	1,655,374	1,083,111	618,860	1,701,971
Expenditure on:							
Raising funds	4	154,530	-	154,530	178,921	-	178,921
Charitable activities							
Employment Support Programme	4	198,213	557,396	755,609	223,740	726,344	950,084
Prisons and Criminal Justice Programme	4	171,641	14,752	186,393	174,319	15,248	189,567
Children and Young People	4	229,353	42,611	271,964	208,917	27,712	236,629
Supporting Recovery	4	-	-	-	147,891	-	147,891
Influencing Policy and Practice	4	163,539	-	163,539	248,833	-	248,833
Other programmes	4	133,623	10,276	143,899	86,660	14,800	101,460
Total expenditure		1,050,899	625,035	1,675,934	1,269,281	784,104	2,053,385
Net income / (expenditure) before transfers between funds	5	5,032	(25,592)	(20,560)	(186,170)	(165,244)	(351,414)
Transfers between funds		-	-	-	(23,968)	23,968	-
Net movement in funds		5,032	(25,592)	(20,560)	(210,138)	(141,276)	(351,414)
Reconciliation of funds:							
Total funds brought forward – restated		674,810	138,584	813,394	884,948	279,860	1,164,808
Total funds carried forward		679,842	112,992	792,834	674,810	138,584	813,394

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Further information on the restatement to the figures for the comparative figures is given in note 1 r) to the accounts.

As at 5 April 2017

	Note	The group		The charity	
		2017 £	Restated 2016 £	2017 £	Restated 2016 £
Fixed assets:					
Tangible assets	10	-	28,113	-	28,113
Investments	11	-	-	1,000	1,000
		-	28,113	1,000	29,113
Current assets:					
Debtors	14	385,757	322,876	511,290	466,241
Cash at bank and in hand		711,847	835,476	566,681	671,801
		1,097,604	1,158,352	1,077,971	1,138,042
Liabilities:					
Creditors: amounts falling due within one year	15	246,169	306,026	227,536	286,716
Net current assets		851,435	852,326	850,435	851,326
Total assets less current liabilities		851,435	880,439	851,435	880,439
Creditors: amounts falling due after one year	17	58,601	67,045	58,601	67,045
Total net assets	19	792,834	813,394	792,834	813,394
Funds:	20				
Restricted income funds		112,992	138,584	112,992	138,584
Unrestricted income funds:					
Designated funds		146,842	24,810	146,842	24,810
General funds		533,000	650,000	533,000	650,000
Total unrestricted funds		679,842	674,810	679,842	674,810
Total funds		792,834	813,394	792,834	813,394

Approved by the trustees on 12 July 2017 and signed on their behalf by

Lady Elizabeth Vallance
Chairman

Centre for Mental Health

Consolidated statement of cash flows

For the year ended 5 April 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	(124,226)	458,829
Cash flows from investing activities:		
Dividends, interest and rents from investments	597	571
Change in cash and cash equivalents in the year	(123,629)	459,400
Cash and cash equivalents at the beginning of the year	<u>835,476</u>	<u>376,076</u>
Cash and cash equivalents at the end of the year	<u><u>711,847</u></u>	<u><u>835,476</u></u>

Centre for Mental Health

Consolidated statement of cash flows

For the year ended 5 April 2017

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

	2017 £	2016 £
Net income expenditure for the reporting period (as per the statement of financial activities)	(20,560)	(351,414)
Depreciation charges	28,113	30,778
Dividends, interest and rent from investments	(597)	(571)
(Increase)/decrease in debtors	(62,881)	700,770
Increase in creditors	(68,301)	79,266
	<hr/>	<hr/>
Net cash provided by / (used in) operating activities	(124,226)	458,829
	<hr/> <hr/>	<hr/> <hr/>

Analysis of cash and cash equivalents

	At 6 April 2016 £	Cash flows £	Other changes £	At 5 April 2017 £
Cash in hand	835,476	(123,629)	-	711,847
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	835,476	(123,629)	-	711,847
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

