



Directors' report,  
Trustees' strategic report  
&  
consolidated financial  
statements

For the year ended 31 March 2018

**Rethink Mental Illness**

(Operating name of the National Schizophrenia Fellowship)

(a company limited by guarantee)

Registered Company number 1227970, Registered Charity number 271028

Challenging attitudes, changing lives.

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## Introduction

The Trustees of Rethink Mental Illness present their Directors' Report and their Trustees' Strategic Report, which together comprise the Trustees Annual Report, and the consolidated financial statements for the Charity for the year ended 31 March 2018 as required under the Charities Act 2016 and the Companies Act 2016.

### A message from the Chair of the Trustees

Our mission to create a better life for people severely affected by mental illness has never been more vital. We're at a watershed moment. Mental health is high in the public's consciousness. Through print and broadcast media, and even the nation's most popular soap operas, people are becoming aware of the impact of mental illness. At the same time, the issue has become a priority for politicians – with the government committed to delivering the Five Year Forward View for Mental Health, aimed at transforming mental health care in England. However, the rising tide of mental health awareness has not lifted all boats equally. As the interim report on the Mental Health Act states "those with the most severe forms of mental illness have the greatest needs, and continue to be the most neglected and discriminated against."

A welcome increase in awareness has not yet transcended continuing austerity. While more money has been committed by the government to fund mental health services, this is not being felt across the front line. Too many people are still struggling to get access to the services they need and when they do get access, many services are failing to provide people with the choice and control they deserve. Choice and control that we take for granted when it comes to physical health services.

Austerity also continues to impact on people's household incomes. Notably for people living with mental illness, there are ongoing issues around access to welfare benefits. On which, working with other charities, Rethink Mental Illness has had notable success this year in reforming the criteria for Personal Independence Payments. Through our partner charity Mental Health UK, and with the support of Lloyds Banking Group, we have also launched Mental Health and Money Advice Service, delivering the UK's first advice service designed to help people understand, manage and improve their financial and mental health.

Rethink Mental Illness as a charity is not sheltered from this difficult economic climate. This has been a challenging financial year for the organisation and we are faced with needing to do more with less resource. To meet the changing needs of commissioners and service users, we have continued to embed changes to our operating structure, resulting in significant costs being absorbed in 2017/18. In parallel, we have been affected by a worse than expected performance in the stock market, which has impacted on both the value of our investment portfolio as well as

our long-term pension obligations. We anticipate another challenging financial year in 2018/19. However, we are confident that the transformational changes we have put in place will ensure sustainability so that the charity can continue to meet the needs of our beneficiaries and commissioners.

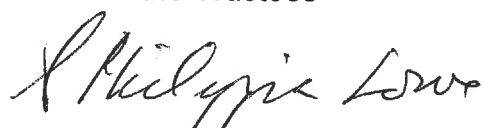
Looking forward, these operational changes will see us increasing our focus on developing and delivering high quality, high intensity support services that meet previously unmet needs for people severely affected by mental illness. As the annual report details, there is an increasing recognition of the vital role organisations like Rethink Mental Illness can play in helping keep people living with mental illness safe and well in the community and out of inpatient settings. As a result, we will be delivering more person-centred, recovery focussed care in a community-based environment, which have a positive impact on the local health and social care economy.

In tandem, our expertise in delivering services informs our campaigns to improve people's lives. We are campaigning to ensure everyone severely affected by mental illness has a secure place to call home, to expand the rights of people and improve the experience of people detained under the Mental Health Act, and to ensure the government's Five Year Forward View is implemented.

We are making a difference. In 2017/18 our services directly supported more than 17,000 people, with high levels of positive feedback. We now have over 100 groups across the breadth of England, delivering vital peer support in the community. Our Advice & Information Service directly advised over 7,000 people on over 14,000 issues and our factsheets were viewed more than 3,500,000 times on our website. Alongside our successful campaigning on Personal Independence Payments, we also had notable success in our campaigns on supported housing and reforming the Mental Health Act.

The foundation for this success is a committed and skilled workforce, loyal members, a movement of dedicated volunteers, who are experts through experience, and the ongoing and hugely valued backing of our supporters. They are the lifeblood of the organisation. Together we will continue to bring about much needed change which will have a positive impact.

Philippa Lowe  
Chair of the Trustees



### Directors' Report

#### Name and nature of the Charity

Rethink Mental Illness is the operating name of the National Schizophrenia Fellowship. The Charity was formed in 1972 and is registered with the Charity Commission of England and Wales. The Charity is also a company limited by guarantee and is governed by its Articles of Association.

The term "Charity" refers to Rethink Mental Illness and the term "Group" refers to Rethink Mental Illness together with its subsidiaries as set out in note 19.

#### Reference and Administrative Details

##### Registered Office

15<sup>th</sup> Floor

89 Albert Embankment

London

SE1 7TP

Registered Charity Number (England and Wales) : 271028

Company Registration Number: 1227970

The Trustees of Rethink Mental Illness are the Charity's Trustees under Charity law and the Directors of the Charitable Company. During 2017/18 the Trustees were.

#### Chair of the Board

Philippa Lowe

### Members of the Board

Shaun Johnson  
Denise Porter  
Jane Charlton (to 8 January 2018)  
Aphra Tulip (from 8 February 2018)

Jane Watkinson  
Frances Ashworth  
Chris Lynch

### Co-opted Members of the Board

Malcolm Rudrum (to 11 November 2017)

Stephen McAndrew (to 30 June 2017)

Daniel Fletcher

Terry Hammond (to 11 November 2017)

George Hook (Treasurer)

Kathryn Tyson (from 8 February 2018)

Katie Groom (from 8 February 2018 to 14 June 2018 )

John Liver (from 8 February 2018)

The day-to-day management of Rethink Mental Illness is led by the Chief Executive on authority delegated by the Board of Trustees. The Chief Executive and the senior executive officers of the Charity form the Executive Team and each has clearly defined areas of responsibility and accountability.

## Executive Officers

Mark Winstanley: Chief Executive

Caroline Cannar: Company Secretary

Andrew Hodges: Chief Operating Officer and Deputy Chief Executive (to 30 April 2018)

Brian Dow: Director of External Affairs and  
Deputy Chief Executive (from 1 May 2018)

Heidi Stewart (to 22 December 2017)

Kelly Brown: Director of Corporate Resources (from 1 February 2018)

Mark Yates: Acting Director of Operations

The Executive Team is complemented by the Senior Management Team, which draws together Associate Directors from each of the Charity's main activities.

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

### Auditors

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

### Bankers

NatWest Commercial Office  
2nd Floor, 2 Trinity Court,  
Wolverhampton Business Park,  
Broadlands,  
Wolverhampton, WV10 6UH

### Solicitors

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

### Insurers

Zurich Municipal  
Zurich house,  
2 Gladiator Way,  
Farnborough,  
GU14 6GB

### Investment Managers

Investec Wealth & Investment  
Ltd  
2 Gresham Street,  
London,  
EC2V 7QN

### Internal Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## Employees and Volunteers

The Charity has a diverse and committed workforce of over 750 staff. The Charity is an accredited ILM provider and holds the Disability Confident Employer and the Mindful Employer accreditation. The Charity has launched a 'Work Well Live Well' plan and is working towards achieving the Workplace Wellbeing Charter before the end of 2018. The Charity carries out an equality impact assessment on all new policies that are developed for use within the Charity.

Our Staff Engagement Committee provides an opportunity to represent staff views and concerns to management, which openly welcome questioning, probing and the challenging of management proposals. Its aim is to encourage discussion and consensus among Rethink Mental Illness staff at all levels and to ensure decision-making is fair and representative. The Committee has representatives from all areas of the Charity and meets six times a year.

Our staff are supported by a growing number of volunteers, who contribute their time in a wide variety of ways. From involvement with local services and sitting on governance committees they make a very real difference. Rethink Mental Illness acknowledges this with grateful thanks.

Rethink Mental Illness is also grateful for the support and commitment of our many activists and online campaigners who have acted to secure positive changes for people experiencing mental illness, challenging decision-makers at both national and local level.



### Disclosure of Information to Auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and each Trustee has taken all the steps they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

## Strategic Report for the year ended 31<sup>st</sup> March 2018

### Our Mission

Leading the way to a better quality of life for everyone severely affected by mental illness.

### Our Vision

We want equality, rights, fair treatment and the maximum quality of life for all those affected by mental illness, their carers, family and friends.

As one of the largest charitable providers of services for people with mental illness, we are well placed to make a direct impact on the care and support people receive.

But we have a much larger vision – to transform at every level the way our nation approaches mental illness.

### Our Values

#### Hope

We offer hope of a better quality of life for all those affected by mental illness.

#### Understanding

People who are severely affected by mental illness are at the heart of everything we do in our organisation – our membership, our governance and our workforce.

#### Expertise

We constantly use our expertise to provide practical and personal support for people who are severely affected by mental illness.

#### Commitment

We work tirelessly to provide support for everyone affected by mental illness.

#### Passion

We are passionate about leading the way to a better quality of life for everyone affected by mental illness.

#### Openness

We are open and transparent in all our work with beneficiaries, supporters, partners and the public to achieve change for people severely affected by mental illness.

## Our corporate objectives

We deliver our mission as a provider of services and through campaigning and influencing policy, with people who have lived experience of mental illness.

Our corporate objectives for 2016 – 2021 are:



## What we do

We support tens of thousands of people every year to help them get through crises, live independently and feel that they do not have to face mental health problems alone. Rethink Mental Illness is a membership organisation that is recognised as one of the leading providers of community-based mental health-related services across England. We believe a better life is possible for all those who are affected by mental illness, and we are a leading voice in campaigning for change - representing our supporters when we engage with government, health services and others who can improve resources and systems. We were established by a group of carers over 45 years ago and to this day we provide fellowship and mutual support through our national membership and network of local peer support groups.

## Membership

We are proud of our membership heritage and at the end of March 2018 our members numbered 2,734.

Membership provides people with a sense of belonging to an organisation that helps them to cope with the demands of living with severe mental illness, whether they have direct experience, or are a carer, relative or friend.

Members and activists are engaged in organisational activities including campaigns, research, policy development and are an important source of volunteers for our governance and peer support groups. They help shape the direction of Rethink Mental Illness through the Annual General Meeting (AGM) and the work of the Board of Trustees and other committees at national and regional levels.

The strength of our membership gives Rethink Mental Illness its mandate and has influenced changes in the law as well as making a positive difference to people affected by mental illness in other practical ways.

If you are not a member then please do join us ([www.rethink.org/members](http://www.rethink.org/members)).

Our annual National Members' Day brings together members to interact, learn about developments within the field of mental illness, participate in our AGM and celebrate the achievements of people who have contributed to work of the Charity over the past year. In November 2017, Members' Day was held in London, and was attended by over 200 members, staff and volunteers.

## Involvement, peer support and groups

The involvement of people with lived experience of mental illness has increased across all our activities. This includes the involvement of carers, families and friends who play a vital role in the support and championing of those they care for.

Involvement standards were developed to help all departments understand how they can meet the ambitions of the Involvement Charter.

The Service User Council changed its name to the Lived Experience Advisory Board (LEAB) and this Board of 18 people has played a vital part in monitoring the progress and impact of the Involvement Strategy.

Our network of support groups has grown considerably with 28 new groups developed this year to bring the total of groups registered to 129. Their activities are wide ranging with one group

providing more than 25 hours of support each week to its members with activities ranging from drop-ins to lunch clubs, learning to play the guitar, to growing vegetables.

We have developed our peer support training and adapted it to be used for a peer support helpline and for use in our north-east prisons services. We have also embedded peer support roles in several of our community services.

### Advice and information

Our Advice & Information Service provides advice by telephone, email and letter to anyone affected by mental illness across England. In 2017/18 we advised 7,246 individuals on 14,088 number of issues.

