



Mental Health Concern

Trustees' report and financial statements

Year ending 31 March 2021



Company registration number 2073485
Charity number 619332





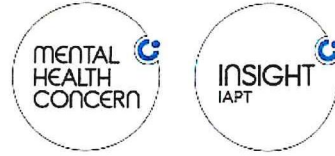
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Trustees	Ms R Granger Dr A Walsh Mr D Arthur Mr R McEvoy Mrs S Medcalf Mr G Puntis Dr W Kaiser	Chair Vice Chair (Appointed 26/04/21)	
Company registered number	2073465		
Charity registered number	519332		
Registered office	Buttress House 36 Brenkley Way Seaton Burn Newcastle upon Tyne NE13 6DS		
Executive team	Adam Crampsie Brendan Hill Scott Vigurs Sahreen Safdar Sarah Dewar Claire Farnell	Chief Executive (Joined 01/01/21) Chief Executive (Left 09/04/21) Chief Operating Officer Chief Finance Officer Chief People Officer (Joined 15/03/21) Director of People (Left 03/01/21)	
Independent Internal Auditors	Audit One Kirkstone Villa Lanchester Road Hospital Durham DH1 5RD		
External Auditors	Haines Watts 17 Queens Lane Newcastle NE1 1RN		
Bankers	Lloyds Bank plc High Street Gosforth Tyne and Wear NE3 1JQ		
Solicitors	PGS Law Law Court Chamber Waterloo Square South Shields NE33 1AW	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF	Gordons LLP Riverside West Whitehall Road Leeds LS1 4AW



The Trustees (who are also Directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Mental Health Concern (the company and the Group) for the year ended 31 March 2021.

The Trustees confirm that the annual report and financial statements of the company and the Group comply with the current statutory requirements; the requirements of the company and the Group's governing document; and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

Mental Health Concern sits alongside its subsidiary/primary purpose vehicle, Insight Healthcare. We had a year of change this year with our CEO Brendan Hill leaving the organisation in January and passing on the reins to our new CEO Adam Crampsie. We would like to thank Brendan for his dedication and commitment to the organisation over the years and welcome Adam Crampsie to support the next phase in our journey as an organisation. We have had many positive changes this year and as part of those changes have taken the opportunity to revisit the basics. Through internal workshops and service user engagement we have defined a new purpose for our organisation which is underpinned by a new mission.

Our new purpose - We are here so nobody struggles alone

Our new mission is to provide high-quality, integrated mental health and wellbeing services, placing people and communities at the heart of everything we do.

Our new CEO is leading a project named 'Shaping our future' to define what we will do over the next 3 years to achieve our purpose. The detail of this will be shared in our next report, as work is still in progress. We have also recently, refreshed our values to link in with this with work. The organisational values have been simplified so that they are easier to remember, but also take the great principles of our existing values and link them to our future plans.

We now work to a strong set of organisational values, and we uphold these in all the work we do. We value:

- Innovation
- Compassion
- Accountability
- Respect
- Excellence



We continually strive to maintain, consolidate and develop our position as a key not-for-profit provider of NHS, local authority, and grant-funded services, supporting people with a wide range of mental health conditions. We specialise in:

- 24-hour nursing services for people with dementia. Our support also includes respite care, assessment, and a Community Challenging Behaviour Team.
- 24-hour nursing services for people with complex mental health problems, supporting their rehabilitation and recovery.
- Housing with Care and Support services.
- Community and Wellbeing services, which support meaningful activity and employability.
- Through our subsidiary, Insight Healthcare Limited (trading as Insight IAPT), we provide Employee Wellbeing services and Primary Care Mental Health services, centred on the delivery of a range of psychological therapies.
- Hosting and support for smaller mental health-related projects.

We continue in our endeavours to improve our service provision, policy, and practice, in order to keep pace with the ever-changing demands of health and social care. We work alongside other providers and statutory commissioners to develop and maintain joined-up, person-centred services. Our position as a key provider of NHS-funded services continues.

Our services continue to comply with, and often exceed, national monitoring standards and performance monitoring expectations set by our commissioners.

The health and care landscape is changing; the emergence of Integrated Care Systems, Integrated Care Partnerships, and place-based health and care and Primary Care Networks mean that we must ensure our services align with the new architecture. Local transformation agendas are extremely challenging for all, so our strong reputation for partnership has helped us maintain our role as an integral part of local health and care economies.

We continue to demonstrate our commitment to system working and transformation, with our new Chief Executive and senior staff playing a key role on a range of North East and national boards and forums. We have also maintained our commitment to a range of service developments in partnership with our NHS and local authority colleagues across several geographical footprints, while continuing to play a leading role in the development of the wider voluntary and community sector.

We were pleased to have maintained Information Governance accreditations at level 2 for both Mental Health Concern and Insight IAPT.

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit. The services we offer in the areas we are commissioned are available free of charge to those who need our support. Our work not only benefits individuals and their families, but also the wider community by reducing the impact and cost of ill-health to society.



Achievements and performance

Key financial performance indicators

	2021	2020
Change in Revenue %	2.2%	25.4%
Change in Revenue	£0.74m	£6.76m
Change in Charitable Expenditure %	-5.6%	16.2%
Change in Charitable Expenditure	-£1.78m	£4.43m
Workforce	835	886

Review of Mental Health Concern activities

COVID-19 has posed unprecedented challenges to our service delivery in this year, as it has for all healthcare providers. Nevertheless, we have maintained service continuity throughout the pandemic and have continued to achieve good outcomes for our beneficiaries.

- We deliver care and support across three broad areas:
- Older People's Services
- Adult & Housing with Care and Support
- Community and Wellbeing Services

Older People's Services

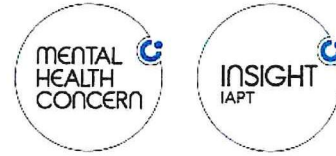
We believe passionately in providing good care to people with dementia and their families and that no one should have to struggle alone when they're caring for someone with dementia. We're here to make sure that they don't. We know a lot about how to care for people with dementia, as we have been providing services for over 30 years now.

We've learned that caring for someone with dementia can be really hard. However, our expert teams know that even the most 'challenging' person with dementia is only expressing their needs. This means that we understand the person with dementia in a way that meets their emotional and physical needs. And when we don't meet these needs, we stay compassionate and caring, because we know that the person with dementia is still a person – a mother, father, sister, a creative human being who deserves love, compassion and dignity.

In Gateshead, we provide four types of services for people with dementia:

- 24-hour specialist nursing care
- Respite care
- Short-term assessment (as an alternative to hospital admission)
- Community challenging behaviour support

We have worked hard to maintain the quality of our services throughout this year. All our homes have been inspected by the CQC and we are delighted to have maintained 'Good' ratings in all of our CQC-regulated services, despite the significant challenges that adapting to providing care in the pandemic has brought.



Our response to the COVID-19 pandemic has been robust and proactive. Because of the hard work, flexibility, and dedication of all our clinical and managerial staff in Older People's Services, we have been able to maintain good levels of services. We have maintained a strong supply of personal protective equipment to all staff and have adapted our care environments so that all buildings have areas that people can be nursed in isolation from others. We rapidly adapted our community services, including respite and challenging behaviour support, so that they became focused on supporting people at home. We also developed a day support service for our families most in need, with the support of our commissioners.

During 20/21, we had two outbreaks of COVID-19 in our dementia care services. The first, at Pinetree Lodge, was very early in the pandemic, as the national response was still being formed. The second was at Briarwood in summer 2020. Both outbreaks were rapidly contained, and no further COVID-19 infections have occurred in staff or residents outside of these outbreaks. Full investigations and enquiries into both outbreaks were conducted, ensuring that all appropriate learning from the outbreaks was taken and that our infection prevention and control policies and practices were robust.