1 Accounting policies

a) Statutory information

Centre for Mental Health is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is Technopark, Unit 2d21, 90 London Road, London, England, SE1 6LN

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Centre for Mental Health Training Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1 Accounting policies (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) 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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of carrying out research, collating and communicating the findings, being work undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Allocation of support costs

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

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

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Employment Support	30%
● Prisons and Criminal Justice	16%
● Children and Young People	20%
● Influencing policy and practice	20%
● Other	5%
● Costs of generating income	9%

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the aggregate purchase price of acquisition and installation exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

● Leasehold improvements	Straight line until lease expiry January 2017
● Fixtures and fittings	10 years
● Computer equipment	3 years

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

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

1 Accounting policies (continued)**o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

q) Pensions

The charity participates in two defined benefit pension schemes, both of which were contracted out of the State Second Pension (S2P) until 31 March 2016. Assets for both schemes are held in separate, trustee-administered funds. Because of the mutual nature of the schemes, the charity is unable to identify and measure its own share of assets and liabilities, and so expenditure related to the pensions is treated as if these were defined contributions schemes. The charity has recognised its committed liability for past service deficits for this scheme and these are noted as a liability. Only five employees were active members of the schemes during the year, and all other employees were eligible to join the company's stakeholder pension scheme. The charity's staging date for pensions auto-enrolment was 1 April 2016, and any relevant staff not previously participating in a pension scheme were auto-enrolled at that date.

r) Restated comparative figures

The trustees have identified that for the USS multi-employer scheme, they have as an employer entered into an agreement with the scheme that determines how the employer will fund a deficit. This results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The trustees are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Having considered the available evidence, the trustees consider that this agreement was in place at 5 April 2015 and that a liability should have been recognised at this date. The trustees have considered the current valuation of the liability of £49,000 to be materially similar to the value of the liability at 5 April 2015 and have therefore adjusted the opening reserves for the comparative year by recognising an additional liability of £49,000. There has been no change to the income or expenditure recognised.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 total Total £	2016 Total £
Gatsby Charitable Foundation	400,000	–	400,000	300,000
Donations	13,013	–	13,013	4,887
	<u>413,013</u>	<u>–</u>	<u>413,013</u>	<u>304,887</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Department of Health	–	474,300	474,300	570,709
Trust for London	–	–	–	10,760
City Bridge Trust	–	65,000	65,000	–
IPS training income	82,382	–	82,382	54,380
Lloyds Bank Foundation	–	–	–	–
Other income – Employment Support Programme	30,431	–	30,431	11,909
Sub-total for Employment Support Programme	112,813	539,300	652,113	647,758
MAC-UK (Gangs)	47,107	–	47,107	140,000
NHS England	42,277	–	42,277	56,815
Other income – Prisons and Criminal Justice	1,061	–	1,061	–
Sub-total for Prisons and Criminal Justice	90,445	–	90,445	196,815
Esmee Fairbairn Foundation	–	10,000	10,000	15,000
Big Lottery Found	3,850	–	3,850	–
UCL Partners Limited	5,400	–	5,400	–
Mind	–	–	–	4,988
Nottinghamshire Healthcare NHS Trust	6,660	–	6,660	–
Comic Relief	–	35,467	35,467	12,234
Royal Foundation	27,990	–	27,990	43,038
Dudley Metropolitan Borough Council	69,058	–	69,058	15,933
Hertfordshire County Council	–	–	–	39,000
Sub-total for Children and Young People	112,958	45,467	158,425	130,193
NHS Confederation	–	–	–	107,446
Sub-total for Recovery	–	–	–	107,446
Various	101,800	–	101,800	27,184
NIHR	–	14,676	14,676	10,157
Sub-total for Influencing policy and practice	101,800	14,676	116,476	37,341