- 92% of people reported they had more knowledge of their rights,
- 95% felt more able to take action,
- 96% had a better understanding of their situation and more knowledge of the support available, and
- 98% would recommend the service to their family and friends.

We also began a trial of supporting people via webchat which will be extended into 2018/19. Our information resources were downloaded 806,573 times and viewed 3,667,788 times on our website.

Our personality disorders and recovery factsheets won a Highly Commended award at the British Medical Association Patient Information Awards. We were awarded first runner up in both Helpline Impact and Helpline Sector Contributor at the Helplines Partnerships Awards.

### External training

In 2017/18 our External Training Team delivered a total of 190 face-to-face training courses to 2,628 people. The team trained participants from across sectors, including many well-known corporate organisations and a variety of public and third sector audiences. In addition, 30,000 plus people accessed the e-learning we developed for Lloyds Banking Group.

Feedback from our training sessions is extremely positive: 99.6% of participants found our own Rethink-designed half and one-day courses useful, and improved their “understanding of mental health” by 52.7%, their “confidence in recognising signs of mental health problems” by 52.5%, and their “knowledge of reliable sources of information and support related to mental health” by 61.9%. 98.9% of participants were confident they would use the learning in their work or in their personal lives. Participants rated the trainers on average at 9.36 out of 10, and the courses overall at 8.89 out of 10. 98.4% would recommend the course to others.

Outcomes were similar from the two-day Mental Health First Aid course, with participants improving their “knowledge and understanding of how best to support others with a mental health problem” by 91.3%, and their “personal confidence of how best to support others with a mental health problem” by 83.2%.

In 2017/18 our external training team also created (following a co-production process) a Mental Health in the Workplace Employers Toolkit ([www.rethink.org/employerstoolkit](http://www.rethink.org/employerstoolkit)), which has been requested over 250 times and has been very well received. Aligned with the Toolkit, a new training course was also developed “Mental Health Champions”, which is also gaining very strong feedback.

### Communications and marketing

Through owned (website, social media, e-news) and earned (PR) media channels, we promote our campaigns and provide a range of information and advice on living with, or caring for someone living with mental illness. Between April 2017 and March 2018, Rethink Mental Illness was mentioned in the media over 3,000 times. Our research on common misunderstandings around schizophrenia was covered by Sky News, BBC News (and radio) and ITV News.

Our website received 5.4 million visitors during the year, with over 6.5 million-page views, and our social media platforms grew on average by 12%.

### Public benefit

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

We deliver our charitable objectives through our services, which directly support over 17,000 people, and 129 support groups funded by voluntary and statutory sources. These support our longstanding charitable objects which are defined as “to provide relief and support for sufferers and their families severely affected by schizophrenia and related conditions”.

We provide information, advice, support and services to anyone experiencing severe mental illness, their families and carers, in areas such as housing, welfare, training, employment, advocacy and crisis intervention.

## Our strategic work priorities

In April of 2016, we re-aligned our strategic priorities into three external areas. These are:

- **Priority 1:** Developing and delivering high quality services which meet the needs of our beneficiaries and commissioners. Ensuring the sustainability of our Charity through income generation.
- **Priority 2:** Campaigning to transform the lives of people severely affected by mental illness and those who care for them.
- **Priority 3:** Transforming the Charity through effective leadership and delivery.

## How we've delivered on our Strategic Priorities in 2017/18

**Priority 1:** Developing and delivering high quality services which meet the needs of our beneficiaries and commissioners. Ensuring the sustainability of our Charity through income generation.

The management of our services directorate underwent a significant change in 2016/17 as we moved to an operating structure which recognised the specialisms and diversity of our services portfolio. 2017/18 saw us continue to embed our operating structure, using the expertise of our staff teams to drive service quality and focus attention on engaging with our key stakeholders, NHS and Local Authority commissioners. This was with the aim of more effectively developing service delivery solutions that meet the needs of people who are affected by mental health conditions.

While the general commissioning landscape for health and social care services remains a challenging one, with commissioners continuing to look for savings across service delivery, we have embarked on several projects with partners across the country looking to build on our existing relationships and service portfolio.

In the same way that discussions have progressed on the crucial role that social care and support plays in keeping people out of mainstream hospital services, there is increasing recognition of the vital role organisations like Rethink Mental Illness can play in helping keep people with mental illness safe and well in the community and out of inpatient mental health/hospital settings. This simultaneously drives more person-centred, recovery focussed care in a community-based environment and has a positive impact on the local health and social care economy.

Income received from the provision of service solutions makes up a significant proportion of the Charity's income. The provision of services enables us to remain at the forefront of understanding the impact of mental illness on people's lives and helps us to understand how we can diversify our service offer to ensure and provide the best outcomes for people or those who need our expert support. In addition, we can reflect the real experiences of people with mental illness in our campaigns and policy activity, ensuring the voices of people using our services are heard.

In 2017/18 our services directly supported more than 17,000 people, across the following services:

Service	Number of people supported 2017/18
Prisons and Criminal Justice	175
Carers	1009
Community	4314
Housing and Floating Support	1975
Crisis, Recovery and Nursing	4282
Advocacy	5351

### **Prisons and Criminal Justice service – Supporting people with mental illness before, during and after prison.**

2017/18 was a successful year for our prison services as we added a further two prison services to our portfolio; HMP Highpoint and HMP The Mount, both located in East Anglia. Furthermore, we received funding from the Ministry of Justice to run a pilot to reduce self-harm and suicide with the use of Pets as Therapy (PAT) dogs in prison settings. The Centre for Mental Health, whom we commissioned to independently evaluate the service, is due to release its final report into findings imminently however preliminary reports have suggested the pilot was a success. Our North-East prisons service has also grown over the last year with the introduction of two new Psychological Wellbeing Practitioner posts. In conjunction with our fundraising colleagues, we also secured funding to operate a service to support women leaving prison.

### **Carers Services – Supporting carers of individuals with mental illness through expert community support and group-based activity.**

2017/18 was a challenging year for mental health carers services. There has been a shift in the commissioning landscape with less funding opportunities for carers services that are mental health specific - more mental health carers services are being commissioned as part of wider generic contracts. We have connected our carers services into our community services portfolio and in our 2018/19 national plan have committed to pressing commissioners harder to deliver services for carers of those with mental illness.



## **Community services – Helping people with service mental illness to get back into society and Employment.**

We provide a wide range of community-based services that operate from over 30 locations across the country. As our community services are embedded within communities and often use group-based activity to support service users, they are able to engage with more service users than any of our other service provision, supporting over 4,300 people last year. In 2017/18 we were recommissioned to deliver our innovative community service from The Bridge, in Harrow.

## **Housing and Floating Support Services – Supporting people to live independently either in their own home or supported housing accommodation.**

Housing and Floating support services make up a significant part of our service portfolio. We currently have over 500 units of housing which support people with the skills to live as independently as possible. For some individuals, their accommodation and support needs will be more long term, whilst others are supported for a shorter period to support their recovery and return to independent living in the community. During 2017/18 we supported over 1,900 people in a mixture of settings ranging from the individual's own home to purpose-built housing solutions for people who need a higher level of support for their more complex needs.

1. Crisis, Recovery and Nursing services – Flexible, responsive and needs led care, involving individuals in the management of their own condition.

Our Crisis and Recovery Houses provide innovative and cost-effective alternatives to hospital admissions. Commissioners are increasingly interested in our service models as a way of keeping people safe and well outside of an inpatient setting, which we believe is better for an individual's recovery. Our services continue to be well utilised, with over 4,200 using our services in 2017/18.

Rethink Mental Illness is registered with the Care Quality Commission (CQC) - the independent regulator of all health and social care services in England. In 2017/18 we had 20 services registered with the CQC. 18 out of these 20 services are currently rated "good" by the CQC inspectorate. Our two services not rated as "good" are working closely with the CQC through service improvement plans.

2. Advocacy services – Dealing with matters on behalf of people with a range of different needs and impairments in care homes, local communities and in secure care settings.

We have continued to see an increase in the demand for Advocacy services and several of our existing services have expanded to provide advocacy to more people. At the start of 2018 we were successful in retaining our County Durham and Devon Advocacy services with increased funding, allowing us to support considerably more people and boosting our reach and provision significantly.

## Helplines, Information and Advice

In addition to our Advice and Information service detailed above, we continue to provide additional helpline services connected to service contracts, including our Sheffield and Doncaster crisis houses. We also provide a self-harm helpline in Gloucestershire.

## Investment in our managers

In 2016/17 we introduced our ROSI (Risk, Outcomes, Safety, Impact) ILM accredited programme for our service management team. In 2017/18 we launched our second and third cohorts of our ROSI programme to help further develop our managers' knowledge and skills and to improve outcomes for service users and to support in meeting the organisation's strategic goals.

We launched a legal training programme for our Advocacy service managers to ensure that they are up to speed with the legal framework within which our services operate, allowing our teams to provide the best quality advocacy for people who need to access our services.

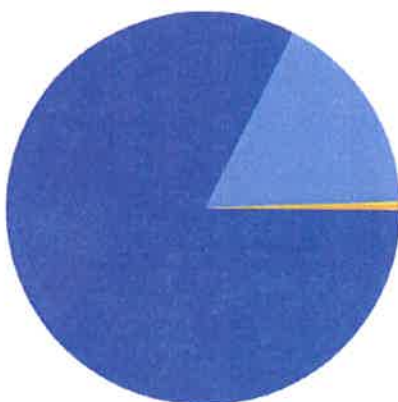
## Customer feedback

We take customer feedback seriously. In 2017/18 we rolled out the friends and family test across all our services. This test simply asks any service user, visitor or stakeholder engaged with a service whether they would be happy for a friend or family member to make use of the service should they ever need to.

We regularly seek feedback from people using our services. People using our services tell us that our staff teams treat them with dignity and respect and that they would use our service again if they had similar support needs.

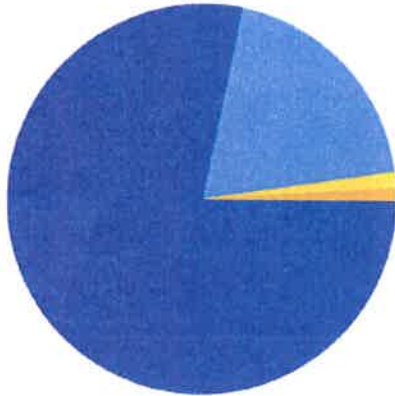
**Chart 1:** Service users' response to statement "Staff treated me with dignity and respect"

■ Strongly agree    ■ Disagree  
■ Agree            ■ Strongly disagree



**Chart 2:** Service users' response to statement "I would use service again if I had similar support needs"

■ Strongly agree    ■ Disagree  
■ Agree            ■ Strongly disagree



## Local Support Groups

The Charity's service provision is complemented by our network of peer support groups that offer a variety of recovery, support and involvement opportunities across the regions. Accessing groups allows the important work of services to continue by ensuring people still feel supported and part of the organisation even when service provision has ended.

## Fundraising

2017/18 was the second year of our five-year fundraising strategy. We have continued to invest in activities to generate voluntary income from a range of donors including individuals, corporate partners and charitable trusts and foundations. Income increased from the previous year. Highlights include:

- We received £779,000 in legacy income thanks to the generosity of individuals who remembered Rethink Mental Illness with a gift in their Will.
- Through our connection with Mental Health UK Limited, who have a corporate partnership with Lloyds Banking Group, Rethink Mental Illness has seen an increase in grant funding and voluntary donations from the charity. We are also grateful to Virgin Trains and all our Corporate partners who have supported us.
- Our continued engagement with charitable trusts and foundations has secured over £80,000 income during the year in addition to significant multi-year funding for 2018/19 and beyond.

- We raised over £375,000 through events and community fundraising activities with the 2017 London Marathon raising £30,253, generating a return on investment of £5 for every £1 spent.
- Our generous supporters continue to engage with our work, with over 2,500 people supporting us with a regular gift.