Adult Services

In our Adult Services, we support people recovering from mental ill-health, and who are often taking their first steps away from hospital or secure accommodation. Our services are mostly commissioned by the NHS, which means that we can provide high levels of 24-hour specialist support and can help those people that many other organisations cannot.

Sometimes, people with very complex mental health problems get stuck in the 'system'. It is hard to find community-based services that help these people, who have often experienced significant trauma in their lives, to recover and become settled into an 'ordinary' life. Our services, led by highly experienced clinicians, are used to being embedded into communities and are skilled at balancing risk with the opportunity to help someone flourish and recover. We have a track record of enabling people, who would otherwise be stuck in the 'system', to build their lives back and to move on to live full lives in their communities.

We are delighted to have maintained CQC quality rating of 'Good' at Jubilee Mews and Coalway Lane. Despite the significant challenges the pandemic has brought in admitting and discharging people from nursing care services, we have still supported 30% of our service users to move on to more independent accommodation this year. Across our Adult and Housing Services, we have not had an outbreak of COVID-19 among either staff or service users.



Community and Wellbeing Services

Mental health problems often develop when something goes wrong with our families, work, housing, money, friendships, or in our early lives.

Our teams of link workers and social prescribers know this. Our people are energetic, compassionate, and knowledgeable about the health and social care system. They know how to get alongside someone (often because they've had similar life experiences) to really find out what's happened to the person and properly 'connect' with them. Once we know how to help, we get the person linked into the services and resources that they need. And where these don't exist, we co-create them in partnership with the people that we're here to support.

During the pandemic, we rapidly adapted all our Community Services to remote support, which meant that we did not have any service interruption and were able to continue to support our beneficiaries.

We also continued to develop and grow our Community Services this year, supporting over 1,600 people with a wide range of needs. We have expanded the reach of our Together in a Crisis service to all Tyne and Wear boroughs and into Northumberland. We were successful in our bid to provide Northumberland Recovery College, which is now active. We have also been commissioned by Northumberland CCG to lead an alliance of voluntary and community organisations, to deliver services and initiatives aligned to the local mental health transformation agenda, informed and lead by people with lived experience of mental health problems.

Insight IAPT services

The COVID-19 pandemic presented an unprecedented challenge to IAPT service delivery. NHS England stated that it was imperative that IAPT services continue to offer access to psychological therapies, acknowledging that many people would experience common mental health issues in the context of social distancing and self-isolation. Government advice indicated the requirement to deliver treatment more flexibly during this period, particularly by telephone or other digital modes including video conferencing, written support, and digitally-enabled programmes.

A library of resources was made available with guidance that contained information on best practice, to support services to continue to deliver high-quality treatment while protecting their colleagues and patients.



Insight IAPT's workforce rapidly adjusted to new ways of working. Clinical outcomes and patient experience results have remained strong during 2020/21. This year, Insight IAPT achieved an organisational score of 46% on the nationally mandated '50% Moving to Recovery'. This is due to the Wirral and Impact Tees services achieving low outcomes and having large numbers of clients accessing services, when added to the denominator it brings the overall % down. IMPACT Tees is a new service we have taken on and are delivering in partnership and Wirral recovery rates are continuing to improve since taking on the service. If the clinical outcomes for these two services were excluded, the Movement to Recovery would increase to 55%.

Externally, Insight IAPT maintains transparent and constructive relationships with all commissioners, continuing to work closely with partners to support the growth of Integrated Care Systems, ensuring that we assist systems to join up decision-making and integration of services.

Internally, Insight IAPT has completed a significant transformation plan, the main drivers of which were to improve patient access and experience, reduce waiting times, standardise and streamline operational processes and improve recruitment and retention. We invested £350,000 into the transformation, the major outputs of the programme are listed below:

- Rebranded the organisation to 'Insight IAPT' and designed, developed and launched a new engaging, patient-friendly website, supported by local marketing campaigns.
- Introduction of affiliate staff and portal to help bridge the vacancy gap and manage demand at our 'any qualified provider' contracts.
- Design and launch of an Insight IAPT Standard Operating Procedure to be used across all services, helping to ensure best practice is consistently delivered across all contracts.
- Recruitment of a Performance and Data Analyst to work alongside Insight management-embedding a culture of continuous improvement through self-evaluation of data and activity.
- Implementation of a clinical learning and wellbeing hub. This provides a wide range of information for clinicians to enhance their practice and manage their own wellbeing.
- Launch of a full year training and CPD programme for each therapy modality with a range of expert speakers covering topics requested by practitioners.
- Implementation of a Central team to manage risk on access.
- Centralisation of the Administrative team, this has brought an improved, efficient and a more cohesive and streamlined approach to managing the patient journey.
- Implementation of webinars as a new type of intervention, allowing Insight to manage large numbers of patients on waiting lists in one go. The first programme that launched had over 200 patients take part with 70% move to recovery.
- Relaunch of SilverCloud our Digital therapy offering, with automatic links created between Silvercloud and our system that will reduce time spent by practitioner manually inputting the information.

Moving in to 2021-22, we are starting to see the positive impact of the various transformation workstreams. There will continue to be close monitoring of the various changes throughout the year as new processes embed.



Wellbeing at Work

These services have continued to evolve since embedding it within our National team. An external expert has undertaken a full review of this service and will be presenting their findings and recommendations for 2021/22.

Feedback from clients, carers, and service users

We encourage feedback so that all feel able to give full and candid details of their experience with the aim of optimising the value of the information for the purpose of ensuring services continuously improve to best meet service user needs.

Mental Health Concern specialist services

Pinetree Lodge

"I want to say a personal thank you – not just from me, but from Gateshead Council. We know that we've got some amazing people working in this facility, the caring that you give is second to none. I want to say a personal thank you, because my sister is one of your residents. My family is so grateful, because it's such a special thing to know that your loved ones are being cared for properly, because it's a big worry when they're not with you. It's really comforting to know they're here and they're being looked after."

- Dot Burnett, Mayor of Gateshead

Community Services (Together in a Crisis)

"I feel like me again. I feel so positive about my life and the future now. I couldn't have done it without you (LW), you have helped save my life. I could not fault the service, TiaC have been brilliant- the best service I have ever worked with."

"It's been up and down and there have been times where I haven't been very nice to you. But you stuck with me, and you didn't give up. I think of you as my friend now and I will miss talking to you. I think having someone to talk to every week has helped me, as my thoughts can get mixed up in my head. I have learned so much from you."

Community Services (pandemic support)

"You don't know them, but when you're feeling low or are in tears, they've had me laughing by the time they come off the phone. I don't know how I would have coped without it."

"I can't believe how many times people are willing to call me and have a chat. I can't believe how happy I am to hear another human's voice."



Primary care and IAPT services

"I thought it was very, very helpful given everything that has been going on in my life. I couldn't recommend it highly enough for others. You guys are doing a great job."

"EMDR really helped me deal with something bad in my life that I had locked away. I was able to deal with this with [my therapist's] help. I can't believe how my life has changed and I now see a future for myself."

"I am extremely grateful for the interventions, support and guidance that I have been provided with to assist me in dealing my anxiety. I have been sent so many valuable resources which will continue to help and guide me, and they have been personalised for my needs. The therapist was extremely professional and knowledgeable, and I have gained so much from these CBT sessions. Thank you so much for everything."