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2017

3 Income from charitable activities (continued)

Royal College of Psychiatrists	-	-	-	8,500
NHS England	-	-	-	44,231
Public Health England	6,625	-	6,625	55,638
Capita	-	-	-	64,180
Department of Health	5,443	-	5,443	-
Forces in Mind Trust	84,405	-	84,405	34,206
Ipsos MORI	8,275	-	8,275	-
NIHR	4,500	-	4,500	1,061
Barrow Cadbury	5,500	-	5,500	5,900
Centre for Longitudinal Studies	-	-	-	16,194
NHS Central Manchester CCG	15,000	-	15,000	-
Place2Be	5,400	-	5,400	-
Rethink Mental Illness	43,004	-	43,004	-
The Economic and Social Research council	13,240	-	13,240	-
Other income	32,913	-	32,913	47,050
Sub-total for Other	224,305	-	224,305	287,117
Total income from charitable activities	642,321	599,443	1,241,764	1,406,670

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities						Other Programmes £	Support and governance costs £	2017 Total £	2016 Total £
		Employment Support Programme £	Prisons and Criminal Justice £	Children and Young People £	Supporting Recovery £	Influencing Policy and Practice £					
Staff costs (Note 6)	73,300	396,131	116,166	162,663	-	78,747	82,267	145,068	1,054,342	1,175,126	
Direct project costs	32,305	210,650	1,618	9,855	-	261	31,597	4,502	290,788	529,580	
Travel and subsistence	-	13,829	2,547	10,501	-	1,751	5,225	5,354	39,207	43,704	
Printing, postage and stationery	11	54	349	1,206	-	1,376	798	3,874	7,668	10,541	
IT costs	12,818	1,398	-	-	-	-	205	15,018	29,439	49,109	
Communication and events	-	2,216	2,653	-	-	671	3,131	-	8,671	22,015	
Establishment costs	631	13,059	11	8,928	-	1,922	972	165,980	191,503	153,764	
Legal, finance and other	-	55	-	-	-	-	-	9,909	9,964	28,768	
Audit	-	-	-	-	-	-	-	16,239	16,239	10,000	
Depreciation	-	-	-	-	-	-	-	28,113	28,113	30,778	
	119,065	637,392	123,344	193,153	-	84,728	124,195	394,057	1,675,934	2,053,385	
Support and governance costs	35,465	118,217	63,049	78,811	-	78,811	19,704	(394,057)	-	-	
Total expenditure 2017	154,530	755,609	186,393	271,964	-	163,539	143,899	-	1,675,934	2,053,385	
Total expenditure 2016	178,921	950,084	189,567	236,629	147,891	248,833	101,460	-	-	-	

Of the total expenditure, £1,050,900 was unrestricted (2016: £1,269,281) and £625,034 was restricted (2016: £784,104).

5 Net income/(expenditure) for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	23,350	30,778
Loss on disposall of fixed assets	4,763	
Operating lease rentals:		
Property	47,780	62,205
Other	803	9,611
Auditors' remuneration (excluding VAT):		
Audit	10,000	10,000
Other services	-	-
	<u>23,350</u>	<u>30,778</u>

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	823,907	932,159
Social security costs	87,969	87,596
Employer's contribution to defined contribution pension schemes	50,999	55,243
Operating costs of defined benefit pension schemes	45,507	43,140
IT staff (employed by Sainsbury Family Charitable Trusts)	45,960	56,988
	<u>1,054,342</u>	<u>1,175,126</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2017 No.	2016 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	2	2
£80,000 – £89,999	2	1
	<u>2</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £354,747 (2016: £339,462).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil). No trustees' expenses were reimbursed during the financial year (£2016: £nil)

7 Staff numbers

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

	2017 No.	2016 No.
Raising funds	0.9	1.7
Employment Support Programme	6.0	6.8
Prisons and Criminal Justice Programme	2.0	1.0
Children and Young People	1.0	1.0
Supporting Recovery	–	1.0
Influencing Policy and Practice	3.0	3.0
Other programmes	2.4	3.5
Support	3.4	4.3
Governance	0.9	1.0
	19.6	23.3
	19.6	23.3

8 Related party transactions

Aggregate donations from related parties were £3,060 (2016: £460).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Centre for Mental Health Training Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2017 £	2016 £
UK corporation tax at 20% (2016: 20%)	NIL	NIL
	NIL	NIL

