

Company number: 07406055

Charity number: 1139916

SC046075

# MQ: Transforming Mental Health

Report and financial statements

For the year ended 31 December 2018

# MQ: Transforming Mental Health

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### For the year ended 31 December 2018

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## MQ: Transforming Mental Health

### Reference and administrative information

For the year ended 31 December 2018

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**Company number** 07406055

**Charity number** 1139916  
SC046075

**Registered office and operational address** 6 Honduras Street  
London  
EC1Y 0TH

**Country of registration** England & Wales

**Country of incorporation** United Kingdom

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

P Campbell (re-appointed 2 May 2018)  
A Hejazi (resigned 12 February 2019)  
J Herrmann  
E Holmes (re-appointed 2 April 2018)  
S Horan (term ended 26 September 2018)  
P Jones  
S Malik  
C Matterson  
H Munn  
C Parsons  
I Tracey

**Key management personnel**

C Joyce (resigned 31 March 2018)	Chief Executive
L Bennister (May – November 2018)	Chief Executive
N Balmer	Director of Communications
S Dix	Director of Research
P Stein	Director of Fundraising
T Drew (resigned 30 November 2018)	Director of Finance
J Balakrishnar	Head of Finance & Operations

**Bankers**

Santander Bootle Merseyside L30 4GB	Lloyds Bank 74–78 Church Road Hove BN3 2EE
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## **MQ: Transforming Mental Health**

### **Reference and administrative information**

**For the year ended 31 December 2018**

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#### **Solicitors**

Devonshires  
30 Finsbury Circus  
London  
EC2M 7DT

#### **Auditors**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
108-114 Golden Lane  
London  
EC1Y 0TL

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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The trustees present their report and the audited financial statements for the year ended 31 December 2018.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with Financial Reporting Standard (FRS 102).

## Objectives and activities

### Purposes and aims

**MQ's vision is to help create a world where mental illness is understood, effectively treated and ultimately prevented. This vision reflects the founding objects of the charity which are to:**

- 1. Foster, promote and advance the mental health and welfare of humankind, and to advance and promote knowledge and education by supporting:**
  - Scientific research or other research into the nature, causes, diagnosis, prevention, treatment and cure of all forms of mental illness; and
  - The discovery, invention, development, improvement and application of treatments, cures diagnostics and other processes that may in any way relieve illness, disability or disorders that are associated with mental illness.
- 2. Advance and promote knowledge, public understanding, engagement and education by engaging in and supporting:**
  - The study and understanding of mental illness and mental health and welfare
  - Research into the history of mental illness and mental health and welfare, in each case with the intention of producing results that add to scientific knowledge.

**MQ opened its doors in 2013 with the bold plan to build a new publicly-supported charity from the ground up.** We have adopted a test and learn approach to our work. And by moving forward carefully, cost-effectively and efficiently, we have utilised start-up funds from the Wellcome Trust to establish a firm footing for the charity.

Our strategy is to adopt a diverse, innovative and integrated approach to:

- Establish a research portfolio to become leading funder of mental health research
- Establish robust fundraising programme to become a self-sustainable organization
- Become a leading voice in mental health communications and research advocacy
- Build a strong underpinning infrastructure to ensure the long term health and success of MQ

Each year, as we gain new insights and address unknowns, the answers are fed back into the strategy. Importantly, these answers have led to refinements, but no significant changes in direction since 2013.

## MQ: Transforming Mental Health

### Trustees' annual report

For the year ended 31 December 2018

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#### MQ's Research Programme

MQ's research programme sits at the heart of MQ's strategy and serves as an emblem of all we hope to achieve.

**MQ Brighter Futures programme** – focussed on adolescent mental health. In 2018, we saw the three projects funded within our Brighter Futures programme start their research. IDEA (Identifying Depression Early in Adolescence) is using cohort data from the UK, Brazil, Nigeria and Nepal to develop a composite risk score that can be used by healthcare professionals in any setting to identify adolescents at high risk of developing depression. HOPES (Help Overcome and Prevent the Emergence of Suicide) will also use existing data to identify common pathways, independent of diagnosis, to suicidal thoughts and behaviours. The Adolescent Data Platform (Swansea) will bring together NHS and administrative data to create an open access resource for data scientists studying mental health in adolescence.

We held a launch meeting in March for three project teams. This was the first time the teams had met since the innovation workshop in March 2017, where the teams were initially formed. This gave them an opportunity to hold face-to-face meetings, explore the trajectory to impact of their research, and to identify ways to collaborate.

**MQ Mental Health Science Meeting** – an annual event that, in 2018, brought together over 220 scientists, mental health stakeholders and policy-makers from across the UK and beyond. This year's meeting pushed the remit of the meeting well beyond the Fellows community. The event was sold out ahead of the meeting and was a great success with a full house across the two days. This meeting is distinguished by its multi-disciplinary nature and the diversity of its audience – taking a place among the few international scientific meetings dedicated solely to mental health.

**MQ Fellows Award** – funding the best and brightest early career scientists from around the world and across a variety of disciplines. Their research projects will address important unanswered questions in mental health science and position these promising scientists as the research leaders of tomorrow.

