

The Compassionate Mind Foundation
Annual Report and Financial Statements
for the Year Ended 31 July 2021

Charity number: 1120364

Company number: 05888231

The Compassionate Mind Foundation

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The Compassionate Mind Foundation

Report of the Trustees for the year ended 31 July 2021

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 July 2021.

Reference and administrative information

Trustees and Directors

The Directors of The Compassionate Mind Foundation, a charitable company (the "Charity") are its Trustees for the purpose of Charity Law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and at the year-end are as follows:

Board of Trustees: Mrs D Woollands (*Chairperson- resigned 24th March 2021*)
Mrs J Gilbert
Dr T A Schroder
Dr K McEwan (*appointed Chairperson 24th March 2021*)
Mr D Shah
Mrs J Forrest (*Appointed 28th September 2020*)

President: Prof. P Gilbert

The Charity has the following Committees:

Committees: International Training Committee
International Research Committee
Strategic and Planning Committee

Charity number: 1120364

Company number: 05888231

Registered office: Office 29
Riverside Chambers
Full Street
Derby
Derbyshire
DE1 3AF

Accountants: Cedar + Co.
Chartered Certified Accountants
The Greenhouse
106-108 Ashbourne Road
Derby
Derbyshire
DE22 3AG

Bankers: The Co-operative Bank
PO Box 250
Delf House
Skelmersdale
WN8 6WT

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The Compassionate Mind Foundation
Report of the Trustees for the year ended 31 July 2021

Structure, Governance and Management

Governing Document

The Compassionate Mind Foundation is a Company limited by guarantee and a Registered Charity (collectively referred to as the "Charity"). The Charity 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. In the event of the Charity being wound up, the Trustees are required to contribute an amount not exceeding £10.

The Board has recently commenced the process of updating the Memorandum and Articles.

Objectives of the Charity

The Compassionate Mind Foundation (CMF) is a charity which promotes wellbeing through facilitating the scientific understanding and application of compassion via: Supporting research and teaching of an evolution and bio-psycho-social informed compassion focused approach to human difficulties, which now forms the basis of a psychotherapy, Compassion Focused Therapy (CFT) and Compassionate Mind Training (CMT).

- Liaising with those with specific interests in the scientific study of compassion and its underlying processes and facilitate communication and interchange between them.
- Facilitating open discussion on how to further promote a compassionate focus in many domains of human activity.

The Foundation provides workshops, conferences, and a number of different resources for clinicians and individuals (including a community member's only site) to support their work and personal practice, facilitate the open discussion on how to promote compassionate motives and behaviors across all domains.

Management

The responsibility to ensure appropriate management of the Charity is vested in the Board of Trustees.

Induction and Training of Trustees

Most Trustees are already familiar with the practical work of the Charity. However, new Trustees are encouraged to visit the Charity's offices, website, etc. and attend meetings and events to familiarise themselves with the Charity and the context in which it operates. The Charity is currently in the process of creating a handbook for Staff and Trustees which will include an induction process and guidance.

Risk Management

The Board has agreed a risk management structure for the organisation and has identified the major risks to which the organisation is exposed. Where appropriate, systems and procedures have been established to mitigate the risks faced by the Charity. Internal control risks are minimised by the implementation of procedures for authorisation of transactions and projects.

The Compassionate Mind Foundation

Organisational Structure

The Charity is managed by the Board of Trustees, who are supported by the employees and a number of committees, who represent a variety of professional backgrounds relevant to the work of the Charity. The employees meet with the Trustees on a quarterly basis to discuss the future strategy and policy of the Charity in an advisory capacity.

The final decision-making process is the responsibility of the Trustees.

Financial Review

During the pandemic, the Charity had to change their approach to delivering their planned workshops and conferences from face to face to online. This greatly expanded the reach of the training, allowing delegates from across the world to join. Alongside this, given the nature of training (working with human difficulties) and the suffering caused by the pandemic, this extended the interest and demand for CFT training. The Charity, therefore, provided a greater number of workshops online, which significantly increased income, but with relatively low costs to run compared to face-to-face events in previous years.

