

MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

Charity registration number: 1166493

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
CONTENTS OF THE FINANCIAL STATEMENTS**

	Page number
Entity Information	1
Chair's Annual Report	2
Chief Executive Officer's Report	3
Report of the Trustees	5
Report of the Independent Auditors	17
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23

MONEY AND MENTAL HEALTH POLICY INSTITUTE
ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	M Lewis (Chair of the Trustees) R Lloyd (Vice-Chair of the Trustees, resigned 31 March 2022) J Hill (Vice-Chair of the Trustees, appointed 31 March 2022) C Pearson (Treasurer) C Francis P Nash C Pond G Roy S Ryatt Z Clements (appointed 31 March 2022)
Address	22 Kingsway London WC2B 6LE
Charity Number	1166493
Auditors	Watts Gregory Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS
Bankers	Unity Trust Bank Limited Four Brindley Place Birmingham B1 2JB United Trust Bank Limited 1 Ropemaker Street London EC2Y 9AW Virgin Money Plc Jubilee House Gosforth Newcastle upon Tyne NE3 4PL

It's still my hope that one day I will write the Money and Mental Health Chair's report, and be able to solely boast of the amazing progress we've made in the battle to improve people's wellbeing and finances.

However 2022, like the years preceding it, has been a sobering experience, with many remedial battles fought just to help keep people going through the costs of living crisis following on from the pandemic — as energy, food and other bills spiralled.

The results from the team have been superb and powerful, but even they are drowned out by the overall economic situation that's left more people facing what I call the marriage-made-in-hell of combined money and mental health problems. For those with longstanding mental health problems, the cost of living crisis isn't new — it's often an exacerbation of struggles they've dealt with for years.

So, Money and Mental Health's mission to break the link between financial difficulty and mental health problems has never been so critical or urgent.

I am incredibly proud of the impact the Institute has had in reducing the psychological and financial harms that people face in the cost of living crisis, and in securing changes from government, regulators, and firms that make a difference to people's lives. Just some of those from the past year include...

- Extending our pioneering Mental Health Accessible programme to more high street banks, and working with these firms to make their services more accessible for customers with mental health problems
- Helping secure a 50% increase in funding for face-to-face debt advice, when these critical services had been facing major cuts - thanks to our campaigning alongside frontline debt advisers
- Persuading the government to put in place proper consumer protections against online scams in its Online Safety Bill. Money and Mental Health is continuing to work with other organisations and individuals (including me with my MoneySavingExpert hat on) to ensure that the government delivers this promise in 2023
- The regulators Ofcom and Ofwat strengthening their guidance on fair treatment of customers in vulnerable circumstances, in response to our recommendations and engagement
- The Money and Pensions Service (the government body which oversees the UK Strategy for Financial Wellbeing) developing a training module for all healthcare professionals on supporting people with financial difficulties, in direct response to our work with them
- Publishing world-class research showing the real-time impact of the cost of living crisis as it developed. We also produced major reports exploring how the government's 'Levelling Up' agenda can tackle the inequalities people with mental health problems face, and warning that firms may be failing to meet their Equality Act responsibilities towards customers with mental health problems.

This is an impressive list of achievements, and I'm proud the charity is still punching above its weight. One of the key reasons we do is our incredible Research Community of 'experts by experience', whose stories and ideas are at the heart of everything we do. As ever, we are incredibly grateful for their willingness to speak out about what needs to change, and to use their experiences to help others going through similar things.

I also want to say a big thanks to my talented fellow trustees — and in particular our Vice-Chair Jo Hill who guides the team so brilliantly — as well as our advisory board, for their generosity in offering their time, expertise and guidance to ensure the charity continues to thrive.

Finally, my annual thanks to the whole Money and Mental Health professional team, and in particular Chief Exec Helen Undy, whose passion, vision and leadership has enabled the charity to have such great impact. I wish Conor D'Arcy who will be acting up to take Helen's role during her maternity, and Brian Semple who will become Director of External Affairs and Income, best of luck in filling those big boots.

In recent years I've always needed to finish this statement by saying it looks like another tough financial year will follow. My hope though is the rot will stop in 2023, and maybe we'll even see some light improvement. I am encouraged by the strength of those who have chosen to share their stories, and the people and organisations working tirelessly to support them and to advocate for policies that provide the right level of protection through the challenges.

Money and Mental Health and I are committed to continuing this important work, and as always, we will do everything we can to break the toxic link between money and mental health problems.



Martin Lewis
Founder and Chair, Money and Mental Health Policy Institute

Why we're here

For regular readers of Money and Mental Health's annual reports, you'll have noticed that this section doesn't change a huge amount year-to-year. Sadly, the link between money and mental health problems continues to be irrefutable, profoundly damaging and under-addressed. That's why we exist. Mental health problems can make it harder to earn money, to manage spending and to get a fair deal on products and services. Life is likely to cost more, precisely when we have less money available to spend and are less able to ask for help. These challenges mean that people experiencing mental health problems are three and a half times as likely to be in financial difficulty. That debt, and the collections activity that so often goes along with it, can have a devastating impact on our mental health. Over 100,000 people in England every year attempt to take their own life while struggling with problem debt.

These facts have not fundamentally changed; Money and Mental Health exists now for the same reasons the charity was launched seven years ago. But the urgency with which our work is needed has accelerated. The cost of living crisis has exposed the link between money and mental health problems like never before. Research we published in December 2022 showed that more than half of UK adults (54%) reported having felt either anxious, depressed, filled with dread or unable to cope in the prior nine months due to concerns about their finances during the crisis. In the same period, half of those who are behind on more than one payment reported suicidal thoughts or feelings as a result of the rising cost of living. The changes to policy and practice that we have secured over the last seven years are reaching more people in terrible circumstances than we ever predicted, and the changes we're working for now have never been more vital.

Our vision

We're working for a world in which the vicious cycle of money and mental health problems is broken, so that we all have an equal chance of financial security, regardless of our mental health; and everyone's mental health can flourish, regardless of their financial circumstances.

How we're going to get there

In 2022 we had two cross-cutting areas of focus to our work: mitigating harm from the cost of living crisis, and deepening our understanding of the experiences of money and mental health problems for different demographic groups.

These run alongside our three ambitious impact goals set out in our organisational strategy:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services
2. Fewer people have poor living standards as a result of mental health problems
3. Support services become more effective at helping people who have both money and mental health problems

All of our work sits within these three goals, but in 2022 we also added two cross-cutting areas of focus: mitigating harm from the cost of living crisis, and deepening our understanding of the experiences of money and mental health problems for different demographic groups.