**PsyIMPACT Award** – funding to support the development of better psychological treatments – or talking therapies – for all. MQ researchers are working to make treatments more targeted, more accessible and more successful for anyone who chooses them.

**Mental Health Data Science** – MQ is working to harness the power of big data to improve our understanding of mental illness and support improvements in mental health care. We bring together data science researchers from across the UK to discuss ways to galvanise work on this front. We supported growth in the field with a highly successful Data Science meeting in September. Tickets were sold out well ahead of the meeting. Income from ticket sales and sponsorships covered the cost of the meeting. The Data Science group also published a review in Nature Human Behaviour. In 2018, we made four research awards and announced a second funding call for this programme.

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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**Sector leadership and mapping mental health research funding** – we have continued to develop our analysis of the Funding Landscape and developed methodology for automated analysis of grant data. A description of the methodology will be published in Lancet Psychiatry in February 2019 alongside an MQ report sharing the new funding figures.

Taking forward the work of the Department of Health's recently published 10 Year Framework for Mental Health Research, in 2019 MQ will continue co-ordinating the Mental Health Research Funders Group, which includes the Department of Health, the Economic and Social Research Council (ESRC), the National Institute for Health Research (NIHR), the Medical Research Council (MRC), the Wellcome Trust, and Mental Health Research UK. The group will adopt a strategic approach to mapping current mental health research investments in order to identify future gaps and opportunities for research.

**Public and patient involvement** – we continue to involve people affected by mental illness in our research. Our Young Peoples' Advisory Group met 4 times in 2018. We also supported two James Lind Alliance (JLA) Priority Setting Partnership's (PSP's) – one on digital technologies and one on young people, that completed in 2018. The top research priority identified by young people – "What is the best way to screen children and young people to facilitate the early identification of mental health difficulties?" – is the focus of our biggest investment to date in the Brighter Futures IDEA consortium.

**Transform Research** – In 2018, we piloted of a new research public engagement tool on our website. This was to support researchers to publicise their trials and give our supporters a way of finding opportunities to take part in research. From the trial we saw significant engagement:

- The page received over 21,000 views, 25% of which have been organic searches
- Supporter email engagement rates have been consistently high – up to 60% open rates (vs 20% average) and 25% click-through rates (vs 5% average)
- Researchers have seen a boost in participant applications – one project received 400 enquiries in 24 hours – 1/3 of which were eligible to take part.
- Feedback from initial user surveys have been overwhelmingly positive

**Our grant-making processes** – as a funder of scientific research in mental health, MQ has an established peer review process that has been accepted by institutions across the UK and around the world. MQ is an active member of the Association of Medical Research Charities (AMRC) and supports AMRC standards and policies on research practice.

The charity's annual business plan reflects agreed research priorities and budgets. When funds allow, the board approves a 'call for applications' for our various programmes. Applications are shortlisted by an independent Scientific Advisory Board, and peer reviewed before a grant is sent to the trustees for approval. The process of monitoring grants and payments are reliant on reporting on the agreed scientific and financial progress.

MQ has established a Research Committee of the Board with responsibility to review the strategy, aims, objectives and research activities and accomplishments of the charity each year to ensure the

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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they remained focused on its stated purposes. MQ trustees in turn, report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and performance

In 2018, MQ continued to take important steps forward in our work to fund and champion world-class mental health research.

We awarded four new research grants, exploring innovative new data science research – taking our total to 41 projects internationally. We also continued to lead the way in building a connected research community through our flagship meetings, in growing public awareness and support, and in testing new ways to engage the public in research.

MQ reached its fundraising goal for 2018 and we are most grateful to all of our donors who contributed £1.6m in gifts for the year.

As reported above, the research team delivered an exciting round of new grant awards and network building activities during the year. Including the Brighter Futures awards, MQ announced nearly £200,000 in grants commitments in 2018 to the following individuals and their teams:

- **Golam Khandaker & Peter Jones (University of Cambridge)**  
Comorbidity between Depression and Heart Disease in Young People and over the Lifespan: investigating a causal role for inflammation
- **Louise Condon & Ann John (Swansea University)**  
Making visible the mental health needs of children and young people from Gypsy and Traveller communities by advanced data linkage
- **Liz Twigg (University of Portsmouth)**  
Constructing data-informed guidelines: understanding links between social media use and mental health in 10 – 15 year olds
- **Rachel Hiller (University of Bath)**  
Mapping the mental health and service-use of young people in out-of-home care

**Our work to achieve these ambitious goals is not without risk.** MQ consistently works to accelerate progress on activities and results. Staff and volunteer recruitment and retention are therefore of the utmost importance to our success. We can never say thank you enough to our talented team for their wonderful work and their commitment to see MQ achieve its aims.

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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#### Research Impact

In 2018, MQ completed its first assessment of impact of the research we fund. We have adopted the AMRC's impact model as a major component of our analysis, to facilitate a more comprehensive understanding of the wide-ranging effects of mental health research.