"It's changed my life... for the better. I cannot thank [my therapist] enough for her belief in me her understand and wealth knowledge and her passion and encouragement. And praise! She made me accept that I wanted and was able to understand my issues and want to change. I have never experienced therapy like this before and I feel so blessed. Whoever has [my therapist] next is very fortunate indeed. I'm sad to have come to the end of my sessions but I feel equipped to apply what I have learnt and have a happier, richer and more content future. Thank you so much!"

Financial review

Financial performance

We made a surplus of £3.1m for the year, which compares to a surplus of £1.6m in the prior year. We have continued to review areas where we are able to make efficiencies and have been successful in a number of new services. The pandemic gave us the opportunity to reduce our waiting lists significantly, in particular in the AQP areas, which contributes to the surplus made this year. We also made significant savings in the cost of premises, due to being unable to deliver face-to-face therapy for Insight IAPT services. As a result of this, together with our aim to work in locations that are embedded in communities, we exited a number properties. In 2020/21 we have also seen the second year of funding from the NHS 5 Year Mental Health Implementation Plan filter into our income, with an average increase of 1.4% in the year across our different funding streams.

We have seen a significant drop in referrals for Q1 of 2020/21 in the AQP areas due to the impact of COVID-19. However, given that there was a substantial level of waits for a number of our services, we have managed to redeploy colleagues to those areas to reduce the financial impact. In the period we experienced a downturn in referrals, we have managed to reduce our waiting lists and we expect to see a rise back to budgeted levels by the end of Q2 in 2021/22. We have also drawn down any eligible Government funding available, to minimise the risks associated with the pandemic.



Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 1.3. The trustees have assessed the impact of COVID-19 and believe that there is limited financial risk associated to the organisation.

Financial risk management objectives and policies

Within the Strategic Risk Register, which is reviewed quarterly by the trustees, the most significant financial risk facing Mental Health Concern and Insight IAPT is the reliance on commissioned public contracts in a continuing period of economic austerity, and the impact of inflation risk.

Trustees review liquidity through regular reports including income and expenditure accounts, balance sheets and cash flow forecasts. To date, our liquid assets have been sufficient to mitigate the impact of quarterly funding from the NHS and the impact of payments in arrears for relevant IAPT services. All our services are subject to the risk of increases in purchase price of supplies. As a result of our review of central costs, we now have a dedicated resource for procurement to ensure that we benefit from economies of scale. As a result, we have seen efficiency savings in our central cost purchasing. We will continue to target key areas of significant spend across the Group in 2021/22. Where practical, prices are agreed in advance through supplier quotations and tendering, focusing on key areas within the year to gain economies of scale. Our budgeting and forecasting processes are designed to alert management and trustees to potential problems.

We do not make charges to individuals for the services we provide, and as such have no exposure to credit risk in relation to service users and beneficiaries. Funding from the NHS and local authorities is based on commissioned services under standard public sector contracts. As this funding is derived from government-related public bodies, it is considered that credit risk is minimal.

Each of our organisations has interest-bearing assets, in the form of cash deposits, which are subject to changes in interest rates. Significant levels of cash need to for operating funds to meet liquidity risk. The poor levels of interest have been recognised in our investment policy and, as a result, we have moved cash into fixed deposit accounts maturing over three, six, nine and 12-month cycles to mitigate risk and ensure we are working our funds as best we can.

Principal risks and uncertainties

We have an extensive range of policies and procedures in place; coupled with the requisite training, clinical supervision, and support to mitigate potential risks. A strategic risk register is maintained, reviewed, and updated by the executive team, the governance committee, and then the board. The controls in place provide reasonable, but not absolute, assurance that risks have been adequately mitigated.



The principal risks highlighted by our review and monitoring are:

- We work with some very vulnerable individuals and we recognise the risks involved in delivering our services: to service users themselves, their families, our staff, and to the general public. We have clinical policies, procedures, supervision, and training that are regularly updated and reviewed to ensure our practices and services minimise potential harm.
- Our services are commissioned, and we recognise the financial pressures on public funded services, as well as the constantly changing commissioning environment. The executive team work closely with all commissioning groups to ensure that these risks to the charity are minimised. All new services and re-tenders are subject to financial and operational review, to ensure our standards of delivery are both viable and clinically sound.

We operate alongside the NHS and other NHS-commissioned services and face competition to recruit and retain professionally-trained, experienced and knowledgeable staff. Our colleagues understand the financial position this puts us in and have accepted our attempts to ensure that we have an efficient and sustainable cost base. We also understand the pressures faced by our workforce and we try to ensure our remuneration packages are competitive.

Coronavirus Pandemic

At the beginning of the pandemic in March and early April 2020, Pinetree Lodge experienced a COVID-19 outbreak. A total of 14 residents experienced symptoms and a total of 12 Staff were confirmed positive by test.

On 29 August 2020, an index case of a COVID-19 outbreak was identified for a resident at Briarwood Mill View. All residents and staff were subsequently tested, and between 29 August and 9 September 2020, 11 residents and 16 staff tested positive for the virus.

Our management of the pandemic included:

- Updating of service business continuity plan
- Introduction of covid specific workplace risk assessments to ensure covid safe environments
- Management and monitoring of PPE
- Additional infection, prevention and control training, guidance and policies
- Development of visitors and relatives policies
- Home working in line with government guidance
- Dedicated staff covid communication site and staff wellbeing resources

Adapting our services to meet people's needs and support people struggling to cope with the pandemic, e.g. community and wellbeing services provided much needed practical support to help people stay connected with others and our IAPT services provided skype and telephone therapy when face to face appointments had to be ceased.

Aside from our two outbreaks of COVID-19 in March and August, our infection rate has remained low in most of our 24-hour services. Staffing has been challenging throughout the year but contingency planning and staff dedication enabled our services to function and maintain a safe environment.



Free Reserves policy

Trustees have considered a risk-based reserves policy, taking into account the issues raised by the strategic risk register, which has in turn fed the investment policy. The reserves policy was agreed last year and reviewed again this year, and the target reserves remain unchanged at £3m. The trustees have established the need to increase the level of free reserves, to provide additional security against risks that may arise in the future.

Mental Health Concern and Insight IAPT made a surplus of £3.1m. Having carried out a review, the trustees recognise that there are number areas that require investment over the next 12-18 months to protect the charity from risk, and to deliver on the strategic priorities set for the next three years. Following a detailed review of our estates portfolio, and the clear need for an estates investment plan, the trustees believed it was prudent to increase designated reserves relating to property maintenance by a further £1.126m. These funds will be used over the next 12-18 months to carry out some much-needed works to our portfolio of properties.

The recent work undertaken as part of the Transformation Programme this year has emphasised the need to set aside £100,000 for essential development work required to bring Insight+ to the level of functionality needed operationally as a minimum, whilst we carry out a full options appraisal as to whether further investment in the current product is the most viable solution for us going forward.

In addition to the above, and to help achieve the recently set strategic priorities, the trustees have designated the following funds in the year:



Designated funds	Amount £000's	Fund description
Insight Interim Development fund	100	The trustees recognise the need to continue to invest within our current CMS to develop the functionality needed
Data warehouse fund	225	This is the capital investment required to set up a data warehouse and move towards becoming a data-informed organisation. We are committed to using data and insights to improve joined-up decision making
Back office systems & processes	500	It is vital that we invest appropriately in our central support services, this fund has been set aside to allow us to improve and implement new joined up back office systems and processes. The aim is to simplify our organisation and become more efficient in what we do
Older People's Strategy	1,000	The trustees recognise the need to invest further funds to improve the environments of our Older People's Services, and the potential level of investment required to do so. A full assessment is being undertaken next year and this fund has been set aside to kickstart the investment potentially required. Further funds will be raised through several approaches, including but not limited to the sale of assets, grants, current funders, etc.
Shaping our future	100	To achieve the overall strategy, there are several costs relating to the roll-out of the plan that require funds to be set aside.
Investment in people	250	We would like to reward our staff for the efforts they have made in the year of the pandemic and have set this fund aside to invest in our people to create a high-performing organisation.