To reach these goals we:

1. **Research the links between mental health problems and financial difficulties**, drawing on the lived experience of our Research Community, a group of nearly 5,000 volunteers with personal experience of mental health problems, academic literature, national datasets and a range of other evidence. The Research Community is at the heart of all of our work and we are enormously grateful for their input over the last year.
2. **Develop practical policy and solutions**, working in partnership with those providing services, those who shape and regulate them, and those using them, to pursue what really works.
3. **Campaign, collaborate, test and innovate until our research leads to real change**. In 2022 we drove change through our successful campaigning work, collaborative work with policy-makers and regulators and through our hands-on Mental Health Accessible programme. The latter helps firms directly to identify the change that is needed, develop and embed it to improve outcomes for their customers with mental health problems.

MONEY AND MENTAL HEALTH POLICY INSTITUTE
CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Being the change we want to see

As a charity, and an employer, we are committed to having a positive impact not just through the work we do, but also how we do it. For example:

- More than half of our advisory board members, 60% of our staff and more than 80% of our trustees have lived experience of mental health problems
- Staff satisfaction is extremely high, with 100% of our latest staff survey respondents saying that they are either 'mostly' or 'completely' satisfied with their current job. Feedback on team culture, organisational leadership and line management was particularly good; 100% of staff reported that Money and Mental Health treats staff fairly and with respect, respects individual differences and is committed to supporting staff wellbeing and health. 100% of staff also agreed that they had had opportunities to learn and grow in the last year
- We continue to have an active Equality, Diversity and Inclusion group within the organisation. This has driven forward changes including improvements to our recruitment practices and job descriptions, focusing on the recruitment of under-represented groups within our Research Community and better representation of people from minoritised ethnic groups in particular in our communications and events, as well as in our research itself
- We ensure that all of our events have at least one speaker bringing their own lived experiences of mental health problems and continue to work with the media to create more platforms for people to share their personal stories — as well as providing extensive support for those who choose to do that
- Over 1,400 new members joined our Research Community last year, and overall the group continues to report very high levels of satisfaction with their involvement in our work. 84% of survey respondents said that "Money and Mental Health research covers issues that are important to me", 77% that taking part makes them feel part of something bigger and 75% that our work accurately represents their experiences
- We commissioned an independent review of our governance, to ensure that we continue to demonstrate best practice against the charity governance code. Our board received a glowing report, as well as helpful areas identified for continual improvement
- We continue to run a London Living Wage internship, and in 2023 intend to restart our work experience programme to ensure more people have a route into the charity sector.

Our organisation has grown again this year, and I continue to be bowled over by the talent, dedication and compassion of every member of our team — whether that's staff, advisory board members, trustees or Research Community. I'd like to take this opportunity to pass on my enormous gratitude to them; this report is a record of their achievements and one that they should be extremely proud of.



Helen Undy
Chief Executive, Money and Mental Health Policy Institute

MONEY AND MENTAL HEALTH POLICY INSTITUTE REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are pleased to present the annual report and financial statements of the Money and Mental Health Policy Institute ("Money and Mental Health" or the "Institute" or the "Charity") for the year ended 31 December 2022.

The trustees confirm that the annual report and the financial statements of the Institute comply with current statutory requirements, the requirements of the Institute's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2019 (FRS 102).

The Institute is a Charitable Incorporated Organisation (charity registration no 1166493, registered on 12 April 2016).

OBJECTIVES AND ACTIVITIES

In setting objectives and planning for activities, the trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The objects of the Charity are:

- (1) to advance understanding of mental health, financial difficulties and capability and the relationship between the two;
- (2) to improve the lives of people with mental health problems, particularly in relation to their financial experiences, and
- (3) to promote the preservation of good mental health, with a particular focus on the impact of people's financial experiences,

including by carrying out research, facilitating discussion, designing and testing new approaches and disseminating the useful results of these endeavours.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR THE FUTURE

Our impact in 2022

Changing policy and practice

- Our cross-sector campaign coalition persuaded the government to crack down on online scams in the Online Safety Bill
- We campaigned with frontline debt advisers to secure a 50% increase in funding for face-to-face debt advice
- Our research led to the Money and Pensions Service developing a new training module for health professionals on supporting people with financial difficulties
- Our policy work led to regulators strengthening protections for consumers with mental health problems
- Our Mental Health Accessible programme helped seven firms to make their services more accessible for people with mental health problems.

Spreading the word

- We gained 84 pieces of national media coverage
- Our website attracted over 133,000 visitors
- We held three events which attracted 672 attendees
- We substantially increased our social media reach
 - Twitter +14%
 - LinkedIn +25%
 - Facebook +13%
- Our reports were downloaded 380 times on average
- We met with 49 senior decision makers with the power to make the change we want to see.

Our work in 2022

Cross cutting focus: reducing harm during the cost of living crisis

2022 was an extremely difficult year for many people, as we emerged from the pandemic into the growing cost of living crisis. We moved quickly to gauge the impact of spiralling costs on people's mental health by launching a series of reports looking at the developing cost of living crisis, and setting out ideas for the response needed from government and essential services to reduce the harms that people face.

Our first cost of living report (published in May 2022) highlighted that for six in ten UK adults, the cost of living crisis had negatively impacted their mental health, such as leaving them feeling anxious, depressed or hopeless. One in five people said they had felt "unable to cope" due to the rising cost of living. We called for the government to improve support through the benefits system, and for essential services firms to make their letters to people who are behind on payments less threatening and more supportive. We launched the report with an in-depth report on ITV show Good Morning Britain, which included a lengthy interview with our Research Community member Rob Smale.

As the crisis deepened, we published our second cost of living report in December 2022, which revealed the severe extent to which rising costs and mounting financial pressures had contributed to increased feelings of anxiety, depression, and in some cases, suicidality. Polling published in the report showed that 1 in 6 UK adults said they had experienced suicidal thoughts or feelings over the previous nine months as a result of the rising cost of living.

Our report gained widespread media coverage including coverage on Good Morning Britain, Sky News, BBC News and articles in most major newspapers.

Stopping the Debt Threats

One factor that came out strongly in our cost of living research is that the way people are bombarded with letters and calls about their debt is causing grave distress and in some cases is even contributing to people becoming suicidal. Our research also showed that there's little protection against being deluged in this way because there are no firm legal rules in the UK limiting how often creditors can contact people about overdue bills.

As a result we decided to relaunch our Stop the Debt Threats campaign, which in 2020 successfully persuaded the government to change the rules on the content of some debt letters, to make them more supportive and less intimidating. We are now calling on the government to charge regulators with limiting how often debt collectors can contact people, to reduce the harm that aggressive debt collection practices can cause.

Ensuring people can get support with rising energy costs

In response to rising energy costs and the strain they were putting on millions of people, we published a best practice guide for energy firms on how they can support customers with mental health problems that are struggling to pay their bills. This included recommendations on equipping staff with the training needed to recognise vulnerable customers, reviewing potentially intimidating correspondence surrounding debt and payments, and ensuring customers are signposted to any discounts and support schemes that they are entitled to.

