

Charity registration number 1125538



**MENTAL HEALTH RESEARCH UK
and Linked Charity
SCHIZOPHRENIA RESEARCH FUND**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

MENTAL HEALTH RESEARCH UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Professor Sir Michael Owen
Professor C E D Chilvers
Dr L A Davidson
Mr D R Pugh
Lord D Neuberger KC
Dr V Pinfold
Mrs A M Johnson
Professor P B Jones
Dr W Ademosu
Mr A Paterson
Jessica Reihanifam (Appointed 7 July 2023)
Matthew Roberts (Appointed 7 July 2023)

Charity number

1125538

Principal address

The White House
16 Glenfield Frith Drive
Glenfield
Leicester
LE3 8PQ

Independent examiner

Philip Handley FCA
HSKSG
Chartered Accountants
3rd Floor
Butt Dyke House
33 Park Row
Nottingham
NG1 6EE

MENTAL HEALTH RESEARCH UK

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MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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).

Objectives and activities

To protect and promote the health of the public by research into the nature, causes, diagnosis, prevention, treatment and cure of all forms of mental illnesses, and in particular the development of the research findings into practical applications for the prevention, treatment and cure of mental illnesses.

Public benefit

In reviewing our aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees ensure that the activities undertaken are always in line with the charitable objectives and aims of Mental Health Research UK and our linked charity the Schizophrenia Research Fund.

All the charitable activities for both charities are undertaken for the benefit of the public, in line with their founding objectives.

In furtherance of the primary objectives:

- i. to provide information and raise public awareness and in particular public understanding of such matters;
- ii. to build research capacity by way of the provision of fellowships and/or training awards and/or Scholarships; and
- iii. to encourage the collaboration in research and the sharing of information both within the UK and worldwide.

We are fulfilling these objectives by:

- Awarding PhD Scholarships to build mental health research capacity
- Awarding the Scholarships to UK Universities (in order to support the UK science base)
- Keeping under review the possibility of awarding funding for pilot studies to develop new areas of mental health research

Activities for Achieving Objectives

This year we awarded two new PhD Scholarships as follows:

1. John Grace QC PhD Scholarship 2023
2. Mental Health Research UK PhD Scholarship 2023 – Health Inequalities and Mental Illness.

Owing to the continuing COVID pandemic our Scholars' Day was carried out by Zoom. The report and videos are shown on our website: <https://www.mentalhealthresearchuk.org.uk/scholars-day-2022>

Overall, thanks to the generosity of supporters and major donors, we raised over £113,000 this year.

Grant-making policies

We only make grants for PhD Scholarships after an advertised competition. Detailed applications are required and both scientific and service-user peer reviews (co-ordinated by the McPin Foundation) are carried out.

We publish on our website: <https://www.mentalhealthresearchuk.org.uk/> from March each year, in-depth information on our grants process and who may apply (where you will also find grant application forms).

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our volunteers

None of our work would be possible without the dedication and hard work of volunteers and supporters.

In addition to the Trustees, we have 9 active volunteers, who manage the affairs of the charity.

David Riggs	Administrator
Wendy Riggs	Secretarial Support
Daisy Brookes	Database Administrator
Marion Collighan	Accounts Administrator
Martin Pettit	Website Administrator
Dr Jyothika Kumar	Scholarship Administrator
Julie Bellot	Christmas Card support
Vicky Hirst	Administration
Victoria Morris	Website Support

We do not have a paid workforce.

Our volunteers continue to make an extraordinary contribution. Their annual contribution is vital, but their impact goes way beyond money.

To our supporters, volunteers are the public face of our Charity. It is by working together in this way that Mental Health Research UK will achieve its goal of transforming lives.

The volunteers assist the Trustees with the administration of the charity. Our Administrator co-ordinates our day-to-day activities relating to fundraisers, scholars, supervisors and donors and internal financial and other record keeping, including maintaining our website. Our Scholarship Administrator co-ordinates the Scholarship awards programme.

Achievements and performance

Review of Activities:

i. Our regular donors

Our activities for generating funds include our regular donors and we are pleased that their continued support has enabled us to award two Scholarships this year.

Our voluntary donations have been challenging this year. However, we are very grateful for the continued support of donors. It is very much appreciated.