Given the rapid growth, the Charity plans to reinvest funds into training development, providing a combination of face to face and online training. There are also considerable plans for developing the infrastructure, employing more staff to support the increased activities. Funds will also be used for research projects as well as developing resources such as freely available video series like the 'Compassion and Safe Relating' series developed during the pandemic.

The Charity will also continue to offer more scholarships and award free places on the training programmes, workshops, and conferences.

Reserves Policy

The policy of the Trustees is to generate funds from training events and charitable donations in order to facilitate the work of the Foundation. This is to increase the awareness and use of Compassion Focused Therapy and Compassionate Mind Training in a variety of psychological and social domains. In addition, The Trustees have agreed that 25% of the funds of the Charity will be used to fund research projects into compassion focused social and psychological research. Currently, we are developing a fund from training events to cover the costs of running the Charity, maintaining the website, and paying trainers.

In order to do this, the Trustees estimate that a reserve of £235,000 is required to cover six months running costs of the Charity. The financial statements currently show £357,678 in reserves for the Charity as at 31 July 2021. The Trustees will continue to monitor the reserves policy as the last 2 years have been a shift in the Charity's activities due to the Pandemic and may incur larger running costs going forward.

Trustees' responsibilities in relation to the financial statements

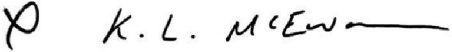
Company Law requires the Trustees to prepare financial statements that give a true and fair view of the state of the affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the Charity will not continue in business.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and enables them to

ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

 K. L. McEwan

Dr K McEwan
1st February 2022

The Compassionate Mind Foundation

Independent examiner's report to the Trustees of the Compassionate Mind Foundation

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or 2. the accounts do not accord with those records; or 3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or 4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Cedar + Co.
Chartered Certified Accountants
The Greenhouse
106-108 Ashbourne Road
Derby
DE22 3AG

Date: 01.02.2022

The Compassionate Mind Foundation

Statement of Financial Activities
Income and Expenditure Account
for the year ended 31 July 2021

	Note	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total 2020 £
Incoming resources				
Income from activities			546,026	381,645
Donations			1,476	92
Marmot Grant		10,100		
Reed Foundation Schools project				35,640
Big Lottery Funding				4,432
Total incoming resources		10,100	547,502	421,809
Resources expended				
Reed Foundation Schools project		2,255		30,027
Big Lottery Funding				4,432
Marmot Grant		5,850		
Costs of activities	2		287,824	331,713
Governance costs	3		55,376	39,997
Total resources expended	4	8,105	343,200	406,169
Net incoming resources		1,995	204,302	15,640
Fund balance brought forward at 1 August 2020		5,613	145,768	135,741
Fund balance carried forward at 31 July 2021	9	7,608	350,070	151,381

The Compassionate Mind Foundation

Balance sheet as at 31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	15,898	14,758
			<u>14,758</u>
Current assets			
Stock		500	610
Debtors	7	21,936	41,155
Cash at bank and in hand		428,746	230,100
		<u>451,182</u>	<u>271,865</u>
Creditors	8	<u>109,401</u>	<u>135,242</u>
Net current assets		<u>341,781</u>	<u>136,623</u>
Net assets		357,679	151,381
Capital funds			
Restricted funds	9	7,608	5,613
Unrestricted funds	10	<u>350,070</u>	<u>145,768</u>
		<u>357,678</u>	<u>151,381</u>

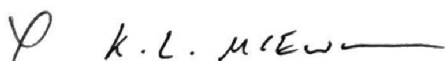
For the year ending 31 July 2021 the charity is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Board of Trustees have not required the company to obtain an audit of its financial statements for the year ended 31 July 2021 in accordance with Section 476 of the Companies Act 2006.