In 2020/21, we have been able to increase our free reserves to come closer to achieving the £3m target, and the free reserves as at the 31 March 2021 were £2.3m. We have achieved the target we set last year and are confident we will reach our goal as planned in the next two years. Through our ongoing targeted efficiency plans, we are committed to developing a more robust reserve position.



Investment policy and performance

The Trustees have the power to invest and deal with the monies of the Charity not immediately required for the purpose of its business, in such investments or securities and in such manner as may from time to time be determined. The Trustees have held investments, other than investments in property for the use of operational services, as cash on deposit. Given the levels of cash held by the latter half of the year, there was a risk assessment carried out to determine the level of funds that could safely be invested that would not impact the working capital requirements of the charity. The Trustees recognised the need to start on the journey of diversifying funds for Investment and a decision was made to invest £500,000 of the unrestricted cash reserves with Investment Managers. A tender process was undertaken in the year to select the Investment companies suitable to invest our funds with.

Fundraising

As a result of the pandemic and the reduction in opportunities to fundraise in the traditional means the focus of our fundraising activities changed to writing bids for our front-line services to secure COVID related grants to further enhance our work within our communities. This enabled us to support more people to address increased social isolation and loneliness and provide practical help to those with reduced incomes by providing practical support with shopping and supply and delivery of food parcels etc.

Plans for future periods

The much-improved financial results are very welcome and a result of an organisational team effort. However, the environment we operate in remains extremely challenging, so as we enter the new financial year, we will need to continue to be vigilant regarding our costs and contractual income.

We continue to play a prominent role in the development of mental health and wellbeing services and have maintained and developed our reputation as an organisation that actively engages in partnership working with our statutory and third sector colleagues for the benefit of the people we serve.

Our future strategic plans are mindful of the demands for further health and care integration around the person, particularly in light of COVID-19, which is also grounded in our charitable objectives and values.

As we enter the final year of our three-year strategic planning cycle, as referenced previously our board and executive team are scoping the next phase in our development, where we will look to build on the progress made. COVID-19 learning will no doubt impact our aspirations and objectives, with the areas below already under consideration.

- Reviewing our primary mental healthcare delivery model in the context of increased home working and more online/digital delivery of therapy.
- Building on our increase of volunteering capacity in community services, ensuring that we retain and continue to strengthen our volunteer base.
- Assessing all our care environments, to ensure they are fit for infection control purposes.
- Assessing all our office buildings to ensure that we can operate safely from them, developing a longer-term strategy for this in the context of our delivery model review.

We have taken the decision to move our financial year end to 30th September and will therefore be extending the next year by a further six months to an 18 month period to 30th September 2022. We have made the decision to do so for a number of reasons that will benefit the organisation. The main driver for change is to allow the organisation to better budget and forecast based on the NHS commissioning cycles and given the financial success of the previous year, we feel it is now the right time to do so.



Structure, governance, and management

Constitution

Mental Health Concern is a company limited by guarantee number 2073465, incorporated on 12 November 1986 and is governed by its articles and memorandum. It is a registered charity with the number 519332.

Reference details for Mental Health Concern and its subsidiaries are set out below:

Name	Company number	Charity number	Status
Mental Health Concern	2073465	519332	Limited by guarantee
Insight Healthcare Limited (operating as Insight IAPT)	4391008	n/a	Limited by shares and a social enterprise
MHC / NTW LLP	OC360242	n/a	Limited liability partnership
MHC Resources Limited	6390967	n/a	Limited by shares and dormant

Mental Health Concern promotes, improves, and advances health in general and mental health in particular, including the prevention and treatment of mental ill-health via a wide range of commissioned services. It provides treatments and interventions, social housing and support, without distinction as to an individual's age, race, gender, sexual orientation, political, religious, or other persuasion. The charity actively promotes service improvement and development in the field of mental health and emotional wellbeing. The charity's business mission statement upholds that as a responsive and enabling organisation, we will endeavour to provide distinctive and effective services.

Method of appointment or election of trustees

The management of the company and its subsidiaries is the responsibility of the trustees, who are elected and co-opted under the terms of the Articles of Association. Terms of office for trusteeship have previously been established requiring re-appointment every three years, with two members reappointed during the year.



Policies adopted for the induction and training of trustees

The Articles of Association limit the number of trustees to nine individuals, increased from eight following a resolution approved on 26 August 2015.

The structure of the trustees' meetings allows them to discuss strategic issues and consider their performance during the year. It is at these meetings that the trustees consider whether they require additional trustees with experience and knowledge that is not currently available.

The Trustees all undertake annual Information Governance training and in 2021 – 22 this will be extended to include Safeguarding and Equality, Diversity and Inclusion.

The Articles of Association set out the process for appointment of new members. A board member would notify Mental Health Concern of the nomination(s) for election to the board in writing, not less than three days before each annual general meeting (AGM). At the AGM, the board would elect the member nominated and also elect a chair and a vice-chair.

Where it is deemed necessary to elect a new member to the board at a meeting other than the AGM, the nominated person would be proposed by a member and seconded by another member of the board of directors. This would follow discussions surrounding the nominee's credibility and suitability for a place on the board. The board of directors as a body is solely responsible for the election of any new members. All new trustees receive informal induction from members of the executive team.

Pay policy for senior staff

All employees of Mental Health Concern and Insight IAPT, including all senior staff, are remunerated in accordance with an approved pay structure, with all roles subject to job evaluation at creation or when changes in responsibilities are required of the post holder.

Employees are appointed to a salary band, which includes a range of salaries to reflect the experience and skills highlighted in the job evaluation. The range of salaries allows employees to incrementally increase their earnings towards the top of their salary band subject to performance. Employees undertake regular performance reviews with their line managers. Any proposed pay awards are presented to the Trustees for approval before the start of each financial year.

This year we benchmarked and remodelling our pay structure and we believe that our new pay bands better reflect our existing and emerging roles and will play an important part in recruitment and organisational development. We are confident that they will also improve retention, by recognising and rewarding existing colleagues for the important contributions they make.



We have outlined below the key developments that have emerged from remodelling.

We have reviewed pay bands and benchmarked these externally, resulting in the implementation of three new pay bands:

- Clinical Professional Affiliated Roles
- Clinical Support and Clinical Leadership
- Central Support Services and Managerial

We have taken significant positive steps towards better reflecting Agenda for Change pay scales in our revised bands for clinical professional affiliated roles. We have remodelled both central support/managerial and clinical support/clinical leadership to better reflect the external market

Where relevant, we have considered clinical experience and ensured this was reflected in the pay award.

The new pay bands and salary structure will form part of the wider colleague benefits and total rewards strategy, which will include a move towards more agile and remote working where feasible, enhanced wellbeing and support initiatives, and a refreshed focus on continuous professional development; all of which will be underpinned by improved colleague engagement and building an inclusive workplace.

A new remuneration committee was launched in 2020 and meets annually to consider the wider pay award for staff, as well as senior management salaries.

Organisation structure and decision-making

The governing body of the charity is the board of trustees, which has met formally six times this year, with additional informal meetings when required and a full-day meeting to specifically discuss the business plan and to review the effectiveness of the board.