What's next

In 2023 we are continuing our series of reports about the ongoing impact of the cost of living crisis and the policy response needed to support people. We will also be continuing our Stop the Debt Threats campaigning, calling for government and regulators to implement limits on how often creditors can contact people about overdue bills.

Cross cutting focus: deepening our understanding of money and mental health problems for different groups

The toxic cycle of money and mental health problems can impact any of us. But it's also true that factors like our gender, age and ethnicity affect how we experience this cycle, as well as the support we receive to break out of it. To better understand how these different factors intersect, we launched a series of research reports in 2022.

Our first paper explored the relationship between gender, money and mental health. It showed that among people with mental health problems, women are more likely than men to feel burdened by bills, and to be receiving income-related benefits. Our analysis also explored the experiences of men and women disclosing their financial difficulties and mental health problems to health professionals and essential services firms, and the support they receive as a result. We set out recommendations on how employers, the NHS and essential service providers can use this understanding of the relationship between gender, money and mental health to better address the reduced financial resilience that people with mental health problems face.

Our second paper looked at the intersection between age, mental health and financial difficulty. It showed that younger people with mental health problems are more likely to say that their financial situation makes them anxious, and to have borrowed money or used credit to pay for everyday outgoings. However, while age does tend to improve people's financial circumstances across the population, the financial gap between people with and without mental health problems does not necessarily close with age, and across some indicators, can actually grow more profound. The report also offered ideas on how government, employers and essential services firms can tackle the challenges people face at different stages of their lives in terms of their financial and mental wellbeing.

What's next

In 2023 we are publishing our third paper in this series, exploring the relationship between ethnicity, financial circumstances and mental health. We will also be acting on the learnings from all three papers, which will inform our wider research programme and help us better understand the policy response required to address the needs of different groups of people across society.

Making essential services fair

Impact goal: Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services

Ensuring that firms meet their responsibilities under the Equality Act

In January 2022 we published our *Time to Act* report, which examined the legal duties that essential services firms — such as banks, energy companies and water providers — have towards customers with mental health problems, under the Equality Act. It revealed that many essential services providers are likely to be failing to meet legal duties set out in the Equality Act 2010, which requires them to anticipate and address the needs of customers with mental health problems.

In particular, the research (which was supported by Impact on Urban Health) suggests that many essential services firms may not be meeting their Equality Act requirements to anticipate the challenges people with mental health problems face in using their services, and to offer reasonable adjustments. The report called on essential services firms to ensure they are not in breach of the Equality Act, by putting in place support to make it easier for people with mental health problems to use their services. It also urged the Equality and Human Rights Commission (EHRC) — which enforces the Equality Act — to step up efforts to make firms comply with these legal duties to customers with mental health problems.

We followed the launch of this research by publishing a best practice guide offering practical, tangible changes firms could make to help ensure they comply with the Equality Act 2010 and better support their customers with mental health problems.

To launch the report, we undertook an extensive outreach campaign, securing CEO or director-level meetings with the FCA, Ofwat, Ofgem, Ofcom, the EHRC and six essential services firms. This led to the EHRC agreeing to write to all of the sector regulators asking what they are each doing to promote compliance with the Act. It also resulted in the water regulator Ofwat including references to firms' responsibilities under the Act in their new guidelines for water companies, and linking to our best practice guide.

Making it easier for people to disclose a mental health problem

Disclosing that you have a mental health problem to a bank, energy company and other essential service providers can be an incredibly daunting task. Our research shows that only 14% of consumers with mental health problems have disclosed to a financial services firm, and only 12% have disclosed to their energy provider.

This is in part due to the failure of firms to provide the right support around disclosure, and a lack of clear and accessible ways for people to disclose mental health problems. To help firms address these problems, we teamed up with the Money Advice Trust to publish a series of best practice guides in November 2022 aimed at helping firms make it easier for customers to disclose a mental health problem.

In particular the guides offer tips on how firms can encourage and support people to disclose a mental health problem; how they can respond effectively; and how disclosures can be processed into data to help consumers. We launched the guides with a webinar which attracted over 100 attendees from across essential services sectors.

Cracking down on online scams

One of our key campaigning priorities in recent years has been to strengthen consumer protections against scams. Our research has shown that falling victim to an online scam can have a devastating psychological impact, and that people with mental health problems are three times more likely to have been affected.

In 2021 we helped set up a cross-sector coalition including organisations such as Which?, UK Finance, MoneySavingExpert and City of London Police, calling on the government to crack down on online scammers in its Online Safety Bill. We got a partial win that year when the government announced it would include measures in the Bill to tackle "user-generated" scam content.

However, this left people defenceless against scam adverts, one of the biggest sources of online scams. In 2022 we stepped up our campaigning, calling on the government to include scam adverts in Bill too. We were delighted when the government responded by announcing in March 2022 that it would include scam adverts in the remit of the Online Safety Bill, and secondly in June when it agreed to strengthen the Bill's requirements for search engines to act on online scams.

Influencing regulation

In 2022 we were delighted to see a number of essential services regulators respond to our work by taking steps that will improve support for customers with mental health problems.

In particular, we were pleased that the Financial Conduct Authority (FCA) published its final guidance on its new Consumer Duty, which set out rules that financial services firms will have to follow to improve outcomes for all customers and requires them to put their customers' needs first. The Duty incorporates a significant number of recommendations from our work, ranging from a particular focus on fair outcomes for all consumers, including those with mental health problems and other drivers of vulnerability, to a focus right across the life of a financial product when somebody is using it and an emphasis on fair pricing as well.

We engaged substantially with the FCA on the Consumer Duty, from lobbying for the Duty to be created, through to consultation responses, engagement meetings and high-level meetings with FCA Directors to discuss the details. We're delighted to see our ideas reflected in the final Consumer Duty guidance.

We were also pleased to see the communications regulator Ofcom and the water regulator Ofwat strengthened their 'Treating vulnerable customers fairly guide' and 'Paying fair guidelines' respectively, directly responding to a number of the recommendations raised in our consultation responses and direct engagement with them. This included advising firms in their sectors to take into account preferred communications channels, and to offer signposting to support. It also included advising firms to minimise potential psychological harm through the content and language of their communications to customers. These changes should improve the support that customers with mental health problems get from telecoms and water companies.

In 2022 we were also pleased to see the Competition and Markets Authority (the UK's competition regulator) launch a new programme of consumer enforcement work focused on 'Online Choice Architecture', aimed at tackling potentially harmful online selling practices, including pressure selling tactics such as countdown clocks. This followed our call in our 2021 report *Safety Net* for regulators to take direct, decisive action against online design choices that cause significant harm.