The AMRC impact model domains are:

- Generating **new knowledge** to increase understanding of mental health conditions, and spark new ideas about how to treat them;
- **Translating research ideas into new products and services**, to advance the prevention, diagnosis and treatment of mental health conditions;
- **Influencing policy** and other stakeholders to bring about change that will benefit the lives of those affected by mental illness;
- **Stimulating new research** via new funding or partnerships to speed up the discovery process and foster innovation;
- **Developing the human capacity** to do research to ensure the best people and resources are available to drive mental health research forward.

Highlights of this assessment include:

- As of the end of 2018, we have awarded just over £10m to 41 research projects;
- Grant holders that received funding between 2013 – 2016, have gone on to receive a further £19,884,778 from other funders. For each £1 that we invested, the awardees have leveraged a further £2;
- To date, our awardees have published 100 papers;
- 29 of our awardees have received promotions.

In addition, the MQ Fellows completing their grants in 2018 have made important contributions to mental health science, including:

- Developing a way to create 3D brain circuits 'in a dish', providing a pioneering new way to understand the brain and mental illness;
- Finding strong evidence around the direct impact of bullying on the development of mental health problems in children and young people;
- Identifying the group of brain cells involved in rewriting traumatic memories, supporting the notion that 'reliving' fears could be the most successful way to overcome trauma.

## Beneficiaries of our services

MQ's vision is clear: to create a world where mental illness is understood, effectively treated, and ultimately prevented. With the help of our supporters and a global network of scientists we are working to make this a reality. Together we are championing and funding research into mental health that will change millions of lives.

We seek to capitalise on the unique strengths of the resources in the UK by working with researchers, committed supporters and the government to grow momentum in the field.

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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MQ's work to develop and implement our research and advocacy programmes are already having an impact on the field. Research continues to become an increasing part of the public and policy dialogue, underpinned by the Government's 10 Year Framework for Mental Health Research. We see growing interest amongst the media and an even stronger sense of commitment and purpose amongst funders and researchers, culminating in significant new funding announcements in the sector.

MQ's role in championing research and driving collaboration is key to maintaining momentum and building a strong, connected mental health research sector, and long-term public support. We intend to assess the impact of this amongst our beneficiaries, including through attitude and awareness surveys and digital metrics, benchmarked to the founding days of the charity.

We are proud to say that we believe our work affects people of all ages around the world.

### Plans for future periods

The charity remains committed to its strategy to carefully build fundraising, research, advocacy and communications platforms that will support the charity in its longer-term aim to become self-sustaining. In 2019 MQ will continue efforts to:

- Leverage greater impact, partnering with other organisations to fund research, in particular where physical and mental health intersect.
- Involve people affected by mental illness – from advising and reviewing to providing opportunities to take part in research.
- Champion mental health research policy: Publication of MQ's Funding Landscape report and next steps.
- Continue efforts to improve our infrastructure and establish a firm financial footing for the charity.
- Deliver content and social media plan for 2019 to increase support and engagement across website and digital channels.

### Financial review

Total income for the year ending 31 December 2018 was £5.73 million (£6.34 million in 2017). Total expenditure in 2018 was £4.58 million (down by 11% from £5.13 million in 2017). This was mainly due to the costs associated with the launch of our public awareness campaign in 2016 and 2017.

Total unrestricted funds, including designated funds (£4.04 million for grant commitment) at 31 December 2018, were £6.38 million (compared with £4.82 million at 31 December 2017).

We drew down a tranche of funding from Wellcome Trust of £4.1 million in the year. This left £3.0 million for the charity to draw down.

## Principal risks and uncertainties

The trustees regularly review the risks faced by the charity, using a risk register which is managed by the audit committee.

As a young, ambitious organisation, MQ faces the risk that its ambition will be not be matched by the public attitude to support our mission. This will remain our main risk as we grow.

This risk is managed by careful short and long term planning to ensure that we have the best chance for long term success.

The Board is satisfied that the risk management process established is identifying the correct risks and allowing these to be managed adequately.

## Reserves policy and going concern

MQ's policy is to hold enough reserves to cover all grant commitments, along with 6 months of running costs.

Grant commitments are transferred to designated funds upon the signing of the grant agreement. In the event of a grant being subsequently cancelled, trustees will transfer the funds back into the general fund.

At 31 December 2018, reserves were £6.38 million (2017 £4.82 million). The reserves policy required reserves of approximately £5.5 million including grant commitments. The new strategy forecasts that the general reserve will fall over the next two years to the policy level, with funds being used for charitable activities.

The trustees have considered going concern, and are satisfied that under current plans, the charity can continue to operate as a going concern.

## Fundraising

The charity's approach is deeply rooted in the relationship fundraising model, as opposed to a more short-term, transactional methodology.

This focuses on patient, meaningful engagement with supporters with whom the cause is likely to resonate strongly.

To implement this approach in the most cost-effective manner, the team is divided into two small departments – philanthropic partnerships and individual giving. The former focuses on personal stewardship, the latter on automated, but tailored, cultivation and engagement.

## **MQ: Transforming Mental Health**

### **Trustees' annual report**

#### **For the year ended 31 December 2018**

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Accordingly, the focus is on the employment of in-house professionals. They are best placed to deliver the fundraising programme in this manner, and are preferred to third party commercial participators.

#### Adherence to fundraising regulation and codes

In line with best practice, the team aspires to adhere to fundraising regulation and with the Fundraising Regulator codes of practice.