We invested £85,000 in 2017/18 in a national advertising campaign to promote legacy giving. Through the powerful stories of individuals caring for people affected by mental illness, we reinforced the importance of legacy income to the Charity. We anticipate seeing a return in 5 to 10 years' time. Other fundraising investment during the year included an additional £14,000 spend on events places. Income from events and community fundraising grew from £200,000 in 2016/17 to £375,000 in 2017/18.

Rethink Mental Illness employed the services of two professional fundraising organisations to recruit payroll giving supporters. These organisations adhere to the Association of Payroll Givers Code of Conduct which ensures that donors are treated with respect and no undue pressure is put upon individuals to sign a payroll giving pledge. In addition, we followed up with supporters recruited through these agencies to ensure they were happy with the process.

We are regulated by the Fundraising Regulator and all our fundraising activities are compliant with their Code of Fundraising Practice. In addition, we are also members of the Direct Marketing Association.

Our supporters are hugely valuable to us and we take great care to ensure they are treated with respect and their feedback is listened to. We received two complaints in 2017/18 about our fundraising activities, both relating to how we use their data. We have ensured that their contact preferences are now updated. Our Supporter Promise ensures that all our supporters are valued and respected. We have procedures in place to ensure individuals who may be in vulnerable circumstances are not put under any pressure to donate to us, including providing training for supporter facing staff on how to speak with vulnerable people.

**Priority 2:** Campaigning to transform the lives of people severely affected by mental illness and those who care for them.

In 2017/18 we continued to focus on delivering against our corporate objectives, which put people experiencing severe mental illness at the centre of everything we do. We delivered three influential and successful campaigns that have led to significant change:

- **A Place to Call Home** – our campaign influenced the government to scrap its plans to cap the amount of Housing Benefit paid to tenants in supported housing, which would

have led to wide-spread closure of supported housing, leaving thousands without suitable housing.

- **Mental Health Act** – we produced landmark research on people’s experience of the Mental Health Act, [A Mental Health Act fit for Tomorrow](#), on behalf of the Mental Health Alliance. This research, together with our successful General Election Campaign, led the government to commit to an Independent Review of the Mental Health Act. Via our places on the Review Advisory Group and Working Group, we are working hard to ensure recommendations reflect the experiences of people with lived experience and lead to great choice, dignity and carer involvement. The Review team will report in late 2018.
- **Personal Independence Payment** – we successfully campaigned, along with many in the sector, to oppose government cuts and ensure people with mental illness are eligible for higher rates of PIP. We also published a ground-breaking report [It’s Broken Her](#) which documented the devastating impact of the current welfare assessment process and was widely sighted in parliament and picked up on social media. The government later announced that PIP assessments would be recorded as standard, which was one of the key recommendations in our report.

The focus of our Health Influencing team has been to ensure that the NHS and government deliver on their five-year plan to reform mental health services - the Five Year Forward View for Mental Health (FYFVMH). We track progress and highlight areas for further focus through our regular meetings with government ministers, the Prime Minister’s office and Simon Stevens, the Chief Executive of NHS England. We also hold the system to account via our place on the Five Year Forward View Oversight Board, an independent committee with responsibility for tracking progress against commitments made in the FYFVMH.

In 2017/18 our most influential Health Influencing activity was raising the priority of co-production within NHS England. Our original research, [Progress through Partnership](#), exposed the lack of progress made against the FYFVMH commitment to make co-production the norm in service design and commissioning. Because of our influencing, NHS England has set up working-group, which we are part of, along with people with lived experience of mental illness, to co-produce a plan to achieve the FYFVMH ambitions.

2017 saw the five year anniversary of our landmark report [The Abandoned Illness](#), which set in train a series of policy changes to improve the lives of people living with Schizophrenia, including the first access and waiting times for psychosis. We marked this anniversary by measuring progress over the last five years, and launching our [findings](#) at a reception in London, attended by policy makers, politicians and people with lived experience.

## Time to change

Run in partnership with Mind, and funded by the Department of Health, Comic Relief and the Big Lottery fund, Time to Change aims to:

- Improve public attitudes and behaviour towards people with mental health problems.
- Reduce the amount of discrimination that people with mental health problems report in their personal relationships, their social lives and at work.
- Make sure even more people with mental health problems can take action to challenge stigma and discrimination in their communities, in workplaces, in schools and online.
- Create a sustainable campaign that will continue long into the future.

In the autumn of 2017, Time to Change ran the second burst of *It's in your corner* campaign, with a focus on men, young people and parents. Resulting in nearly half a million adults (480,360) taking action because of the campaign and over one million young people (1,261,300). Over 800 secondary school's ordered Time to Change packs and over 500 were downloaded, with 70 young champions trained and active in their communities.

**Priority 3:** Transforming the charity through effective leadership and delivery.

To deliver high quality services and impactful campaigns that improve the lives of our beneficiaries, the Charity needs to ensure its ethos supports activity and infrastructure creates the right environment. This led to a focus on four areas of activity.

### Involving people with lived experience

The involvement of people has increased at all levels. Our Groups which provide mutual support and much more have increased, including the innovation of activity Groups that focus on a particular area of interest including football, and singing. We have recruited a number of Involvement Champions within our staff team who share best practice and promote involvement. We also piloted peer support training in the delivery of our countywide service in Derbyshire which having been well received can be rolled out more widely. This is in addition to work we do in helping a number of statutory organisation to embed co-production into their organisation in line with the requirement of the Five Year Forward View for Mental Health.

Overseeing all our involvement work is our Service User Council who were formally established this year after an extensive recruitment and selection process. This is made up of people with a wide range of lived experience and meet regularly to hold the Chief Executive and Chair of Trustees to account, ensuring the Charity lives its values.

## Utilising and Supporting Volunteers

This year has seen the development of a wide-ranging volunteer strategy bringing together all the strands of volunteer activity with plans to introduce a Volunteer Manager in 2018/19. The strategy focuses on making greater use of regular volunteers in our services, including people with lived experience, but also has led us to utilising volunteers from our corporate partners who have worked to support some of our corporate activities by providing their professional support (audit, service development, marketing etc). Other corporate partners have released their staff to volunteer in our services to improve the environment of people's homes and other buildings.

Volunteers will expand and enhance our service offer, helping to bring alive our commitment to personalise 1-2-1 support that recognises the needs of the whole person and their individual path to recovery. This has been shown to improve both the job satisfaction and stress levels of staff who work alongside them. We also need to support our volunteers and to do this we created a set of standards covering everything from recruitment to training and supervision.

## Information Technology

This year has been marked by a significant investment in improving our technology to ensure that we continue to keep people's information secure as everyone would expect, but to also allow staff to use mobile technology to work directly with people using our services in their own homes and wider community. This means staff can spend more time having direct contact with people using our services rather than heading back to an office with all the traveling time and expense, simply to write up notes. It is one of those areas in which we have invested money and other resources because it will improve the quality and efficiency of the work we do with our beneficiaries' day in day out.

## Organisational Development

We have undertaken a lot of work in 2017/18 to ensure that the culture of the Charity actually reflects our values and that we consistently practice what we preach. This includes incorporating our new value of openness. A key element of our OD strategy was the maintaining of our Investors in People award after the process was subject to a major shake-up. Our provisional assessment took place, putting us at the silver standard and we have been working towards our final assessment in 2018 to achieve gold.

The restructure of services detailed in Priority 1 has also meant that staff teams are better connected to others in similar types of service and we are sharing learning which has improved our quality offer. We also piloted continuous improvement methodology techniques to create our volunteer strategy, we have used a theory of change model on a number of projects and senior management have been trained in LEAN methodology.

Recognising the high performance of our staff and keeping them motivated is important as it is through the efforts of our staff that a Charity like ours achieves its objectives with our beneficiaries. In a time of austerity, it has been difficult to increase the financial rewards we can offer, although 2017 saw the first consolidated pay rise for several years. We therefore have to rely on other methods to maintain morale, but our staff survey shows that it is the sense of job satisfaction working with and for our beneficiaries that best delivers this. However, we haven't

simply relied on the goodwill of staff and we have introduced, as intended, a number of initiatives to identify how staff want to be recognised and appreciated, to reduce bureaucracy and to increase their skills.

## Financial review

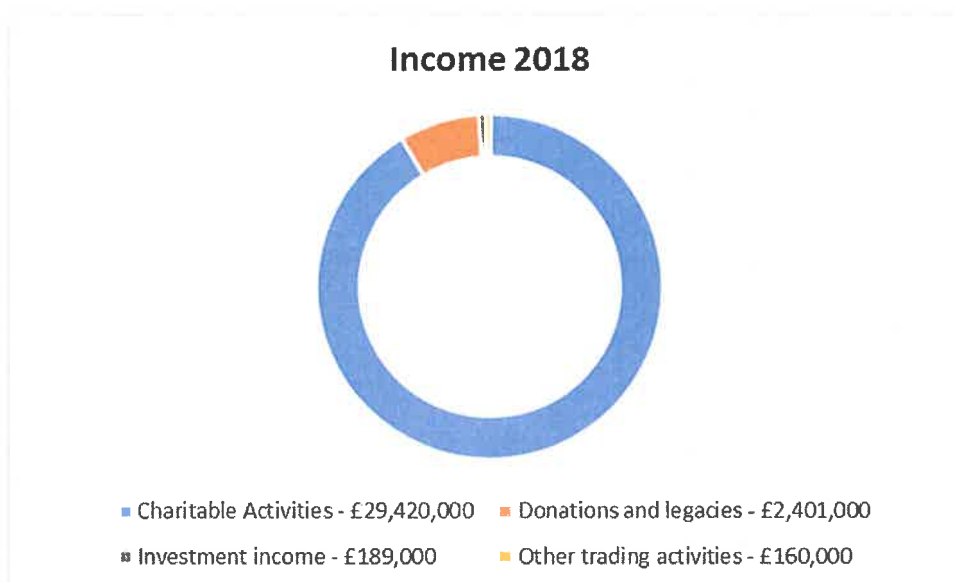
The Group's net income reduced this year to £32.1m (2017: £33.7m) which was a result of a reduction in contract related income. Despite a reduction in our expenditure related to contracts, our total charitable expenditure this year remained constant at £35m for the year (2017: £35m) which was influenced by the following factors:

- A formal actuarial valuation of the charity's defined benefit pension care plan scheme resulting in a significant increase in pension costs, with those recognised in the year being £939,000 (2017: £177,000)
- a review of our operating structure resulting in an increase in redundancy payments of £486,000 (2017: £141,000)
- a provision of £104,000 towards a potential liability in respect of a pension scheme shortfall in which the Charity has admitted body status (as explained in note 18)

This led to a decrease of £3,052,000 in the balance of general funds held by the Group; general funds stood at £5,236,000 (2017: £8,288,000) at the end of the year.

## Income: Sources of funds

The pie chart below shows out three main sources of income.





## Charitable Activities Income

The largest source of our income comes from contracts with local authority and NHS commissioners to deliver our services. This continues to be a challenging landscape with commissioners continuing to look for savings across service delivery, with our income reducing in this area from £31.3m in 2017 to £29.4m in 2018.

## Voluntary Income

Thanks to the generosity of our donors, income from fundraising activities delivered an increase in income from £2.2m in 2017 to £2.4m in 2018. We have continued to invest in activities to generate additional voluntary income to support our activities.

## Expenditure

The pie chart shows that our largest area of spend was on charitable activities.



Further analysis of our expenditure is given in note 5 of the accounts.

## Pension Scheme

The Charity has two final salary pension schemes, the Growth Plan and the Care Plan and details of the charity's defined benefit pension schemes deficits of £5.2m (2016-17 £4.5m) are explained in Note 18 of the financial statements. Both schemes are only open to members of the executive team with the sole purpose of avoiding crystallising the debt.

