

**Charity number: 1170815**

**MENTAL HEALTH UK**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2018**

### **Name and Nature of the Charity**

Mental Health UK was established in 2016 as a Charitable Incorporated Organisation (CIO) to offer relief and support to people affected by mental illness, and to advance research and education into causes, consequences and management of mental illness. Mental Health UK also offers advice, assistance and promotion of best practice in the field of mental health and welfare. The Charity is governed by its Memorandum and Articles of Association.

### **Reference and administrative details**

#### **Registered office**

15<sup>th</sup> Floor  
89 Albert Embankment  
London  
SE1 7TP

**Registered Company Number (England and Wales):** CE009425

**Registered Charity number:** 1170815

During 2017/18 the Trustees of the charity were:

#### **Chair of the Board**

Paul Jenkins (appointed 19 December 2016)

#### **Members of the Board**

Edward Gorringe (appointed 19 December 2016)  
Lyn Pawleck (appointed 19 December 2016)  
Frances Simpson (appointed 19 December 2016)  
Alun Thomas (appointed 19 December 2016)  
Mark Winstanley (appointed 19 December 2016)

#### **Senior Management**

Managing Director – Brian Dow  
Senior Executive Officer – Katherine Legg

The Charity's main professional advisors during the year were:

#### **Auditors**

Crowe U.K. LLP  
St Bride's House  
10 Salisbury Square  
London, EC4Y 8EH

#### **Bankers**

Natwest Commercial Office  
2<sup>nd</sup> Floor, Trinity Court  
Wolverhampton Business  
Park  
Broadlands  
Wolverhampton, WV10 6UH

#### **Solicitors**

Bates, Wells & Braithwaite  
10 Queen Street Place  
London  
EC4R 1BE

**Insurers**

Zurich Municipal  
Zurich House  
2 Gladiator Way  
Farnborough  
GU14 6GB

## **Structure, Governance and Management**

The day-to-day management of Mental Health UK is led by the Managing Director on authority delegated by the Board of Trustees. The Managing Director and the Senior Executive Officer of the Charity each have clearly defined areas of responsibility and accountability.

### **Trustee Induction and training**

New Trustees receive a formal induction into their role to familiarise themselves with both Mental Health UK Limited and the responsibilities that go with Trusteeship. Trustees are invited to discuss their developmental requirements with the Chair on an annual basis. This enables more specialised development in areas such as finance or governance to be provided to either the full Board or specific individuals.

### **Remuneration policy**

Our approach to remuneration is designed to ensure we can attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation. We aim to pay competitively in the not-for-profit sector within the context of affordability. We therefore subscribe to an external salary survey to help us to benchmark our salaries against other charities. For certain posts, we link pay to performance and for other posts we support salary progression for those who perform well.

### **The Charity Governance Code**

The Trustees are aware of the new Charity Governance Code issued in July 2017. A review will be undertaken of the guidance in order to ensure that the charity is working in line with the code, in all ways where it is practically possible to do so.

### **Employees and Volunteers**

Mental Health UK has 12 seconded employees from its four founding charities as well as drawing on their vast experience to deliver the charity's objectives. This model has not only proved efficient and cost effective, it has also enabled Mental Health UK to establish and deliver at pace.

We have received support from volunteers at Lloyds Banking Group as part of our Charity of the Year Partnership.

Lloyds staff each have 1 day per annum assigned to use on volunteering. From this, we have benefitted from a number of strategic volunteering hours whereby staff have helped Mental Health UK to run customer feedback workshops and write databases to develop the Mental Health and Money Advice Helpline.

Volunteers have also supported Mental Health UK through skills-based and activity-based volunteering, such as 'Powerpoint' and 'Excel' training sessions as well as running workshops and renovating services local to their offices.

## **Statement of Trustees Responsibilities**

### **Statement of Trustees responsibilities in respect of the Trustees' Annual Report and the financial statements**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

By Order of the Board



Paul Jenkins

Chair of the Trustees

Date: 10th January 2019

## **Public Benefit and Disclosure**

Mental Health UK brings together four national mental health charities working across the UK: Rethink Mental Illness in England, Support in Mind Scotland, Hafal in Wales, and MindWise in Northern Ireland. Together, the main activities which are delivered through Mental Health UK are to support those affected by mental illness include the delivery of:

1. Key mental health support services, including information and advice services
2. Local voluntary support groups

These activities are core to our charitable aims through supporting those who are affected by mental illness, including carers, friends and family.