The stated purpose of the board is to:

“Provide leadership to the charity within a framework of prudent and effective controls, which enable risk to be assessed and managed appropriately. It oversees strategy, reviews performance, and is ultimately responsible for safeguarding the charity’s assets. The board is responsible for promoting its collective vision of the organisation’s purpose, its culture, its values, and the behaviours it wishes to promote both internally and externally.”

The board of trustees has formally adopted the Charity Code of Governance for larger charities, and is actively involved in regular evaluation of its effectiveness, including a commitment to commissioning an external evaluation of its effectiveness every three years.

There are four committees focusing on:

- Quality and service delivery
- Finance
- People services
- Governance



Information is provided by requisite managers to support committee members and the board in their role to provide oversight, governance, and advice to the organisation. Every trustee is a member of at least one committee. The governance committee has a membership of the chair and the chairs of the three other committees.

Executive decision making and day-to-day management is vested in a professional team led by the Chief Executive.

The Chief Executive is responsible for advising and informing the board on the implementation of agreed organisational strategy, service development and delivery, as well as any requisite changes to the policy, and practice. He is supported by the executive team, which is responsible and accountable for the day-to-day management of clinical services, corporate and financial affairs, HR, and business development.

The Chief Executive meets regularly with the chair of trustees and provides full details of any significant issues as they may arise between the formal meetings.

Risk management

The trustees have assessed the major risks to which the company and its subsidiaries are exposed, in particular those related to the operations and finances, and are satisfied that the systems and procedures are in place to mitigate our exposure to the major risks.

We appointed Audit One as our internal auditors this year, following a detailed tender exercise to supplement our work on managing risks within the organisation and give the assurance needed to support this. A high-level three year plan and scope has been agreed, with a focus on high risk areas identified in the recent review of the strategic risk register.

Safeguarding

Our safeguarding systems and processes follow statutory guidance to ensure risk is management to protect both people who use our services and people who work in our services from harm, this includes:

- Appropriate policies for safeguarding Adults and Children, these include guidance for referring safeguarding concerns
- Training and resources, linking in with local authority provision to ensure staff are aware of their responsibilities
- Safe recruitment practices including DBS checks
- Organisational structure to respond to concerns and ensure appropriate actions are carried out including investigations.
- Whistleblowing and Freedom to Speak Up process in place
- Process to escalate risks which may need managing through risk register system

Funds held as custodian on behalf of others

The charity works with other organisations in pursuit of its charitable objectives and holds funds as custodian on behalf of others.

During the year, Mental Health Concern has administered funds on behalf of partner agencies and committees, in order to 'host' and develop projects whose objectives are mental health care-related. These functions are part of Mental Health Concern's role as an enabling organisation within the local mental health arena.

Our service users are sometimes unable to take full control of their own financial affairs and we are asked to receive their welfare benefits on their behalf. We hold residents' money separately from those of the charity and account to the residents and their carers for our actions. The funds are included within our cash deposits and the amounts owed to residents are held within creditors.



Members' liability

The members of the company and its subsidiaries guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Equality Diversity & Inclusion and Employee involvement

Mental Health Concern is committed to equal opportunities for all and gives full and fair consideration to job applications from people with disabilities. Colleagues who are disabled are treated as equal to other colleagues, with regards to continuing employment, training, career development, and promotion.

We are currently developing our EDI strategy with the key objectives listed below:

- Promote Equal Pay
- Develop strategic training on EDI
- Developing capability of leaders providing internal expertise to facilitate and promote EDI
- Deliver an exclusive organisational culture
- Create an organisation that represents the communities we serve

We are committed to open and full engagement with colleagues. All new colleagues receive a comprehensive induction, regular supervision, and ongoing appraisal/coaching discussions. All members of staff have access to the company website and intranet, and receive appropriate organisational and statutory training. Senior managers and the Chief Executive make regular visits to all the company's locations as part of their roles.

Mental Health Concern conducts an annual colleague survey and holds regular colleague forum meetings, where representatives from all parts of the organisation meet to discuss key organisational developments and can raise issues affecting colleagues. As a result of feedback from our colleagues, the following has been implemented during the year:

- New monthly 'Executive Team Stand-Up' sessions hosted by the executive team virtually – this serves as an update on important messages and an opportunity for questions.
- Online Learning Hub launched including all compliance-related learning, induction, and a wellbeing hub.
- Agile working policy and support for home working, including contributions towards home desks.
- The colleague forum will be enhanced further in 2021/22 and colleague surveying will move to bi-annual and to include a wellbeing pulse check.

Auditors

In accordance with the Companies Act 2006 a resolution proposing the appointment of Haines Watts as auditor for the period ending 30 September 2021 will be put to the members.



Statement of trustees' responsibilities

The trustees (who are directors of Mental Health Concern for the purposes of company law) are responsible for preparing the Directors' Annual Report, the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Accounting Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and its subsidiaries, and of the incoming resources and application of resources, including the income and expenditure for that period.

In preparing these financial statements, the directors 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 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company, ensuring that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and its subsidiaries, hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for ensuring the assets of the charitable company are properly applied in accordance with charity law.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

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.

The trustees adopted the Charity Governance Code for larger charities at the board meeting held on the 23 August 2021.

This report was approved by the trustees on 23 August 2021 and signed on their behalf by:



Ms R Granger
Chair

Opinion

We have audited the financial statements of Mental Health Concern (the 'parent charitable company') and its subsidiary (the 'group') for the year 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, 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 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the trustees report (page 9) and the accounting policies (page 29)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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, 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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the 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 group and 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 and 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

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.



Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "DB", written over a horizontal line.

Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts

24 September 2021

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

	Notes	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Income and endowments from:					
Donations and legacies	4	246	-	246	21
Charitable activities:	5				
Mental Health activities		10,691	1,963	12,654	11,611
IAPT services		21,092	-	21,092	21,614
Other trading activities		25	-	25	43
Investments	6	2	-	2	6
Other income		46	-	46	27
Total income		32,102	1,963	34,065	33,322
Expenditure on:					
Raising funds		22	-	22	23
Charitable activities	7	28,477	1,525	30,002	31,785
Total expenditure		28,499	1,525	30,024	31,808
Net income before investment gains		3,603	438	4,041	1,514
Share of profit/loss in joint venture		74	-	74	68
Other recognised gains/(losses)					
Loss on revaluation of properties		(966)	-	(966)	-
Loss of disposal of investment		(21)	-	(21)	-
Net movement in funds		2,690	438	3,128	1,582
Reconciliation of funds:					
Total fund brought forward		11,041	113	11,154	9,572
Total funds carried forward		13,371	551	14,282	11,154

Consolidated Balance Sheet
As at 31 March 2021

	Notes	£000	2021 £000	£000	2020 £000
Fixed assets					
Intangible assets	13		283		-
Tangible assets	14		7,697		8,700
Investments in joint ventures	15				
- Share of gross assets		409		165	
- Share of gross liabilities		(282)		(112)	
Share of net assets			127		53
Investments in associates	15		-		30
			8,107		8,783
Current assets					
Stocks	16	117		129	
Debtors	17	2,981		4,818	
Cash at bank and in hand		7,904		3,226	
		11,002		8,173	
Creditors: amounts falling due within one year	18	(4,734)		(5,700)	
Net current assets			6,268		2,473
Total assets less current liabilities			14,375		11,256
Creditors: amounts falling due after more than one year	19		(83)		(92)
Provisions for Liabilities	21		(10)		(10)
Net assets			14,282		11,154
Charity Funds					
Restricted funds			551		113
Unrestricted funds			5,407		4,905
Designated funds			3,732		431
Revaluation on reserve			4,592		5,705
Total funds	22		14,282		11,154