A full actuarial valuation of the Care Scheme took place in September 2016, with the charity being advised of the financial impact on the deficit in 2017/18. Due to a poor performance of the fund compounded with unfavourable market conditions impacting the valuation of the liabilities, the overall deficit on this plan has increased by £925,000 and this liability has therefore been provided for in the 2017/18 accounts.

The Growth Plan has recently undergone a full valuation although we have yet to be advised of the impact of this on the scheme's deficit and therefore no further increase in provision for pension liabilities has been made in respect of the Growth Plan. The charity has however set aside a proportion of its reserves (2017/18 - £200,000) as designated funds in anticipation of a potential increase in future liability.

## Future plans

The Board of Trustees has agreed a set of organisational priorities for 2016/21; we will be focusing our priorities in 2018/19 on our two primary areas of activity.

**Priority 1:** Developing and delivering high quality services which meet the needs of our beneficiaries and commissioners. Ensuring the sustainability of our charity through income generation.

- We will focus on providing high quality, community based, intensive support services, as well as advocacy services.
- We will place more focus on identifying and developing service provision opportunities that respond to unmet need for people severely affected by mental illness.
- We will apply more rigour to filtering out tender and retender opportunities for service models that are too far away from our agreed service development priority areas and those which are of lower value, for example less than £300k per year.
- We will pay more attention to promoting the Charity as an organisation that operates locally. We need to show how any national work we refer to relates to the local health economies and demographic in our current and target service delivery areas.
- We will build a body of evidence that shows that the community based services (those we deliver and want to deliver) do keep people out of acute settings and maximise individual potential for independence.
- We will press Commissioners harder to deliver services for people with lived experience and carers that are in line with the Care Act and the Five Year Forward View for Mental Health vision.
- We will ensure resources flow in a fair and proportionate way to enable our service delivery work and our service development work to provide the best possible services for our beneficiaries.

**Priority 2:** Campaigning to transform the lives of people severely affected by mental illness and those who care for them.

- We will campaign to ensure everyone severely affected by mental illness has a safe and secure place to call home.
- We will campaign to expand the rights and improve the experiences of people detained under the Mental Health Act and their carers.
- We will campaign to ensure that the Five Year Forward View is implemented, and that the next five years are fully planned and funded, with particular focus on the needs of people severely affected by mental illness.

### Time to Change (delivered in partnership with Mind)

- We will improve public attitudes and behaviour towards people with mental health problems.
- We will reduce the amount of discrimination that people with mental health problems report in their personal relationships, their social lives and at work.
- We will make sure even more people with mental health problems can take action to challenge stigma and discrimination in their communities, in workplaces, in schools and online.
- We will create a sustainable campaign that will continue long into the future.

### Structure, Governance and Management

Rethink Mental Illness is governed by a Board of Trustees comprising a Chair, eight Trustees nominated by the Regions and up to seven co-opted Trustees. The Board of Trustees is responsible for the overall direction and control of the activities of Rethink Mental Illness. The Board holds eight formally constituted meetings a year, one of which is a facilitated two-day event looking at forward planning, strategy and Board development.

The Chair of the Board of Trustees is elected by the Board from the existing Trustees.

There is one Trustee for each of the eight Regions of England, each nominated by their relevant Regional Committee, subject to the approval of the Honorary Officers Committee (HOC) and endorsement by the Board. Regional Trustees must be either a carer, relative, user of mental health services or otherwise considered by the Board to have relevant experience or expertise. Co-opted Trustees are appointed by the Board and are chosen for their skills, e.g. fundraising, financial or clinical, which may not be provided by the Regional Trustees, having regard to the balance on the Board of carers, users and others and representation by gender, age and ethnicity.

Board members are formally appointed at the AGM to serve up to a three-year term and can serve no more than nine years in total, except for the Chair who may serve up to 12 years.

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

During 2017/18 we undertook a thorough review of our governance structure to make it more streamlined and fit for purpose. We also wanted to involve more people from the Regions and provide alternative opportunities for involvement that did not require people to be members of a formal committee. The new governance structure is described below.

To assist the Board in its work there are three formally constituted national committees, each with its own Terms of Reference:

HOC performs the function of an Executive Committee. In exceptional circumstances it has delegated authority to assume control over the work of the Charity when urgent decisions need to be made that cannot wait until the next Board meeting. HOC also acts as a Nominations, Appointment and Remuneration Committee and has responsibility for elections and appointments to the Board and recommends the appointment of new Trustees. It also has responsibility for setting the salaries of the Chief Executive and members of the Executive Team. HOC meets at least three times each year and holds additional meetings, depending on organisational demands.

The Audit and Quality Assurance Committee (AQAC) is responsible for overseeing all aspects of the Charity's external and internal audit arrangements, internal control procedures and risk management. Meetings are attended both by the Charity's external and internal auditors. The internal auditors undertake a planned number of audits each year covering a range of activities and processes. Following the governance restructure, AQAC now has additional responsibilities for monitoring health and safety assessments and for ensuring that the Charity delivers high quality services, operating in compliance with regulatory frameworks. AQAC reviews a range of key metrics to identify trends or themes that require management action.

The Finance and Investment Committee (FIC) agrees fundraising and service development strategies, monitors income and expenditure against budget and the effectiveness of financial management. It recommends relevant budget priorities in the form of a draft annual budget to the Board of Trustees.

FIC is also responsible for the appointment and supervision of the Charity's Investment Managers. It sets and monitors annual performance objectives for the Investment Managers, including ensuring that the required level of cash reserves are maintained, as specified in the

Reserves Policy. FIC ensures that Rethink's investments are conducted in accordance with the Investment Policy, the Charity's Articles of Association and all relevant laws and regulations.

As part of the governance restructure the Charity has established two Governance Link Groups that involve a wider range of members interested in contributing to the work of the Charity at a national level.

The Council of Representatives meets three times a year to share practice, consult on key issues and make recommendations on the running of the Charity. Whilst not a Committee of the Board with delegated decision-making powers, the Council of Representatives exists to improve and strengthen the work of Rethink Mental Illness Committees and in turn the governance of the Charity through developing and supporting Committee Chairs, Vice Chairs, Regional Committee and Lived Experience Advisory Board members. The Council aims to increase the knowledge and confidence of people in their roles and to provide a forum for them to debate issues and to inform and influence decision-making in the organisation.

The Lived Experience Advisory Board (LEAB) comprises up to 18 members, plus any Trustees who use, or have used, mental health service. Key areas of work include monitoring the progress of the Involvement Strategy and making suggestions and providing constructive feedback on issues relating to the involvement and support of service users. LEAB also provides support and advises on organisational matters relating to service users, e.g. on policies and communications. LEAB meets three times a year.

### The Charity Governance Code

The Board of Trustees is committed to develop and maintain high standards of governance throughout the Charity. Our mission, 'leading the way to a better quality of life for everyone severely affected by mental illness', lies at the heart of all our work and feeds into the overall strategy, which is set by the Board of Trustees.

Trustees have been fully involved in developing out National Plan for 2018-2021. The Plan sets out our corporate objectives, guiding principles and priorities. The Board monitors the progress of the Plan as a regular agenda item.

The annual Board Awaydays provide the opportunity for the Board and Executive team to review the strategy and prioritise areas of work for the coming year. The Committees of the Board, Regional Committees and Governance Link Groups are consulted and views considered when the Board makes its decisions.

The Charity has recently added 'openness' to its core values in recognition of the need to be open and accountable in all its work to maintain the trust of its beneficiaries and all those who come into contact with the Charity. We have policies and procedures in place that underpin the

requirement to act with integrity and in the best interests of the Charity and its charitable purposes.

The recent governance restructure was designed to involve more people in formulating the Charity's strategy and increasing the diversity of people providing input. Although our Board is diverse in respect of gender, age and disability, we struggle to appoint people from ethnic minority groups. In November 2017 the Awaydays included a workshop on increasing diversity and all Trustees are committed to this aim.

All Trustees, including the Chair, receive an annual review and the Chair, Chief Executive and Company Secretary work collaboratively to address the development needs of Trustees. We undertake a skills audit to record skills and experience, identify gaps and thereby inform the process for appointing new Trustees.

### Subsidiary Company Information

There are three active subsidiary companies, NSF Trustees Limited (NSFT) and Rethink Trust Corporation Limited (RTC), providing Trustee services to families of people experiencing severe mental illness, as well as Rethink Mental Illness Limited which operates as the trading subsidiary of Rethink Mental Illness.

NSFT was established in order to meet an important need for families of people with severe mental illness so that they can make financial provision for the care of their dependants after the carer's death. RTC was established in 2010/11 to expand the potential range of services provided through NSFT.

Rethink Mental Illness Limited commenced trading during the year with a number of service contracts previously held by the charity being novated across to the subsidiary during 2017/18.

The financial statements of the subsidiaries have been consolidated into the financial statements of the Group.

Two further subsidiary companies are incorporated as possible future trading subsidiaries. Rethink Mental Illness also acts as Trustee of the Befriending Visitors Service (BVS). Financial details relating to the subsidiaries and BVS are contained in notes 19 and 20 to the financial statements.

### Wider Networks

Rethink Mental Illness is part of The Richmond Group of Charities, a collaboration of 14 of the leading health and social care organisations in the voluntary sector. The Group works together

as a collective voice to better influence health and social care policy, with the aim of improving the care and support for the 15 million people living with long term conditions it represents.

The Charity is also connected with Mental Health UK a Charitable Incorporated Organisation (CIO). Rethink Mental Illness, Hafal in Wales, MindWise in Northern Ireland, and Support In Mind Scotland are all members of Mental Health UK. Mental Health UK is not considered part of the Rethink Mental Illness Group and has not been consolidated in the financial statement.

Rethink Mental Illness also works in partnership with the charity Mind to deliver the Time to Change campaign.

The operating policies of Rethink Mental Illness are not affected by any of the above relationships.

### Reserves policy

Rethink Mental Illness recognises the importance of maintaining a reserves policy to provide a prudent level of cover to meet future obligations and guard against unforeseen contingencies on a going concern basis.

The reserves of the Charity at the year end are:

	£
Unrestricted reserves – general funds	5,236,000
Unrestricted reserves – designated funds	1,422,000
Restricted funds	<u>2,193,000</u>
Total funds	<u>8,851,000</u>

The Board intend that designated funds are spent within a reasonable period of receipt and therefore relate to monies set aside to meet our five year strategy for ICT development, estates and property repairs and contract contingencies. An analysis of designated funds is included in Note 15 of the accounts.

Our reserves policy focuses on the level of our “free” reserves.

Free reserves are defined as net assets excluding restricted funds, designated funds and the element of general funds that have been used to acquire fixed assets for the Charity’s own use. Our unrestricted reserves at 31 March 2018 were £5.2 million (2017: £8.3 million) of which £3.5 million are fixed and intangible assets in use by the Charity. The level of free reserves at 31 March 2018 was £1.7 million (2016: £4.9 million).

The current reserves policy sets a minimum level of free reserves at £4.6 million. This is broken down as follows:

- to meet working capital requirements which are not covered by an overdraft facility (£1.5 million)
- to manage known short-term commitments the Charity is exposed to in the course of its business (£2.1 million)
- to respond to unplanned opportunities (£1.0 million).

The free reserves held are currently below our target level due to the financial deficit arising during the year and the material provision for pension liabilities which amounted to £5.2m at the end of the financial year. The Board recognise the need to ensure the charity has the appropriate level of free reserves to enable it to meet its future needs. The focus will now be on rebuilding those funds to bring them into line with the minimum level set out in the reserves policy.

The Board will keep its reserves policy under regular review to ensure that an appropriate balance is maintained between developing reserves to provide sufficient funds to meet its forward obligation, to provide a reserve against unforeseen events and to provide adequate resources to fund new initiatives in order to promote the charitable objects of Rethink Mental Illness. Further details of reserves held at 31 March 2018 are shown in note 15 to the financial statements.