The Trustees have had due regards to the guidance issued by the Charity Commission on public benefit. They have considered the requirements of the public benefit text and are satisfied that the Charity's activities meet these criteria.

Mental Health UK delivers its charitable objectives through raising funds, predominantly through corporate partnerships and distributing these to our four founding charity members to respond to local need. By using these funds to deliver new and existing key services in each nation, this model supports our charitable objectives which are defined as enabling 'people across the UK to access support for their own mental health and for friends and family members who are affected by mental illness'.

This year, this has included Mental Health UK designing, launching and delivering a new Mental Health and Money Advice Service. This aligns to the delivery of our charitable aims by enabling those affected by mental ill health and money problems to access the support and information they need. This was made possible by through a new two-year corporate partnership with Lloyds Banking Group.

## **Objectives and Activities**

Mental Health UK brings together four national mental health charities working across the UK: Rethink Mental Illness, Support in Mind Scotland, Hafal, and MindWise. Together, we have 40 years' experience of working to improve life for people affected by mental illness in England, Scotland, Wales, and Northern Ireland.

We are working together to raise funds so that more people across the UK can access support for their own mental health and for friends and family members who are affected by mental illness. One in four people every year experience a mental health problem, and 43% of adults believe themselves to have had a diagnosable mental health condition in their lifetime.

Mental health can vary across a person's lifetime and is often influenced by a change in circumstances – times of high stress or money worries for example are included in the potential triggers of mental ill health<sup>1</sup>. Further to this, the intersection of multiple and complex life factors can make some people more vulnerable to mental health problems than others: those who are homeless, previous offenders, and those who are economically inactive for example are more likely to develop problems<sup>1</sup>. Carers are also at higher risk, with 71% carers shown to have poor mental health<sup>1</sup>.

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<sup>1</sup> 'Fundamental Facts about Mental Health', Mental Health Foundation 2016

Those who are in debt are also at significantly higher risk of developing a mental illness: as highlighted by The Mental Health Foundation, there is a staggering association between unsecured debt and depression and suicide<sup>1</sup>. A study by The Money and Mental Health Policy Institute also echoes this, highlighting that ideas of suicide and insomnia borne of anxiety and money worries are prevalent in those with mental health and money problems<sup>2</sup>.

Worryingly, mental ill health and money problems seem to be interlinked and often reinforcing: in the same study as noted above, 93% of people said that they spend more money when they are unwell and can find it harder to make financial decisions<sup>2</sup>. This can often be cyclical as growing debts can cause those affected to put off paying bills, take out high interest loans and avoid dealing with creditors. Mounting debts can weigh heavily on those affected, with 86% of people disclosing that financial problems in turn make their mental health worse<sup>2</sup>.

There have been some positive trends in the last few years as more people are identifying the signs of mental ill health and accessing mental health treatment<sup>3</sup>. This may be in part due to the success of campaigns such as Time to Change who have seen a 9.6% positive change in attitudes to mental illness since 2007 – a significant social shift which has improved attitudes of an estimated 4.1m people<sup>4</sup>.

Despite this, Mental Health services have become increasingly stretched and the gap between physical and mental health budgets continue to widen<sup>5</sup>.

Within this context - and by bringing together four leading mental health charities in each nation - and we can bolster valuable services and support networks to those severely affected by mental illness right across the UK; as well as drive new initiatives to grow mentally healthy communities.

In the reporting period, the main activities undertaken to achieve our purpose pertains to two areas:

**1. Mental Health and Money Advice Service:**

- In Jan 2017 we launched a partnership with Lloyds Banking Group, allowing us to develop the UK's first Mental Health and Money Advice Service. By highlighting the link between money problems and mental health problems, the service supports and our charitable aims through empowering users with information, signposting and guidance relevant for their circumstances and location. Advisors also take on some casework, allowing them to work collaboratively and to empower some of the most vulnerable users, building steps towards more confident financial management. The service includes support for those directly affected by mental ill health, as well as professionals, carers, family and friends.

The impact of service has already been seen within the reporting period, with over 43,000 people having used the service.

**2. Furthering the existing programmes and initiatives of the four founding charities including through the distribution of unrestricted funds:**

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<sup>2</sup> 'Money on Your Mind', Money and Mental Health Policy Institute 2016

<sup>3</sup> 1.4 million people referred to NHS mental health therapy in the past year

<sup>4</sup> Time to Change

<sup>5</sup> Mental health still losing out in NHS funding, [report finds](#)

In addition to the launch of our Mental Health and Money Advice Service, Mental Health UK also distributed both restricted and unrestricted funds to support the continued delivery and impact of the four founding charities.

