



# **Directors' report, Trustees' strategic report & Consolidated financial statements**

## **For the year ended 31 March 2020**

### **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.**

## Rethink Mental Illness

### 2019/20 in numbers

Year ended 31 March 2020

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### 2019/20 in numbers

- Over 3 million visitors to our website, with over 5.5 million pages viewed
- Social media following – across Facebook, Instagram and Twitter – of over 600,000 (March 2020)
- Over 9,000 campaign actions taken by our supporters
- Mentioned in the media 2,303 times (April 2019 – March 2020)
- Our services directly supported 15,895 people (April 2019 and March 2020):

Advocacy services	7,848
Community services	3,072
CQC registered services (residential, crisis & nursing)	1,033
Criminal justice services	2,486
Housing	659
Carers services	797

- Our contracted advice and helplines responded to 20,272 enquiries (April 2019 – March 2020)
- Our Advice and Information Service, free and available to all, directly supported 4,559 people on 7,668 issues (April 2019 – March 2020)
- We delivered a total of 414 days of face-to-face training courses to 4,358 people (April 2019 – March 2020)
- 2,319 members (March 2020)
- 147 groups (March 2020)

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## Rethink Mental Illness

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Year ended 31 March 2020

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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 2020 as required under the Charities Act 2011 and the Companies Act 2006.

### A message from our Chair of Trustees

Our Annual Report is a snapshot in time looking back to the last financial year and forward to the next. It provides an opportunity to shine a light on progress made and to outline our ambitions for the future. We currently find ourselves in an environment like none other in our 48-year history. At the time of writing, the country is seeking to mitigate the worst potential impact of COVID-19, with all of us living under varying forms of restrictions. A pandemic that impacted on the end of 2019/20 will shape our immediate future. It has created significant challenges in the delivery of our services and placed strain on our financial position, which we continue to manage.

Prior to the outbreak of the pandemic, the landscape for people severely affected by mental illness and their carers had become significantly brighter. The last decade has seen a welcome increase in awareness of mental health, with the Time to Change campaign, delivered by Rethink Mental Illness and the mental health charity Mind, playing a significant role in decreasing stigma and discrimination. But this rising tide did not lift all boats equally. A society that had become more comfortable talking about common mental health problems and the steps we can all take to improve our mental health, still largely shied away from addressing the impact of severe mental illness. Conditions such as schizophrenia, bipolar, and personality disorder are, for many, still taboo subjects. However, through the resolute campaigning of Rethink Mental Illness we were beginning to see real change, with our voice being listened to and trusted by decision makers.

The NHS Long Term Plan, published in January 2019, at long last provided the ambition and means to deliver coordinated community-based services. We have played an instrumental role in coordinating stakeholders from both inside and outside the NHS to deliver on its potential. We brought together over 60 stakeholders to build a consensus on a community response to supporting people with employment, volunteering, welfare, social connectedness and physical health in addition to health needs. Our holistic vision, as set out in our *Communities that Care* report, subsequently influenced the NHS England Adult Community Mental Health Framework. Our efforts to maximise the impact of the NHS Long Term Plan are underpinned by our strong working relationship with the National Mental Health Director and senior NHS England officials, with Rethink Mental Illness now sitting on the Adult Mental Health Oversight Group which feeds into the delivery of the NHS Long Term Plan pilots' programme.

We played a central role in the delivery of the Independent Review of the Mental Health Act, led by Sir Simon Wessely, and endorsed its recommendations, which reflected our policy calls. Since then, we have been at the heart of discussions with ministers and senior officials on developing a White Paper to take these recommendations forward (anticipated autumn/winter 2020). At our instigation, the Secretary of State for Health and Social Care publicly reiterated

the government's commitment to deliver on the Independent Review of the Mental Health Act during the 2019 General Election campaign.

On two of the biggest issues facing people severely affected by mental illness, the premature mortality gap and a welfare system that often penalises rather than supports, we have continued to make progress. Through our work on the Equally Well UK programme, a collaboration of organisations with a shared aim of improving the physical health, quality of life and life expectancy of people living with long term mental health conditions, we have supported the co-production of resources for people living with mental illness. On welfare, our campaign *Stop Benefit Deaths*, calling for an inquiry into deaths that may be linked to the policies and practices of the Department of Work and Pensions, gained the backing of over 20 charities, several thousand campaigners and significant media and parliamentary coverage. We have also played a part in securing concessions to the way the welfare system imposes sanctions and will, as we emerge from the COVID-19 pandemic, seek to have these put in place on a permanent basis.

As a charity that both campaigns and delivers services, we have the ability not just to tell people what 'good' looks like, but also to show it in practice. We aim to create and coordinate community-based support that holistically meets a person's needs, including access to clinical care, appropriate social care, a focus on physical health and support in employment, finance and housing. Our goal is not to monopolise service delivery, but to use our knowledge and experience to help better coordinate it. We are leading the way in this through our work in Somerset on the delivery of its Recovery and Wellbeing Alliance and through our innovative navigator projects that connect the support that is available to people severely affected by mental illness. We are proud that our services are co-produced with those who have lived experience of their use.

This vital work is, and will continue to be, maintained throughout the crisis caused by the pandemic. Our staff have worked with amazing speed and commitment to adapt to the crisis. With the safety of our staff and service users paramount, we kept our category 1 & 2 services open – including our CQC registered services. Where services, for example our advocacy services, can be delivered remotely we have done so. The work of our corporate resources teams and external affairs are being delivered by dedicated staff working at home, utilising technology to stay in touch with each other, our stakeholders and supporters.

There has of course been an impact on our financial position. Fundraising is a key source of much needed income, and traditional forms of fundraising – for example, the London Marathon – have been impacted by social distancing measures. The irony being that at a time where our support has never been needed more, we are hit by financial challenges in delivering it.

For we know that the pandemic has impacted on the wellbeing of people living with mental illness and their carers. We also know that it is likely to affect the mental health of people who had never experienced mental illness prior to the pandemic – resulting from bereavement, isolation and economic hardship.

**Rethink Mental Illness**

**Chair of Trustees Message**

**Year ended 31 March 2020**

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People living with mental illness need to live in communities that care. Many people have found support harder to come by. We will do everything within our power to improve the lives of people severely affected by mental illness and in doing so create a sustainable model that can be replicated across the country.



**Philippa Lowe**  
Chair of Trustees

## **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:

15th 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 2019/20 the Trustees were:

## **Chair of the Board**

Philippa Lowe

## **Members of the Board (Trustees)**

Shaun Johnson – Vice chair	Regional
Denise Porter – Vice chair (until 9 November 2019)	Regional
Aphra Tulip	Regional
Jane Watkinson	Regional
Frances Ashworth	Regional
Chris Lynch (until 20 January 2020)	Regional
Stuart Hellingsworth (from 23 May 2019)	Regional
Stephanie Holderness (from 3 September 2019)	Regional
Daniel Fletcher	Co-opted
George Hook - Treasurer	Co-opted
John Liver	Co-opted
Kathryn Tyson	Co-opted
Ian Jackson	Co-opted
Jeremy Connick (from 30 March 2020)	Co-opted

## **Rethink Mental Illness**

### **Directors' Report**

**Year ended 31 March 2020**

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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  
Brian Dow: Deputy Chief Executive  
Kelly Brown: Director of Corporate Resources (resigned 31 July 2020)  
Mark Yates: 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  
Black Country House  
Rounds Green Road, Oldbury  
West Midlands, B69 2DG

#### **Bankers**

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

#### **Solicitors**

Bates Wells  
10 Queen Street Place  
London, EC4R 1BE

#### **Insurers**

Markel International Insurance Company Ltd  
20 Fenchurch Street  
London  
EC3M 3AZ

#### **Investment Managers**

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



**Internal Auditors**

Mazars  
Tower Bridge House  
St Katherine's Way  
London, E1W 1DD

**Employees and volunteers**

Rethink Mental Illness has a diverse and committed workforce of over 700 staff. We are an accredited ILM provider, a Disability Confident Employer and hold an Investors in People Silver award. We carry out an equality impact assessment on all new policies that are developed for use within the Charity.

We have been working towards becoming a 'National Living Wage' Employer and in 2018/19 we bridged the gap between the National Minimum Wage and the National Living Wage, by uplifting our lowest paid staff. In 2019/20 we developed the pay structures and policies needed to become a 'Real Living Wage' Employer, with the aim to approve and implement them in 2020/21.

Our Senior Management Team actively consults with staff on matters relating to our people, encouraging them to participate in focus groups, share their views and raise any concerns they may have. We promote an open and transparent culture which welcomes questioning, probing and the challenging of management proposals. Our aim is to encourage discussion and consensus among Rethink Mental Illness staff at all levels and to ensure decision-making is fair and representative.

We have worked with staff across all levels and directorates within the Charity to develop a new behavioural framework, RethinkCARES which underpins our values and sets out our expectations in delivering the work we do and making Rethink Mental Illness a great place to work.