Reducing gambling harms

2022 saw the culmination of our two-year programme of work funded by the Gambling Commission, aimed at galvanising action among financial services firms to reduce gambling harms. In January 2022 we marked the end of the project by publishing a policy note which brought together some of the key learnings from the project. It set out recommendations for how banks can continue to improve support for customers at risk of gambling harms, by strengthening gambling blocks and using data to identify those at risk of harm. It also offered recommendations on how government and regulators should respond to the rise of gambling-like products and activities, such as loot boxes and cryptocurrencies, and to reduce the risk of harm involved in these kinds of activities.

Making more firms Mental Health Accessible

In 2022 we worked hands-on with seven essential services providers to deliver comprehensive recommendations for positive change, leading to impact for a total customer population of over 60 million people. This includes work on Mental Health Accessible assessments across three banking groups. One of these is Lloyds Banking Group, the first banking group to gain the Mental Health Accessible accreditation, which has made impressive improvements to accessibility over the past year.

The Mental Health Accessible accreditation programme recognises the progress a firm has made towards meeting the needs of people with mental health problems. But more importantly, it encourages service providers to do even better. We're pleased to see many of our recommendations for change being implemented and added to development plans over the past year, across all the firms we have worked with.

These recommendations covered a wide range of areas, including broadening understanding of customer access needs, helping customers to disclose mental health problems, and effectively supporting the wellbeing of frontline colleagues who have difficult conversations with customers. Some projects have focussed on helping financial service providers prepare for the Consumer Duty coming into effect — in particular, helping firms to identify and understand the needs of their customers with mental health problems, act on behavioural insights and communicate with customers effectively and safely.

Last year, the Mental Health Accessible team also extended the scope of our work, to include smaller consultancy projects focused on areas such as digital accessibility. We also contributed to the delivery of a number of training sessions for frontline and specialist support teams within financial services and energy firms. This training aimed to strengthen the ability of essential services staff to identify and meet the needs of customers with mental health problems, and to understand how mental health and money can interact.

As always, we are hugely grateful to our Research Community members who have helped user-test firms' communications and products as part of the Mental Health Accessible programme, and have shared their wider experiences of using different firms' services. That has ensured that the voice of lived experience is heard loud and clear by the essential service providers we work with.

What's next

In 2023 we are continuing to highlight the challenges many people with mental health problems face in choosing, using and paying for essential services. This includes publishing research, which commenced in 2022, examining the bad outcomes that many people with mental health problems face in the insurance market (supported by a grant from the Which? Fund, funded by the Consumers' Association).

We are also working with Nationwide and other major essential services through our Mental Health Accessible programme, to help them make their services more accessible to customers with mental health problems.

Improving living standards

Impact goal: *Fewer people have poor living standards as a result of mental health problems*

Levelling Up for people with mental health problems

In July 2022, we published our *No one left behind* report exploring how where you live affects your money and mental health, and what this means for the government's 'Levelling Up' agenda. The research revealed that parts of the UK had become 'inequality hotspots' for people with mental health problems, driven by a combination of barriers to jobs, support services and housing for people with mental health problems in these regions. We called on the government to re-evaluate the existing levelling up plans, and to ensure that this agenda does not overlook the inequalities that people with mental health problems face.

To mark the launch, we held our first in-person event in over two years, to hear how the Levelling Up agenda could be improved to address these inequalities. This featured Rachael Morgan from our Research Community, Thara Raj (Director of Public Health in Warrington), Sir Michael Marmot (Professor of Epidemiology at University College London) and Sylvia Ward (CEO of Citizens Advice Sheffield). Since then, we've met with Andy Burnham, the Metro Mayor of Greater Manchester, and other policymakers to discuss what local leaders can do to close these gaps.

A benefits system that delivers for people with mental health problems

In 2021, our *Set Up To Fail* report showed how people receiving Universal Credit (UC) often struggle with the forms and tasks they're required to complete. But getting support from family or a friend is often just as big a challenge, as giving permission to a third party to help you is unnecessarily difficult. We continued our campaigning to fix this in 2022, having encouraging engagement with Ministers and officials at the Department for Work and Pensions (DWP) with future meetings planned.

While difficulties with UC are already a live issue, there are millions of others still on the 'legacy' benefits which it's replacing. Ahead of more people being moved over, in September 2022 we published a paper warning that without additional support, people in vulnerable circumstances were in danger of being cut off from their benefits altogether. We called on the DWP to commit to ensuring that no one would have their benefits stopped in the process of moving to UC. In November, the government announced that it was pausing that transition for certain groups, including some of those most likely to struggle with the move. Despite that welcome delay, we will continue to work to make the benefits system more accessible for people with mental health problems.

What's next

There has been a great deal of political focus recently on economic inactivity — that is, people who are not in a job and not seeking work. With mental health problems common among that group, in 2023 we will be setting out what needs to change so that the employment support system delivers for everyone.

Research often focuses on snapshots of a point in time. But the experiences of our Research Community underline how the relationship between our money and mental health varies over our lifetimes. With the cost of living crisis continuing to affect people's living standards in 2023, we will be exploring how income shocks, spikes in our outgoings and other life events can impact our mental health, and vice versa.

One of those increased costs is housing, with rents and mortgage repayments rising rapidly. A secure and stable home can be a boost to our mental health, but when we're finding it tough to keep up with our housing costs, the psychological toll can be huge. We will publish research looking at what more could be done to prevent people from losing their home and to protect their mental health when they are struggling.

More effective support services

Impact goal: *Support services become more effective at helping people who have both money and mental health problems*

Protecting face-to-face debt advice

In 2020, the Money and Pensions Service (MaPS) commissioned us to explore how debt advice could be made more effective for people with mental health problems. Our subsequent report highlighted the importance of people being able to access debt advice in a format that works for them. For many people, that means face-to-face advice. We were therefore extremely concerned in 2021 when it appeared that the MaPS' plans for recommissioning debt advice services would lead to a significant cut in face-to-face advice.

Alongside frontline debt advisers, we launched a policy paper and a media campaign calling on MaPS to change course. So we were delighted in 2022, when MaPS made a major U-turn on the proposed cuts to funding for face-to-face debt advice, and instead increased funding by 50%.

We are continuing to work to ensure MaPS' new model for delivering debt advice strikes the right balance between serving the increasing number of people in need of debt advice, while also achieving quality of advice for increasingly complex cases including people with mental health problems.

Preventing financial difficulties in secondary mental health care

In 2018 our *Recovery Space* report highlighted how acute periods of mental ill health can lead to devastating financial consequences. The government subsequently responded to our *Recovery Space* by agreeing to implement Mental Health Crisis Breathing Space, which provides people receiving mental health crisis care respite from debt collection activity and escalating fees and charges.