- Unrestricted funds from our partner *Royal Mail* were used to develop new support groups, including those in isolated and remote communities. In **Scotland**, funds were used to invest in income generation, as well as bolster the delivery of an existing service and its associated group:
  1. ***CU Thru Dundee*** – a project for 14-25 year olds operating in the Dundee area and linking up with the Child and Adolescent Mental Health Services team. This project works with some young people who are attached to the specialist unit.
  2. ***Glasgow Carers Project*** – a carer support group based in Glasgow which links up with 'Flourish House' - a project based on the 'club house' model run by people with lived experience and supported by staff.

Through forging large scale UK-wide partnerships, we seek to continue to invest income to aid the delivery and impact of our four founding charities. Through doing so, we seek to enable people who are affected by mental illness to access the information and support they need. Where appropriate, we also seek to establish new activities as Mental Health UK – such as the Mental Health and Money Advice Service - with the aim of tackling known issues affecting those affected by mental illness and increase our UK-wide impact.

From January 2018, we commenced three streams of work through our partnership with Lloyds Banking Group to contribute to extending our impact in these areas. These streams included: initiating the extended development of key services and; expanding our work with regional support groups. We also commenced the development of a new programme of mental health literacy to include the creation and UK-wide distribution of a mental health information guide.

These areas of work gained excellent momentum in Jan-March 18. We will be reporting on the impact of these areas of work in our next financial year.

### **Grant Making**

#### **Restricted**

Restricted funds are distributed according to the wishes of the donor.

#### **Unrestricted**

Unrestricted income received by Mental Health UK is distributed to the four founding charity members according to a Grant Framework Agreement. Distribution pertains to the population size of each nation. The percentage distribution for each nation is therefore as follows:



	Estimated no of people in 2015/million (Source: ONS)	Split of Nations %
England	54086	84.2%
Scotland	5282	8.2%
Wales	3066	4.8%
NI	1830	2.8%
Total UK	64265	100.0%

This framework contributes to the achievement of our charitable aim by ensuring that UK-wide impact of financial distribution is fair and proportionate.

#### **Achievements and Performance**

##### **Mental Health & Money Advice Service**

##### ***A Flagship UK-wide Advice Service Addressing the Link between Mental Health and Money Problems***

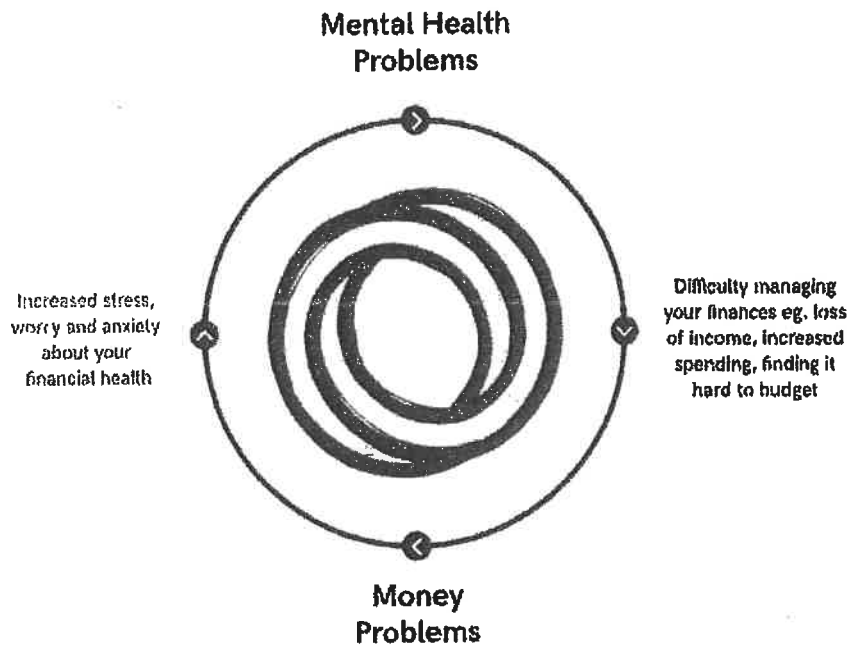
In 2017 Mental Health UK commenced an exciting new partnership with Lloyds Banking Group. The fundraising from this partnership has enabled us to design, develop and launch the UK's first mental health and money advice service to provide support to thousands of people experiencing mental health and money problems.