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

Rethink Mental Illness is also grateful for the support and commitment of thousands of active campaigners who have acted to secure positive change for people experiencing mental illness, challenging decision-makers at both a 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.

## **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 severely 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 severely affected by mental illness.

### **Passion**

We are passionate about leading the way to a better quality of life for everyone severely 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

People with experience of mental illness are at the heart of everything we do.

They shape our expert advice, information and training and around 200 services – everything from housing to community-based services. And they drive our campaigning to change the law and tackle discrimination. Together, we run over 100 local groups which provide vital peer support in the community.

We know, from our vast experience, that people severely affected by mental illness can have a good quality of life.

Working alongside the people we support, we are saving lives.

## Membership

Our members are central to our past and our future. We were formed nearly 50 years ago by carers of people living with schizophrenia. Our first members laid the foundations for the Charity that exists today, which now helps thousands of people severely affected by mental illness.

At the end of March 2020 our members numbered 2,319. Our many thousands of campaigners, supporters and donors, along with our members, give Rethink Mental Illness its mandate. Members are engaged in campaigns and 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.

Membership also 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.

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 2019, Members' Day was held in London and was attended by over 100 members, staff and volunteers.

## Involvement, peer support and groups

The involvement of people with lived experience of mental illness and carers is central to the way that Rethink Mental Illness operates. The Lived Experience Advisory Board meets four times a year and oversees all involvement within the organisation. Since December 2019 it has been developing a new Involvement & Coproduction strategy that will ensure its activities align with what is needed for the Charity to respond to the challenges of the external environment.

Rethink Mental Illness continues to offer a wide range of involvement and coproduction opportunities, such as the Communication & Marketing Advisory Panel, Media volunteering opportunities, Regional Committees as well as day-to-day activities within individual services.

The Involvement Team has continued to provide support to the groups network, which has grown to 147 peer support groups by March 2020. There has been an increase in the number of volunteer-led groups and there is now an almost equal number of groups for people with lived experience of mental illness as there are groups for carers. We have supported the development of new physical based activities groups funded through Sport England and this has included establishing peer support groups in new geographical regions such as Cumbria, Birmingham and Cornwall.

## **Advice and information**

2019/20 continued to be a busy year for our Advice and Information Service. The team provided in depth advice to 4,589 individual clients on 7,668 issues, via telephone, email and, for the first time, webchat. The issues most people needed our expert advice on were related to their mental health care and treatment, and the various laws and rights that are applicable to them, including the Mental Health Act, the Care Act and the Equality Act. After receiving advice from us:

- 93% stated that they had a better understanding of the situation
- 93% stated that they had more knowledge of the support available
- 81% stated that they had more knowledge of their rights
- 87% stated that they were more able to take action
- 98% of people agreed that they had been treated with respect and dignity by the Advice and Information Service
- 97% of people agreed that they had been listened to by staff in the service
- 96% of people agreed that they would recommend our service to their family and friends
- 88% of people agreed that if they had a similar need for support in the future, they would use our service again.

Unfortunately, demand for the advice service continues to outstrip our capacity to answer every call. To try to ensure we can answer more queries from people who need specialist mental health advice, we introduced a volunteer programme for the first time during 2019/20. Volunteers provided nearly 250 hours of support during the year and, COVID-19 issues aside, we aim to continue to expand our volunteer programme during 2020/21.

## **External training**

We deliver workplace mental health training to a wide variety of employers, across the private, public and third sectors. During 2019/20, we delivered 414 sessions, an increase of 32% from the previous year, to 4,538 people.

Our most popular course during 2019/20 was our Mental Health for Managers course, reflecting a shift away from awareness and first aid sessions and a move towards workplaces wanting practical tools to be able to support their staff who may be struggling with their mental health and wellbeing.

## **Communications and marketing**

To build a growing movement of supporters and to ensure that more people can access relevant advice and information, our Communications Team promoted the Charity's services, groups and campaigns and our expertise in advice, information, involvement and training.

In May 2019 we launched a new mobile optimised website that by March 2020 had over 3 million visitors and over 5.5 million-page views.

Between April 2019 and March 2020, Rethink Mental Illness was mentioned in the media 2,303 times and at the end of the year we had secured a combined social media following, across Facebook, Instagram and Twitter, of over 600,000.

## **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 objects through our services, which directly support over 15,000 people, and 147 support groups, funded by voluntary and statutory sources. Our charitable objects are:

- a) to improve the lives of people severely affected by mental illness and their families and carers through local support groups and services;
- b) to provide expert advice, information and training to the public in the field of mental health and welfare, including influencing Government and decision makers more widely; and
- c) to advance awareness and understanding as to the causes, consequences and management of mental illness, working to decrease the stigma surrounding it.

## Our strategic work priorities

In April 2019 we focused our strategic priorities on two areas. These were:

- 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.

## How we have delivered on our Strategic Priorities in 2019/20

### 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.

Through our service delivery we have a direct impact on the lives of people severely affected by mental illness – whether supporting them to live in our accommodation services or resettle and stay safe in their communities – our services have never been more needed. Delivering services enhances our understanding of the experiences of people using our services and their carers which, in turn informs and influences our policy and campaigns activity – making the case for more funding, better quality and connected services for people living with mental illness.

In 2019/20 we directly supported more than 15,000 people, across the following services:

Advocacy	7,848
Community	3,072
Crisis, recovery and nursing	1,033
Criminal justice and secure care	2,486
Housing	659
Carers support	797
<b>TOTAL</b>	<b>15,895</b>

In 2018/19 we launched our new services strategy 'A Better Life'. It focuses on the crucial role our services play in delivering our mission and recognises that by using our collective expertise across the Charity we can reach more people and help create change in the health and social care system.

Through 2019/20 we continued to deliver on this strategy and our services generated around £23.2m income for the charity. This was an improvement against our budget and provided additional funding to support delivery of our mission.

Rethink Mental Illness is registered with the Care Quality Commission (CQC) – the independent regulator of all health and social care services in England. We had to work

through challenges in improving inspection ratings in our CQC registered services requiring additional investment and support from teams across the Charity. This has led to a significant improvement in our CQC ratings over the last 12 months. 16 services are now rated as 'good' (12 at the end of 2018/19) and 2 services are rated as 'requires improvement' (6 at the end of 2018/19). No services are rated 'inadequate' (1 at the end of 2018/19).

Furthermore, we had some notable achievements linked to the ambitions we set out in our strategy which helped us to deliver on this:

- With like-minded organisations, forming and leading a Voluntary and Community Sector Alliance in Somerset to deliver, in partnership with people using services and the local NHSE trust, a new approach to community mental health service provision in response to the NHSE Long Term plan.
- Working in partnership with colleagues in the East Midlands to pilot a new secure care step-down service.
- Independent accreditation of our Advocacy services through the Advocacy Quality Performance Mark.
- Growth of our accommodation services in the South West, including agreeing to deliver new services in Gloucester and Devon which opens in April 2020.

While the general commissioning landscape for health and social care services remains a challenging one, the NHS Long Term plan and continued work led by NHSE related to New Care Models – supporting people to step-down from secure care – demonstrates a recognition of the important role that community based support services play in supporting an individual's recover journey.

Income received from the provision of services makes up a significant proportion of the Charity's income. This provision 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 provide the best outcomes for people 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.

## Advocacy

In 2019/20 we were awarded the Advocacy Quality Performance Mark (QPM), the only nationally recognised accreditation for advocacy services. It is based on principles of high-quality advocacy and is a quality mark based on the [Advocacy Charter](#). We are one of only two organisations that are not solely providers of advocacy to have ever achieved this accreditation, ensuring we offer a great service enabling people to have their voices heard and live fulfilling, independent lives

We have seen our reach increase, now providing advocacy for 7,848 people. While we were unsuccessful in our bid to regain the Wiltshire advocacy service, this has been offset by growth in our All Age Essex Advocacy Service alongside our current provision across England. We have also been involved in the piloting of advocacy services on behalf of the GMC and NMC –



supporting people through the 'fitness to practice complaints' of these respective organisations.

### **Contracted advice and helplines**

In addition to our Advice and Information Service detailed above, which provides information and advice to anyone affected by mental illness across England, we continue to provide additional emotional helpline services. Some of these are connected to housing contracts, including our Sheffield, Grimsby and Doncaster crisis houses. We also operate several stand-alone helplines including:

- Gloucestershire Self-Harm Helpline, which supports people who self-harm along with carers and professionals.
- The Dudley Helpline, which provides emotional support to all residents across the Black Country in the West Midlands.
- Rethink Sahayak Asian Mental Health Helpline, which offers a culturally sensitive listening and information service for the Asian community in Kent and West Sussex.

### **Community**

Our range of community support services work across 30 locations in England and this year supported 3,072 people. As well as helpline and carers services, our community offer includes employment support for people affected by mental illness, one to one and group support services and two 'Step Up' peer support services for young people in schools and universities, respectively.