Four years later in 2022, in collaboration with Mind, we published our *Not a secondary issue* report, which explored how to prevent and resolve financial difficulties for people receiving secondary mental health care. This called on the government to make small changes to make Mental Health Crisis Breathing Space more accessible, to ensure more people in crisis can benefit from this vital support. We've been pleased to see the government launch a wider consultation to increase eligibility and access to Mental Health Crisis Breathing Space, and explore the possibility of expanding the remit of the service to better support people with mental health problems.

In the report, we also called for the Department of Health and Social Care to ensure that health professionals routinely ask people receiving secondary mental health care about their financial circumstances as part of Care and Treatment plans, health checks and other support measures. We think this should be included in the draft Mental Health Bill, through which the government plans to modernise the Mental Health Act, and we have been pleased to see broad political appetite for this, including from the Joint Committee of MPs scrutinising the Bill.

We were also delighted when the Money and Pensions service responded to the report by developing a training module for all health care professionals on supporting people with financial difficulties.

What's next

Through an ongoing partnership with King's College London and Citizens Advice, we have been supporting a pilot combining money advice with mental health support through NHS's Talking Therapies Programme (IAPT). In the next year, we will publish a paper setting out the lessons learned so far and work to scale up a pilot to integrate money advice in mental health services.

The Money and Pensions Service have commissioned us to undertake new research exploring the barriers people with mental health problems face to saving and planning for retirement and engaging with pension information and guidance services. In late spring 2023 we'll be publishing our research findings alongside recommendations to make retirement planning services more accessible to people with mental health problems.

FINANCIAL REVIEW

In 2022, Money and Mental Health generated £670,373 of income, of which £604,821 was unrestricted and £65,552 was restricted. This was £162,652 less than that generated in 2021 and £119,145 less than the original budget for the year. It had been anticipated that our investment into additional fundraising capacity on the staff team would result in additional fundraising income of £85,000, but due to difficulties in recruiting fundraising staff and also the significant lead time between applying and being awarded grant or trust funding, this income did not materialise in 2022. This has improved in recent months and it is expected that the fundraising revenue stream will be higher in 2023. Income from Mental Health Accessible projects was also £20,000 behind the budget for the year. This activity was also affected by staff capacity issues during the year, which delayed some projects into the 2023 year.

Expenditure related to charitable activities for the year totalled £831,837 split between unrestricted expenses of £788,084 and restricted expenses of £43,753. Of this total, £696,785 related to direct project delivery costs, £119,452 related to support costs and £15,600 to governance costs. Total staff costs (included in delivery and support costs) represented 81% of the Charity's total expenses. Total expenditure was £110,247 higher than the 2021 amount of £721,590 mainly as a result of an average of an additional 2 employees in 2022 and also due to a one off cost of living allowance paid to support employees in October 2022. A partial return to "in person" events also resulted in a slight increase in delivery costs.

The Institute reported a deficit of £161,464 in 2022, all of which was unrestricted. This deficit was in line with our income and expenditure strategy to use some of our reserves to fund additional capacity to support future income generation efforts and sustain impact. Further budget deficits are also predicted for 2024 and 2025 which will also be funded from unrestricted reserves.

The total fund balance at 31st December 2022 was £619,136, all of which was unrestricted.

With a funding pledge from the founder until at least the end of 2025, and significant other grant income also secured until 2025, the Institute continues to operate as a going concern. A financial strategy of prudence and care will be pursued which, together with a continued commitment to diversification of income, will ensure the ongoing financial sustainability of the Institute.

Funding

In the interest of transparency, Money and Mental Health publishes details on all donations and funding over £1,000 — please see more details in the table below.

Unrestricted income notably included £450,562 of donations from our founder and Chair, a £35,000 grant from John Ellerman foundation and £100,000 from consultancy services, amongst other income sources.

Restricted income included a grant from Impact on Urban Health of £38,000 to fund our research project to understand the potential to use the Equality Act as a tool to ensure essential services make adjustments for customers with mental health problems.

The remaining £27,552 of restricted income was part of a grant for £35,118 from the Which? Fund, funded by the Consumers' Association towards the project entitled 'Exploring and tackling unfair discrimination against people with mental health problems in key insurance markets'. The remaining £7,566 of this grant income will be recognised in our 2023 accounts, when this project is expected to finish.

In 2022 the founder's donation accounted for 67% of the Charity's income, whilst 33% was generated from other external sources. This demonstrates that the Institute is making good progress in diversifying its income sources in line with its funding plans.

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Income	Details
£0-£1,000	We received 24 donations in this range, amounting to £3,163 in total
£1,001 - £10,000	None
£10,001 - £50,000	Capital One, HSBC Australia, Co-operative Bank, HSBC UK, John Ellerman foundation, Impact on Urban Health, the Which? Fund
£50,001 - £150,000	None
£150,001 - £350,000	None
£350,001 - £500,000	Martin Lewis

Money and Mental Health would like to thank all of the funders who have supported our work. In particular, we want to thank our founder and chair, Martin Lewis, without whose vision and generous financial support the charity would not exist.

Reserves policy

The trustees have set a policy which requires that general unrestricted reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees have set this level to be equivalent to 3 months' worth of operating expenses and it reviews this position regularly. It should be noted that this is a minimum level and the trustees recognise that a higher level may be required at times when the external financial climate is more challenging or when investment is required to ensure operational efficiency and resilience in future years.

The Charity's reserve policy is in line with the guidance issued by the Charity Commission and the calculation of the required level of reserves is an integral part of the Charity's budgeting and planning cycle.

Any funds received by the Charity for a specific project or purpose are held in a restricted fund. On 31 December 2022 the restricted fund balance was £nil.

Unrestricted reserves consist of designated reserves and general reserves. Unrestricted funds can be spent or applied at the discretion of the trustees to further any of the Charity's purposes. Unrestricted funds can also be used to supplement expenditure made from restricted funds. For example, a restricted grant may provide only part of the funding needed for a specific project. In this case unrestricted funds may be used to meet any funding shortfall for that project.

Trustees may also choose during the reporting period to set aside a part of the unrestricted funds to be used for a particular future project or commitment. By earmarking funds in this way, the trustees set up a designated fund that remains part of the unrestricted funds of the charity. For example, this may be appropriate for large, unproven future projects, with significant set up costs, until they are self-funding, or alternative sources of funding are found, as was the case with the Mental Health Accessible project. This designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds that they have earmarked.

On 31 December 2022 the Charity held a designated reserve balance of £nil.

The trustees are satisfied with the level of reserves held by the Charity as at 31 December 2022, which is in line with its reserves policy. Although the current level of reserves is higher than the minimum specified in the policy, the trustees believe that this level will be required to sustain the Charity in the next 3 years, as the founder's donation tapers off.