### Remuneration policy

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

During 2016/7 the remuneration committee agreed a phased 2% pay award for staff from 1<sup>st</sup> January 2017. The second phase of the award was introduced at the start of 2017/18 with a rise of a further 1% payable from 1<sup>st</sup> April 2017. This was the first consolidated pay award for several years.

### Investment policy

The Trustees have wide investment powers set out in the Charity's Articles of Association. Currently, monies of the Charity not immediately required for its purposes are placed in short-term interest-bearing accounts with the Charity's main bankers or invested by the formally appointed Investment Managers.



During 2017/18 the Investment Committee reviewed the investment strategy of the Charity and confirmed the strategy remained appropriate for the Charity's Investment Managers, Investec Wealth & Investment, to follow. The objective is to achieve a balance between income and capital returns ensuring low to medium risk.

Any investments will have due regard for the Charity's objects and the committee have decided that it will not make any direct investments in companies or funds, primarily concerned with the production and / or distribution of pornography, tobacco, armaments and/or alcoholic beverages.

The medium-term performance benchmark is linked to the Consumer Price Index (CPI) plus +0.5%. During 2017/18 CPI was 2.3% this gives a performance benchmark of 2.8% for the year ending 31 March 2018. The performance benchmark has been confirmed by the Investment Committee as being an appropriate to continue with. During the year a total return (net of fees) of 2.24% was achieved by the Investment Managers.

### Principal risks and uncertainties

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

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

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

The key risks currently facing Rethink Mental Illness are considered to be:

- Ongoing uncertainty concerning the current and emerging political climate, a more challenging and competitive market for service delivery contracts and rising employment costs, which are mitigated by seeking new forms of service delivery and increased effort in fundraising and supporter engagement.

- Serious untoward incidents, including unpredictable death or serious injury to a beneficiary, staff member, volunteer or a member of the public, which are offset by safeguarding policies and procedures.
- Inability to effectively evidence clear impact and outcomes, which in turn impacts on new and continuing business. These risks are mitigated by initiatives to invest in managers, improve quality, introducing more standardised processes for capturing service user outcomes and improving our internal management information reporting systems to track quality more actively.
- Leverage opportunities to fully utilise the corporate capability of our relationships/sponsorships, not just for funding but to help shape the future proposition of MHUK, enabling us to seize and maximise the forthcoming government changes.

### **Serious Incidents**

The Charity has reported serious incidents to the Charity Commission and confirms that there were no other serious incidents during 2017/18 that should have been reported to the Commission.

### **Auditors**

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

## Statement of Trustees Responsibilities

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

The Trustees are responsible for preparing the Trustees' Annual 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 in accordance with UK Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Charitable Company and of the excess of income over expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 its activities.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charitable Company and to prevent and detect fraud and other irregularities.

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

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 20th July 2017 including approving in their capacity as Directors the Trustees Strategic Report and Directors' Report contained therein, and is signed as authorised on its behalf by the Chair of the Board of Trustees.

By Order of the Board

**Philippa Lowe**

Chair of the Trustees      Date



## Independent Auditors' Report to the members of the National Schizophrenia Fellowship

### Opinion

We have audited the financial statements of Rethink Mental Illness for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 23, 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).

This report is made solely to the Charitable Group'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 Group'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 Group and the Group's members as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the

financial statements does not cover the other information and, 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 our audit;

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

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

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

- the parent Charitable Company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 26, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Kerry Brown

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

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

27 October 2018

## Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2018

	Note	2018 Unrestricted Funds £000	2018 Restricted Funds £000	2018 Total £000	2017 Unrestricted Funds £000	2017 Restricted Funds £000	2017 Total £000
<b>Income and Endowments from:</b>							
Donations and Legacies	2	2,205	196	2,401	1,929	232	2,161
Charitable Activities	3	24,463	4,957	29,420	27,159	4,113	31,272
Other trading Activities	4	160	-	160	101	-	101
Investments	4	189	-	189	183	-	183
<b>Total Income</b>		<b>27,017</b>	<b>5,153</b>	<b>32,170</b>	<b>29,372</b>	<b>4,345</b>	<b>33,717</b>
<b>Expenditure on:</b>							
Raising Funds	5	1,317	-	1,317	1,217	46	1,263
Charitable Activities	5	28,972	4,602	33,574	29,344	4,370	33,714
Other	5	106	-	106	134	-	134
<b>Total Expenditure</b>		<b>30,395</b>	<b>4,602</b>	<b>34,997</b>	<b>30,695</b>	<b>4,416</b>	<b>35,111</b>
<b>Income less Expenditure Before Investments</b>		<b>(3,378)</b>	<b>551</b>	<b>(2,827)</b>	<b>(1,323)</b>	<b>(71)</b>	<b>(1,394)</b>
Net gains/(losses) on Investments	9	(2)	-	(2)	845	-	845
<b>Net Income/(Expenditure)</b>		<b>(3,380)</b>	<b>551</b>	<b>(2,829)</b>	<b>(478)</b>	<b>(71)</b>	<b>(549)</b>
Transfers between funds		828	(828)	-	240	(240)	-
<b>Net movement in funds</b>		<b>(2,552)</b>	<b>(277)</b>	<b>(2,829)</b>	<b>(238)</b>	<b>(311)</b>	<b>(549)</b>
<b>Fund balances brought forward at 1 April 2017</b>		<b>9,210</b>	<b>2,470</b>	<b>11,680</b>	<b>9,448</b>	<b>2,781</b>	<b>12,229</b>
<b>Fund balances carried forward at 31 March 2018</b>	15	<b>6,658</b>	<b>2,193</b>	<b>8,851</b>	<b>9,210</b>	<b>2,470</b>	<b>11,680</b>

## Consolidated Group and Charity balance sheets at 31 March 2018

	Note	Group		Charity	
		2018	2017	2018	2017
		£000	£000	£000	
<b>Fixed assets</b>					
Intangible assets	8	990	1,092	990	1,092
Tangible assets	8	2,984	3,062	2,984	3,062
Investments	9	7,006	9,758	7,006	9,858
		<u>10,980</u>	<u>13,912</u>	<u>10,980</u>	<u>14,012</u>
<b>Current assets</b>					
Stocks for resale		7	14	7	14
Debtors	10	5,153	5,102	4,097	5,176
Cash at bank and in hand		1,890	1,565	1,797	1,361
		<u>7,050</u>	<u>6,681</u>	<u>5,901</u>	<u>6,551</u>
<b>Creditors: amounts falling due within one year</b>					
	11	<u>(4,303)</u>	<u>(4,544)</u>	<u>(3,539)</u>	<u>(4,539)</u>
<b>Net current assets</b>					
		<u>2,747</u>	<u>2,137</u>	<u>2,362</u>	<u>2,012</u>
<b>Total assets less current liabilities</b>					
		<u>13,727</u>	<u>16,049</u>	<u>13,342</u>	<u>16,024</u>
<b>Creditors Amounts falling due after more than one year</b>					
Pension Liability	12	(4,570)	(4,044)	(4,570)	(4,044)
Provisions for liabilities	13	(306)	(325)	(306)	(325)
<b>Total net assets or liabilities</b>					
		<u>8,851</u>	<u>11,680</u>	<u>8,466</u>	<u>11,655</u>
<b>Funds</b>					
General funds	15	5,236	8,288	5,063	8,263
Designated funds	15	1,422	922	1,222	922
Restricted funds	15	2,193	2,470	2,181	2,470
		<u>8,851</u>	<u>11,680</u>	<u>8,466</u>	<u>11,655</u>

The Investments and the Cash at bank reflect the classification of cash available for investment purposes as Fixed Asset investments.

A deficit reflecting expenditure above income for the year of £3,191,000 (2017: deficit of £549,000) has been dealt with in the financial statements of the Charitable Company.

The financial statements were approved by the Trustees on  
by:

and were signed on their behalf

**Philippa Lowe**  
Chair of Trustees





## Statement of consolidated cash flows for the year ended 31 March 2018

	<i>Note</i>	<b>2018</b>	2017
		<b>£000</b>	£000
<b>Net Cash provided by operating activities</b>	23	<b>(2,027)</b>	180
<b>Cash flows from investment activities</b>			
Dividends, interest and rent from Investments		<b>189</b>	183
Proceeds from sale of property, plant and equipment		<b>126</b>	-
Purchase of property, plant and equipment		<b>(713)</b>	(1,224)
Proceeds from the sale of Investments		<b>639</b>	832
Purchase of investments		<b>(889)</b>	(966)
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(648)</b>	(1,175)
<b>Change in Cash and Equivalents in the reporting period</b>		<b>(2,675)</b>	(995)
Cash and Cash Equivalents at the beginning of the reporting period		<b>4,565</b>	5,560
Cash and Cash Equivalents at the end of the reporting period	24	<b>1,890</b>	4,565

## Notes

*(forming part of the financial statements)*

### Company status

The Charity is a company limited by guarantee, incorporated in England and Wales, and treated as a public benefit entity. The board members of the company are the Trustees named under "Legal and administrative information". In the event of the Charity being wound up, the liability in respect of the guarantee is limited to one penny per member of the Charity.

The operating name of the National Schizophrenia Fellowship is Rethink Mental Illness.

Registered Office, 15<sup>th</sup> Floor, 89 Albert Embankment, London SE1 7TP.

Principal Office, 1<sup>st</sup> Floor Castlemill, Birmingham New road, Tipton, DY4 7UF.

## 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

### *Basis of preparation*

The financial statements have been prepared under the historical cost accounting rules with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice ("SORP") 2015 "Accounting and Reporting by Charities", issued in January 2015, and Financial reporting standard 102 (FRS102), and the Companies Act. The Charity is a public benefit entity for the FRS102 purposes.

### *Going concern*

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

### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 March 2018. The results of the subsidiaries, as shown in note 19, are consolidated on a line by line basis within the consolidated Statement of Financial Activities ("SOFA"). In the Charitable Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution.

### *Charitable Company income and expenditure*

No separate statement of financial activities has been prepared for the charity alone as permitted by Section 408 of the Companies Act 2006. A deficit reflecting expenditure above income for the year of £3,191,000 (2017: deficit of £549,000) has been dealt with in the financial statements of the Charitable Company.

### *Fund accounting and transfers*

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

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 note 15 to the financial statements.

General funds may be transferred to designated funds where Trustees wish to use these funds for a specific purpose. Such funds may be transferred back to general funds once the criteria for designation have been met or are no longer applicable.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of restricted funds is set out in the notes to the financial statements. Restricted funds may only be transferred to general or designated funds once the criteria for restriction have been discharged or no longer apply.

### *Incoming resources*

All incoming resources are shown net of VAT. They are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind and donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

For legacy income, entitlement in the case of residuary and pecuniary legacies is counted from the earlier of estate accounts being finalised and communicated to Rethink Mental Illness and cash received. Legacies where Rethink Mental Illness's receipt of income is subject to a life tenancy have not been included.

Members' subscriptions are taken to income on a received basis. Grants, service agreement and fee income and grants for premises and equipment are recognised in the SOFA and income and expenditure account in the period in which they are receivable. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor/funder has specified that the income is to be expended in a future period.

### *Resources expended*

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

Costs of generating voluntary income are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include an appropriate apportionment of management overheads.

Governance costs are those costs incurred in connection with governance and professional support to Trustees.

### *Intangible assets and amortisation*

Intangible assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Amortisation is provided on all intangible assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

ICT Licenses	the shorter of the life of the license or 10 years
--------------	--

### *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

Freehold land	Nil
Freehold buildings	2%
Leasehold land and buildings	2% (or over life of lease if shorter)
Furniture and equipment	25%

ICT Equipment (purchases from 01.04.2015)	33.3%
Motor vehicles	33.3%

### *Investments and interest receivable*

Investments are stated at market value at the balance sheet date. Interest on deposit and other accounts is allocated to income in the year in which it is receivable. Net gains and losses on investments arising on revaluation are included in the SOFA.