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

ii. Charitable Expenditure

This year we awarded two new PhD Scholarships as follows:

1. **John Grace QC PhD Scholarship 2023.** Five applications were received. After peer review the Scholarship was awarded to Professor Belinda Lennox, Department of Psychiatry, University of Oxford Warneford Hospital, Headington, Oxford.

Titled: Economic Model of Psychosis using Actual Treatments and Health outcomes (EM-PATH)

The Estimated cost of the award is £97,810.

3. **Mental Health Research UK PhD Scholarship 2023 – Health Inequalities and Mental Illness.** Ten applications were received and after peer review the Scholarship was awarded to Professor James Kirkbride & Dr Jen Dykxhoorn, UCL, Division of Psychiatry, 149 Tottenham Court Road, London

Titled: Examining the causes of health & social inequalities in major psychiatric disorders: causal inference methods in epidemiology applied to longitudinal data.

The Estimated cost of the award is £103,550.

For more details of all our Scholarships click here to visit our [website](#).

We have eighteen Scholarships running at present, four at King's College London; three each at Cardiff University, University College London; and one each at University of Edinburgh, Cambridge University, University of Bristol, University of Manchester, Bath University, Oxford University, University of Sussex and University of Nottingham

We also have three MD(Res) awards running at King's College London.

Our spending on Scholarships and Scholar's Day, represents over 98% of our total expenditure.

iii. Other payments

Our other expenditure this year covered such things as, JustGiving, London Marathon, Great North Run and Action Challenge entries, Insurance, Accountant's fees and T-shirts. In total this amounted to 2% of our total expenditure. Our expenditure profile is adjusted annually depending upon income by adjusting the number of Scholarships we award. All of our Trustees realise that many of our donors appreciate the low cost base we have and that over 95% of our funds go towards research.

iv. Cash Funds and Investment Assets

As at 31st March 2023, our total cash in the Bank and Building Societies accounts was £254,214.

The Schizophrenia Research Fund (SRF), held by Rothschild Bank, reduced slightly to £1,105,432. We received designated funds of £31,049, which were added to the SRF funds during the year.

Scholarship Expenditure

The Scholarship expenditure, shown in the Financial review (page 5) and The Statement of Financial Activities (page 11) has been adjusted for accruals accounting purposes as follows:

	MHRUK Scholarships	SRF Scholarships
Liabilities at 31/03/2023 (Closing Creditors)	471,438	389,608
Paid in Year (actual expenditure)	156,980	222,398
Liabilities at 31/03/2022 (Opening Creditors)	(524,596)	(475,745)
Amount Expended	103,822	136,261

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Total income for the year was £113,884 (2022: £128,460), and total expenditure was £244,507 (2022: £102,670). The current year also includes a loss on the value of the investments of £43,122 compared with a gain of £6,919 in 2022.

The result of the above was a deficit for the year of £173,745. This is compared to a surplus of £32,709 in the previous year. At the year end, the funds of the charity were £497,308, which is represented by £154,960 of unrestricted funds, and £342,348 of designated funds.

Included within income for the year of £113,884, is interest on investments of £4,771, shown in the Notes To The Financial Statements (page 17), and broken down as follows:

Interest on Investments	£
CAF	194
Close Brothers	1,918
Hampshire	779
Nationwide	1,342
Shawbrook	413
Skipton	125
Total	4,771

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Going concern

Mental Health Research UK maintains close control over the funds it commits to Scholarships and its policy is not to award a Scholarship without having all the funds available for the full term of the grant award.

Our liabilities as of 31st March 2023 were as follows:

MHRUK	Year	31/03/2023
Children and Young People (2), Edinburgh University	2018	£21,305
Children and Young People, King's College London	2019	£20,668
The Sylvia and Christine Wastall Scholarship, Bristol University	2019	£35,821
MHRUK MD(Res) King's College London	2019	£3,350
MHRUK PhD Scholarship, Nottingham	2020	£19,375
Mark Robinson MRCVS PhD Scholarship Manchester	2020	£29,607
MHRUK MD(Res), King's College London	2020	£3,810
Eating Disorders in Young People, University College London	2021	£79,149
Psychological Trauma: Understanding risk, building resilience PhD Scholarship - King's College London	2021	£76,348
COVID-19 PhD Scholarship 2022 – King's College London	2022	£78,455
Mental Health Research UK PhD Scholarship 2023 - Health Inequalities and Mental Illness. UCL	2023	£103,550
Total		£471,438
SRF		
John Grace QC, University College London	2018	£39,576
John Grace QC, University of Cambridge	2019	£27,774
Anxiety and Depression in Older People, Sussex University	2019	£13,318
Children and Young People's Mental Health, Cardiff	2020	£23,075
John Grace QC PhD Scholarship, King's College London	2020	£21,455
Fieldrose Charitable Trust PhD Scholarship - Cardiff University	2021	£48,135
John Grace QC PhD Scholarship - University of Bath	2021	£47,085
John Grace QC PhD Scholarship – Cardiff University	2022	£71,380
John Grace QC PhD Scholarship 2023 – Oxford University	2023	£97,810
Total		£389,608