To date the majority of our core funding has been from our Founder and Chair, Martin Lewis. As the charity has grown and developed, we have begun to diversify our funding base to ensure a strong and resilient future for the organisation. Our founder's donation has reduced from 100% of the charity's income in 2016 to 67% in 2022 as the annual donation has tapered and our alternative fundraising has grown. This donation will continue to taper, and we project that it will provide around 38% of our total income by 2025. Over the last couple of years the Charity has also built some additional reserves, primarily as a result of cancelled activity and rent costs during the pandemic.

The Charity has an income generation strategy that includes generating revenue by charging essential services firms for consultancy work, alongside grants, sponsorship and some other donor income. We believe that this will scale our impact, improving outcomes for millions of people with mental health problems, whilst making the charity more financially resilient.

In light of the impact of the pandemic and the cost of living crisis on both money and mental health, our work is needed more than ever. We aim to sustain our current level of capacity for our core delivery work, whilst at the same time developing new income generation capabilities. Our plans for the next few years therefore involve investing some of our reserves in the income generation, operations and consultancy capacity needed to grow and diversify our income base for the future, allowing us to maintain our current delivery capacity and impact whilst strengthening the Charity for the future.

The level of reserves is monitored quarterly and the reserves policy is reviewed annually by the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

Money and Mental Health was registered as a Charity with the Charity Commission for England and Wales on 12 April 2016. It is governed by its Constitution. It is a Charitable Incorporated Organisation.

The objects of the Charity are, for the public benefit:

- (1) to advance understanding of mental health, financial difficulties and capability and the relationship between the two;
- (2) to improve the lives of people with mental health problems, particularly in relation to their financial experiences, and
- (3) to promote the preservation of good mental health, with a particular focus on the impact of people's financial experiences,

including by carrying out research, facilitating discussion, designing and testing new approaches and disseminating the useful results of these endeavours.

Appointment of trustees and induction

Anyone who is a natural person and over the age of 16 can become a trustee. There must be at least three trustees and one of the trustees at least must be over the age of 18. There is no maximum number of trustees. New trustees are selected by the Board of Trustees according to the skills, knowledge and experience needed for the effective administration of the Institute.

Induction support and a trustee information pack is provided for all new trustees.

Members' liability

Money and Mental Health had 9 trustees as of 31 December 2022. They are the only persons eligible to be members of the Institute and their membership cannot be transferred to anyone else. If the Institute is wound up, its members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom's Accounting Standards (UK GAAP). The Institute has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charity SORP 2019 (FRS 102). As a Charity registered in England and Wales, the Charitable Incorporated Organisation also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

Chair of the Board of Trustees

Martin Lewis CBE is the founder and the Chair of the Board of Trustees of the Institute. He founded the Money Saving Expert website in 2003 and is currently its Executive Chair. He is also an award-winning campaigning journalist, a TV and radio presenter, a newspaper columnist and author as well as a charity founder. To date, he has also been the main source of revenue of the Institute.

Organisational structure and decision making

The Board of Trustees is responsible for the overall governance and direction of the Institute. The Board meets quarterly. Trustees operate in a non-executive capacity and they are responsible for helping to preserve the Institute's independence and impartiality, notably by ensuring that no interest group is able to exert undue influence on the Institute's work.

Oversight of financial performance and operational controls have been delegated since 2019 to a Finance and Audit Committee chaired by the Treasurer, which also meets quarterly. A Remuneration Committee meets at least once per year and reports to the Finance and Audit Committee on pay and benefits recommendations and to the full Money and Mental Health Board on other matters.

Day to day operations of the Institute are delegated to the Chief Executive Officer and the senior management team.

Remuneration policy, related party and other transactions

Money and Mental Health is committed to ensuring that its staff members are paid fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In this context, all salaries are reviewed on an annual basis with the intention to offer an inflation-related increase to all employees each January, subject to the Institute's financial health being robust (this policy is not applicable to interns who are remunerated at the London Living wage which already includes an annual inflation adjustment). The Institute also has in place a work pension scheme relying on employer's and employees' pension contributions. The trustees hereby confirm that no contractual relationship with a related party was to be reported. Furthermore, the Institute did not act as an agent or a custodian trustee during the reporting period and it did not hold any funds on behalf of other parties. Finally, the trustees also confirm that there are no applicable exemptions from disclosure in this report.

Risk management

It is the responsibility of the trustees to monitor the risks posed to the ongoing viability of the Institute and its ability to fulfil its charitable objectives. All areas of risk (governance and compliance, operational, financial, environmental and external) have been identified and are set out in the Institute's risk register.

The Board of Trustees regularly assesses the major risks to which Money and Mental Health is exposed. The main risks identified for the current year are as follows:

- The mental health and wellbeing of research participants, media volunteers and staff, both through involvement in our work, but also as a result of the cost of living crisis
- The effect of the cost of living crisis on the Institute's income and expenditure as potential funders and Mental Health Accessible clients cut down on spending and the Institute's core costs increase
- Reliance on the Founder's annual donation to the Charity (currently 67% of total income, but reducing to 43% in 2023 budget)
- Loss of key personnel to deliver MMHPI's core objectives and challenges with recruitment.

The Board is satisfied that systems and adequate levels of reserves are in place to mitigate the Institute's exposure to these major risks.

Governance review

In 2022 an externally facilitated governance review was commissioned, where the performance of the board was formally evaluated. The overall conclusion was that of an effective Board of Trustees which has absolute clarity around the Charity's strategy, purpose, and impact. There was a particularly strong articulation of the top-down risk appetite, which actively supports strategic decision-making and maintains alignment amongst all trustees and executive management. Equally notable was the value and encouragement amongst all trustees to challenge constructively and offer a range of alternative views. There were a few areas of routine governance that were identified for action (e.g. forward agenda planning, more structured Continuous Professional Development, and enhanced two-way communication in between formal meetings). However, these were regarded as minor points in the context of the Charity's size and its clear tone from the top of complying with the spirit of good corporate governance.

Our thanks

The trustees are very grateful to the many individuals and organisations who supported the work of the Institute in 2022, in particular to the staff team, advisory board, and the thousands of people who generously shared their lived experience of mental health problems to shape our work.