### *Stock*

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items for resale or distribution are not included in the financial statements until they are sold or distributed.

### *Volunteers*

The charity has in the region of 500 volunteers. The financial value these volunteers make is not incorporated within the accounts.

### *Local groups*

In order to reflect correctly the stewardship of the Charity over the activities of its local groups, their results are included in the SOFA and their cash balances at the year end are included in the balance sheet as restricted funds. The amounts have been incorporated on the basis of returns received in the Finance Directorate by 18th April 2017

### *Liquid resources*

For the purposes of the cash flow statement, cash comprises cash in hand and deposits repayable on demand without penalty, less overdrafts payable on demand.

### *Post-retirement benefits*

Rethink Mental Illness participates in a pension arrangement with the People's Pension. This scheme was established in September 2013 and it is open to all staff who qualify under the Government's auto enrolment scheme. The People's Pension is a defined contribution scheme.

During the year the Charity participated in the CARE (Career Average Revalued Earnings) and Growth Plan Pension Schemes administered by TPT Retirement Solutions. Both the CARE and Growth Plan Schemes are multi-employer defined benefit schemes. The Schemes are funded and contracted out of the State scheme. The assets of the schemes are held separately from those of the Charity in an independently administered fund. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Rethink Mental Illness has entered into an agreement with the Multi-Employer plan which determines how a deficit will be funded. As a result Rethink recognises the net present value of the contributions payable from this agreement as a liability on the balance sheet. The CARE and the Growth Scheme were closed during 2013 to new entrants.

### *Finance and operating leases*

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred in equal amounts. Assets purchased under finance leases are capitalised at their fair value at the inception of the contracts and depreciated over their estimated useful lives. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

### *Deferred taxation*

In the subsidiary financial statements, the policy is to pay all taxable profits to Rethink Mental Illness by way of Gift Aid. No deferred tax liability arises in the financial statements.

### *Critical accounting judgements and key sources of estimation uncertainty*

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described and summarised below. Estimates are made on the following bases:

- Dilapidations, where no surveyor schedule is available, or where there is no set amount included in the lease agreement, a provision is made based on a standard amount per lease of £1000.
- Refurbishment funds are estimated based on a standard replacement item price and a schedule of responsibility compiled on a property by property basis.
- Gift in kind donated property is based on a standard price of £11.50 per square feet and a standard room size of 144 square feet per office space provided free of charge.
- Pension Liability - The Charity is a member of two multi employer defined benefit pension schemes. The Charity has entered into a deficit recovery repayment plan with TPT Retirement Solutions in respect of these schemes and this liability has been recognised on the Balance Sheet at amortised cost. The discounting assumptions used are recorded in note 18.

### *Debtors*

Debtors are measured at amortised cost less any impairment.

### *Creditors & provisions*

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

### *Financial instruments*

Rethink Mental Illness has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

## 2 Analysis of Donations and Legacies

	2018	2018	2018	2017	2017	2017
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Fundraising and Donations	383	176	559	491	146	637
Donated services and facilities	415	-	415	442	-	442
Membership subscriptions	81	-	81	92	-	92
Legacies	767	12	779	537	-	537
General grants	31	-	31	66	-	66
Sponsorship and events	377	8	385	233	12	245
Corporate Donations	151	-	151	68	74	142
	2,205	196	2,401	1,929	232	2,161

Donated services and facilities relates to office accommodation, training, travel costs, legal and professional fees and Google Ad Words that have been provided free of charge.

## 3 Analysis of income from charitable activities

	2018	2018	2018	2017	2017	2017
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Supported housing and floating support services	7,395	13	7,408	7,915	19	7,934
Prisons/criminal justice services	607	154	761	581	96	677
Community services	3,943	235	4,178	4,343	611	4,954
Carers' and family support services	524	162	686	698	256	954
Advocacy services	2,606	7	2,613	2,365	4	2,369
Helpline & Advice Services	194	1,466	1,660	513	231	744
Nursing and CQC registered services	8,329	122	8,451	10,072	122	10,194
Communications and Campaigns	848	193	1,041	648	265	913
Management and support	17	-	17	24	78	102
Time To Change	-	2,605	2,605	-	2,431	2,431
<b>Total funding received for charitable activities</b>	24,463	4,957	29,420	27,159	4,113	31,272

Time to Change is a programme of activities that works to reduce stigma of mental illness in the wider population

#### 4 Analysis of incoming resources from Other Trading Activities and Investments

	2018 Unrestricted £000	2018 Restricted £000	2018 £000	2017 £000
<b>Other trading Activities</b>				
Income from Subsidiary undertakings	160	-	160	101
	<b>160</b>	<b>-</b>	<b>160</b>	<b>101</b>
<b>Investments</b>				
Interest received	1	-	1	12
Dividends received	188	-	188	171
	<b>189</b>	<b>-</b>	<b>189</b>	<b>183</b>

The following funders have specifically asked for income from their organisation to be listed:

	Amount received in year £000	Incoming Resources recognised in SOFA £000
<b>Big Lottery Fund</b>		
Get Together	43	58
Step up: an asset based approach to transitions	82	84
	<b>125</b>	<b>142</b>
<b>Time to Change in conjunction with MIND</b>		
NHS England and Comic Relief		2,605
<b>Mental Health UK – Lloyds Banking Group</b>		<b>1,395</b>
<b>NHS England</b>		
Recovery and Outcomes Groups		100
<b>Garfield Weston Foundation</b>		
RAIS		40
<b>Tides Foundation</b>		
Tides Foundation grant 1711-48946		5

## 5 Analysis of expenditure

	Direct costs £000	Support costs £000	Total 2018 £000	Total 2017 £000
<b>Raising funds</b>				
Fundraising	1,077	195	1,272	1,224
Managing Investments	38	7	45	39
<b>Total cost of raising funds</b>	<b>1,115</b>	<b>202</b>	<b>1,317</b>	<b>1,263</b>
<b>Charitable activity</b>				
Supported housing and floating support services	6,621	1,129	7,750	8,350
Prisons/criminal justice services	670	100	770	540
Community services	4,013	698	4,711	4,886
Carers' and family support services	1,285	219	1,504	1,582
Advocacy services	1,898	384	2,282	2,626
Helpline & Advice Services	1,870	278	2,148	956
Nursing and CQC registered services	7,864	1,369	9,233	10,349
Time to Change	2,589	525	3,114	2,502
Communications and Campaigns	1,714	348	2,062	1,923
<b>Total cost of charitable activity</b>	<b>28,524</b>	<b>5,050</b>	<b>33,574</b>	<b>33,714</b>
<b>Other Expenditure</b>				
Expenditure on Other trading Activities	48	-	48	37
Pension Interest Charge	58	-	58	97
<b>Total Other Expenditure</b>	<b>106</b>	<b>-</b>	<b>106</b>	<b>134</b>
	<b>29,745</b>	<b>5,252</b>	<b>34,997</b>	<b>35,111</b>

The split of direct and support costs for 2017 were Direct £30,880,000 and Support costs £4,231,000.



**Direct and support costs include:**

	<b>2018</b>	2017
	<b>£000</b>	£000
Auditors' remuneration:		
Fees payable to the Charity's Auditors for the audit of the annual accounts	<b>42</b>	45
Fees payable to the Charity's Auditor for the audit of the Charity's subsidiary undertakings, pursuant to legislation	<b>3</b>	3
Depreciation	<b>622</b>	307
Loss on disposal of fixed assets	<b>147</b>	61
Rents paid on leasehold premises	<b>2,218</b>	1,661
Operating lease rentals	<b>335</b>	342
	<b>335</b>	342

**Allocation of support costs:**

<b>Type of cost</b>	<b>Allocated to Fundraising</b>	<b>Allocated to charitable activities</b>	<b>2018 Total</b>	2017 Total
	<b>£000</b>	<b>£000</b>	<b>£000</b>	£000
General management and administration	21	461	<b>482</b>	578
Governance	-	544	<b>544</b>	494
Finance costs	39	887	<b>926</b>	848
Human resources	80	1,786	<b>1,866</b>	1,015
Information and technology	62	1,372	<b>1,434</b>	1,258
	<b>202</b>	<b>5,050</b>	<b>5,252</b>	4,193

Those support costs that meet the SORP FRS102 criteria for inclusion as governance costs have been allocated as such to Charitable Activities. Other support costs have been allocated to expenditure headings based on the proportion of direct costs included in each heading.

## 6 Staff costs

	<b>2018</b>	2017
	<b>£000</b>	£000
Wages and salaries	<b>17,745</b>	17,647
External agency costs	<b>1,088</b>	2,613
Social security costs	<b>1,467</b>	1,434
Pension costs: Defined benefit	<b>1,042</b>	177
Pension costs: Defined contribution	<b>571</b>	562
	<b>21,913</b>	22,433
Pension contributions made by Rethink Mental Illness in respect of higher paid employees amounted to:	<b>26</b>	15

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year and to whom retirement benefits are accruing under money purchase and defined benefit pension schemes are:

	<b>2018</b>	2017
	<b>Number</b>	Number
£60,001 - £70,000	<b>4</b>	3
£70,001 - £80,000	<b>1</b>	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	2
£100,001 - £110,000	<b>1</b>	1
£110,001 - £120,000	<b>2</b>	-
£120,001 - £130,000	<b>1</b>	1
	<b>9</b>	7

Key management remuneration relating the Executive Officers during the year totalled £564,000 (2017: £560,000) for 6 employees (2017: 5)

The average number of employees, based on head count, analysed by function was:

	Average Number of Employees	
	2018 Number	2017 Number
Charitable activities Contract Staff	733	807
Charitable activities Bank Staff	120	171
Cost of generating funds	15	12
Governance and administration support	11	9
	<b>879</b>	<b>999</b>

The amount of redundancy paid to employees during the year was £486,000 (2017: 141,000)

## 7 Trustees' emoluments

Trustees are not remunerated.

Expenses for travelling and subsistence on Charity business in the amount of £22,577 (2017: £23,688) were reimbursed to 10 Trustees (2017: 14).

## 8 Intangible and Tangible fixed assets

	Intangible Assets	Land, buildings and property improvements	Furniture and equipment	Motor Vehicles	Total
		£000	£000	£000	£000
<b>Cost</b>					
At 1 April 2017	1,154	4,492	1,900	17	7,563
Additions	166	-	547	-	713
Disposals	-	(379)	(226)	-	(605)
<b>At 31 March 2018</b>	<b>1,320</b>	<b>4,113</b>	<b>2,221</b>	<b>17</b>	<b>7,671</b>
<b>Depreciation</b>					
At 1 April 2017	62	1,496	1,834	17	3,409
Charge for year	268	194	160	-	622
On disposals	-	(118)	(216)	-	(334)
<b>At 31 March 2018</b>	<b>330</b>	<b>1,572</b>	<b>1,778</b>	<b>17</b>	<b>3,697</b>
<b>Net book value</b>					
<b>At 31 March 2018</b>	<b>990</b>	<b>2,541</b>	<b>443</b>	<b>-</b>	<b>3,974</b>
At 31 March 2017	1,092	2,996	66	-	4,154

Of the land and buildings at cost, freehold was £2,863,000 and leasehold £1,250,000 (2017: freehold £3,166,000 and leasehold £1,326,000). All fixed assets are utilised by the Charity/Group for charitable purposes.