Through consultation with the four founding charities, it was identified that there is a strong correlation between mental and financial health: 4 million people in the UK have poor mental health and struggle with their financial wellbeing, with a further 4 million in financial difficulty who are therefore at greater risk of developing poor mental health as a result<sup>6</sup>.

This correlation can be cyclical, with financial and mental wellbeing going hand in hand. Often, a change in life circumstances e.g. loss of employment, housing or relationships; unwise financial behaviours can arise from mental health conditions. Similarly, it was identified that people with money issues may also experience mental health problems e.g. as a result of money management problems, unstable housing, changing relationships or changes in employment.

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<sup>6</sup> Jenkins R, Bhugra D, Bebbington P, et al (2008) 'Debt, income and mental disorder in the general population.' *Psychological Medicine*; 38: 1485-1494.



Our market review found that there are a large number of stakeholders who are providing support for people with mental health or money problems, however they are not necessarily working together nor addressing the combined issue. Following consultation with organisations in the mental health and financial sector it was recommended that a single mental health and money advice service would be best placed to address this need.

With generous support from our partnership with Lloyds Banking Group, Mental Health UK pioneered and launched the UK's first Mental Health and Money Advice Service on 28<sup>th</sup> November 2017 - dedicated to helping people understand, manage and improve their financial and mental health. By providing ongoing support and improving certain skills behaviours, the service is designed to help people build financial and mental health resilience through creating long-term management techniques.

There are two core elements to the service: a referral only advice line for those looking for personalised advice, and a website offering wider support, regional information and signposting: [www.mentalhealthandmoneyadvice.org](http://www.mentalhealthandmoneyadvice.org).

This service is aimed at those with lived experience of mental illness; those with money problems which are affecting their mental health; and carers, family members or friends of those who are struggling. The service is also aimed at professionals who are working with these groups in order to provide effective signposting, information and 1:1 support where needed.

## Impact

### Stephen's Story

#### How a cut in benefits caused my mental health to deteriorate

A once-promising footballer, Stephen had been diagnosed with anxiety and depression but was on the path to recovery when his income support was stopped, leaving him isolated and worrying about how he would support his son. His mental health deteriorated and he developed agoraphobia. Find out in his own words,

how Mental Health and Money advice helped him get back on his feet.



My name is Stephen, I'm 35 years-old and I live in Wolverhampton with my parents and my six-year-old son. I wanted to tell my story so other people who have experienced money and mental health stress can understand that help is available.

How money problems affected

my mental health

I received a letter about 18 months ago explaining that the income support I was receiving for looking after my son would stop as he had turned five. I had been reliant on this payment as I didn't have any additional welfare benefits of my own because I didn't have the confidence or knowledge to make a claim.

I was reluctant to apply because I found the process confusing and mentally tiring. Once the income support stopped I realised I was really struggling with money. I just felt as though I had failed as a dad.

Christmas soon came around, and I knew I needed to get financial support, as it was seriously affecting my mental health. It just felt like everything came at once, and I had nowhere to turn.

After researching the benefits system, I realised I could apply for Universal Credit in my local area but because I have agoraphobia I didn't feel that I could sign on in person. I was told over the phone that I would need a doctor's note to prove my illness but again my agoraphobia got in the way of getting that too. When I asked for someone from the DWP to come out and see me, I was met with more resistance.

In the end, I felt it was easier to ignore the situation, which just made my anxiety and depression worse. I felt that every door I tried to open was slammed shut in my face. I was lost, with nowhere to turn for help.

### What the Mental Health and Money Advice did for me

That's when I spoke to my ex-partner about my feelings and she found Mental Health and Money Advice. I was referred to the support service through Rethink Mental Illness; it has literally changed my life.

I spoke to an adviser who listened to my concerns and explained that I was not in receipt of the correct benefits. The adviser completed a welfare benefits check and then helped me make a claim for Universal Credit.

Throughout the process, the adviser gave me practical advice on how to navigate around the benefits system. And got them to come and give me a Work Capability Assessment at home.

The adviser also booked me an appointment with the doctor on my behalf; they came out and gave me a doctor's note, and a referral to see a psychological wellbeing practitioner.

### The change in my mental health has been amazing

The journey has been long but I am now receiving Universal Credit and in a much better financial position. This has relieved my stress and allowed me to improve my mental health dramatically.