### **Carers support**

Despite the fact we are continuing to see fewer funding opportunities for carers services that are mental health specific, we were able to retain our Dorset carers service this year, which continues to have a positive impact. We continue to think creatively as to how we can continue to develop support for carers, including the potential to deliver specialised mental health carers support alongside a generic carers partner.

### **Criminal Justice and Secure Care Step-down**

We continue to provide a range of specialist services for prisoners and their families through our criminal justice offer.

2019/20 saw the contracts at HMP Highpoint, in Suffolk, and HMP The Mount, in Hertfordshire, come to an end but saw four prisons in the North West added to our service provision (HMP Preston, HMP Kirkham, HMP Lancaster Farms and HMP Altcourse).

The North East Prisons contract was retendered and saw Rethink Mental illness not only retain it but increase the reach of the service with additional provision – meaning we can support even more people. Staying in the North East we also successfully bid on a NHSE Mental

Health Navigation pilot called RECONNECT – a community-based project serving prisoners on release.

In 2019/20 our Criminal Justice services saw our first dedicated Mental Health Navigation Service serving the Secure Care sector come online. In partnership with a Provider Collaborative (IMPACT) in the East Midlands, we have opened services in Nottingham and Northampton supporting people to safely step-down from secure care settings.

### Accommodation Services

Crisis, Recovery, Nursing and Supported Housing

We deliver a range of accommodation services which provide safe places to meet individual needs and changing circumstances. By providing step-up, step down services that are cost effective, person centred and look holistically at an individual's needs we can help more people sustain their independence and meet their chosen outcomes.

Our pathway can support people through a short-term crisis, achieve an early release from hospital admission (indeed often preventing admission in the first place) through to living independently with minimal support. This includes:

- Crisis services which support people for a short period of time to recover from or manage a mental health crisis.
- Care Homes to support an individual's longer-term recovery.
- Nursing services to support individuals with additional needs that require nursing care.
- Supported Housing – supporting individuals to develop / regain skills to enable them to live independently within the community.

In 2019/20 we supported 1,692 people across our accommodation services, as follows:

<b>Crisis</b>	<b>826</b>
<b>Care Homes</b>	<b>144</b>
<b>Nursing</b>	<b>63</b>
<b>Supported Housing</b>	<b>659</b>

In 2019/20 we were successful in retaining and expanding our Gloucester Supported Housing service. This will see us grow the service and support more people in the local area. We have also worked with commissioners to expand our housing and care services in Devon, responding to locally recognised need.

## Fundraising

Fundraising activities continued to grow our voluntary income in 2019/20. Rethink Mental Illness has a broad portfolio of voluntary income sources, reducing the risk of reliance on any single source. Towards the end of the financial year as the COVID-19 pandemic started to unfold we experienced some uncertainty particularly in relation to our events and corporate partnership fundraising streams as the likelihood of events being cancelled became more likely. Despite the impact on events income towards the end of the year, overall income grew on the previous year. Highlights include:

- We received £624,000 in legacy income, thanks to the generosity of individuals who remembered Rethink Mental Illness with a gift in their Will.
- Income from corporate partners grew, thanks to our partnerships with Virgin Trains, Pensions Insurance Corporation, Menzies and others. Capital One colleagues continued to support us for a third year through a range of fundraising events including a Three Peaks Challenge in June, raising over £30,000.
- We received grants totalling over £390,000 to support projects which develop our capacity and support more people impacted by mental health problems. Thanks to the Stone Family Foundation for their grant for our Evidence and Impact project, to Sport England for enabling our Physical Activity project, to City Bridge Trust for supporting our Step-Up University project, delivered in universities in London and to the Garfield Weston Foundation for supporting our Advice and Information Service.
- The National Lottery Community Fund has supported us with two grants for our Step-Up young people's programme and our peer support programme Creating Connections.
- Our investment in individual giving fundraising enabled this income stream to grow after some modest decline in previous years. Thanks to our committed supporters providing donations and regular gifts, we raised £357,000.
- Community fundraising income grew for a third consecutive year with people supporting us through a range of initiatives, including collections at train stations, bake sales and quizzes.

Investment in fundraising activities included our individual giving programme to recruit new supporters to the organisation. We also invested in Walky Talky, our walking and talking fundraising event which expanded into a second location in 2019.

Rethink Mental Illness employed the services of 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. We also worked with a telephone fundraising organisation to recruit new supporters for Rethink Mental Illness. This organisation is registered with the Fundraising Regulator and has Telephone Preference Service Assured accreditation.

Rethink Mental Illness is 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 three complaints in 2019/20 about our fundraising activities, two objecting to being asked for donations through our fundraising appeal and one regarding acknowledgement of a donation.

Our Supporter Promise ensures that all our supporters are valued and respected. We have procedures in place to ensure that individuals who may be in vulnerable circumstances are not put under any pressure to donate to us.

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

This has been a year of consolidating hard fought wins and cementing our influence around two landmark initiatives for people severely affected by mental illness – the NHS Long Term Plan and the Mental Health Act. We delivered an incredibly impactful general election campaign, securing public commitments from across the political spectrum for our manifesto calls and have quickly built relationships with the new intake of MPs, from both the Government and opposition. We have secured wins on our campaign to end out of area placements and launched a new campaign *Stop Benefit Deaths*.

#### **Mental Health Act Review**

Since 2017, we have led the sector wide campaign for a rights-based Mental Health Act that places individuals at the centre of their care. In 2018/19 we were at the heart of the Independent Review of the Act, led by Sir Simon Wessely, and endorsed its recommendations, which reflected our policy calls. This year has seen us build parliamentary support for the Review and increase pressure on the Government to legislate to deliver the recommendations in full.

In a year dominated first by Brexit and then by COVID-19, we have successfully fought hard to keep the Mental Health Act a political priority. Our campaigners delivered a petition of almost 5,000 people to the Prime Minister and 800 people asked their MP to attend a parliamentary debate on the Act on 25 July 2019, which was well-attended across the political spectrum and sent a vocal message to Government on cross-party support for the Act.

Our General Election Campaign in winter 2019 saw us secure a personal commitment from the Secretary of State, directly tweeted to Rethink Mental Illness, to deliver on the Independent Review of the Mental Health Act. We have subsequently been at the heart of discussions with ministers and senior officials on developing the White Paper. When COVID-19 hit in March 2020 this work was paused. We will continue to push for legislative change in 2020/21 and we will not stop our campaign until this long-overdue landmark reform is delivered.

#### **NHS Long Term Plan**

When the NHS Long Term Plan (LTP) was published in 2019, it clearly showed the influence of our lobbying for better community services for people severely affected by mental illness. We subsequently set out our vision in *Communities that Care* for holistic care based on what

people living with severe mental illness told us they wanted. We brought together over 60 stakeholders, many from outside the health sector, to get consensus behind a community response to supporting people with employment, volunteering, welfare, social connectedness and physical health in addition to health needs. The NHSE *Adult Community Mental Health Framework*, published later in 2019 to help implement the Long Term Plan, clearly showed the influence of our *Communities* vision.

Alongside development of our report and our subsequent work in Somerset as the voluntary sector lead in one of the LTP pilot sights, we have embedded strong relationships with the National Mental Health Director and senior NHSE officials. We now sit on the Adult Mental Health Oversight Group which feeds into the delivery of the programme.

Our campaign on out of area rehabilitation influenced NHSE's commitment to ensure people with rehabilitation needs get support in the community, which was outlined in their LTP implementation guidance. We subsequently published an influential report *In Sight and In Mind* and held a high-level round table which demonstrated the strength of feeling within the sector on the need to deliver this objective to decision makers at NHSE.

## Welfare

There has been significant concern for a long time that vulnerable people have been negatively impacted by the policies and practices of the Department for Work and Pensions (DWP), the Government Department responsible for welfare benefits.

In February 2020, we were given a new insight into the scale and impact of these failures. The National Audit Office found that the DWP had investigated 69 suicides of people supported by benefits since 2014-15 but made clear that there was no independent or consistent process to hold the Department to account or learn lessons.

In response we launched a public campaign *Stop Benefit Deaths*, calling for an inquiry into deaths that may be linked to the policies and practices of the DWP, gaining the backing of over 20 charities, several thousand campaigners and significant national and parliamentary coverage. We made significant progress in a short space of time, but the impact of COVID-19 disrupted momentum. We will continue our campaign into 2020/21.

## COVID-19 response

The crisis, which began to build in February 2020 before a total lockdown in March, has had a devastating impact on those living with mental illness. We have sought to understand and mitigate this impact as much as possible.

We were at the heart of initial talks about the mental health response to the pandemic with both the Department of Health and Social Care (DHSC) and NHSE. We used our influence in Whitehall and Parliament to shape and communicate emergency changes to the Mental Health Act and were commissioned by the DHSC to draft a guide to communicate these changes to people living with mental illness, if and when they come into force.