The financial statements were approved and authorised for issue by the trustees on 10/9/2021 and signed on their behalf by:

..... R.C. Granger

Ms R Granger
Chair

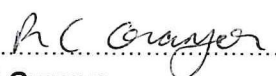
The notes on pages 29 and 53 form part of these financial statements

Registered company number: 2073465

Company Balance Sheet
As at 31 March 2021

	Note	£000	2021 £000	£000	2020 £000
Fixed assets					
Tangible assets	14		7,606		8,693
Investments	15		422		452
			<u>8,028</u>		<u>9,145</u>
Current assets					
Debtors	17	1,275		2,836	
Cash at bank		4,010		1,221	
		<u>5,285</u>		<u>4,057</u>	
Creditors: amounts falling due within one year	18	(1,928)		(3,208)	
Net current assets			<u>3,357</u>		<u>849</u>
Total assets less current liabilities			<u>11,385</u>		<u>9,994</u>
Creditors: amounts falling due after more than one year	19		(83)		(92)
Net assets			<u>11,302</u>		<u>9,902</u>
Charity Funds					
Restricted funds			551		113
Unrestricted funds			2,427		3,653
Designated funds			3,732		431
Revaluation on reserve			4,592		5,705
Total funds			<u>11,302</u>		<u>9,902</u>

The financial statements were approved and authorised for issue by the trustees on 10/9/2021 and signed on their behalf by:



Ms R Granger
Chair

The notes on pages 29 and 53 form part of these financial statements

Registered company number: 2073465

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	5,206	1,725
Cash flows from investing activities:			
Dividends, interest and rents from investments		2	6
Purchase of intangible fixed asset		(283)	-
Purchase of tangible fixed assets		(247)	(199)
Receipts for investments		9	-
Net cash used in investing activities		(519)	(193)
Cash flows from financing activities:			
Repayments of borrowings		(9)	(22)
Net cash used in financing activities		(9)	(22)
Change in cash and cash equivalents in the year		4,678	1,510
Cash and cash equivalents brought forward		3,226	1,716
Cash and cash equivalents carried forward		7,904	3,226
Cash and cash equivalents consist of:			
Cash in hand		7,904	3,226



1. Accounting Policies

The company is a company limited by guarantee and incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.1 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) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Mental Health Concern meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

1.2 Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Insight Healthcare Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis is adopted in preparing the financial statements due in part to the actions taken in light of our independent review. The trustees have assessed the impact of Covid-19 and believe that there is limited financial risk associated to the organisation.

1.4 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The 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.

1.5 Income

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income is interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company, this is normally upon notification of the interest paid or payable by the bank.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

1.6 Expenditure and irrecoverable VAT

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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

1.7 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible assets so as to write off the costs of an asset over its estimated useful life as follows:

Software development costs	33% straight line
----------------------------	-------------------

1.8 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	50 years to residual value
Leasehold property improvements	shorter of lease term or 50 years
Fixtures and fittings	1 – 10 years straight line
Office equipment	4 years straight line

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.9 Fixed asset investments

In the company balance sheet, investments in subsidiary undertakings and joint ventures are measured at costs less accumulated impairment losses.

Investments in joint ventures are stated at the charitable company's share of net assets. The charitable company's share in the profit and loss of the joint venture is included in the consolidated statement of financial activities using the equity based method.

1.10 Impairment of assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.11 Stocks and work in progress

Stocks and work in progress are valued at the lower cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Work in progress is valued on the basis of costs incurred on IAPT (Improving Access to Psychological Therapies) referrals which are ongoing at the year end. No element of incoming gains is included in the valuation of work in progress. Referrals relate to individuals' case files that have been opened and are in the process of being dealt with by staff of Concern group.

1.12 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.

1.13 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.

1.14 Creditors and provisions

Liabilities are recognised when there is an obligation at the balance sheet as a result of a past event. It is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principle capital amounts outstanding at the period end. Issue costs related to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

1.16 Deferred taxation

Deferred tax represents the future tax consequences of transactions and event recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which are they recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets is measured using the rates and allowance that apply to the sale of the asset.

1.17 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The group participated in the NHS defined contribution pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal case of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102 the group accounts for this scheme as if it was a defined contribution scheme. The amount charged to the statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

1.17 Taxation

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

1.18 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following estimates are included within the financial statements;

Work in progress

The group enters into contracts with customers with varying contract periods. Management consider that the main judgement and source of estimation arises from the estimation of progress within the specified services for amounts held as work in progress, and the assessment of the level of profitability around key contracts.

2. Financial performance of the charity

The Consolidated Statement of Financial Activities includes the results of the wholly owned subsidiary. The summary financial performance of the charity alone is;

	2021	2020
	£000	£000
Income	12,864	11,745
Gift aid from subsidiary company	1,356	111
	<hr/>	<hr/>
	14,220	11,856
Expenditure	(11,834)	(11,576)
Gain on revaluation of properties	(966)	-
Loss on investment	(21)	-
	<hr/>	<hr/>
Net income/(expenditure)	1,399	280
	<hr/> <hr/>	<hr/> <hr/>



3. Statement of financial activities for the prior year

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income and endowments from:				
Donations and legacies	4	21	-	21
Charitable activities:	5			
Mental Health activities		9,535	2,076	11,611
IAPT services		21,614	-	21,614
Other trading activities		43	-	43
Investments	6	6	-	6
Other income		27	-	27
Total income		31,246	2,076	33,322
Expenditure on:				
Raising funds		23	-	23
Charitable activities	7	29,794	1,991	31,785
Total expenditure		29,817	1,991	31,808
Net income before investment gains		1,429	85	1,514
Share of profit/loss in joint venture		68	-	68
Net movement in funds:		1,497	85	1,582
Reconciliation of funds:				
Total fund brought forward		9,544	28	9,572
Total funds carried forward		11,041	113	11,154

4. Income from donations

	2021	2020
	£000	£000
Donations	168	21
Government grants (HMRC furlough claims)	239	-
	<u>407</u>	<u>21</u>

5. Income from charitable activities

	2021	2020
	£000	£000
Dementia Care, rehabilitation and recover services	6,947	6,827
IAPT services provided under Insight Healthcare Ltd	21,092	21,614
Supported housing services	916	784
Community and wellbeing services	4,646	3,884
Other mental health services	145	116
	<u>33,746</u>	<u>33,225</u>

6. Investment income

All investment income relates to interest earned on deposit accounts.

7. Analysis of expenditure by activities

	Activities			
	Undertaken	Support	Total	Total
	Directly	costs	2021	2020
	£000	£000	£000	£000
Dementia Care, rehabilitation and recovery services	5,933	803	6,736	7,149
IAPT services	15,669	2,584	18,253	20,298
Supported housing services	625	81	706	721
Wellbeing services	3,882	348	4,230	3,517
Other mental health activities	70	7	77	100
	<u>26,179</u>	<u>3,823</u>	<u>30,002</u>	<u>31,785</u>

8. Support costs

	Mental Health Services £000	IAPT services £000	Supported housing £000	Wellbeing services £000
Wages and salaries	435	1,403	44	189
Office costs	30	95	3	13
Governance costs	40	128	4	17
Other costs	298	958	30	129
	<u>803</u>	<u>2,584</u>	<u>81</u>	<u>348</u>

	Other Mental Health £000	2021 £000	2020 £000
Wages and salaries	4	2,075	1,886
Office costs	-	141	118
Governance costs	-	189	236
Other costs	3	1,418	1,142
	<u>7</u>	<u>3,823</u>	<u>3,382</u>