Chair of the Board of Trustees

Martin Lewis

Board of Trustees

Clare Francis
Joanna Hill (Vice-Chair)
Patrick Nash
Carol Pearson (Treasurer)
Chris Pond
Gareth Roy
Simi Ryatt

Advisory Board Members as of 31 December 2022

Bim Afolami MP	Dr. Ricky Kanabar
Sue Ayton	Sir Norman Lamb
Andy Bell	Sandra Lawman
Luciana Berger	Aoife ní Luanaigh
Dr. Jed Boardman	Léonora Miles
Dr. Billy Boland	Vanessa Pine
Dr Lisa Cameron MP	Paul Scates
Rebecca Cassar	Jeff Smith MP
Sharon Collard	Mike Songer
Martin Coppack	Mark Trewin
Steve Crabb	Caroline Wells
Sandra Dangoor	Nicola Wood
Chris Fitch	Professor Dame Til Wykes
Lee Healey	Lord Davies of Brixton
Dan Holloway	

Institute Staff as of 31 December 2022

Helen Undy (Chief Executive Officer)
Conor D'Arcy (Head of Research and Policy)
Nicky Deans (Head of Finance and Operations)
Rosie Normanton (Head of Strategic Partnerships)
Brian Semple (Head of External Affairs)
Nikki Bond (Senior Research Officer)
Bronwen Dalley Smith (Senior External Affairs Officer)
Liam Hill (External Affairs Officer)
Becca Stacey (Senior Research Officer)
Chris Lees (Research Officer)
Francesca Smith (Research Assistant)
Alexis Stevens (Senior Strategic Partnerships Officer)
Rachel Fergusson (External Affairs Officer)
Anna de Oliveira (Operations Officer)
Dom Taylor (External Affairs Intern)

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Approved by order of the Board of Trustees on 8/6/2023 and signed on its behalf by:



.....
Martin Lewis CBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Opinion

We have audited the financial statements of Money and Mental Health Policy Institute (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern in exceptional or unforeseen circumstances.

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements which result from such irregularities. Based on our understanding of both the charity and sector, we identified the principal risks of non-compliance with laws and regulations and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed this risk by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation.

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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

Use of our report

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

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 9 June 2023

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME FROM ENDOWMENTS FROM					
Donations and legacies	3	498,725	-	498,725	590,165
Charitable activities	5	98,605	65,552	164,157	238,203
Investment income	4	<u>7,491</u>	<u>-</u>	<u>7,491</u>	<u>4,657</u>
Total		<u>604,821</u>	<u>65,552</u>	<u>670,373</u>	<u>833,025</u>
EXPENDITURE ON					
Charitable activities	6	<u>788,084</u>	<u>43,753</u>	<u>831,837</u>	<u>721,590</u>
NET INCOME/(EXPENDITURE)		(183,263)	21,799	(161,464)	111,435
Transfers between funds	15	<u>21,799</u>	<u>(21,799)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(161,464)	-	(161,464)	111,435
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>619,136</u></u>	<u><u>-</u></u>	<u><u>619,136</u></u>	<u><u>780,600</u></u>


The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

BALANCE SHEET 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	6,017	-	6,017	5,456
CURRENT ASSETS					
Debtors	12	80,703	9,993	90,696	43,267
Cash at bank		<u>597,732</u>	<u>(9,993)</u>	<u>587,739</u>	<u>800,232</u>
		678,435	-	678,435	843,499
CREDITORS					
Amounts falling due within one year	13	(65,316)	-	(65,316)	(68,355)
NET CURRENT ASSETS		<u>613,119</u>	-	<u>613,119</u>	<u>775,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>619,136</u>	-	<u>619,136</u>	<u>780,600</u>
NET ASSETS		<u>619,136</u>	-	<u>619,136</u>	<u>780,600</u>
FUNDS					
Unrestricted funds	15			<u>619,136</u>	<u>780,600</u>
TOTAL FUNDS				<u>619,136</u>	<u>780,600</u>

The financial statements were approved and authorised for issue by the Board of Trustees on *8th June 2023* and were signed on its behalf by:



.....
Carol Pearson – Treasurer and Trustee

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(215,733)</u>	<u>42,539</u>
Net cash (used in)/provided by operating activities		<u>(215,733)</u>	<u>42,539</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,251)	(5,488)
Interest received		<u>7,491</u>	<u>4,657</u>
Net cash provided by/(used in) investing activities		<u>3,240</u>	<u>(831)</u>
Change in cash and cash equivalents in the reporting period		(212,493)	41,708
Cash and cash equivalents at the beginning of the reporting period		<u>800,232</u>	<u>758,524</u>
Cash and cash equivalents at the end of the reporting period		<u><u>587,739</u></u>	<u><u>800,232</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(161,464)	111,435
Adjustments for:		
Depreciation charges	3,690	2,712
Loss on disposal of fixed assets	-	1,152
Interest received	(7,491)	(4,657)
(Increase)/decrease in debtors	(47,429)	72,598
Decrease in creditors	(3,039)	(140,701)
Net cash (used in)/provided by operations	<u>(215,733)</u>	<u>42,539</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank	<u>800,232</u>	<u>(212,493)</u>	<u>587,739</u>
Total	<u>800,232</u>	<u>(212,493)</u>	<u>587,739</u>

1. STATUTORY INFORMATION

Money and Mental Health Policy Institute is a registered charity, registered in England and Wales under charity number 1166493. The governing document of the charity is its Constitution and it is a Charitable Incorporated Organisation (CIO). The principal address can be found on the entity information page. The nature of the charity's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charity's functional currency, and rounded to the nearest pound.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Going concern

No material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist.

Income

All income from donations, grants and other sources is recognised on an accruals basis and included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

In the case of grant income, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, where grants contain terms or conditions that must be met before the charity has entitlement to the resources, the grant income shall be recognised to the extent that the charity has provided the specified services or met any performance related conditions.

Income from the supply of the Mental Health Accessible service is recognised in line with the delivery of the contracted service provided that: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the contract can all be measured reliably.

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - straight line 33.33%

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are created for specific purposes at the discretion of the trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	463,725	555,165
Grants	<u>35,000</u>	<u>35,000</u>
	<u>498,725</u>	<u>590,165</u>

The above grants are of a general unrestricted nature, with no terms or conditions attached.

4. INVESTMENT INCOME

	2022	2021
	£	£
Bank interest receivable	<u>7,491</u>	<u>4,657</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Contracts for charitable research	-	-	-	5,000
Consultancy services and other income	98,605	-	98,605	199,809
Grants	-	65,552	65,552	33,394
	<u>98,605</u>	<u>65,552</u>	<u>164,157</u>	<u>238,203</u>

Grants received, included in the above, are restricted in nature with performance-related conditions. Grants include the following:

	2022 £	2021 £
Lloyds Bank Foundation for England and Wales	-	33,394
Which?	27,552	-
Impact on Urban Health	38,000	-
	<u>65,552</u>	<u>33,394</u>

6. CHARITABLE ACTIVITIES COSTS

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Direct costs	657,620	39,165	696,785	602,373
Support costs	114,864	4,588	119,452	112,245
Governance costs	15,600	-	15,600	6,972
	<u>788,084</u>	<u>43,753</u>	<u>831,837</u>	<u>721,590</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	6,300	5,870
Depreciation - owned assets	3,690	2,712

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 or for the year ended 31 December 2021.