There has been, to date, full compliance with no significant exceptions.

#### Complaint

We have had one complaint in the last year, which has been resolved:

- Regarding information on our We Swear campaign. This was referred to the Fundraising Regulator and resolved directly with the supporter in question.

#### Protection of vulnerable people

We have a dedicated policy in place which aims to protect vulnerable MQ supporters, particularly those affected by mental health issues.

#### Monitoring of third parties

As a small charity, we use a range of external agencies to assist with our fundraising activities.

To maximise effectiveness and minimise reputational risk, we have selected the larger agencies via a formal tendering process, and tend to use established agencies which come personally recommended. They are then managed via a contract and with regular points of review against their original remit and objectives.

## **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated on 13 October 2010 and registered as a charity in England and Wales on 19 January 2011 and Scotland on 23 October 2015.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

## **MQ: Transforming Mental Health**

### **Trustees' annual report**

#### **For the year ended 31 December 2018**

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Powers are delegated to the Leadership Team under a schedule of reserved powers approved by the board. MQ's leadership team comprises the Chief Executive Officer (CEO), the Director of Research, the Director of Fundraising, the Director of Communications and the Director of Finance (replaced by Head of Finance and Operations).

The Board meets five times a year and is responsible for governance, establishing the organisation's strategic framework and annual objectives and agreeing the annual budget.

MQ is commended to a continuous program of governance review and improvement. The Trustee board has reviewed the Charity Governance Code and how it applies to MQ. The Trustee board has agreed to follow the Code and, for each of the seven principles, either apply the Code or, in the few instances where this is not being done, take action to improve.

### **Appointment of trustees**

The charity's constitution states that trustees can serve a maximum of 2 consecutive three year terms.

The search for new trustees was led by the Chairman, who concentrated on a range of skills and experience required to provide strategic leadership for the next stage of MQ's development.

Prospective trustees meet the Chair and Leadership Team before being invited to attend a board meeting where they are formally appointed by existing trustees.

### **Trustee induction and training**

The charity has an induction process approved by trustees for all new trustees. This includes the history of the organisation, the role of the trustee and the current work of the organisation. All trustees attend this induction as soon as possible after their appointment.

### **Remuneration policy**

MQ's Salary Policy aims to adhere to quality standards that will ensure that its implementation will be fair, open, objective, responsible and effective. The policy is implemented through clearly defined salary procedures.

The Salary Policy aims to reflect good practice, including:

- A clear policy on salaries, which is linked to MQ's objectives, with the Leadership Team taking responsibility for the review and implementation of the policy;
- A clear policy on salaries, which is linked to rewarding employees that display exceptional skills and talent;
- Guidelines for the impartial review of jobs and a process for making valid and reliable market comparisons.

## Key management personnel remuneration

In deciding remuneration for MQ's leadership team, the charity considers the potential impact of remuneration levels and structures of leadership team on the wider workforce and the following additional principles:

- To ensure that MQ can access the skills, experiences and competencies that it needs in its senior staff, the specific scope of these roles in the charity and the link to pay;
- The nature of the wider employment offer made to senior employees, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered.

Initial remuneration for all members of the leadership team are set individually by the trustees. Any changes to this are referred to a remuneration committee of trustees.

## Statement of responsibilities of the Board of trustees

The trustees (who are also directors of MQ: Transforming Mental Health for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware

## MQ: Transforming Mental Health

### Trustees' annual report

#### For the year ended 31 December 2018

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- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 11 (2017:11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

### Auditor

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 2 April 2019 and signed on their behalf by

Sir Philip Campbell  
Chairman

Shahzad Malik  
Trustee and member of audit committee

## Independent auditor's report

To the members of

### MQ: Transforming Mental Health

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## Opinion

We have audited the financial statements of MQ: Transforming Mental Health (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 December 2018 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## 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 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

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 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.

## Independent auditor's report

To the members of

**MQ: Transforming Mental Health**

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### Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

**MQ: Transforming Mental Health**

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume

## **Independent auditor's report**

**To the members of**

**MQ: Transforming Mental Health**

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responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

5 April 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act

## MQ: Transforming Mental Health

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2018

	Note	Unrestricted £	Restricted £	2018 Total £	2017 Total £ Restated
<b>Income from:</b>					
Donations and legacies	2	4,918,911	773,489	<b>5,692,400</b>	6,292,389
Charitable activities	3	18,288	–	<b>18,288</b>	20,440
Investments	4	20,223	–	<b>20,223</b>	28,620
<b>Total income</b>		<b>4,957,422</b>	<b>773,489</b>	<b>5,730,911</b>	<b>6,341,449</b>
<b>Expenditure on:</b>					
Raising funds	5	679,679	–	<b>679,679</b>	733,381
Charitable activities					
Scientific research	5	2,068,024	1,189,421	<b>3,257,445</b>	2,477,556
Awareness raising and Advocacy	5	645,478	–	<b>645,478</b>	1,920,620
<b>Total expenditure</b>		<b>3,393,181</b>	<b>1,189,421</b>	<b>4,582,602</b>	<b>5,131,557</b>
<b>Net income for the year and net movement in funds</b>	7	<b>1,564,241</b>	<b>(415,932)</b>	<b>1,148,309</b>	<b>1,209,892</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		4,819,661	652,545	<b>5,472,206</b>	4,262,314
<b>Total funds carried forward</b>		<b>6,383,902</b>	<b>236,613</b>	<b>6,620,515</b>	<b>5,472,206</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements. Full comparatives of the statement of financial activities are in Note 23.