9. Governance

	2021 £000	2020 £000
Wages & salaries	158	157
Audit fee	10	10
Trustee recruitment	-	-
Trustee liability insurance	1	1
Other	20	68
	<u>189</u>	<u>236</u>

10. Net income/(expenditure)

This is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets: owner by charitable group	284	296
Amortisation of intangible fixed assets	-	30
Loss on disposals of investment	21	-
Operating lease rentals	547	746
Bank loan interest	4	6
	<u>856</u>	<u>1078</u>

11. Auditors' remuneration

	2021	2020
	£000	£000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	10	10
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	5	5
	<u> </u>	<u> </u>

12. Staff costs

Staff costs were as follows:	2021	2020
	£000	£000
Wages and salaries	19,844	20,580
Social security costs	1,450	1,444
Other pension costs	915	1,151
	<u>22,209</u>	<u>23,175</u>

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

	2021	2020
	No.	No.
Nursing, therapy, support and administrative staff	835	886
	<u> </u>	<u> </u>

The number of higher paid employees was:

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	-
In the band £110,001 - £120,000	-	-
In the band £120,001 - £130,000	-	-
In the band £130,001 - £140,000	1	-
	<u> </u>	<u> </u>

Key management personnel are deemed to be those having authority and responsibility, delegated to them by trustees for planning, directing and controlling the activities of the charity, as listed on page 1. During the year their total remuneration, including employees benefits, amounted to £528,507 (2020 - £497,488).

13. Intangible fixed assets

Group	Software Development £000	Goodwill £000	Total £000
Cost			
At 1 April 2021	290	507	797
Additions	283	-	283
As at 31 March 2021	573	507	1,080
Amortisation			
At 1 April 2021	290	507	797
Charge for the year	-	-	-
At 31 March 2021	290	507	797
Carrying amount			
At 31 March 2021	283	-	283
At 31 March 2020	-	-	-
Company			
			Software Development £000
Cost			
At 1 April 2021			107
Additions			-
At 31 March 2021			107
Amortisation			
At 1 April 2021			107
Charge for the year			-
At 31 March 2021			107
Carrying amount			
At 31 March 2021			-
At 31 March 2020			-

14. Tangible fixed assets

Group	Freehold property £000	Long-term leasehold property £000	Fixture & Fittings £000	Office Equipment £000	Total £000
Cost					
At 1 April 2020	8,486	896	97	559	10,038
Additions	14	66	8	159	247
Disposals	-	(26)	(72)	(252)	(350)
Revaluation	(933)	(33)	-	-	(966)
At 31 March 2021	7,567	903	33	466	8,969
Depreciation					
At 1 April 2020	672	187	79	400	1,338
Charge for year	175	36	3	70	284
Disposals	-	(26)	(72)	(252)	(350)
At 31 March 2021	847	197	10	218	1,272
Net book value					
At 31 March 2021	6,720	706	23	248	7,697
At 31 March 2020	7,814	709	18	159	8,700

14. Tangible fixed assets (Continued)

Company	Freehold property £000	Long-term leasehold property £000	Fixture & Fittings £000	Office Equipment £000	Total £000
Cost					
At 1 April 2020	8,486	876	33	305	9,700
Additions	14	66	8	69	157
Disposals	-	(22)	(8)	(37)	(67)
Revaluation	(933)	(33)	-	-	(966)
At 31 March 2021	7,567	887	33	337	8,824
Depreciation					
At 1 April 2020	672	171	15	149	1,007
Charge for the year	175	34	3	66	278
Elimination on disposal	-	(22)	(8)	(37)	(67)
At 31 March 2021	847	183	10	178	1,218
Net book value					
At 31 March 2021	6,720	704	23	159	7,606
At 31 March 2020	7,814	705	18	156	8,693

The charity's freehold and leasehold property was revalued in February 2021 on an existing use basis by independent valuers, Sanderson Weatherall Chartered Surveyors, and incorporated into the financial statements as at that date

14. Tangible fixed assets (Continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Cost	£000
At 1 April 2020	2,294
Additions	14
As at 31 March 2021	<u>2,308</u>
Depreciation	
At 1 April 2020	184
Charge for the year	48
As at 31 March 2021	<u>232</u>
Net book value	
At 31 March 2021	<u>2,076</u>
At 31 March 2020	<u>2,110</u>

15. Investments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Investment in wholly owned subsidiary companies				
Insight Healthcare Limited	-	-	422	422
Investment in joint venture				
MHC/NTW LLP	127	53	-	-
Investment in associate				
Northern Inclusion Consortium Limited	-	30	-	30
Total investments	<u>127</u>	<u>83</u>	<u>422</u>	<u>452</u>



15. Investments (Continued)

Subsidiaries

The charity has two wholly owned subsidiaries which are registered in England and Wales; MHC Resource Limited (company number 06390967) which is dormant and Insight Healthcare Limited (company number 04391008).

Insight Healthcare Limited

Insight Healthcare Limited is a leading provider of Improving Access to Psychological Therapies services across England. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies.

Profit & loss account	2021	2020
	£000	£000
Turnover	21,092	21,614
Cost of sales and administration expenses	(18,243)	(20,291)
Other income	161	-
Net profit	3,010	1,323
Amount gifted to charity under gift aid	1,356	111
A summary of the Balance Sheet is shown below:		
Fixed assets	373	6
Current assets	6,262	4,380
Current liabilities	(3,350)	(2,755)
Provisions	(10)	(10)
Net assets	3,275	1,621

15. Investments (Continued)

Principle joint ventures

Company name	Country	Percentage Shareholding	Description
MHN/NTW LLP	United Kingdom	50%	Joint venture with Northumberland Tyne and Wear NHS Foundation Trust
Northern Inclusion Consortium	United Kingdom	25%	Partnership arrangement with other North East organisations

Analysis of share of joint venture and associate results

	MHC/NTW LLP		Northern Inclusions Consortium Limited	
	2021 £000	2020 £000	2021 £000	2020 £000
Balance sheet				
Share of current assets	409	165	-	-
Share of gross liabilities	(282)	(112)	-	-
	<u>127</u>	<u>53</u>	<u>-</u>	<u>-</u>
Profit and loss account				
Share of income	681	658	-	-
Share of expenditure	(608)	(590)	-	-
Share of profit/(loss)	<u>73</u>	<u>68</u>	<u>-</u>	<u>-</u>

16. Stocks

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Work in progress	<u>117</u>	<u>129</u>	<u>-</u>	<u>-</u>

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	1,804	3,577	325	2,185
Amounts owed by group undertakings	-	-	544	263
Other debtors	98	272	65	126
Prepayments and accrued income	1,079	963	341	256
VAT	-	6	-	6
	<u>2,981</u>	<u>4,818</u>	<u>1,275</u>	<u>2,836</u>

18. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loan and overdrafts	9	9	9	9
Trade creditors	1,425	684	594	200
Corporation tax	-	-	-	-
Other taxation and social security	951	1,129	179	152
Other creditors	528	555	425	323
Accruals and deferred income	1,821	3,323	721	2,524
	<u>4,734</u>	<u>5,700</u>	<u>1,928</u>	<u>3,208</u>

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Deferred income				
Deferred income at 1 April 2020	2,340	2,754	2,001	1,999
Resources deferred during the year	820	2,340	180	2,001
Amounts released from previous years	(2,340)	(2,754)	(2,001)	(1,999)
Deferred income at 31 March 2021	<u>820</u>	<u>2,340</u>	<u>180</u>	<u>2,001</u>

Deferred income comprises CCG core funding and IAPT service receipts relating to future accounting periods.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank loans	83	92	83	92

Included within the above amounts falling due as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Between one and two years	9	9	9	9
Between two and five years	45	45	45	45
Due more than five years	38	47	38	47

The bank borrowings are secured by fixed and floating charges over the current and future assets of Mental Health Concern.