## 9 Investments

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Market Value at beginning of year	<b>9,758</b>	8,777	<b>9,858</b>	8,877
Additions	<b>889</b>	966	<b>789</b>	966
Disposal Proceeds	<b>(869)</b>	(297)	<b>(869)</b>	(297)
Net movement in cash	<b>(2,770)</b>	(534)	<b>(2,770)</b>	(534)
Net realised investments Gain/ (Loss)	<b>137</b>	29	<b>137</b>	29
Net unrealised investments Gain / (Loss)	<b>(139)</b>	817	<b>(139)</b>	817
Market Value at end of year	<b>7,006</b>	9,758	<b>7,006</b>	9,858
Historical cost at end of year	<b>5,930</b>	9,909	<b>5,930</b>	9,809
Investments are represented by:				
100% holding in Rethink Trust Corporation Limited	-	-	<b>100</b>	100
UK Fixed Interest	<b>1,007</b>	1,079	<b>1,007</b>	1,079
Overseas Fixed Interest	-	-	-	-
UK Equities	<b>2,381</b>	2,377	<b>2,281</b>	2,377
Overseas Equities	<b>2,345</b>	2,264	<b>2,345</b>	2,264
Alternative Assets – Property	<b>806</b>	800	<b>806</b>	800
Cash Balances	<b>467</b>	3,238	<b>467</b>	3,238
	<b>7,006</b>	9,758	<b>7,006</b>	9,858

## 10 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Grant debtors	<b>3,847</b>	3,730	<b>1,821</b>	3,729
Amount due from subsidiary undertakings	-	-	<b>1,220</b>	103
Prepayments and accrued income	<b>633</b>	618	<b>476</b>	618
Other Debtors	<b>673</b>	754	<b>580</b>	726
	<b>5,153</b>	5,102	<b>4,097</b>	5,176

## 11 Creditors: amounts falling due within one year

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Short term loans	-	843	-	843
Trade creditors	1,436	1,716	1,317	1,711
Accruals	929	521	686	521
Pension deficit payments	598	439	598	439
Deferred income	229	306	225	306
Tax and social security	737	397	337	397
Other creditors	374	322	374	322
Amounts due to subsidiary undertaking	-	-	2	-
	<b>4,303</b>	<b>4,544</b>	<b>3,539</b>	<b>4,539</b>

## 12 Creditors: amounts falling due after more than one year

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
TPT Retirement Solutions – Growth Plan	888	1,019	888	1,019
TPT Retirement Solutions – Care Plan	3,682	3,025	3,682	3,025
	<b>4,570</b>	<b>4,044</b>	<b>4,570</b>	<b>4,044</b>

Amounts due after 5 years are Growth Plan £350,000 and Care Plan £2,201,000

## 13 Provisions for Liabilities

	Balance at 1 April 2017 £000	Charged to the SOFA £000	Released £000	Balance at 31 March 2018 £000
Dilapidation costs on leased properties	295	72	(86)	281
Bad Debt Provision	30	308	(313)	25
<b>Total for the Charity</b>	<b>325</b>	<b>380</b>	<b>(399)</b>	<b>306</b>

## 14 Deferred Income

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Balance at beginning of year	306	474	306	474
Amount released to incoming resources	(306)	(474)	(306)	(474)
Amount deferred in the year	229	306	225	306
Balance at end of year	<b>229</b>	<b>306</b>	<b>225</b>	<b>306</b>

Deferred income comprises service income received in advance and grants which the donor has specified must be used in future accounting periods.

Group	Balance at 1 April 2017	Deferred	Released	Balance at 31 March 2018
	£000	£000	£000	£000
<b>Deferred income</b>				
Statutory sources	255	193	(255)	<b>193</b>
Other charitable sources	51	36	(51)	<b>36</b>
<b>Total for the charity</b>	<b>306</b>	<b>229</b>	<b>(306)</b>	<b>229</b>

Charity	Balance at 1 April 2017	Deferred	Released	Balance at 31 March 2018
	£000	£000	£000	£000
<b>Deferred income</b>				
Statutory sources	255	189	(255)	<b>189</b>
Other charitable sources	51	36	(51)	<b>36</b>
<b>Total for the charity</b>	<b>306</b>	<b>225</b>	<b>(306)</b>	<b>225</b>

The main reasons for deferrals are as follows:

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Time restrictions imposed by donor	174	266	170	226
Potentially refundable income received for future events	55	40	55	40
<b>Total</b>	<b>229</b>	<b>306</b>	<b>225</b>	<b>306</b>



## 15 Statement of funds

### Group and Charity

	Balance at 1 April 2017	Incoming resources	Expenditure	Gain/Loss on investments	Transfers	Balance at 31 March 2018
	£000	£000	£000	£000	£000	£000
<b>General funds</b>	8,288	23,410	(27,255)	(2)	795	<b>5,236</b>
<b>Designated funds</b>						
Repairs and Refurbishment	219	70	(6)	-	(79)	<b>204</b>
ICT Development	300	26	(26)	-	200	<b>500</b>
Regional Committee Projects	68	3	(16)	-	-	<b>55</b>
Contract Contingency	123	3,480	(3,059)	-	(278)	<b>266</b>
Rethink Mental Illness Plan ICT Development	144	-	-	-	-	<b>144</b>
Capital Equipment	68	28	(33)	-	(10)	<b>53</b>
The Pensions Trust Care Plan	-	-	-	-	200	<b>200</b>
	922	3,607	(3,140)	-	33	<b>1,422</b>
<b>Total general funds and designated funds</b>	<b>9,210</b>	<b>27,017</b>	<b>(30,395)</b>	<b>(2)</b>	<b>828</b>	<b>6,658</b>
<b>Restricted funds</b>						
Big Lottery Fund	113	141	(252)	-	-	<b>2</b>
Welfare Funds	70	17	(17)	-	(1)	<b>69</b>
Capital Restricted Fund	638	-	(154)	-	(64)	<b>420</b>
Groups Fund	208	85	(129)	-	-	<b>164</b>
Alternatives to Respite Fund	509	-	-	-	(179)	<b>330</b>
Mental Health UK – Lloyds Banking Group	-	1,335	(1,335)	-	-	-
Time to Change – in conjunction with MIND	20	2,605	(2,607)	-	(19)	<b>(1)</b>
Other Restricted Fund Balances	912	970	(108)	-	(565)	<b>1,209</b>
<b>Total Restricted Funds</b>	<b>2,470</b>	<b>5,153</b>	<b>(4,602)</b>	<b>-</b>	<b>(828)</b>	<b>2,193</b>
<b>Total Funds</b>	<b>11,680</b>	<b>32,170</b>	<b>(34,997)</b>	<b>(2)</b>	<b>-</b>	<b>8,851</b>

Represented by:

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	£000	£000	£000	£000
Intangible Assets	990	-	-	990
Fixed Assets – Tangible Assets	2,509	53	422	2,984
Fixed Assets – Investments	7,006	-	-	7,006
Current Assets	3,441	1,369	2,240	7,050
Current Liabilities	(3,878)	-	(425)	(4,303)
Pension Liabilities	(4,570)	-	-	(4,570)
Provision for Liabilities	(262)	-	(44)	(306)
	<u>5,236</u>	<u>1,422</u>	<u>2,193</u>	<u>8,851</u>

### Designated funds

- The Repairs and Refurbishment Fund represents income set aside to provide for a programme of repairs and refurbishments, primarily to housing and residential care home properties. During the year repairs to the value of £6,000 were carried out from this fund. During the year, a review of balances held in the Repairs and Refurbishment Fund was carried out against our obligations for refurbishment of properties. The net effect of this review was a transfer from the fund of £79,000.
- The ICT Development Fund was created from the Rethink Plan spend budgeted for 2016-17 financial year, this resulted in capital asset spend and therefore the fund will be used to offset future depreciation.
- The Regional Committee Projects Fund represents monies set aside to enable Regional Committees to carry out local initiatives including fundraising and / or profile awareness raising events. During the year £16,000 was spent on events. The Committee's future expenditure plans have been incorporated into the 2018-19 budget.
- The Contract Contingency Fund represents income set aside that might need to be repaid at the end of a contract term if the services Rethink Mental Illness has been commissioned to provide are not fully delivered. During the year £263,000 of income was set aside to meet potential repayment risks and £278,000 was assessed as being no longer required to meet potential penalty risks.
- The Rethink Mental Illness Plan ICT Development Fund represents income set aside to support specific work programmes that fall under the Rethink Mental Illness plan. It is recognised that investment in staff development and technology solutions will be required to enable the Charity to deliver the plan's initiatives.
- The Capital Equipment Fund represents the balance of funds held relating to purchases of capital items. Depreciation charges relating to capital equipment purchases are charged against this fund

## Restricted funds

- The Big Lottery Fund balances represent unexpended income received from the Big Lottery Fund at the end of the financial year.
- Welfare Funds represent income that has been specifically given to Services to be controlled by service users as part of their recovery. Service users are able to decide how to utilise this income subject to the financial regulations of the Charity.
- The Capital Property Fund represents the balance of funds held relating to purchase of property or property improvements. Depreciation charges relating to property assets are charged against this fund.
- The Groups Fund represents the balances of funds held by 123 local support groups that operate under the Rethink Mental Illness charity number.
- The Alternatives to Respite Fund was established following the disposal of the Forresters building, and the release of the associated Endowment Fund. This fund is to be used to enable development of alternative models of respite care. Board has approved the use of this fund to enable additional support to our Groups to give respite to Carers in their daily lives.
- The Fund entitled “Mental Health UK – Lloyds Banking Group” represents funds received to create and sustain the Mental Health and Money Advice Service.
- The Fund entitled “Time to Change - in conjunction with MIND” represents unexpended income received in connection with the Time to Change campaign.
- Other Restricted Funds represent unexpended income that has been received for a specific purpose. The total balance of £1,248,000 is made up of 48 separate balances held against individual services. Transfers in year of £565,000 relate to a review carried out on old restricted fund balances where the grant agreement and delivery had been completed in excess of 2 years before April 2018.

## 15a Statement of funds 2017

For comparative purposes the below tables are provided.

### Group and Charity

	Balance at 1 April 2016	Incoming resources	Expenditure	Gain/Loss on investments	Transfers	Balance at 31 March 2017
	£000	£000	£000	£000	£000	£000
<b>General funds</b>	8,335	28,600	(29,827)	845	335	<b>8,288</b>
<b>Designated funds</b>						
Repairs and Refurbishment	449	47	(108)	-	(169)	<b>219</b>
ICT Development	-	-	-	-	300	<b>300</b>
Schizophrenia Commission	50	-	(50)	-	-	-
Regional Committee Projects	77	3	(12)	-	-	<b>68</b>
Contract Contingency	313	680	(652)	-	(218)	<b>123</b>
Rethink Mental Illness Plan ICT Development	144	-	-	-	-	<b>144</b>
Capital Equipment	80	42	(46)	-	(8)	<b>68</b>
	<u>1,113</u>	<u>772</u>	<u>(868)</u>	<u>-</u>	<u>(95)</u>	<u><b>922</b></u>
<b>Total general funds and designated funds</b>	<b>9,448</b>	<b>29,372</b>	<b>(30,695)</b>	<b>845</b>	<b>240</b>	<b>9,210</b>
<b>Restricted funds</b>						
Big Lottery Fund	96	260	(243)	-	-	<b>113</b>
Welfare Funds	67	20	(17)	-	-	<b>70</b>
Capital Restricted Fund	743	21	(129)	-	3	<b>638</b>
Groups Fund	185	118	(95)	-	-	<b>208</b>
Alternatives to Respite Fund	613	-	(104)	-	-	<b>509</b>
Schizophrenia Commission Fund	43	-	(43)	-	-	-
Mental Health UK – Lloyds Banking Group	-	169	(169)	-	-	-
Time to Change – in conjunction with MIND	25	2,452	(2,431)	-	(26)	<b>20</b>
Other Restricted Fund Balances	1,009	1,305	(1,185)	-	(217)	<b>912</b>
	<u>2,781</u>	<u>4,345</u>	<u>(4,416)</u>	<u>-</u>	<u>(240)</u>	<u><b>2,470</b></u>
<b>Total Restricted Funds</b>	<b>2,781</b>	<b>4,345</b>	<b>(4,416)</b>	<b>-</b>	<b>(240)</b>	<b>2,470</b>
<b>Total Funds</b>	<b>12,229</b>	<b>33,717</b>	<b>(35,111)</b>	<b>845</b>	<b>-</b>	<b>11,680</b>

**Represented by:**

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	£000	£000	£000	£000
Intangible Assets	1,092	-	-	1,092
Fixed Assets – Tangible Assets	2,354	67	641	3,062
Fixed Assets – Investments	9,758	-	-	9,758
Current Assets	3,397	855	2,429	6,681
Current Liabilities	(3,984)	-	(560)	(4,544)
Provisions for Liabilities	(4,044)	-	-	(4,044)
Provision for Defined Benefit Pension	(285)	-	(40)	(325)
	<b>8,288</b>	<b>922</b>	<b>2,470</b>	<b>11,680</b>

**16 Financial commitments**

At 31 March 2018, the Group and Charity have commitments under non-cancellable leases as follows:

	<b>2018</b>			<b>2017</b>		
	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>
	£000	£000	£000	£000	£000	£000
Expiry date:						
Less than one year	1,086	509	<b>1,595</b>	1,476	-	1,476
Two to five years	2,582	660	<b>3,242</b>	1,965	-	1,965
Over five years	402	-	<b>402</b>	626	-	626
<b>Total for the Charity</b>	<b>4,070</b>	<b>1,169</b>	<b>5,239</b>	<b>4,067</b>	<b>-</b>	<b>4,067</b>

**17 Capital commitments**

There were no capital commitments to report. (2017: £0).