Thanks to the adviser's persistence I now have coping strategies through cognitive behavioural therapy. The impact this has had on my life can't be underestimated.

I'm now able to leave the house and go to the shops and library. I have even started going to the park with my son for a kick-about, which just wasn't possible before.

I know I still have a way to go, but thanks to Mental Health and Money Advice I have improved my confidence and built up some skills to better manage my situation.

Note: One-to-one advice service

In addition to our website, we have a small team of dedicated mental health and money advice specialists who offer one-to-one advice and casework over the telephone. Access to this service is only available via referral from several of our partners.

If you're currently receiving support from one of our UK charities - Rethink Mental Illness, Hafal, Mindwise or Support in Mind Scotland - and are experiencing mental health and money issues, please contact your support worker to be referred to our Mental Health and Money Advice service.

Since launching in November 2017 until 31<sup>st</sup> March 2018 we have reached over 43,000 people like Stephen with information, advice and support. Our Mental Health and Money Advice website saw over 42,500 views, and our advice phone line supported 575 individuals through one-to-one appointments with our qualified regional Advisors. Advisors – who are based across the UK - worked on over 1000 cases covering welfare benefits, mental health and debt. Through liaising with the external agencies, supporting clients to manage their debt and empowering clients to apply for Income support, our Advisors increased the annual income of clients of the service by £122,172 in 3 months from the service launch.

Our telephone advice service is currently referral-only, with offices in each nation. Having launched with referrals from our four founding charity partners, we have developed a phased referral model in order to incrementally increase capacity into the service. This includes developing partnerships with key organisations working in the mental health and money

sector. Referrals are based on eligibility criteria, which enables us to have the biggest impact for often vulnerable beneficiaries and manage the capacity of our Advisors.

### **Lloyds Banking Group Involvement**

Our partnership with Lloyds Banking Group – which has seen staff across the UK generously fundraise for us - has enabled us to launch and sustain this service across the UK. Aside from this, as detailed above Lloyds Group's telephony and digital teams have been instrumental in shaping its development and providing best practice expertise on engaging with customers.

### **Sustainability**

A clear strategy is in place to secure the long-term sustainability of this service beyond the length of the Lloyds Banking Group partnership. This includes exploring the absorption of costs into existing budgets in the four founding charities, as well as exploring opportunities for relevant public sector contracts and funded partnerships.

Sustainability is at the centre of our development and the continued delivery of the service.

### **Extending our local support groups**

In the reporting period, we were grateful to receive grant income from Royal Mail. This enabled us to expand our support groups across the UK. These groups have a significant impact of members through the opportunity to share experiences, speak openly about challenges and share information. The Trident Carer's Group, based in England, highlights the impact that these groups have on attendees. The group's aim is to provide a safe place to share experiences, advice, and peer support for those caring for somebody with mental health difficulties. They are open to all carers from 18 years of age.

***“ Group members have told me how their own emotional well-being is effected by their caring role and coming to group gives them ‘hope, positivity, and a strength to carry on’ ” – Group Leader***

***‘You don’t feel alone [because] there are other parents facing similar challenges with their children who will listen to you.’ – Group Member***

### **Fundraising**

Mental Health UK raised £5,988,901 in 2017/18, largely through the partnership with Lloyds Banking Group. In addition, the charity received income through corporate partnerships with Pizza Hut and from individuals participating in fundraising events such as the Great Scottish Run. The member charities invested £302,385 to manage the partnership with Lloyds Banking Group.

Mental Health UK employed the services of a professional fundraising organisation to recruit payroll giving supporters. This organisation adheres to the Association of Payroll Givers Code of Conduct which ensures that donors are treated with respect and no undue pressure is put upon individuals to sign a payroll giving pledge.

We are regulated by the Fundraising Regulator and all our fundraising activities are compliant with their Code of Fundraising Practice.

Our supporters are hugely valuable to us and we take great care to ensure they are treated with respect and their feedback is listened to. We received 12 complaints in 2017-18 about our fundraising activities. We have procedures in place to ensure individuals who may be in

vulnerable circumstances are not put under any pressure to donate to us including providing training for supporter facing teams on how to speak with vulnerable people.