## MQ: Transforming Mental Health

### Balance sheet

Company no. 07406055

As at 31 December 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets:</b>					
Tangible assets	12		17,900		22,581
			<u>17,900</u>		<u>22,581</u>
<b>Current assets:</b>					
Debtors	13	292,992		140,507	
Short term deposits		1,457		2,005,787	
Cash at bank and in hand	18	6,659,945		3,667,992	
			<u>6,954,394</u>	<u>5,814,286</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(351,779)		(364,661)	
			<u>6,602,615</u>	<u>5,449,625</u>	
<b>Net current assets</b>			<u>6,602,615</u>		<u>5,449,625</u>
<b>Total net assets</b>	15		<u><u>6,620,515</u></u>		<u><u>5,472,206</u></u>
<b>The funds of the charity:</b>					
Restricted funds	16	236,613		652,545	
Unrestricted funds (including designated funds)	16	<u>6,383,902</u>		<u>4,819,661</u>	
Total unrestricted funds			<u>6,620,515</u>		<u>5,472,206</u>
<b>Total charity funds</b>			<u><u>6,620,515</u></u>		<u><u>5,472,206</u></u>

Approved by the trustees on 2 April 2019 and signed on their behalf by

Sir Philip Campbell  
Chairman

Shahzad Malik  
Trustee and member of the audit committee

MQ: Transforming Mental Health

Statement of cash flows

For the year ended 31 December 2018

	Note	2018	2017
		£	£
Cash flows from operating activities	17		
Net cash provided by operating activities		997,462	901,547
Cash flows from investing activities:			
Purchase of fixed assets		(9,839)	(17,299)
Transfer to short term deposits		-	(2,005,787)
Transfer from short term deposits		<u>2,004,330</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>1,994,491</u>	<u>(2,023,086)</u>
Change in cash and cash equivalents in the year		<u>2,991,953</u>	<u>(1,121,539)</u>
Cash and cash equivalents at the beginning of the year		<u>3,667,992</u>	<u>4,789,531</u>
Cash and cash equivalents at the end of the year	18	<u><u>6,659,945</u></u>	<u><u>3,667,992</u></u>

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**b) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**c) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments (see 1(i)).

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**e) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1 Accounting policies (continued)**

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grants to mental health research organisations, advocacy activities and other educational and awareness-raising activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when MQ upon annual review approve the milestones in the grant agreement are met. Contingent grant liabilities are disclosed when the charity has indicated a willingness to fund a project but the grant milestones have not yet been met (note 20).

When the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable, the total grant commitment is set aside in a designated fund (note 20).

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- |                                  |     |
|----------------------------------|-----|
| • Scientific research            | 40% |
| • Awareness raising and Advocacy | 25% |
| • Cost of raising funds          | 35% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**1 Accounting policies (continued)**

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Leasehold Property	5 years
● Office Equipment	3 years
● Fixtures and Fittings	5 years

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**o) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

**p) Creditors and 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.

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**q) Pensions**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

**r) Restatement of statement of financial activities and analysis of expenditure of 2017 comparatives**

The comparatives of the statement of financial activities and analysis of expenditure (Note 5) have been restated as the basis of the apportionment of media campaign expenses has been changed to reflect the nature of these expenses.

## MQ: Transforming Mental Health

### Notes to the financial statements

For the year ended 31 December 2018

#### 2 Income from donations and legacies

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Gifts				
Individual Giving	499,197	181,866	681,063	108,298
Wellcome Trust*	4,079,650	-	4,079,650	4,369,187
Bernard Lewis Family Charitable Trust	-	-	-	694,100
The Bedford Family	167,000	-	167,000	167,000
John Herrmann	-	-	-	100,000
Other major donations	138,219	-	138,219	559,189
Other organisational giving **	34,845	145,000	179,845	294,615
Legacies and in memoriam	-	446,623	446,623	-
	<u>4,918,911</u>	<u>773,489</u>	<u>5,692,400</u>	<u>6,292,389</u>

\*Under the Wellcome Trust's Grant Letter of 16th January 2012, at the balance sheet date, the charity had drawn down £15.1m. The company can in due course (and subject to compliance with the requirements set out in the grant letter), drawdown, in aggregate, a further £3.0m (2017: £7.0m). During the year £4,079,650 was drawn down as shown above.

\*\*We have secured two years' worth of pro bono public relations support from specialist healthcare PR agency, GCI Health. This work began in summer 2018 and in the first six months to December 2018 and we have included £29,000 (pro rata) fees as income under Other organisational giving.