We quickly launched a survey and began to develop a network of people severely affected by mental illness, so we could channel their views to decision makers.

### **The physical health of people severely affected by mental illness**

We have continued our work to reduce the premature mortality gap for people severely affected by mental illness through our partnership with the Centre For Mental Health on Equally Well UK, a collaboration of organisations with a shared aim of improving the physical health, quality of life and life expectancy of people living with long term mental health conditions. Most recently, Equally Well UK was funded by NHS England to create a co-produced resource for people living with severe mental illness to support them with their physical health during the COVID-19 crisis. This was very well received and is being used by professionals and those with lived experience across the country.

In addition, our Physical Activity programme, funded by Sport England, is in its second year and now has 27 peer support groups around England signed up, which built on the nine signed up in year one. It has also been supporting 12 groups to meet up virtually during the lockdown. As part of this programme, we have joined Sport England's We Are Undefeatable campaign, encouraging those with multiple long-term conditions to stay physically active.

### **Secure Care**

Our Recovery and Outcomes project commissioned by NHSE to support adults living in low and medium secure mental health services had another successful year in influencing local and national practice. In September 2019, the project held a round of involvement groups on the theme of 'Managing a Healthy Weight' and the insight gathered from these directly influenced changes to the final NHS draft guidance to better support people in secure services to manage their weight.

### **Time to Change**

Run in partnership with Mind, and funded by the Department of Health and Social Care, Comic Relief and The National Lottery Community Fund, Time to Change aims to:

- Improve public attitudes and behaviour towards people living with mental health problems.
- Reduce the amount of discrimination that people living with mental health problems report in their personal relationships, their social lives and at work
- Make sure even more people living 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 2019/20 we collected data on the levels of discrimination reported by people living with mental health problems. Comparing our 2019/20 data to our 2017 baseline, we saw a 3% reduction in people reporting discrimination in the last 12 months. We also saw 71% of our

Champions with lived experience reporting increased empowerment as a direct result of taking part in Time to Change activities.

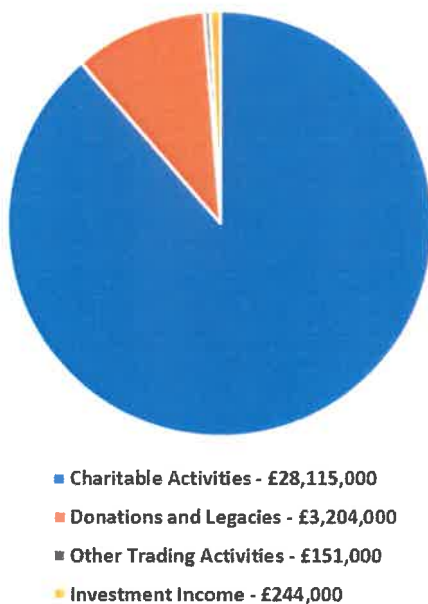
Contributing to this success has been a continuation of our “Ask Twice” campaign based on the idea that sometimes we say we’re fine when we’re not, with a reach of 28.6 million adults. We know that changing attitudes and intended behaviour is the work of a generation. Therefore, we continue our work in secondary schools and this year we saw over 2,500 schools signing up to our three annual national initiatives – Time to Talk Day, the November Campaign and the schools action plan – reaching 250,000 young people. We deployed 65 Young Champions (young people with personal experience of mental health problems) to challenge stigma and discrimination when they see it, hear it or experience it.

### Financial review

The Group’s net income decreased this year to £31.9m (2019: £32.7m), and our expenditure reduced this year to £31.8m (2019: £33.4m), leaving an operating surplus of £49,000 (2019: £753,000 operating deficit). This surplus was reduced by net losses on investments of £703,000 (2019: increase of £303,000), leaving a net deficit of £654,000 (2019: £450,000 net deficit), of which £445,000 (2019: £229,000) related to unrestricted funds (general and designated funds).

### Income: Sources of funds:

Sources of Funds 2020



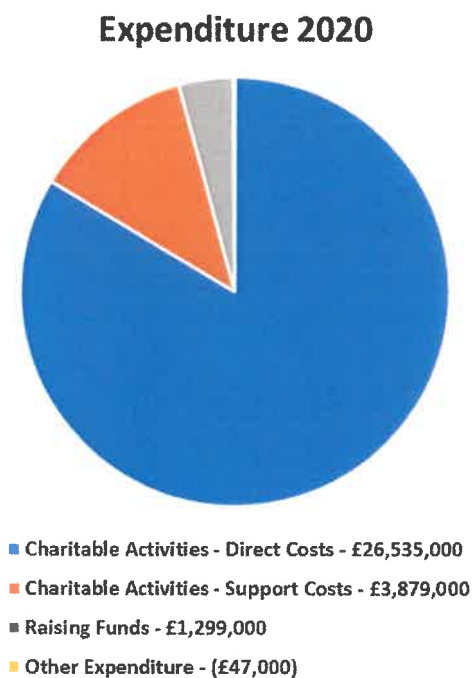
The largest source of our income comes from contracts with local authorities and NHS Commissioners to deliver our services. As in previous years the pressure for commissioners to look for savings continues, however despite a number of changes to our service delivery

provision we have been able to mitigate losses through stabilising income in other services alongside some growth, particularly within our prison and criminal justice services.

Thanks to the continued support from our generous donors, we have been able to increase our level of income from fundraising activities which has enabled us to continue to support our beneficiaries through a number of activities, including our campaigns, groups and information service line.

### Expenditure

The pie chart shows that the 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, details of which are explain 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.

Actuarial valuations are carried out every three years, and a full actuarial valuation of the Care Scheme in September 2016 resulted in a significant financial impact on the 2018 results, with an increase in provision of £925,000. The September 2019 valuation is currently under consultation with the scheme members. The Growth Plan underwent a valuation in September 2017 however no further increase in provisions was required following this review.



## Future plans

### **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 NHS Long Term Plan, Community Mental Health Framework and our publication 'Creating Communities that Care' set out ambitious plans to enhance the provision of community-based support for people living with mental illness. We will work tirelessly to ensure that these ambitions are realised – working as One Rethink to ensure that national policy is translated into local action.

We will build on our relationships with like-minded organisations across the statutory and voluntary sector to redesign and develop new service models. And central to this will be coproduction: working together with people who use services so that we can ensure that as service models are redesigned or developed, they deliver on the things which people with mental illness tell us are important. This will include:

- Enhancing or changing our service delivery models to respond to the challenges presented by COVID-19.
- Building on existing, or developing new, relationships in areas to support the delivery of the community mental health framework and NHS Long Term Plan ambitions.
- Supporting people moving out of secure care and prison settings in partnership with NHSE colleagues.
- Rolling out our outcomes framework to enable us to evidence the wider impact of our services, alongside the outcomes we support an individual to achieve.

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

Recovering from and mitigating the worst impacts of COVID-19 will dominate 2020/21. Our task, building on our Lived Experience Network, is to ensure that the Government's response to protecting and supporting the nation's mental health is cross-governmental and shaped by people with lived experience. It also needs to be sufficiently funded to meet the additional demands generated by the pandemic. With a renewed national focus on mental health, we will reinforce the need for a holistic approach, expanding on the approach outlined in Building Communities that Care which makes the case for not just a health service that supports mental health, but also a welfare, housing and employment system that does too. In tandem, we will continue to hold decision makers to account on delivering the NHS Long Term Plan. Alongside changes to the Mental Health Act, this will ensure that community care is transformed so that people receive the care and support they need when they need it.

## 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 six 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, for example, fundraising, financial or clinical, which may not be provided by the Regional Trustees, having regard to the balance on the Board of carers, people who use mental health services 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.

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 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 undertook audits during 2019/20 covering a range of activities and processes. AQAC also has responsibility 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 Committee 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.

The Investment Committee is a Sub-committee of the Finance Committee and is 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 free reserves is maintained, as specified in the Reserves Policy. The Sub-committee ensures that Rethink Mental Illness's investments are conducted in accordance with the Investment Policy, the Charity's Articles of Association and all relevant laws and regulations.

The Charity has in addition 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 services. 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 people who use mental health services, for example, on policies and communications. LEAB meets three times a year.

### **Statement of engagement with employees**

Our Senior Management Team (SMT) is made up of Executive Directors and Associate Directors who meet collectively on a quarterly basis to discuss the performance of the Charity in line with a core set of Key Performance Indicators. The group ensure the standing agenda item 'matters to communicate/cascade' is agreed by the group and cascaded down the management line. Since the outbreak of the pandemic, the Emergency Planning and Contingency Committee (supported by relevant planning groups) has met on a weekly basis where all key messages are discussed and cascaded as required.

Managers receive a monthly bulletin from internal communications with matters of interest/concern for all employees and we use 'E-think' our internal newsletter to announce specific changes and seek feedback from staff. Our Human Resources team have a dedicated

email box for staff queries/concerns of any sort. We regularly use staff surveys for input into key decision making and hold focus groups across the Charity on matters of importance.