Trustees' expenses

There were no trustee's expenses paid for the year ended 31 December 2022 or year ended 31 December 2021.

9. STAFF COSTS

	2022 £	2021 £
Wages and salaries	581,136	500,588
Social security costs	61,705	50,140
Other pension costs	31,300	27,613
	<u>674,141</u>	<u>578,341</u>

The average monthly number of employees during the year was as follows:

2022	2021
<u>14</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

In addition to this, pension contributions of £7,970 (2021 - £4,404) were received by these employees.

The total key management personnel remuneration during the year was £361,807 (2021 - £330,625).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES –
YEAR ENDED 31 DECEMBER 2021

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	590,165	-	590,165
Charitable activities	204,809	33,394	238,203
Investment income	<u>4,657</u>	<u>-</u>	<u>4,657</u>
Total	<u>799,631</u>	<u>33,394</u>	<u>833,025</u>
EXPENDITURE ON			
Charitable activities	<u>601,865</u>	<u>119,725</u>	<u>721,590</u>
NET INCOME/(EXPENDITURE)	197,766	(86,331)	111,435
Transfers between funds	<u>80,695</u>	<u>(80,695)</u>	<u>-</u>
Net movement in funds	278,461	(167,026)	111,435
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>502,139</u>	<u>167,026</u>	<u>669,165</u>
TOTAL FUNDS CARRIED FORWARD	<u>780,600</u>	<u>-</u>	<u>780,600</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2022	14,604
Additions	<u>4,251</u>
At 31 December 2022	<u>18,855</u>
DEPRECIATION	
At 1 January 2022	9,148
Charge for year	<u>3,690</u>
At 31 December 2022	<u>12,838</u>
NET BOOK VALUE	
At 31 December 2022	<u>6,017</u>
At 31 December 2021	<u>5,456</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	46,800	29,944
Other debtors	-	1,000
Accrued income	28,236	-
Prepayments	<u>15,660</u>	<u>12,323</u>
	<u>90,696</u>	<u>43,267</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	18,781	19,329
Social security and other taxes	15,979	15,865
VAT	5,628	3,069
Accruals and deferred income	<u>24,928</u>	<u>30,092</u>
	<u>65,316</u>	<u>68,355</u>

Included within Accruals and deferred income above is the following deferred income:

	2022 £	2021 £
Consultancy Services	<u>10,599</u>	<u>-</u>

The above deferred income relates to income received in advance of service delivery. This deferred income is a new deferral at 31 December 2022.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	<u>16,170</u>	<u>14,962</u>

The above commitment is in respect of office space.

15. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	780,600	(183,263)	21,799	619,136
Restricted funds				
Equality Act fund	-	21,799	(21,799)	-
TOTAL FUNDS	<u>780,600</u>	<u>(161,464)</u>	<u>-</u>	<u>619,136</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	604,821	(788,084)	(183,263)
Restricted funds			
Insurance fund	27,552	(27,552)	-
Equality Act fund	<u>38,000</u>	<u>(16,201)</u>	<u>21,799</u>
	<u>65,552</u>	<u>(43,753)</u>	<u>21,799</u>
TOTAL FUNDS	<u>670,373</u>	<u>(831,837)</u>	<u>(161,464)</u>

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	125,139	197,766	457,695	780,600
Contingency	175,000	-	(175,000)	-
Mental Health Accessible	142,000	-	(142,000)	-
Capacity costs	60,000	-	(60,000)	-
	502,139	197,766	80,695	780,600
Restricted funds				
Gambling Commission Work Programme	167,026	(80,267)	(86,759)	-
Lloyds Bank Foundation for England and Wales	-	(6,064)	6,064	-
	167,026	(86,331)	(80,695)	-
TOTAL FUNDS	<u>669,165</u>	<u>111,435</u>	<u>-</u>	<u>780,600</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	799,631	(601,865)	197,766
Restricted funds			
Gambling Commission Work Programme	-	(80,267)	(80,267)
Lloyds Bank Foundation for England and Wales	33,394	(39,458)	(6,064)
	33,394	(119,725)	(86,331)
TOTAL FUNDS	<u>833,025</u>	<u>(721,590)</u>	<u>111,435</u>

Restricted funds**Insurance fund**

Grant funding received from the Which? Fund, funded by the Consumers' Association towards the project entitled 'Exploring and tackling unfair discrimination against people with mental health problems in key insurance markets'. The overarching aim of this project is improved access to appropriate, fairly priced insurance for people with experience of mental health problems.

Equality Act fund

Grant funding received from Impact on Urban Health towards the project 'Essential Services Equalities Act Project'. This was a research project to understand the potential to use the Equality Act as a tool to ensure essential services make adjustments for customers with mental health problems.

15. MOVEMENT IN FUNDS - continued

Prior year only

Gambling Commission Work Programme

During 2019 a £228,500 donation was received in relation to a regulatory settlement between the Gambling Commission and a gambling firm. In accordance with the regulatory settlement agreed in lieu of imposing a financial penalty on the gambling firm, these monies represented a restricted donation to the Charity to accelerate progress towards the delivery of the Gambling Commission's National Strategy to reduce Gambling Harms.

The funds were allocated to a programme of work agreed between the Charity and the Gambling Commission to deliver this progress by engaging the financial services sector in efforts to reduce gambling harms.

Lloyds Bank Foundation for England and Wales

Grant funding was received from Lloyds Bank Foundation for England and Wales to be used to secure government commitment for changing an element of the Universal Credit (UC) system, to make it easier for people to get help from family and friends in managing their benefits. The proposal addresses explicit consent.

Transfers between funds

Equalities Act fund

The grant funding offer for this project was issued in February 2022. Approval was sought and obtained from the funder, confirming that costs incurred on this project prior to the offer coming into existence (incurred during 2021) could be included as grant expenditure. As a result, an amount of £21,799 has been transferred from the Equalities Act fund to the general fund.

Prior year only

On 1 January 2021 the charity held designated funds totalling £377,000. The trustees agreed to merge all of these designated funds into the unrestricted general fund.

Approval was obtained from the Gambling Commission that an underspend on the regulatory settlement project could be transferred into the charity's core charitable funds. A transfer of £86,759 was made from the restricted fund to the general fund.

A fund transfer of £6,064 was made from the general fund to the restricted Lloyds Bank Foundation for England and Wales fund to cover an overspend on the project.

16. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £31,300 (2021 - £27,613). Contributions outstanding at the year end amounted to £Nil (2021: £Nil).

17. RELATED PARTY DISCLOSURES

During the year, donations totalling £450,562 (2021: £499,000) were received from the founder and Chair of the charity - Martin Lewis.