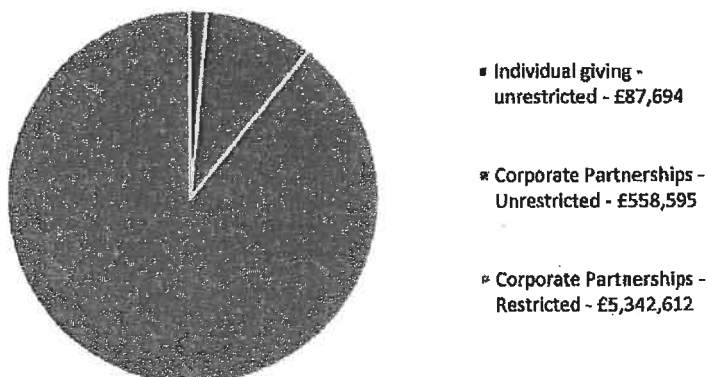
## Financial Review

The Charity was registered on 19 December 2016 and these accounts represent the first 15 month period of operations to 31 March 2018.

In the first 15 months of activity, the charity generated £5.99m of voluntary income thanks to the generosity of our donors, which exceeded our target of £2m by £3.99m. This was particularly bolstered by our partnership with Lloyds Banking Group, which we entered into in January 2017, who supported our charity in generating £5.8m in the period.

The pie chart below indicates that the largest area of fundraising income related to restricted funding from corporate partnerships, which have been assigned against the delivery of a series of programmes of work in agreement with our corporate partners.

### Total Incoming Resources to 31st March 2018



## Expenditure

Our expenditure during this period is primarily made up of grant making activity, with distributions made to our four founding charity members in accordance with either:

- the restrictions placed on the income received by Mental Health UK
- in the case of unrestricted income in accordance with the grant framework agreement.

Grants awarded during this period supported the creation and development of the Mental Health and Money Advice Service, as well as supporting our founding member charities to further their existing programmes and initiatives.

A summary of the breakdown of our expenditure is included in notes 3-5 of the accounts.

## Key Risks and Uncertainties

In relation to the overall financial control procedures, the Charity has in place a comprehensive strategic plan supplemented by an annual budget approved by the Board of Trustees. Monthly actual results are reported against budget and projections to year end are reviewed by senior management, and the Board of Trustees at appropriate points in their meeting cycle. The Charity's day-to-day financial processes are governed by financial policies approved by the Board. Assurance around compliance with the financial regulations is overseen by Rethink Mental Illness.

The Board has a programme of risk management, which includes ownership of these risks by lead managers. Trustees are provided with assurance that the major risks which are identified have been reviewed and evaluated, taking account of internal controls, systems and other actions pursued to mitigate them.

Risk assessment and evaluation is undertaken regularly across corporate, operational and project activities to embed risk management and to reflect the Charity's risk appetite determined by the Board. In this way, the Board is satisfied that the risk management strategy is appropriate to the Charity and they have gained assurance regarding the effectiveness of the risk management processes adopted.

The key risk currently facing Mental Health UK are considered to be:

- The ability to continue to generate sufficient income to continue to develop our programmes of work beyond the terms of our existing corporate partnership agreements. As previously indicated we have a clear strategy in place to secure the long-term sustainability of this service beyond the length of the Lloyds Banking Group partnership to ensure that we manage this risk appropriately. Mental Health UK has secured a substantial corporate partner for 2019 which will maintain income similar to that seen so far. Strategies to grow further corporate partnerships and encourage individual giving are priorities for 2018-19.

## Reserves policy

Mental Health UK recognises the importance of building and maintaining a level of reserves which will provide a prudent level of cover to meet our future obligations.

The level of our reserves as at the 31 March 2018 are:

	£
Unrestricted reserves – general funds	305,921
Restricted funds	3,184,434
Total funds	3,490,355

Our reserves policy focuses on the level of our "free" reserves. Free reserves are defined as net assets excluding restricted funds, designated funds and the element of general funds that have been used to acquire fixed assets for the Charity's own use.

Our unrestricted reserves at 31 March 2018 were £305,921, all of which represent free reserves.

Due to the nature of our activities together with this being the first period of activity for the Charity since inception, our current reserves policy has been set to maintain a level of free reserves sufficient to cover our commitments in the event of a cessation of activities which enables us to maximise the distributions available for charitable purposes.

The Board believes that the current level of reserves is appropriate to meet these objectives at this point in time. However the Board are currently developing plans for the longer term objectives of the Charity and our reserves policy will be kept under regular review to ensure that we have appropriate reserves to deliver on those objectives and meet our ongoing commitments.

Further details of reserves held at 31 March 2018 are shown in note 11 to the financial statements.