**18 Pension Schemes**

The Charity is a member of two defined benefit pension schemes providing benefits based on career average pensionable pay. Because the Charity is one of several contributors to these schemes, and is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, Rethink Mental Illness has entered into a deficit recovery payment plan with TPT Retirement Solutions and as such has recognised this liability in the balance sheet.

The last formal valuation of the CARE scheme was performed as at 30 September 2016 by a professionally qualified actuary using the “projected unit” method. A funding update was received as at 30 September 2017; the valuation showed assets of £60.45 million, the liabilities of £85.30 million and a deficit standing at £24.86 million. As a result

Rethink Mental Illness will be required to make deficit recovery payments of £363,000 in 2018/19 (£311,000 2017/18); the annual payment will increase by 3% per annum up to 30 April 2027. The Present Value of the future deficit recovery payments is £4,045,000 based upon a discount rate of 1.93% and this is included as a liability in the balance sheet.

The Charity has been informed that the estimated employer debt on withdrawal from the scheme is £22.5 million as at 30 September 2016 the possibility of this debt crystallising is considered remote as it would only crystallise upon the last active member leaving the plan and, therefore, no adjustment has been made to the accounts.

A formal valuation of the Growth Plan Scheme was performed at 30 September 2014 by a professionally qualified actuary using the "projected unit" method. The valuation shows assets of £793 million, liabilities of £970 million and a deficit of £177 million. Rethink Mental Illness was required to make deficit recovery payments of £129,000 during 2017/18 (£124,000 2016/17) and the annual value of the deficit recovery payment will increase by 3% each year up to 30 September 2028. The Present Value of the future additional deficit recovery payments is £1,019,000 based upon a discount rate of 1.71%.

The Charity has been notified by the TPT Retirement Solutions that the estimated employer debt on withdrawal from the Growth Plan scheme, as at 30 September 2014, was £2,335,000. The debt on withdrawal would crystallise upon the last active member leaving the Plan. The possibility of this debt crystallising is considered remote and, therefore, no adjustment has been made to the accounts.

There have been no new admissions to TPT Retirement Solutions CARE scheme after September 2013.

The Charity also makes contributions to a number of money purchase pension schemes on behalf of certain employees. These include contributions to schemes where Rethink Mental Illness has been granted "admitted body status, and there were contributions to other money purchase schemes.

The Charity has "admitted body status" to the Wiltshire County Council (WCC) pension scheme. Admitted body status was secured when 12 WCC employees transferred to the Charity under a TUPE agreement. The Charity no longer employs any of these employees and therefore no longer contributes to the pension scheme. WCC and the Charity are in discussions agree what value is payable by the Charity to finance any scheme valuation shortfalls that may be attributable to the Charity. The Charity has offered to pay £104,000 to WCC but are currently waiting for WCC to consider this. WCC originally requested £264,000. The amount offered by Rethink has been included as a liability in the balance sheet.

In line with Government Auto Enrolment requirements, a new defined contribution scheme provided by the People's Pension was made available for all staff to participate in from September 2013 onwards.

Rethink Mental Illness contributions to all pension schemes are expected to be £561,000 for the year ending 31 March 2019.

Expenditure charged with regard to Pensions Schemes	2018	2017
	£000	£000
People's Pensions Schemes	555	546
Admitted Bodies	3	6
Money Purchase Schemes	13	10
TPT Care including re-measurement charges	963	126
TPT Growth including re-measurement charges	(25)	51
Wiltshire County Council Pension Scheme	104	-
	<b>1,613</b>	<b>739</b>

## 19 Funds Held as Agent

During the year the charity received funds on behalf of Mental Health UK, a connected party (note 22) amounting to £1,998,000 (2017: £Nil).

The balance held by the Charity at 31 March 2018 amounted to £1,998,000 (2017 : £Nil).

## 20 Subsidiary undertakings

All subsidiary companies dormant or active hold the same registered office address

### Registered Office

15<sup>th</sup> Floor

89 Albert Embankment

London

SE1 7TP

### NSF Trustees Limited, Company Registration Number 02515917, incorporated in England and Wales

NSF Trustees Limited is a company limited by guarantee. The Charity has control of this company by virtue of voting rights in respect of the appointment and removal of directors. The principal activity of the company is to act as a Corporate Trustee of any Trust whose objectives include provision for a person or persons suffering from severe mental illness. All activities of this company have been consolidated in the SOFA on a line by line basis.

	<b>2018</b>	2017
	<b>£000</b>	£000
Turnover	<b>78</b>	65
Cost of sales	-	-
Gross profit	<b>78</b>	65
Administrative expenses	<b>(24)</b>	(20)
Gift Aid payable to Charity	-	(45)
Net result	<b>54</b>	-

The aggregate of the assets, liabilities and funds:

	<b>2018</b>	2017
	<b>£000</b>	£000
Assets	<b>106</b>	102
Liabilities	<b>(27)</b>	(77)
Funds	<b>79</b>	25

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £22,000 (2017: £74,000). Amounts owed by Rethink Trust Corporation Limited included as a debtor in these accounts were £32,000 (2017: £0).

**Rethink Trust Corporation Limited, Company Registration Number 07327597, incorporated in England and Wales**

Rethink Trust Corporation Limited is a private company limited by shares. The sole member of the company is the Charity. The share capital of the company is £250,000 of which £100,000 has been called up and paid representing £100,000 share capital investment by Rethink Mental Illness. The principal activity of the company is to undertake trust business including acting as trustee under wills and settlements and acting as executor and administrator. All activities of this company have been consolidated in the SOFA on a line by line basis.

	<b>2018</b>	2017
	<b>£000</b>	£000
Turnover	<b>82</b>	36
Cost of sales	-	-
Gross profit	<b>82</b>	36
Administrative expenses	<b>(24)</b>	(17)
Gift Aid payable to Charity	-	(19)
Net result	<b>58</b>	-

The aggregate of the assets, liabilities and funds:

	<b>2018</b>	2017
	<b>£000</b>	£000
Assets	<b>212</b>	131
Liabilities	<b>(54)</b>	(31)
Funds	<b>158</b>	100

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £17,000 (2017: £28,000). Amounts owed to NSF Trustees Limited included as a creditor in these accounts were £32,000 (2017: £0).

**Rethink Mental Illness Limited, Company Registration Number 04570581, incorporated in England and Wales.**

Rethink Mental Illness Limited is a private company limited by shares. The sole member of the company is the Charity. The principal activity of the company is the provision of community based mental health related services across England. All activities of this company have been consolidated in the SOFA on a line by line basis.

	<b>2018</b>	2017
	<b>£000</b>	£000
Turnover	<b>4,995</b>	-
Cost of sales	<b>(3,453)</b>	-
Administrative expenses	<b>(1,292)</b>	-
Gift Aid payable to Charity	-	-
Net result	<b>250</b>	-



The aggregate of the assets, liabilities and funds:

	2018	2017
	£000	£000
Assets	2,183	2
Liabilities	(1,933)	-
Funds	<u>250</u>	<u>2</u>

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £1,179,000 (2017: £0). Management charge amounting to £1,292,000 was charged from the Charity to Rethink Mental Illness Limited in the year. (2017: £nil)

### Dormant Subsidiary Undertakings

The following two wholly owned subsidiaries are all companies incorporated in England and Wales. They have not been consolidated within these financial statements as they are all dormant and have no assets or liabilities:

- Rethink Severe Mental Illness Limited, Company Registration Number 04396376
- Rethink Mental Health Limited, Company Registration Number 4571057

## 21. Fund for which the Charity acts as Trustee

### The Befriending Visitors Service (not consolidated)

	2018	2017
	£000	£000
Income	-	-
Cost of sales	-	-
Gross profit	-	-
Payment to Rethink Mental Illness	-	-
Net loss	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds:

Assets	38	38
Liabilities	-	-
Funds	<u>38</u>	<u>38</u>

## 22. Connected Entities

Mental Health UK a Charitable Incorporated Organisation (CIO) charity number 1170815

### Registered Address

15<sup>th</sup> Floor

89 Albert Embankment

London

SE1 7TP

Rethink Mental Illness is connected with Mental Health UK a Charitable Incorporated Organisation (CIO). Rethink Mental Illness, Hafal in Wales, MindWise in Northern Ireland, and Support In Mind Scotland are all members of Mental Health UK. Mental Health UK is not considered part of the Rethink Mental Illness Group and has not been consolidated in the financial statements.

## 23. Reconciliation of net incoming resources to net cash inflow from operating activities

	2018	2017
	£000	£000
Net incoming resources before transfers	(2,829)	(1,394)
Investment Income	(189)	(183)
Depreciation	622	307
(Profit) / Loss on disposal of fixed assets	147	60
Decrease/(increase) in stock	7	(13)
Decrease/(increase) in debtors	(51)	338
(Decrease) / Increase in creditors	285	1,061
Increase in provisions for liabilities	(19)	4
<b>Net cash outflow from operating activities</b>	<b>(2,027)</b>	<b>180</b>

## 24 Analysis of changes in net funds

	At 1 April 2017	Cash flows	At 31 March 2018
	£000	£000	£000
Balance Sheet Cash at bank and in hand	1,565	325	1,890
Cash at bank available for Investment Purposes	3,000	(3,000)	-
<b>Cash for Cash Flow Statement</b>	<b>4,565</b>	<b>(2,675)</b>	<b>1,890</b>

## 25 Financial Instruments

At the balance sheet date the group held financial assets at amortised cost of £5,137,000 (2017 £5,958,000), financial assets at fair value of £7,006,000 (2017 £9,758,000) and Financial liabilities at amortised cost of £8,047,000 (2017 £7,885,000).

# Thank you for your support

Adelphi  
Big Lottery Fund  
BW  
Campus Living Villages  
Capital One  
Cripps LLP  
Department of Health  
EMAP  
Garfield Weston Foundation  
Horwich Farrelly  
Hungry House  
ITN  
Janssen-Cilag

Johnson & Johnson  
Lundbeck  
Mental Health UK  
Michael Page UK  
NHS England  
Ninja Theory  
Otsuka Europe  
Scape Group  
Stone Family Foundation  
The Big Give  
Tides Foundation  
Virgin Trains



Leading the way to a better quality of life for everyone severely affected by mental illness.

For further information  
Telephone 0121 522 7007  
Email [info@rethink.org](mailto:info@rethink.org)

[www.rethink.org](http://www.rethink.org)