10 Tangible fixed assets**The group and charity**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At the start of the year	181,214	37,635	5,655	224,504
Disposals in year	(181,214)	(37,635)	(5,655)	(224,504)
At the end of the year	-	-	-	-
Depreciation				
At the start of the year	162,324	28,412	5,655	196,391
Charge for the year	18,890	4,460	-	23,350
Disposals in year	(181,214)	(32,872)	(5,655)	(219,741)
At the end of the year	-	-	-	-
Net book value				
At the end of the year	-	-	-	-
At the start of the year	18,890	9,223	-	28,113

All of the above assets are used for charitable purposes.

11 Investments

Investments comprise:

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Unlisted shares in UK registered companies	-	-	1,000	1,000
	-	-	1,000	1,000

The investments comprise the whole of the issued ordinary share capital of Centre for Mental Health Training Ltd and are shown at par.

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Centre for Mental Health Training Limited, a company registered in England. The subsidiary is used solely for primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2017 £	2016 £
Turnover	214,198	214,969
Cost of sales	(113,580)	(149,715)
Gross profit	100,618	65,254
Administrative expenses	359	(1,130)
Other operating income	-	-
Operating profit / (loss)	100,977	64,124
Interest receivable	42	51
Profit / (loss) on ordinary activities	101,019	64,175
Deed of covenant to parent undertaking	(101,019)	(64,175)
Profit / (loss) for the financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	225,669	206,727
Liabilities	(224,669)	(205,727)
Funds	1,000	1,000

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2017 £	2016 £
Gross income	1,441,134	1,486,951
Result for the year	(20,560)	(351,414)

14 Debtors

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Fees and charges	355,625	254,617	275,123	212,683
Other debtors	10,721	15,429	10,721	15,429
Prepayments	19,411	52,830	19,411	51,710
Inter-company debtor	-	-	206,035	186,419
	385,757	322,876	511,290	466,241

15 Creditors: amounts falling due within one year

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	71,768	101,767	71,418	101,063
Taxation and social security	29,979	35,354	29,979	35,354
VAT creditor	58,872	50,006	49,405	44,956
Accruals	48,133	107,224	45,802	105,343
Deferred income	37,417	11,675	30,932	-
	246,169	306,026	227,536	286,716

16 Deferred income

Deferred income comprises income invoiced for training and consultancy services in advance.

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Balance at the beginning of the year	11,675	45,290	NIL	NIL
Amount released to income in the year	(64,431)	(57,315)	(5,408)	NIL
Amount deferred in the year	90,173	23,700	36,340	NIL
Balance at the end of the year	37,417	11,675	30,932	NIL

17 Creditors: amounts falling due after one year

	The group		The charity	
	2017	Restated 2016	2017	Restated 2016
	£	£	£	£
Accruals – pension obligations	58,601	67,045	58,601	67,045
	58,601	67,045	58,601	67,045

18 Pension scheme

Employees of Centre for Mental Health and its subsidiary who joined the organisation on 1 December 2009 or thereafter have access to a flexible contributory group personal pension scheme. Employer contributions to the scheme during the year amounted to £31,333 (2015/16 £42,212).

IT staff were employed by the Sainsbury Family Charitable Trust, and the relevant proportion of their costs is recharged to Centre for Mental Health, including the employer's contribution to a defined contribution group scheme run on behalf of the employees of the Trust.

Both of these are defined contribution schemes and there are no undisclosed liabilities associated with these schemes.

In addition to these arrangements, some staff who were employed by Centre for Mental Health during the year accrued benefits under defined benefit pension schemes which they were entitled to join as their employment predates 1 December 2009.

Universities Superannuation Scheme (USS)

USS is a defined benefit scheme, which is contracted out of the State Second Pension (S2P). The assets are held in a separate fund administered by the USS pension trustee who is the Universities Superannuation Scheme Limited. Because of the mutual nature of the scheme, Centre for Mental Health is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. FRS 102 requires for a multi-employer scheme that where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, this results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The trustees have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As a result, the amount charged to the Statement of Financial Activities (£41,271 ; 2015/16: £47,232) represents employers contributions payable to this scheme during the accounting period. The rate of employer's contributions remained constant throughout the year at 18% of pensionable salaries.