Video conferences have enabled us to share with staff our transformation goals and strategic objectives; and our staff appraisals, linking individual performance and objectives to that of the Charity.

### **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 and monitoring our National Plan for 2018-2021 and the Transformation Plan. The Plans set out our corporate objectives, guiding principles and priorities. The Board monitors progress 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 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 in 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 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 have struggled to appoint people from ethnic minority groups.

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), Rethink Trust Corporation Limited (RTC) and Rethink Mental Illness Limited.

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

Rethink Mental Illness Limited operates as the trading subsidiary of Rethink Mental Illness. It commenced trading during 2017/18 with several service contracts previously held by the charity being novated across to the subsidiary.

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	6,149,000
Unrestricted reserves – designated funds	903,000
Restricted funds	695,000
Total funds	<u>7,747,000</u>

The Board intend that designated funds are spent within a reasonable period of receipt and therefore relate to monies set aside to meet estates and property repairs, pension deficit

payments and fundraising development. 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 2020 were £6.1m (2019: £6.3m) of which £2.9m (2019: £3.5m) are fixed and intangible assets in use by the charity). The level of free reserves at 31 March 2020 was £3.2m (2019: £2.8m).

The current target range for free reserves has been set at between £3.5m and £5.4m reflecting a 12-month forward view of expected calls of reserves factoring in commercial and other risks, as well as the need for potential investment opportunities. This enables Rethink Mental Illness to meet planned charitable expenditure over the next financial year.

Whilst the level of free reserves held have increased during the year, they remain below our target level, heavily impacted by the investment portfolio valuation. Post year end the investment portfolio valuation recovered from the initial impact of COVID-19 and as at 31 August 2020, an unrealised gain of £984,000 was noted. This increase is included within our unaudited August 2020 management accounts, which are showing a healthy surplus and has provided the Board assurance that the level of free reserves is within the target range.

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 continue to be on rebuilding those funds to bring them in line with the target range set out within 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 2020 are shown in note 15 to the financial statements.

### **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 2019/20 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 regards 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 or distribution of pornography, tobacco, armaments or alcoholic beverages.

The medium-term performance benchmark is linked to the Consumer Price Index (CPI) plus 3%. During 2019/20 CPI was 1.5% this gives a performance benchmark of 4.5% for the year ending 31 March 2020. The performance benchmark has been confirmed by the Investment Committee as being appropriate to continue with. During the year the total return (net of fees) was - 6.7% due to the market impact of COVID-19.

### **Remuneration policy**

Every role at Rethink Mental Illness undergoes a job evaluation to ensure we can attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals. Our aim is to pay competitively in the not-for-profit sector within the context of affordability and there has been real progress made this year to ensure we achieve Real Living Wage Foundation accreditation by 20/21.

### **Learning and development**

Following a successful Level 3 apprenticeship pilot in 2018/19, we have expanded our apprenticeship offering and launched Level 5 Care and Leadership Apprenticeship for Managers which focuses on enhancing Leadership skills and expertise within our Accommodation and Registered Services. In addition, we invested £80,000 this year in upskilling our advocacy service staff through the Independent Advocacy City and Guilds Level 3 Qualification and we have expanded our mandatory training offer for all staff which included the launch of a 'Mental Health Awareness for Managers' across the Charity.

### **Principal risks and uncertainties**

- Pressures on finances, accentuated by the COVID-19 pandemic. These include the possibility of increased agency spend, loss of fundraising income, decrease in investment income, all leading to the inability to invest in existing priorities and future innovation.

This risk has been mitigated by utilising opportunities for additional support from Government, the private sector and individuals that recognise the detrimental impact of the pandemic on the nation's mental health.

- Pressures on staff teams and the probability of a second wave of the pandemic, leading to workforce burnout, increased stress and mental illness within the workforce.

The risk is mitigated by the work of the Charity's Emergency Planning and Contingency Committee which oversees the conduct of business during the pandemic, including ensuring that there is on-going support to staff.

- A risk around sustainability of the Charity, should pressures on Central Government, Health and Local Authorities result in the Government making cuts to offset the increased costs incurred during the pandemic, leading to reduced funding for Social Care.

The risk is mitigated by using the learning during the pandemic to inform a review of the Charity's future service provision, assessing what services can be effectively delivered remotely and adapting working practices where possible to effect savings.

- Serious untoward incidents, including unpredictable death or serious injury to a beneficiary, staff member, volunteer or a member of the public.

The risk is mitigated by the Charity's operational governance framework, including Safeguarding and Health and Safety policies and procedures and a system of integrated governance that regularly reviews all areas of risk.

- Inability to effectively evidence level of care outcomes, which in turn impacts on new and continuing business.

This is mitigated by (a) the work carried out on improving quality, the development of the Evidence and Outcomes Framework and KPIs and (b) work to understand the evolving landscape and what may be needed to respond quickly to new business opportunities and those provided by the NHS Long Term Plan.

### **Serious incidents**

The Charity reported no serious incidents to the Charity Commission and confirms that there are no other serious incidents during 2019/20 that should have been reported to the Commission.

### **Going concern**

The Board have sought to understand and mitigate the impact of COVID-19 as much as possible. A special committee was set up to monitor the potential impact on the financial reserves of the Charity, and following a number of scenario plans, adjustments were made to the budget to reflect any potential impact on the 2020/21 year.

Areas at risk are the achievement of fundraising targets, the external training provision, increased agency costs and the impact on the investment portfolio. There are being reviewed monthly using a milestone report to monitor the performance against the adjusted budget. To date the charity has managed to mitigate any negative impact and is achieving the revised budget.

Cashflow projections and forecasts have been prepared covering at least 12 months which support the continued operations of the Charity. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees responsibilities.



**Rethink Mental Illness**

**Strategic Report**

**Year ended 31 March 2020**

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**Auditors**

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

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## 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 23 October 2020 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 23<sup>rd</sup> October 2020

## **Opinion**

We have audited the financial statements of Rethink Mental Illness for the year ended 31 March 2020 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 25, 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 2020 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 31, 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

**Rethink Mental Illness**

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

**Year ended 31 March 2020**

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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

Date

28 October 2020

## Rethink Mental Illness

### Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

Year ended 31 March 2020

	Note	2020 Unrestricted Funds £000	2020 Restricted Funds £000	2020 Total £000	2019 Unrestricted Funds £000	2019 Restricted Funds £000	2019 Total £000
<b>Income and Endowments from:</b>							
Donations and Legacies	2	2,826	379	3,204	1,969	415	2,384
Charitable Activities	3	24,033	4,082	28,115	24,584	5,369	29,953
Other trading Activities	4	151	-	151	139	-	139
Investments	4	244	-	244	223	-	223
<b>Total Income</b>		<b>27,254</b>	<b>4,461</b>	<b>31,715</b>	<b>26,915</b>	<b>5,784</b>	<b>32,699</b>
<b>Expenditure on:</b>							
Raising Funds	5	1,299	-	1,299	1,251	-	1,251
Charitable Activities	5	25,842	4,572	30,414	26,011	6,005	32,016
Other	5	(47)	-	(47)	185	-	185
<b>Total Expenditure</b>		<b>27,094</b>	<b>4,572</b>	<b>31,666</b>	<b>27,447</b>	<b>6,005</b>	<b>33,452</b>
Income less Expenditure Before Investments		160	(111)	49	(532)	(221)	(753)
Net gains/(losses) on Investments	9	(703)	-	(703)	303	-	303
<b>Net Income/(Expenditure)</b>		<b>(543)</b>	<b>(111)</b>	<b>(654)</b>	<b>(229)</b>	<b>(221)</b>	<b>(450)</b>
Transfers between funds		92	(92)	-	1,068	(1,068)	-
<b>Net movement in funds</b>		<b>(451)</b>	<b>(203)</b>	<b>(654)</b>	<b>839</b>	<b>(1,289)</b>	<b>(450)</b>
Fund balances brought forward at 1 April 2019		7,497	904	8,401	6,658	2,193	8,851
Fund balances carried forward at 31 March 2020	15	7,046	701	7,747	7,497	904	8,401

## Rethink Mental Illness

### Consolidated Group and Charity Balance Sheets

As at 31 March 2020

	Note	Group		Charity	
		2020	2019	2020	2019
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	8	495	727	495	727
Tangible assets	8	2,416	2,783	2,416	2,783
Investments	9	7,166	7,762	7,170	7,760
		<b>10,077</b>	<b>11,272</b>	<b>10,081</b>	<b>11,270</b>
<b>Current assets</b>					
Stocks for resale		13	14	13	14
Debtors	10	4,751	4,694	2,521	3,868
Cash at bank and in hand		4,033	2,956	3,773	2,788
		<b>8,797</b>	<b>7,664</b>	<b>6,307</b>	<b>6,670</b>
<b>Creditors: amounts falling due within one year</b>					
	11	(7,321)	(6,046)	(4,860)	(5,073)
<b>Net current assets</b>					
		<b>1,474</b>	<b>1,618</b>	<b>1,447</b>	<b>1,597</b>
<b>Total assets less current liabilities</b>					
		<b>11,553</b>	<b>12,890</b>	<b>11,528</b>	<b>12,867</b>
<b>Creditors Amounts falling due after more than one year</b>					
Pension Liability	12	(3,540)	(4,173)	(3,540)	(4,173)
Provisions for liabilities	13	(266)	(316)	(266)	(316)
<b>Total net assets or liabilities</b>					
		<b>7,747</b>	<b>8,401</b>	<b>7,722</b>	<b>8,378</b>
<b>Funds</b>					
General funds	15	6,143	6,345	6,125	6,322
Designated funds	15	903	1,152	903	1,152
Restricted funds	15	701	904	694	904
		<b>7,747</b>	<b>8,401</b>	<b>7,722</b>	<b>8,377</b>

A deficit reflecting expenditure above income for the year of £655,000 (2019: deficit of £88,000) has been dealt with in the financial statements of the Charitable Company.