The Board of Trustees acknowledge their responsibility for complying with the requirements of the Act with regards to the accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board on 1 February 2022 and signed on its behalf by:



Dr K McEwan (Chairperson)

The Compassionate Mind Foundation

Notes to the financial statements for the year ended 31 July 2021

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005).

b) Company status

The charity is limited by guarantee and every member undertakes to contribute such an amount, not exceeding £10, as may be required in the event of the charity being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company.

c) Fund accounting

Unrestricted funds 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.

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

Restricted funds are funds which are used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost 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.

d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with administration of the charity, compliance with constitutional and statutory requirements and the reasonable costs of Trustees attending Charity meetings, conferences and workshops.

f) Tangible fixed assets

Depreciation is provided on tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Website	- 25% on a straight line basis
Office equipment	- 25% on a straight line basis

The Compassionate Mind Foundation

Notes to the financial statements for the year ended 31 July 2021

2 Cost of activities

	Direct 2021 £	Staff costs 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Activities	149,396	135,916	2,512	287,824	331,713

Direct costs are those associated with providing the activity, for example, trainer fees, room hire and travel costs.

Other costs include support costs and other indirect costs.

3 Governance costs

	Other 2021 £	Depreciation 2021 £	Total 2021 £	Total 2020 £
Governance costs	45,453	9,923	55,376	339,997

Other governance costs represent administration and accountancy fees.

4 Total resources expended

	2021 £	2020 £
Total resources expended	351,195	406,169

Included in the above is depreciation totaling £9,923 (2020: £8,194)

The Compassionate Mind Foundation

Notes to the financial statements for the year ended 31 July 2021

5 Staff costs and Trustee remuneration

On average the Charity had 7 employees (5 Full-time Equivalent) during the year. The total amount of staff costs for the year was £135,916.

No Trustees were paid any remuneration during the year. Reasonable costs for Trustees to attend Charity meetings, conferences and workshops were paid by the Charity.

6 Tangible fixed assets

	Website £	Office Equipment £	Total £
Cost			
At 1 August 2020	18,209	36,667	54,876
Additions	5,800	5,264	11,064
At 31 July 2021	24,009	41,931	65,940
Depreciation			
At 1 August 2020	14,320	25,799	37,367
Charge for year	3,789	6,134	9,923
At 31 July 2021	18,109	31,933	50,042
Net book value			
At 31 July 2021	5,900	9,998	15,898
At 31 July 2020	3,889	10,868	14,758

7 Debtors

	2021 £	2020 £
Trade debtors	15,820	12,428
Prepayments and deferred expenses	6,116	28,727
	21,936	41,155

The Compassionate Mind Foundation

Notes to the financial statements for the year ended 31 July 2021

	2021	2020
	£	£
8 Creditors		
Trade creditors	12,443	11,420
Accruals and deferred income	93,661	122,310
Other creditors	3,297	1,512
	<u>109,401</u>	<u>135,242</u>

9 Fund balances

Restricted funds

Reed Schools Project

The Charity received funding of £71,280 in 2020. a balance of the fund brought forward was £5,613 and £2,255 was expended in the year ended 31 July 2021. There is a further payment of £2,230 expenses on 5th November 2021. We will be able to fully expend the balance at 31st July 2022

Marmot Grant

A £10,100 grant was received in 2021 towards a project exploring Compassion in Politics, a project focusing on developing a Compassion Act. £5,850 expended in the current year and the balance of £4,250 was carried forward in the year ended 31 July 2021.

Designated funds

The charity received a Donation of £10,000 from Slimming World in the financial year ended 31 July 2019. A balance of £1,172 was carried forward as at 31 July 2020. During the year these funds are fully expended and the balance at 31 July 2021 amounted to £Nil

10 Unrestricted funds

At 1 August 2020	145,768
Designated funds (Slimming World/Bipolar)	-
Other incoming resources	204,302
At 31 July 2021	<u>350,070</u>