Entry to the USS pension scheme was closed to new staff of Centre for Mental Health on 30 November 2009. Entitlements for existing staff remain unaffected. During the year five members of staff made contributions to the USS scheme, and two members left Centre for Mental Health during the year, leaving three active members at the reporting date. The scheme overall had over three active members as at 31 March 2017.

An actuarial valuation of the scheme took place valuing the scheme's assets and liabilities as at 31 March 2014. The valuation was carried out using the projected unit method and found that the scheme's assets were sufficient to cover 89% of the scheme's technical provisions – a shortfall of £5.3bn. This compares unfavourably with the previous triennial valuation (92% funding, a deficit of £2.9bn). Before final publication of the valuation an interim valuation showed that the deficit had grown to £8.2bn (representing 86% of funding) as at 31 March 2015. The need to address this increasing deficit and guarantee a suitable level of funding for the scheme has led the pension trustees to negotiate a set of major changes to USS pension rights from 1 April 2016. A further triennial valuation is taking place based on figures for whole scheme as at 31 March 2017. This valuation is ongoing.

The final salary element of the scheme has been closed, and pension rights will accrue on a Career Revalued basis from 1 April 2016. Member and Employer contribution rates have increased from 7.5% and 16% to 8% and 18% respectively. Furthermore, from 1 October 2016 entitlement to the Career Revalued Scheme was capped at £55,000 and increased to £55,550 from 1 April 2017; for those earning above this annual salary amount, contributions will be made into a complementary defined contribution scheme.

18 Pension scheme (continued)**Universities Superannuation Scheme (USS)**

In November 2015 Centre for Mental Health's trustees commissioned Cartwrights, a firm of actuarial advisers, to update advice with regard to latent Section 75 debt which would be triggered at a future date when there are no more active scheme members. Although the level of such a payment would be significant, the likelihood of this arising in the foreseeable future, and uncertainty regarding its measurement at a future unidentified point in time has led them to conclude that no additional disclosure or provision needs to be made in the financial statements for any latent Section 75 debt.

NHS Pension Scheme

In addition one employee remained a member of the NHS Pension Scheme throughout the financial year.

Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.pensions.nhsbsa.nhs.uk. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practitioners and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As with the USS, the scheme is not designed to be run in a way that would enable the Centre to identify its share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme and the amount of £8,264 (2015/16: £8,011) charged to the Statement of Financial Activities represents employers' contributions payable to the scheme in respect of the accounting period. The rate of employer's contributions remained constant at 14.3% of pensionable salaries, and is increasing to 14.38% from 1 April 2017. The rates for employees' contributions have increased substantially in order to meet future funding requirements.

Access to the NHS pension scheme is restricted to staff members who have retained the benefit as an element of authorised transfers in from other employments.

In line with legislative changes related to the introduction of the new State Pension, both of these pension schemes ceased to be contracted out of S2P from 1 April 2016.

Auto Enrolment

On 1 April 2016, Centre for Mental Health met its staging date for auto-enrolment in the Workplace Pension.

19a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	–	–	–	–
Net current assets	591,601	146,842	112,992	851,435
Long term liabilities	(58,601)	–	–	(58,601)
Net assets at the end of the year	533,000	146,842	112,992	792,834

19b Analysis of group net assets between funds (prior year – restated)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	28,113	–	–	28,113
Net current assets	688,932	24,810	138,584	852,326
Long term liabilities	(67,045)	–	–	(67,045)
Net assets at the end of the year	650,000	24,810	138,584	813,394