The financial statements were approved by the Trustees on 23 October 2020 and were signed on their behalf by:



**Philippa Lowe**  
Chair of Trustees

## Rethink Mental Illness

### Statement of Consolidated Cashflows

Year ended 31 March 2020

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	<i>Note</i>	<b>2020</b>	2019
		<b>£000</b>	£000
<b>Net Cash provided by operating activities</b>	23	<b>984</b>	1,490
<b>Cash flows from investment activities</b>			
Dividends, interest and rent from Investments		244	223
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(43)	(194)
Proceeds from the sale of Investments		1,104	875
Purchase of investments		(1,174)	(1,328)
<b>Net Cash provided by (used in) Investing Activities</b>		<b>130</b>	(424)
<b>Cash flows from investment activities</b>			
(Increase)/Decrease in cash deposits		(37)	-
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(37)</b>	-
<b>Change in Cash and Equivalents in the reporting period</b>		<b>1,077</b>	1,066
Cash and Cash Equivalents at the beginning of the reporting period		<b>2,956</b>	1,890
Cash and Cash Equivalents at the end of the reporting period	24	<b>4,033</b>	2,956



## 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.

## 1 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.

The COVID-19 crisis, which began to build in February 2020 before a total lockdown in March, has had a devastating impact on those living with mental illness. The Board have sought to understand and mitigate this impact as much as possible. A special committee was set up to monitor the potential impact on the financial reserves of the Charity, and following a number of scenario plans, adjustments were made to the budget to reflect any potential impact on the 2020/21 year.

Areas at risk are the achievement of fundraising targets, the external training provision, increased agency costs and the impact on the investment portfolio. There are being reviewed on a monthly basis using a milestone report to monitor the performance against the adjusted budget. To date the charity has managed to mitigate any negative impact and is achieving the revised budget.

Cashflow projections and forecasts have been prepared covering at least 12 months which support the continued operations of the Charity.

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 2020. 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 £655,000 (2019: deficit of £88,000) 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
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## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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#### *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.

#### *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.
- 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.

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

#### 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

	2020	2020	2020	2019	2019	2019
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Fundraising and Donations	476	113	589	365	134	499
Donated services and facilities	474	-	474	486	-	486
Membership subscriptions	69	-	69	82	-	82
Legacies	624	-	624	373	28	401
General grants	-	-	-	11	-	11
Sponsorship and events	464	150	614	477	20	497
Corporate Donations	719	115	864	175	233	408
	<u>2,826</u>	<u>378</u>	<u>3,204</u>	<u>1,969</u>	<u>415</u>	<u>2,384</u>

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

	2020	2020	2020	2019	2019	2019
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Supported housing and floating support services	4,843	-	4,843	6,527	1	6,528
Prisons/criminal justice services	1,589	45	1,634	1,360	125	1,485
Community services	3,229	53	3,282	3,461	130	3,591
Carers' and family support services	431	61	492	438	63	501
Advocacy services	3,747	-	3,747	3,623	1	3,624
Helpline & Advice Services	278	52	330	97	332	429
Nursing and CQC registered services	8,916	5	8,921	8,107	6	8,113
Communications and Campaigns	959	46	1,005	944	155	1,099
Management and support	41	-	41	27	-	27
Mental Health UK	-	1,925	1,925	-	1,831	1,831
Time To Change	-	1,895	1,895	-	2,725	2,725
<b>Total funding received for charitable activities</b>	<b>24,033</b>	<b>4,082</b>	<b>28,115</b>	<b>24,584</b>	<b>5,369</b>	<b>29,953</b>

Time to Change is a programme of activities that works to reduce stigma of mental illness in the wider population. Mental Health UK is an independent charity which has the ambition to ensure that everyone has the tools they need to live their best possible life. Working through its founding charities (including Rethink Mental Illness) it is able to support people most in need and tackle some of the biggest challenges facing those with mental ill health.

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

	2020 Unrestricted £000	2020 Restricted £000	2020 Total £000	2019 Total £000
<b>Other trading Activities</b>				
Income from Subsidiary undertakings	151	-	151	139
	<b>151</b>	<b>-</b>	<b>151</b>	<b>139</b>
<b>Investments</b>				
Interest received	6	-	6	5
Dividends received	238	-	238	218
	<b>244</b>	<b>-</b>	<b>244</b>	<b>223</b>

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

	Incoming Resources recognised in SOFA £000
Time to Change in conjunction with Mind	1,886
Mental Health UK in conjunction with Lloyds Banking Group	2,019
Sport England	95
The Stone Family Foundation	107
NHS England	100
The City Bridge Trust	57
The National Lottery Community Fund (previously the 'Big Lottery Fund')	50
The Garfield Weston Foundation	50



## 5 Analysis of expenditure

	Direct costs £000	Support costs £000	Total 2020 £000	Total 2019 £000
<b>Raising funds</b>				
Fundraising	1,091	160	1,251	1,207
Managing Investments	41	7	48	44
<b>Total cost of raising funds</b>	<b>1,132</b>	<b>167</b>	<b>1,299</b>	<b>1,251</b>
<b>Charitable activity</b>				
Supported housing and floating support services	4,106	592	4,698	6,873
Prisons/criminal justice services	1,074	172	1,246	1,093
Community services	3,129	476	3,605	3,781
Carers' and family support services	1,027	123	1,150	1,211
Advocacy services	2,715	426	3,141	3,296
Helpline & Advice Services	2,825	355	3,180	2,281
Nursing and CQC registered services	7,889	1,211	9,100	8,455
Time to Change	1,987	312	2,299	2,933
Communications and Campaigns	1,783	192	1,975	2,093
Somerset Alliance	-	20	20	-
<b>Total cost of charitable activity</b>	<b>26,535</b>	<b>3,879</b>	<b>30,414</b>	<b>32,016</b>
<b>Other Expenditure</b>				
Expenditure on Other trading Activities	53	-	53	63
Pension Interest Charge	(99)	-	(99)	122
<b>Total Other Expenditure</b>	<b>(47)</b>	<b>-</b>	<b>(47)</b>	<b>185</b>
	<b>27,620</b>	<b>4,046</b>	<b>31,666</b>	<b>33,452</b>

The split of direct and support costs for 2019 were Direct £29,460,000 and Support costs £3,992,000.



## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

#### Direct and support costs include:

	2020	2019
	£000	£000
Auditors' remuneration:		
Fees payable to the Charity's Auditors for the audit of the annual accounts	44	44
Fees payable to the Charity's Auditor for the audit of the Charity's subsidiary undertakings, pursuant to legislation	3	3
Depreciation	643	643
Loss on disposal of fixed assets	1	14
Rents paid on leasehold premises	1,371	1,552
Operating lease rentals	262	306

#### Allocation of support costs:

Type of cost	Allocated to Fundraising	Allocated to charitable activities	2020 Total	2019 Total
	£000	£000	£000	£000
General management and administration	13	311	324	320
Governance	18	425	443	437
Finance costs	36	832	868	856
Human resources	29	664	693	684
Information and technology	71	1,647	1,718	1,695
	167	3,879	4,046	3,992

Support costs have been allocated to expenditure headings based on the proportion of direct costs included in each heading.

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

#### 6 Staff costs

	2020	2019
	£000	£000
Wages and salaries	17,250	17,450
External agency costs	1,444	1,092
Social security costs	1,426	1,457
Pension costs: Defined benefit	(165)	95
Pension costs: Defined contribution	561	532
	<u>20,516</u>	<u>20,626</u>
Pension contributions made by Rethink Mental Illness in respect of higher paid employees amounted to:	39	32

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:

	2020	2019
	Number	Number
£60,001 - £70,000	6	6
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	2
£110,001 - £120,000	2	-
£120,001 - £130,000	1	1
	<u>11</u>	<u>11</u>

Key management remuneration relating the Executive Officers during the year totalled £566,000 (2019: £563,000) for 5 employees (2019: 5)

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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

	Average Number of Employees	
	2020 Number	2019 Number
Charitable activities Contract Staff	683	750
Charitable activities Bank Staff	194	193
Cost of generating funds	19	26
Governance and administration support	9	9
	<u>905</u>	<u>978</u>

The amount of redundancy and settlements paid to employees during the year was £216,006 (2019: £73,114)

## 7 Trustees' emoluments

Trustees are not remunerated.