#### 3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Contributions towards scientific meetings	18,288	-	18,288	20,440
	<u>18,288</u>	<u>-</u>	<u>18,288</u>	<u>20,440</u>

#### 4 Income from investments

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Bank interest received	20,223	-	20,223	28,620
	<u>20,223</u>	<u>-</u>	<u>20,223</u>	<u>28,620</u>

## 5 Analysis of expenditure

	Charitable activities					2018 Total £
	Cost of raising funds £	Scientific research £	Awareness raising and advocacy £	Governance costs £	Support costs £	
Staff costs (Note 8)	268,797	499,194	239,997	20,945	149,235	1,178,168
Grant-making (Note 6)	-	2,343,273	-	-	-	2,343,273
Other direct costs*	170,872	101,506	271,498	-	47,828	591,704
Office costs	44,250	1,240	1,604	-	214,756	261,850
Audit	-	-	-	16,170	-	16,170
Accountancy and consultancy	-	-	-	-	-	-
Bank charges	-	-	-	-	1,331	1,331
Foreign exchange (gains) and losses	-	6,379	-	-	(436)	5,943
Meetings	26,079	110,491	11,178	3,612	7,953	159,313
Legal fees	-	1,440	-	15,816	7,594	24,850
	509,998	3,063,523	524,277	56,543	428,261	4,582,602
Support costs	149,891	171,304	107,065	-	(428,261)	-
Governance costs	19,790	22,617	14,136	(56,543)	-	-
<b>Total expenditure 2018</b>	<b>679,679</b>	<b>3,257,445</b>	<b>645,478</b>	<b>-</b>	<b>-</b>	<b>4,582,602</b>

Of the total expenditure, £3,393,181 was unrestricted (2017: £4,556,859) and £1,189,421 was restricted (2017: £574,698).

\*We have secured two years' worth of pro bono public relations support from specialist healthcare PR agency, GCI Health. This work began in summer 2018 and in the first six months to December 2018 and we have included £29,000 (pro rata) fees as income under Other direct costs for Awareness raising and Advocacy.

	Charitable activities					Restated 2017 Total £
	Cost of raising funds £	Scientific research £	Awareness raising and Advocacy £	Governance costs £	Support costs £	
Staff costs (Note 8)	12,603	15,380	1,367	156	1,089,956	1,119,462
Grant-making (Note 6)	-	1,561,136	-	-	-	1,561,136
Other direct costs *	137,904	108,296	1,517,089	453	215,604	1,979,346
Office costs	7,850	546	554	3,937	229,723	242,610
Audit	-	-	-	14,400	-	14,400
Accountancy and consultancy	-	-	-	-	1,410	1,410
Bank charges	-	-	-	-	133	133
Foreign exchange (gains) and losses	5	6,370	65	-	352	6,792
Meetings	16,163	143,218	2,362	2,300	30,118	194,161
Legal fees	-	3,918	-	-	8,189	12,107
	174,525	1,838,864	1,521,437	21,246	1,575,485	5,131,557
Support costs	551,420	630,194	393,871	-	(1,575,485)	-
Governance costs	7,436	8,498	5,312	(21,246)	-	-
<b>Total expenditure 2017</b>	<b>733,381</b>	<b>2,477,556</b>	<b>1,920,620</b>	<b>-</b>	<b>-</b>	<b>5,131,557</b>

\* The Office direct cost has been restated for cost of raising funds and awareness raising and advocacy for 2017 expenditure.

**6 Grant making**

	Grants to institutions £	2018 £	2017 £
<b>Cost</b>			
Fellows Programme	840,672	<b>840,672</b>	929,227
PsyIMPACT	361,500	<b>361,500</b>	540,660
Data Science	138,711	<b>138,711</b>	52,375
Bright Futures	1,002,390	<b>1,002,390</b>	–
Other one off grants	–	–	38,874
	<hr/>	<hr/>	<hr/>
At the end of the year	2,343,273	<b>2,343,273</b>	1,561,136
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Fellows programme supports the brightest and best early career scientists who are asking challenging questions that will contribute to transformative advances in mental health.

The PsyIMPACT programme supports innovative research to develop and test psychological treatments, getting people the right treatments faster.

The Data Science programme awards grants to help realise the huge potential in the near term to harness data science to drive forward research.

The aims of MQ's Brighter Futures programme stem from the fundamental belief that research can change the trajectory of mental illness in young people, tackling the life-long impacts of many conditions and working towards a world where mental illness may one day be made preventable.

**7 Net income for the year**

This is stated after charging:

	2018 £	2017 £
Depreciation	14,520	11,994
Property lease rentals	136,800	134,639
Auditors' remuneration (excluding VAT)	12,700	12,300
Foreign exchange losses	5,943	6,792
	<hr/> <hr/>	<hr/> <hr/>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	1,025,298	956,107
Social security costs	114,940	106,977
Employer's contribution to defined contribution pension schemes	37,930	56,378
	<hr/>	<hr/>
	<b>1,178,168</b>	<b>1,119,462</b>
	<hr/> <hr/>	<hr/> <hr/>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2018 No.	2017 No.
£60,000 – £69,999	1	2
£70,000 – £79,999	1	
£90,000 – £99,999	2	2
£130,000 – £139,999	–	1
	<hr/> <hr/>	<hr/> <hr/>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)**

The total employee benefits (including employers' and NI pension contributions) of the key management personnel were £509,825 (2017: £560,640).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,612 (2017: £329) incurred by 10 (2017: 2) members relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Raising funds	6	7
Scientific research (Including 2 Part time staff)	6	8
Awareness raising and advocacy	5	4
Support (Including 3 Part time staff)	5	3
Governance	1	1
	23	23

**10 Related party transactions**

Aggregate donations from related parties were £37,500 (2017: £130,347).