The report was approved by the Trustees on 10 January 2018 and signed on their behalf by:



Paul Jenkins  
Chair of the Trustees



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## MENTAL HEALTH UK

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### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MENTAL HEALTH UK

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#### Opinion

We have audited the financial statements of Mental Health UK (the 'Charity') for the period ended 31 March 2018 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

#### Use of our report

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

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## MENTAL HEALTH UK

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### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MENTAL HEALTH UK

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#### 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 Charity'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.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

#### Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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**MENTAL HEALTH UK**

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MENTAL HEALTH UK**

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**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

*Crowe U.K. LLP*

**Crowe U.K. LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date:

*22/1/19*

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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**MENTAL HEALTH UK**

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 MARCH 2018**

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	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
	Note		
<b>Income from:</b>			
Donations and legacies	2	646,289	5,342,612
<b>Total income</b>		<u>646,289</u>	<u>5,342,612</u>
<b>Expenditure on:</b>			
Charitable activities	3	340,368	2,158,178
<b>Total expenditure</b>		<u>340,368</u>	<u>2,158,178</u>
<b>Net income before other recognised gains and losses</b>		305,921	3,184,434
<b>Net movement in funds</b>		305,921	3,184,434
<b>Reconciliation of funds:</b>			
Total funds brought forward		-	-
<b>Total funds carried forward</b>		<u>305,921</u>	<u>3,184,434</u>

The notes on pages 23 to 29 form part of these financial statements.

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MENTAL HEALTH UK

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BALANCE SHEET  
AS AT 31 MARCH 2018

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	Note	£	2018 £
<b>Current assets</b>			
Debtors	8	1,998,007	
Cash at bank and in hand		1,599,174	
		<u>3,597,181</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(106,826)</u>	
<b>Net current assets</b>			<u>3,490,355</u>
<b>Net assets</b>			<u>3,490,355</u>
<b>Charity Funds</b>			
Restricted funds	11		3,184,434
Unrestricted funds	11		<u>305,921</u>
<b>Total funds</b>			<u>3,490,355</u>

The financial statements were approved by the Trustees on 10 January 2019 and signed on their behalf, by:



P Jenkins

The notes on pages 23 to 29 form part of these financial statements.

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**MENTAL HEALTH UK**

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**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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	<b>Note</b>	<b>Period ended 31 March 2018 £</b>
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	13	<u>1,599,174</u>
<b>Change in cash and cash equivalents in the period</b>		<b>1,599,174</b>
Cash and cash equivalents brought forward		<u>-</u>
<b>Cash and cash equivalents carried forward</b>	14	<u><u>1,599,174</u></u>

The notes on pages 23 to 29 form part of these financial statements.

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## MENTAL HEALTH UK

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1. Accounting Policies

##### 1.1 Charity status

The Charity was set up on 19 December 2016 as a Charitable Incorporated Organisation (CIO), registered in England and Wales, and treated as a public benefit entity. The first period is a long accounting period to 31 March 2018 to be consistent with the members of Mental Health UK.

Registered Office, 15th Floor, 89 Albert Embankment, London SE1 7TP.

Principal Office, 1st Floor Castlemill, Birmingham New road, Tipton, DY4 7UF.

##### 1.2 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Mental Health UK constitutes a public benefit entity as defined by FRS 102.

##### 1.3 Going concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees responsibilities.

##### 1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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## MENTAL HEALTH UK

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1. Accounting Policies (continued)

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

##### 1.6 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.

##### 1.7 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.

##### 1.8 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 Charity 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 within interest payable and similar charges.

##### 1.9 Financial instruments

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.



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**MENTAL HEALTH UK**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**1. Accounting Policies (continued)**

**1.10 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 Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity 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.

**1.11 Critical accounting estimates and areas of judgment**

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to relevant. Actual results may differ from these estimates.

No significant judgements or estimates have been made in the preparation of these financial statements.