Expenses for travelling and subsistence on Charity business in the amount of £6,122 (2019: £13,253) were reimbursed to 8 Trustees (2019: 9).

## 8 Intangible and Tangible fixed assets

	Intangible Assets	Land, buildings and property improvements	Furniture and equipment	Motor Vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 April 2019	1,325	3,994	2,409	16	7,744
Additions	-	1	42	-	43
Disposals	-	-	(931)	(16)	(947)
Transfer between assets categories	306	-	(306)	-	-
<b>At 31 March 2020</b>	<b>1,631</b>	<b>3,995</b>	<b>1,214</b>	<b>-</b>	<b>6,840</b>
<b>Depreciation</b>					
At 1 April 2019	598	1,613	2,007	16	4,234
Charge for year	364	125	154	-	643
On disposals	-	-	(932)	(16)	(948)
Transfer between assets categories	174	-	(174)	-	-
<b>At 31 March 2020</b>	<b>1,136</b>	<b>1,738</b>	<b>1,055</b>	<b>-</b>	<b>3,929</b>
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>495</b>	<b>2,257</b>	<b>159</b>	<b>-</b>	<b>2,911</b>
At 31 March 2019	727	2,381	402	-	3,510

Of the land and buildings at cost, freehold was £2,863,000 and leasehold £1,132,000 (2019: freehold £2,863,000 and leasehold £1,131,000). All fixed assets are utilised by the Charity/Group for charitable purposes.

**9 Investments**

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Market Value at beginning of year	7,762	7,006	7,760	7,006
Additions	1,174	1,328	1,174	1,328
Disposal Proceeds	(1,104)	(875)	(1,104)	(875)
Net movement in cash	37	2	37	2
Net realised investments Gain/ (Loss)	(13)	(28)	(13)	(28)
Net unrealised investments Gain / (Loss)	(690)	329	(684)	327
Market Value at end of year	<b>7,166</b>	7,762	<b>7,170</b>	7,760
Historical cost at end of year	<b>6,635</b>	7,447	<b>6,535</b>	7,347
Investments are represented by:				
100% holding in Rethink Trust Corporation Limited	-	-	100	100
UK Fixed Interest	1,433	1,274	1,337	1,172
Overseas Fixed Interest	-	-	-	-
UK Equities	2,071	2,584	2,071	2,584
Overseas Equities	2,523	2,574	2,523	2,574
Alternative Assets – Property	831	860	831	860
Cash Balances	308	470	308	470
	<b>7,166</b>	7,762	<b>7,170</b>	7,760

**10 Debtors**

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Grant debtors	2,921	3,433	1,038	429
Amount due from subsidiary undertakings	-	-	212	2,249
Prepayments and accrued income	812	625	735	554
Other Debtors	1,018	636	536	636
	<b>4,751</b>	4,694	<b>2,521</b>	3,868

**11 Creditors: amounts falling due within one year**

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	1,081	1,151	858	1,097
Accruals	873	736	440	638
Pension deficit payments	537	519	537	519
Deferred income (note 14)	1,050	260	493	163
Tax and social security	1,013	1,075	353	371
Other creditors	769	305	181	286
Amounts due to related undertaking	1,998	2,000	1,998	1,999
	<b>7,321</b>	<b>6,046</b>	<b>4,860</b>	<b>5,073</b>

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

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
TPT Retirement Solutions – Growth Plan	570	728	570	728
TPT Retirement Solutions – Care Plan	2,970	3,445	2,970	3,445
	<b>3,540</b>	<b>4,173</b>	<b>3,540</b>	<b>4,173</b>

Amounts due after 5 years are Growth Plan £142,000 and Care Plan £1,906,000.

**Funds held as agent:**

During the year the charity acted as agent for the Somerset Alliance, a Sustainability and Transformation Partnership. As agent, the charity processed income of £714,000 and expenditure of £215,550, including a £20,000 management fee retained by Rethink Mental Illness Limited. At the year end a balance of £498,500 remained held as agent and is included above in Other Creditors. Other than the management fee, the income and expenditure has been excluded from the statutory accounts.

**13 Provisions for Liabilities**

	Balance at 1 April 2019	Charged to the SOFA	Released	Balance at 31 March 2020
	£000	£000	£000	£000
Dilapidation costs on leased properties	316	-	(50)	266
<b>Total for the Charity</b>	<b>316</b>	<b>-</b>	<b>(50)</b>	<b>266</b>

**14 Deferred Income**

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Balance at beginning of year	260	229	163	225
Amount released to incoming resources	(241)	(229)	(143)	(225)
Amount deferred in the year	1,031	260	473	163
Balance at end of year	<b>1,050</b>	<b>260</b>	<b>493</b>	<b>163</b>

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

**15 Statement of funds****Group and Charity**

	Balance at 1 April 2019	Incoming resources	Expenditure	Gain/Loss on investments	Transfers	Balance at 31 March 2020
	£000	£000	£000	£000	£000	£000
<b>General funds</b>	6,345	26,566	(26,366)	(703)	301	<b>6,143</b>
<b>Designated funds</b>						
Repairs and Refurbishment	207	-	-	-	-	<b>207</b>
ICT Development	248	-	(40)	-	(208)	-
Regional Committee Projects	55	-	-	-	-	<b>55</b>
Contract Contingency	296	828	(828)	-	(296)	-
Rethink Mental Illness Plan ICT Development	144	-	-	-	(144)	-
Capital Equipment	2	-	-	-	(2)	-
The Pensions Trust Care Plan	200	-	-	-	155	<b>355</b>
Mental Health UK Investment Fund	-	-	-	-	286	<b>286</b>
	1,152	828	(868)	-	(209)	<b>903</b>
<b>Total general funds and designated funds</b>	<b>7,497</b>	<b>27,394</b>	<b>(27,234)</b>	<b>(703)</b>	<b>92</b>	<b>7,046</b>
<b>Restricted funds</b>						
Welfare Funds	58	15	(13)	-	(6)	<b>54</b>
Capital Restricted Fund	262	-	-	-	-	<b>262</b>
Groups Fund	161	112	(100)	-	-	<b>173</b>
Alternatives to Respite Fund	143	-	(143)	-	-	-
Mental Health UK – Lloyds Banking Group	-	1,925	(1,923)	-	(2)	-
Time to Change – in conjunction with MIND	-	1,895	(1,888)	-	(3)	<b>4</b>
Other Restricted Fund Balances	280	514	(505)	-	(81)	<b>208</b>
<b>Total Restricted Funds</b>	<b>904</b>	<b>4,461</b>	<b>(4,572)</b>	<b>-</b>	<b>(92)</b>	<b>701</b>
<b>Total Funds</b>	<b>8,401</b>	<b>31,855</b>	<b>(31,806)</b>	<b>(703)</b>	<b>-</b>	<b>7,747</b>



## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

#### Represented by:

	General Funds £000	Designated Funds £000	Restricted Funds £000	Total Funds £000
Intangible Assets	495			495
Fixed Assets – Tangible Assets	2,154		262	2,416
Fixed Assets – Investments	7,166			7,166
Current Assets	7,455	903	439	8,797
Current Liabilities	(7,321)			(7,321)
Pension Liabilities	(3,540)			(3,540)
Provision for Liabilities	(266)			(266)
	<u>6,143</u>	<u>903</u>	<u>701</u>	<u>7,747</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.
- The ICT Development Fund has been released into general funds as a contingency against the impact of the COVID-19 pandemic.
- 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.
- The Contract Contingency Fund was reviewed during the year and deemed not to be designated.
- The Rethink Mental Illness Plan ICT Development Fund has been released into general funds as a contingency against the impact of the COVID-19 pandemic.
- 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.
- The Pension Trust Care Plan Fund represents monies set aside to mitigate against the risk of future revaluations of the two defined benefit pension schemes.
- Mental Health UK Investment Fund represents monies set aside for the future development of the fundraising department.

**Restricted funds**

- 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 has been 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 £208,000 is made up of 12 separate balances held against individual services.

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

#### 15a Statement of funds 2019

For comparative purposes the below tables are provided.