Professor Peter B Jones is a trustee of the Charity. He was a co-applicant on one of the grant for the University of Cambridge, which received £49,980 of grant funding during the year ended 31 December 2018. He was not involved in the grant funding decisions process and is a name only applicant on this grant.

**11 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**12 Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At the start of the year	20,967	15,196	59,953	96,116
Additions in year	–	726	9,113	9,839
Disposals in year	(20,967)	(6,889)	(6,150)	(34,006)
At the end of the year	–	9,033	62,916	71,949
<b>Depreciation</b>				
At the start of the year	20,967	14,103	38,465	73,535
Charge for the year	–	387	14,133	14,520
Eliminated on disposal	(20,967)	(6,889)	(6,150)	(34,006)
At the end of the year	–	7,601	46,448	54,049
<b>Net book value</b>				
At the end of the year	–	1,432	16,468	17,900
At the start of the year	–	1,093	21,488	22,581

**13 Debtors**

	2018 £	2017 £
Trade debtors	77,248	440
Other debtors	65,422	60,217
Accrued Income	51,402	-
Prepayments	98,920	79,850
	<u>292,992</u>	<u>140,507</u>

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

	2018 £	2017 £
Trade creditors	131,842	158,162
Taxation and social security	-	32,761
Other creditors	4,441	6,445
Accruals	215,496	167,293
	<u>351,779</u>	<u>364,661</u>

**15 Analysis of net assets between funds****a) At 31 December 2018**

	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	-	17,900	17,900
Current assets	236,613	6,717,781	6,954,394
Current liabilities	-	(351,779)	(351,779)
<b>Net assets at the end of the year</b>	<u>236,613</u>	<u>6,383,902</u>	<u>6,620,515</u>

**b) At 31 December 2017**

	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	-	22,581	22,581
Current assets	652,545	5,161,740	5,814,285
Current liabilities	-	(364,660)	(364,660)
<b>Net assets at the end of the year</b>	<u>652,545</u>	<u>4,819,661</u>	<u>5,472,206</u>

## 16 Movements in funds

## a) Year ended 31 December 2018

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfer £	At the end of the year £
<b>Restricted Funds</b>					
Brighter Futures Foundation	233,619	-	-	(233,619)	-
Brighter Futures IDEA	-	372,091	(390,286)	18,195	-
Brighter Futures ADP	359,982	-	(279,986)	-	79,996
Brighter Futures HOPES Fellows	3,944	-	(219,368)	215,424	-
Howell Jadwiga Fund	55,000	229,781	(274,781)	-	10,000
Staff Sponsorship	-	146,617	-	-	146,617
	-	25,000	(25,000)	-	-
<b>Total restricted funds</b>	<b>652,545</b>	<b>773,489</b>	<b>(1,189,421)</b>	<b>-</b>	<b>236,613</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Grant commitments	6,195,785	-	(2,343,273)	317,020	4,169,532
<b>Total designated funds</b>	<b>6,195,785</b>	<b>-</b>	<b>(2,343,273)</b>	<b>317,020</b>	<b>4,169,532</b>
<b>General funds</b>	<b>(1,376,124)</b>	<b>4,957,422</b>	<b>(1,049,908)</b>	<b>(317,020)</b>	<b>2,214,370</b>
<b>Total unrestricted funds</b>	<b>4,819,661</b>	<b>4,957,422</b>	<b>(3,393,181)</b>	<b>-</b>	<b>6,383,902</b>
<b>Total funds</b>	<b>5,472,206</b>	<b>5,730,911</b>	<b>(4,582,602)</b>	<b>-</b>	<b>6,620,515</b>

## b) Year ended 31 December 2017

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfer £	At the end of the year £
<b>Restricted Funds</b>					
Brighter Futures Foundation	-	-	-	-	-
Brighter Futures launch phase	-	389,004	(155,385)	-	233,619
Brighter Futures ADP	-	75,000	(75,000)	-	-
Brighter Futures HOPES Data Science	-	619,982	(260,000)	-	359,982
Fellows	-	3,944	-	-	3,944
Nick Wilkes Fund	-	10,000	(10,000)	-	-
Psylmpact	-	105,000	(50,000)	-	55,000
	-	2,250	(2,250)	-	-
	-	22,063	(22,063)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,227,243</b>	<b>(574,698)</b>	<b>-</b>	<b>652,545</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Nick Wilkes Fund	28,693	5,899	(34,592)	-	-
Grant commitments	3,807,929	-	(1,522,261)	3,910,117	6,195,785
<b>Total designated funds</b>	<b>3,836,622</b>	<b>5,899</b>	<b>(1,556,853)</b>	<b>3,910,117</b>	<b>6,195,785</b>
<b>General funds</b>	<b>425,692</b>	<b>5,108,307</b>	<b>(3,000,006)</b>	<b>(3,910,117)</b>	<b>(1,376,124)</b>
<b>Total unrestricted funds</b>	<b>4,262,314</b>	<b>5,114,206</b>	<b>(4,556,859)</b>	<b>-</b>	<b>4,819,661</b>
<b>Total funds</b>	<b>4,262,314</b>	<b>6,341,449</b>	<b>(5,131,557)</b>	<b>-</b>	<b>5,472,206</b>