**2. Income from donations and legacies**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>
Donations	<u>646,289</u>	<u>5,342,612</u>	<u>5,988,901</u>

**3. Analysis of expenditure by activities**

	<b>Grant funding of activities 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total 2018 £</b>
Grant making activity	<u>2,284,431</u>	<u>214,115</u>	<u>2,498,546</u>

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**MENTAL HEALTH UK**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**4. Analysis of grants**

	<b>Grants to Members 2018 £</b>	<b>Total 2018 £</b>
Rethink Mental Illness	1,661,802	1,661,802
Support in Mind Scotland	246,561	246,561
Hafal	217,902	217,902
Mindwise	158,166	158,166
	<u>2,284,431</u>	<u>2,284,431</u>

**5. Support costs**

	<b>2018 £</b>	<b>Total £</b>
Finance, human resources and IT	180,130	180,130
Events	20,225	20,225
Auditors' remuneration	8,500	8,500
Communication	1,311	1,311
Insurance	1,430	1,430
Computer licences	180	180
Just Giving charges	2,125	2,125
Bank charges	214	214
	<u>214,115</u>	<u>214,115</u>

**6. Net Income/(expenditure)**

This is stated after charging:

	<b>Period ended 31 March 2018 £</b>
Auditor's remuneration - audit	<u>8,500</u>

During the period, no Trustees received any remuneration.

During the period, no Trustees received any benefits in kind.

1 Trustee received reimbursement of expenses amounting to £393 in the current period. These related to travel expenses.

**7. Staff costs**

The Charity has no employees other than the Trustees, who did not receive any remuneration.

No employee received remuneration amounting to more than £60,000 in either year.

**MENTAL HEALTH UK**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

<b>8. Debtors</b>		<b>2018</b>
		<b>£</b>
Amounts owed by members		<b>1,998,007</b>

<b>9. Creditors: Amounts falling due within one year</b>		<b>2018</b>
		<b>£</b>
Amounts owed to members		<b>97,014</b>
Accruals and deferred income		<b>9,812</b>
		<b>106,826</b>

<b>10. Financial Instruments</b>		<b>Period ended</b>
		<b>31 March</b>
		<b>2018</b>
		<b>£</b>
Financial assets measured at amortised cost		<b>3,532,894</b>
Financial liabilities measured at amortised cost		<b>42,539</b>

Financial assets measured at amortised cost comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise amounts owed to members and accruals.

**11. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 19 December 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 March 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General Funds	-	646,289	(340,368)	305,921
<b>Restricted funds</b>				
Restricted Funds - Lloyds Banking Group	-	5,342,612	(2,158,178)	3,184,434
<b>Total of funds</b>	-	5,988,901	(2,498,546)	3,490,355

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**MENTAL HEALTH UK**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**11. Statement of funds (continued)**

The Lloyds Banking Group restricted funds relate to an agreement with Mental Health UK to establish and run the Mental Health and Money Advice Services across the four member charities, Rethink Mental Illness, Hafal, Support in Mind Scotland and Mindwise.

**12. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Current assets	315,733	3,281,448	3,597,181
Creditors due within one year	(9,812)	(97,014)	(106,826)
	<u>305,921</u>	<u>3,184,434</u>	<u>3,490,355</u>

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

	Period ended 31 March 2018 £
Net income for the year (as per Statement of Financial Activities)	3,490,355
<b>Adjustment for:</b>	
Increase in debtors	(1,933,720)
Increase in creditors	42,539
<b>Net cash provided by operating activities</b>	<u>1,599,174</u>

**14. Analysis of cash and cash equivalents**

	Period ended 31 March 2018 £
Cash in hand	1,599,174
Total	<u>1,599,174</u>

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**MENTAL HEALTH UK**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**15. Connected entities**

Rethink Mental Illness, Hafal in Wales, MindWise in Northern Ireland and Support In Mind in Scotland are all members of Mental Health UK. Mental Health UK is not controlled by any one of these entities.

**16. Related party transactions**

There have been no transactions with related parties during the period.

**17. Key management personnel**

Key management personnel are considered to be the Trustees, none of which received any remuneration during the period. The Senior Management Team are also considered to be key management personnel. Salaries amounting to £115,076, including employers' national insurance and pension contributions were recharged to the charity from Rethink Mental Illness in respect of the Senior Management Team.

**18. Funds received as agent**

During the year, Rethink Mental Illness, a connected party (note 14), received funds on behalf of Mental Health UK amounting to £1,998,000.

The balance held by Rethink Mental Illness at 31 March 2018 amounted to £1,998,000 and is included in note 7 as amounts due from members.

**19. Volunteers**

One of the charity's main donors, Lloyds Banking Group Plc, volunteer staff to help the charity in various ways such as running customer feedback workshops and helping to write databases to develop the helpline as well as other general volunteering. Each Lloyds Banking Group staff member can volunteer up to one day per annum.

The Royal Mail also provide staff to volunteer for the charity.