20a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Employment Support					
Employment of Offenders	73,690	–	(54,316)	–	19,374
IESD Regional Trainer	44,382	474,300	(494,771)	–	23,911
City Bridge Trust	–	65,000	(2,549)	–	62,451
100 people with schizophrenia	5,760	–	(5,760)	–	–
Prisons and Criminal Justice					
Suicide in Custody	14,752	–	(14,752)	–	–
Children and Young People					
Parenting Outcomes	–	10,000	(10,000)	–	–
Up my street/ Better futures	–	35,467	(32,611)	–	2,856
Other					
Liaison Psychiatry – Maestro	–	14,676	(10,276)	–	4,400
Total restricted funds	138,584	599,443	(625,035)	–	112,992
Unrestricted funds:					
Designated funds:					
Core funding reserve	24,810	–	–	122,032	146,842
Total designated funds	24,810	–	–	122,032	146,842
General funds	650,000	1,055,931	(1,050,899)	(122,032)	533,000
Total unrestricted funds	674,810	1,055,931	(1,050,899)	–	679,842
Total funds	813,394	1,655,374	(1,675,934)	–	792,834

20b Movements in funds (prior year – restated)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Employment Support					
Employment of Offenders	231,944	-	(158,254)	-	73,690
Poppy Factory review	10,284	-	(29,131)	18,847	-
IESD Regional Trainer	7,632	570,709	(533,959)	-	44,382
100 people with schizophrenia	-	10,760	(5,000)	-	5,760
Prisons and Criminal Justice					
Suicide in Custody	30,000	-	(15,248)	-	14,752
Children and Young People					
Parenting Outcomes	-	15,000	(15,000)	-	-
Up my street/ Better futures	-	12,234	(12,712)	478	-
Other					
Liaison Psychiatry – Maestro	-	10,157	(14,800)	4,643	-
Total restricted funds	279,860	618,860	(784,104)	23,968	138,584
Unrestricted funds:					
Designated funds:					
Core funding reserve	234,948	-	-	(210,138)	24,810
Total designated funds	234,948	-	-	(210,138)	24,810
General funds	650,000	1,083,111	(1,269,281)	186,170	650,000
Total unrestricted funds	884,948	1,083,111	(1,269,281)	(23,968)	674,810
Total funds	1,164,808	1,701,971	(2,053,385)	-	813,394

20 Purposes of restricted funds**Employment funding**

The Employment of Offenders fund is a three-year project to evaluate the effectiveness of the Individual Placement and Support model within a prison setting. It is funded by three major grantmaking trusts and will complete in August 2016.

The Regional Trainer project is a three year pilot funded by Department of Health IESD grant money to set up regional trainers across 6 regional mental health trusts to enhance delivery of IPS and improve employment outcomes for their service users. Funding is confirmed annually and the project is due to complete in June 2017.

The City Bridge Trust found ia a two and half year project to establish 6 sites of new IPS services in London to enhance delivery of IPS in capital.. Founding is confirmed annually and the project is due to complete in July 2020.

The 100 people with schizophrenia was a project in collaboration with Rethink Mental Illness, funded by the Trust for London that seeks to find employment for 100 people living with severe and enduring mental health problems.

Prisons and Criminal Justice funding

The suicide in custody project, funded by the Monument Trust is gathering evidence to reduce the risks of self harm and suicide for people in custody with mental health problems.

Children and Young People funding

Parenting outcomes is a joint project with Place2Be, funded by Esmee Fairbairn Foundation to evaluate parenting interventions and provide recommendations.

Up my street / better futures is an evaluation of a street therapy in Birmingham carried out by Mind. The evaluation is funded by Comic Relief.

Other restricted funding

The Liaison Psychiatry (Maestro) project is funded by NIHR and led by Leeds University that will describe, classify and evaluate a number of models for the provision of Liaison Psychiatry services.

Purposes of designated funds

The core funding reserve represents funds designated by the trustees to meet shortfalls arising while the organisation builds its capacity and experience in fundraising.

21 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2017	2016	2017	2016
	£	£	£	£
Less than one year	-	46,654	-	5,960
One to five years	-	-	1,607	-
	<u>-</u>	<u>46,654</u>	<u>1,607</u>	<u>5,960</u>
	<u><u>-</u></u>	<u><u>46,654</u></u>	<u><u>1,607</u></u>	<u><u>5,960</u></u>

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.