## 16 Movements in funds (continued)

**Purposes of restricted funds**

Brighter Futures Foundation	This fund supports the start up of our Brighter Futures programme
Brighter Futures IDEA	This fund contributes money toward the IDEA of the Brighter Futures project
Brighter Futures ADP	This fund contributes money toward the Adolescent Data Platform workstream of the Brighter Futures project
Brighter Futures HOPES	This fund contributes money toward the HOPES workstream of the Brighter Futures project
Data Science	This fund is used to help fund our data science programme
Fellows	This fund helps to pay for new and existing MQ Fellows
Nick Wilkes Fund	See below
PsyImpact	This fund helps to pay for our PsyImpact programme
Howell Jadwiga Fund	This fund helps to pay for our Borderline Personality Disorder project

**Purposes of designated funds**

The Nick Wilkes Fund represents money received in 2014/2015 in honour of Nick Wilkes, a young man who lost his life to bi-polar disorder. This fund is being spent on research.

Grant commitments represent amounts awarded in relation to our Fellows, Data Science, Bright Futures and PsyIMPACT programmes payable in future years but where there is uncertainty of the timing of the grant payment as it is dependent on milestones being achieved.

## 17 Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>1,148,309</b>	1,209,892
Depreciation charges	14,520	11,994
Increase in debtors	(152,485)	(121,009)
Decrease in creditors	(12,882)	(199,330)
<b>Net cash provided by operating activities</b>	<b>997,462</b>	901,547

## 18 Analysis of cash and cash equivalents

	At 1 January 2018 £	Cash flows £	At 31 December 2018 £
Cash at bank and in hand	3,667,992	2,991,953	6,659,945
<b>Total cash and cash equivalents</b>	<b>3,667,992</b>	<b>2,991,953</b>	<b>6,659,945</b>

## 19 Property leasing commitments

The charity's total future minimum lease payments under non-cancellable leases is as follows for each of the following periods

	2018 £	2017 £
Less than one year	137,000	115,000
One to two years	171,250	143,750
	<b>308,250</b>	258,750

**20 Grant commitments**

At 31 December 2018, the charity has committed to future expenditure amounting to £4,169,531 (2017 – £6,195,785) in relation to its Fellows, Data Science, Brighter Futures and PsyIMPACT programmes. The movements on these commitments are as below.

	2018 £	2017 £
Balance at the start of the year	6,195,785	3,807,929
New grants committed to	183,235	3,845,898
Exchange Rate differences/write back)	133,785	64,219
Expended in the year	(2,343,273)	(1,522,261)
Balance at the end of the year	<u>4,169,532</u>	<u>6,195,785</u>
These commitments are expected to be payable as follows		
In one year	2,354,640	1,108,623
In two to five years	1,814,892	5,087,162
Total	<u>4,169,532</u>	<u>6,195,785</u>

The grant commitments are not fully recognised in the year they are committed, as they are subject to annual progress review before further instalments are released. The amounts accounted for in the year are those MQ deem the milestones in the grant agreement have been met.

**21 Contingent assets or liabilities**

The company had no contingent assets or liabilities at 31 December 2018 (2017 – Nil) apart from the grants outlined in note 20.

**22 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

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Notes to the financial statements

For the year ended 31 December 2018

23 Statement of financial activities (incorporating an income and expenditure account)

	Note	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Income from:</b>					
Donations and legacies	2	5,065,146	1,227,243	6,292,389	6,095,271
Charitable activities	3	20,440	-	20,440	7,000
Investments	4	28,620	-	28,620	8,949
<b>Total income</b>		<b>5,114,206</b>	<b>1,227,243</b>	<b>6,341,449</b>	<b>6,111,220</b>
<b>Expenditure on:</b>					
Raising funds *	5	733,381	-	733,381	1,972,432
Charitable activities					
Scientific research	5	1,902,858	574,698	2,477,556	1,801,474
Awareness raising and Advocacy *	5	1,920,620	-	1,920,620	427,513
<b>Total expenditure</b>		<b>4,556,859</b>	<b>574,698</b>	<b>5,131,557</b>	<b>4,201,419</b>
<b>Net income for the year and net movement in funds</b>	7	<b>557,347</b>	<b>652,545</b>	<b>1,209,892</b>	<b>1,909,801</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		4,262,314	-	4,262,314	2,352,513
<b>Total funds carried forward</b>		<b>4,819,661</b>	<b>652,545</b>	<b>5,472,206</b>	<b>4,262,314</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

In the year ended 31 December 2016 all funds were unrestricted, therefore the total column equals unrestricted funds.

\* The Office direct cost has been restated for Cost of raising Funds and Awareness raising and Advocacy for 2017 expenditure.