The bank loan bears interest at a rate of 4.57% and is due to be repaid in March 2029.

20. Financial instruments

	2020 £000	2020 £000
Financial assets measured at amortised cost	2,149	4,402
Financial liabilities measured at amortised cost	3,799	4,663

Financial assets measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors and accruals.



21. Provisions

Group

	Other £000	Total £000
At 1 April 2020	10	10
Amounts used/released	-	-
At 31 March 2021	<u>10</u>	<u>10</u>

The company has no provisions.

22. Statement of funds*For the year ended 31 March 2021*

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 March 2021 £000
Unrestricted funds						
General unrestricted funds	4,905	32,102	(28,376)	(3,249)	25	5,407
Revaluation reserves	5,705	-	(123)	(52)	(938)	4,592
Designated funds						
Property maintenance fund	410	-	-	1,126	-	1,536
Innovation fund	21	-	-	-	-	21
Clinical management system development fund	-	-	-	100	-	100
Data warehouse fund	-	-	-	225	-	225
Back office systems & processes	-	-	-	500	-	500
Older person's strategy	-	-	-	1,000	-	1,000
Shaping our future	-	-	-	100	-	100
Investment in people	-	-	-	250	-	250
	431	-	-	3,301	-	3,732
Total unrestricted funds	11,041	32,102	(28,499)	-	(913)	13,731
Restricted funds						
Building Better Opportunities	69	1,370	(1,383)	-	-	56
Community services	39	593	(142)	-	-	490
Older People services	5	-	-	-	-	5
	113	1,963	(1,525)	-	-	551
Total funds	11,154	34,065	(30,024)	-	(913)	14,282

22. Statement of funds (Continued)*For the year ended 31 March 2020*

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 March 2020 £000
Unrestricted funds						
General unrestricted funds	3,351	31,225	(29,695)	(44)	68	4,905
Revaluation reserves	6,193	-	(122)	(366)	-	5,705
Designated funds						
Property maintenance fund	-	-	-	410	-	410
Going the extra mile fund	-	21	-	-	-	21
	-	21	-	410	-	431
Total unrestricted funds	9,544	31,246	(29,817)	-	68	11,041
Restricted funds						
Building Better Opportunities	16	1,773	(1,720)	-	-	69
Community services	7	303	(271)	-	-	39
Older People services	5	-	-	-	-	5
	28	2,076	(1,991)	-	-	113
Total funds	9,572	33,322	(31,808)	-	68	11,154

Designated funds**Property maintenance fund**

To fund unexpected property maintenance costs or dilapidations that may arise.

Innovation fund (previously Going the extra mile fund)

To support added value activities which further enhance the experience of the people who use our services.

Clinical management system development fund

The trustees recognise the need to invest in our system to develop the functionality needed to realise the full benefits of the recent transformation programme delivered across Insight Healthcare.

Data warehouse fund

This is the capital investment required to set up a data warehouse and move towards becoming a data-informed organisation. We are committed to using data and insights to improve joined-up decision making.

22. Statement of funds (Continued)

Back office systems & processes

This fund has been set aside to allow us to improve and implement new joined up back office systems and processes. The aim is to simplify our organisation and become more efficient in what we do.

Older person's strategy

The trustees recognise the need to invest further funds to improve the environments of our Older People's Services, and the potential level of investment required to do so. A full assessment is being undertaken next year and this fund has been set aside to kickstart the investment potentially required. Further funds will be raised through several approaches, including but not limited to the sale of assets, grants, current funders, etc.

Shaping our future

The fund relates to several costs required to the roll-out of the strategic plan.

Investment in people

We would like to reward our staff for the efforts they have made in the year of the pandemic and have set this fund aside to invest in our people to create a high-performing organisation.

Restricted funds

Building Better Opportunities

A local employability programme to help people in Tyne and Wear who are unemployed and have a health barrier, disability, additional learning need or autism get into employment, training or volunteering.

Community services

Funds received to help people to rebuild their social support networks and develop friendships.

Older people services

Fund receive to support the two kinds of services for older people: caring for those with dementia, and supportive rehabilitation for those who have other complex mental health problems.

23. Analysis of net assets between funds

For the year ended 31 March 2021

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Intangible fixed assets	283	-	283
Tangible fixed assets	7,697	-	7,697
Fixed asset investments	127	-	127
Current assets	10,451	551	11,002
Creditors due within one year	(4,743)	-	(4,734)
Creditors due in more than one year	(83)	-	(83)
Provisions for liabilities and charges	(10)	-	(10)
	<u>13,731</u>	<u>551</u>	<u>14,282</u>

For the year ended 31 March 2020

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Intangible fixed assets	-	-	-
Tangible fixed assets	8,700	-	8,700
Fixed asset investments	83	-	83
Current assets	8,060	113	8,173
Creditors due within one year	(5,700)	-	(5,700)
Creditors due in more than one year	(92)	-	(92)
Provisions for liabilities and charges	(10)	-	(10)
	<u>11,041</u>	<u>113</u>	<u>11,154</u>

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

	2021	2020
	£000	£000
Net income for the year (as per Statement of Financial Activities)	3,128	1,582
Adjustment for:		
Share of results of a joint venture	(74)	(68)
Investment income	(2)	(6)
Loss on revaluation	966	-
Amortisation of intangible assets	-	30
Depreciation charges	284	296
Loss on disposal	21	23
Decrease in work in progress	12	132
(Increase)/decrease in debtors	1,837	(443)
Decrease/(increase) in creditors	(966)	222
Movement in provisions	-	(53)
Net cash provided by/(used in) operating activities	5,206	1,725

25. Analysis of changes in net debt

	1 Apr	Cash	31 Mar
	2020	flows	2021
	£000	£000	£000
Short term cash borrowings	(9)	-	(9)
Long term cash borrowings	(92)	9	(83)
Total liabilities	(101)	9	(92)
Cash and cash equivalents	3,226	4,678	7,904
Total net debt	3,125	4,687	7,812

26. Pension commitments

The group operates various defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £917,725 (2020 - £851,798). Contributions totalling £166,004 (2020 - £153,865) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 March 2021 the total of the group's future minimum payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Group		
Land and buildings		
Within 1 year	337	545
Between 1 and 5 years	279	581
After more than 5 years	-	-
Total	<u>616</u>	<u>1,126</u>
Other		
Within 1 year	28	30
Between 1 and 5 years	43	59
After more than 5 years	-	25
Total	<u>71</u>	<u>114</u>

At 31 March 2021 the company had annual commitments under non-cancellable operating leases as follows:

Company		
Land and buildings		
Within 1 year	147	337
Between 1 and 5 years	123	285
After more than 5 years	-	-
Total	<u>270</u>	<u>622</u>
Other		
Within 1 year	20	20
Between 1 and 5 years	40	49
After more than 5 years	-	25
Total	<u>60</u>	<u>94</u>



28. Trustees' benefits: advances, credit and guarantees

The charity paid directors' and officers' liability insurance amounting to £861 (2020 - £965).

The charity trustees were not paid or received any other benefits from employment in the year (2020 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2020 - £nil). No trustee was reimbursed expenses. (2020 – £21).

29. Related party transactions

The charity has taken exemption contained within FRS 102 for disclosing any transactions with entities which are part of the Mental Health Concern Group as consolidated financial statements are prepared.

There are no other related party transactions during the year (2020 – none).

30. Controlling party

The ultimate control of the charity rests with the board of trustees.