##### Group and Charity

	Balance at 1 April 2018	Incoming resources	Expenditure	Gain/Loss on investments	Transfers	Balance at 31 March 2019
	£000	£000	£000	£000	£000	£000
<b>General funds</b>	5,236	26,277	(26,803)	303	1,332	6,345
<b>Designated funds</b>						
Repairs and Refurbishment	204	-	(18)	-	21	207
ICT Development	500	-	(86)	-	(166)	248
Regional Committee Projects	55	1	(1)	-	-	55
Contract Contingency	266	637	(506)	-	(101)	296
Rethink Mental Illness Plan ICT Development	144	-	-	-	-	144
Capital Equipment	53	-	-	-	(51)	2
The Pensions Trust Care Plan	200	-	(33)	-	33	200
	1,422	638	(644)	-	(264)	1,152
<b>Total general funds and designated funds</b>	6,658	26,915	(27,447)	303	1,068	7,497
<b>Restricted funds</b>						
Big Lottery Fund	2	-	-	-	(2)	-
Welfare Funds	69	11	(16)	-	(6)	58
Capital Restricted Fund	420	-	-	-	(158)	262
Groups Fund	164	99	(102)	-	-	161
Alternatives to Respite Fund	330	-	(187)	-	-	143
Mental Health UK – Lloyds Banking Group	-	1,672	(1,662)	-	(10)	-
Time to Change – in conjunction with MIND	(1)	2,682	(2,672)	-	(9)	-
Other Restricted Fund Balances	1,209	1,320	(1,366)	-	(883)	280
<b>Total Restricted Funds</b>	2,193	5,784	(6,005)	-	(1,068)	904
<b>Total Funds</b>	8,851	32,699	(33,452)	303	-	8,401

Represented by:

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£000	£000	£000	£000
Intangible Assets	727	-	-	727
Fixed Assets – Tangible Assets	2,519	2	262	2,783
Fixed Assets – Investments	7,762	-	-	7,762
Current Assets	5,872	1,150	642	7,664
Current Liabilities	(6,046)	-	-	(6,046)
Pension Liabilities	(4,173)	-	-	(4,173)
Provision for Liabilities	(316)	-	-	(316)
	<u>6,345</u>	<u>1,152</u>	<u>904</u>	<u>8,401</u>

## 16 Financial commitments

At 31 March 2020, the Group and Charity have commitments under non-cancellable leases as follows:

	2020			2019		
	Premises	Other	Total	Premises	Other	Total
	£000	£000	£000	£000	£000	£000
Expiry date:						
Less than one year	905	155	1,060	1,027	479	1,506
Two to five years	1,817	620	2,437	2,072	199	2,271
Over five years	54	-	54	256	-	256
<b>Total for the Charity</b>	<u>2,776</u>	<u>775</u>	<u>3,551</u>	<u>3,355</u>	<u>678</u>	<u>4,033</u>

## 17 Capital commitments

There were no capital commitments to report. (2019: £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 £385,000 in 2020/21 (£374,000 2019/20); the annual payment will increase by 3% per annum up to 30 April 2028. The Present Value of the future deficit recovery payments is £3,356,000 based upon a discount rate of 2.58% 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 £24.86 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 2017 by a professionally qualified actuary using the projected unit method. The valuation shows assets of £795 million, liabilities of £926 million and a deficit of £131 million. Rethink Mental Illness will be required to make deficit recovery payments of £149,000 in 2020/21 (£145,000 – 2019/20) 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 £719,000 based upon a discount rate of 2.53%.

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 2017, 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.

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 defined benefit pension schemes are expected to be £535,000 for the year ending 31 March 2021.

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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Expenditure charged with regard to Pensions Schemes	2020	2019
	£000	£000
People's Pensions Schemes	547	494
Admitted Bodies	-	-
Money Purchase Schemes	-	12
TPT Care including re-measurement charges	(146)	64
TPT Growth including re-measurement charges	(19)	31
Wiltshire County Council Pension Scheme	-	26
Norwich Union	3	-
Allied Dunbar	3	-
Standard Life	8	-
	<hr/>	<hr/>
	396	627

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## 19 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

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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#### 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>2020</b>	2019
	<b>£000</b>	£000
Turnover	<b>70</b>	71
Cost of sales	-	-
Gross profit	<b>70</b>	71
Administrative expenses	<b>(26)</b>	(44)
Gift Aid payable to Charity	<b>(44)</b>	(81)
Net result	<b>-</b>	(54)

The aggregate of the assets, liabilities and funds:

	<b>2020</b>	2019
	<b>£000</b>	£000
Assets	<b>99</b>	74
Liabilities	<b>(74)</b>	(49)
Funds	<b>25</b>	25

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £47,000 (2019: £35,000). Amounts owed by Rethink Trust Corporation Limited included as a debtor in these accounts were £nil (2019: £nil).

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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.

	2020	2019
	£000	£000
Turnover	76	70
Cost of sales	-	-
Gross profit	76	70
Administrative expenses	(21)	(20)
Gift Aid payable to Charity	(55)	(108)
Net result	-	(58)

The aggregate of the assets, liabilities and funds:

	2020	2019
	£000	£000
Assets	221	161
Liabilities	(121)	(61)
Funds	100	100

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £58,000 (2019: £57,000). Amounts owed to NSF Trustees Limited included as a creditor in these accounts were £nil (2019: £nil).

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



## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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.

	2020	2019
	£000	£000
Turnover	17,385	16,355
Cost of sales	(14,135)	(14,101)
Gross profit	3,250	2,254
Administrative expenses	(2,274)	(1,453)
Gift Aid payable to Charity	(976)	(1,051)
Net result	-	(250)

The aggregate of the assets, liabilities and funds:

	2020	2019
	£000	£000
Assets	2,490	3,187
Liabilities	(2,490)	(3,187)
Funds	-	-

Amounts owed to Rethink Mental Illness included as a creditor in these accounts were £606,093 (2019: £2,184,000). Management charge amounting to £1,453,024 was charged from the Charity to Rethink Mental Illness Limited in the year. (2019: £1,453,000)

#### 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

## Rethink Mental Illness

### Notes to the Financial Statements

Year ended 31 March 2020

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## 20 Fund for which the Charity acts as Trustee

The Befriending Visitors Service (not consolidated)

	2020	2019
	£000	£000
Income	-	-
Cost of sales	-	-
Gross profit	-	-
Payment to Rethink Mental Illness	-	-
Net loss	-	-
The aggregate of the assets, liabilities and funds:		
Assets	38	38
Liabilities	-	-
Funds	38	38

## 21 Related parties

Transactions with subsidiary companies and connected companies are disclosed in Note 19. Trustees' emoluments are disclosed in Note 7. There are no other related party transactions to disclose.

## 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

	2020	2019
	£000	£000
Net incoming resources before transfers	(654)	(450)
(Gains) / losses on investments	703	(303)
Investment Income	(244)	(223)
Depreciation	643	643
(Profit) / Loss on disposal of fixed assets	1	14
Decrease/(increase) in stock	1	(7)
Decrease/(increase) in debtors	(57)	459
(Decrease) / Increase in creditors	1,274	1,743
Increase in provisions for liabilities	(50)	10
(Decrease)/increase in pension	(633)	(397)
<b>Net cash outflow from operating activities</b>	<b>984</b>	<b>1,490</b>

## 24 Analysis of changes in net funds

	At 1 April 2019	Cash flows	At 31 March 2020
	£000	£000	£000
Balance Sheet Cash at bank and in hand	2,956	1,077	4,033
<b>Cash for Cash Flow Statement</b>	<b>2,956</b>	<b>1,077</b>	<b>4,033</b>

## 25 Financial Instruments

At the balance sheet date, the group held financial assets at amortised cost of £7,189,000 (2019 £5,329,000), financial assets at fair value of £7,165,000 (2019 £7,762,000) and Financial liabilities at amortised cost of £8,586,000 (2019 £6,958,000).

## 26 Post balance sheet events

The COVID-19 crisis, which began to build in February 2020 before a total lockdown in March 2020, resulted in a significant decline in investment asset valuations and the charity noted an unrealised loss in investments of £703,000 (2019: Gain of £303,000). Post year end investment valuations have recovered and as at 31 August 2020 are valued at £8,053,000, an increase of £984,000 when compared to 31 March 2020.

The COVID-19 pandemic continues to impact investments and it is expected that there may be further significant investment fluctuations in the year ahead.

# Thank you for your Support

## Corporate Partners

Cripps Pemberton Greenish  
HS2  
Liberty Special Markets  
Menzies LLP  
Pension Insurance Corporation  
Virgin Trains

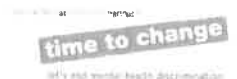
## Trusts and Grants

City Bridge Trust  
Garfield Weston Foundation  
Kathleen Hannay Memorial  
Charity  
National Lottery Community  
Fund  
Sport England  
The JG Graves Charitable Trust  
The Stone Family Foundation



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)



**Challenging attitudes, changing lives.**

Registered in England Number: 1221870. Registered Charity Number 271025.  
Registered Office 89 Albert Embankment, London, SE1 7TF. Rethink Mental Illness is the  
operating name of National Schizophrenia Fellowship, a company limited by guarantee.