Reserves policy

Our policy is to award Scholarships each year as funds permit. The SRF funds will support at least one Scholarship per year on a rolling programme. The money raised directly by Mental Health Research UK will fund additional Scholarships, depending on the amount raised.

Investment Policy

Mental Health Research UK funds are maintained in bank and interest-bearing accounts. We need the capital to be secure to enable us to use it for Scholarship awards. The interest will contribute to the charity's receipts.

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

In the near future we will continue to award PhD Scholarships, with the aim of increasing the research capacity and the number of researchers. We are currently carrying out an extensive look at our Strategy over the next 3- 5 years, the culmination of which will impact on our future plans.

A vision of the future: what could MHRUK look like in 10 years' time?

- A well-respected charity with a niche
- Funds good science at established research centres
- Predominantly funds PhD students and other early career researchers, thereby building up a cadre of young mental health researchers
- Run from a small office with a paid administrator with fundraising experience, bringing in fundraisers on a contract basis when needed
- Supporters and Volunteers to remain a key contribution and part of the Charity's ethos in achieving its goal of transforming lives
- One new Trustee every two years to refresh the Trustee Board
- Raising funds from a variety of sources including some regular major donors
- Maintaining a strong position with a ring of relationships with charities interested in mental health research and with Research Councils and statutory funding bodies, and through those relationships contributing to a further website (used by others) that lists the major research projects ongoing in the UK.
- Increased diversity among all those working for the charity

Structure, governance and management

Mental Health Research UK is a Charitable Trust created by Deed on the 25th July 2008. The Schizophrenia Research Fund is a Charitable Trust created by Deed on the 20th November 1962. The charities were linked from the 20th May 2014.

The trustees who served during the year and up to the date of signature of the financial statements were:

Professor Sir Michael Owen

Professor C E D Chilvers

Dr L A Davidson

Mr D R Pugh

Lord D Neuberger KC

Dr V Pinfold

Mrs A M Johnson

Professor P B Jones

Dr W Ademosu

Mr P Knott

(Resigned 30 November 2022)

Mr A Paterson

Jessica Reihanifam

(Appointed 7 July 2023)

Matthew Roberts

(Appointed 7 July 2023)

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Method of appointment / election of Trustees

When a new Trustee is suggested, either at the resignation of an existing Trustee or the need for additional skills to the Trustee board, this requires the agreement of all the existing Trustees,

Our recruitment process comprises the following stages and is designed as a two-way process between Mental Health Research UK and Trustee applicants:

Stage 1: Potential candidates are invited to have a telephone conversation with our Chair of Trustees, Professor Sir Michael Owen.

Stage 2: Short-listed applicants will then be invited to a face-to-face interview with members of the board of Trustees.

Stage 3: Recruited Trustees will be invited to attend the first Trustee meeting as an observer, before confirming the appointment.

Organisation Structure and Decision Making

Mental Health Research UK is run entirely by volunteers. The Trustee Board is responsible for governance and strategy of Mental Health Research UK. The Board is made up of 10 Trustees. The board has full legal responsibility for the actions of Mental Health Research UK. Trustees are normally appointed for a renewable term of three years. The Board meets twice a year and is also responsible for the day-to-day running of the Charity.

Scientific Committee

The Scientific Committee assists with the award of Scholarships and other academic business. The Committee is as follows:

- Dr Emma Ashworth, Senior Lecturer, Liverpool John Moores University.
- Professor Heather C Whalley, Reader, University of Edinburgh.
- Professor James Kirkbride, Reader in Epidemiology, Division of Psychiatry, University College London.
- Dr Juliana Onwumere, Senior Lecturer in the Department of Psychology at the Institute of Psychiatry, Psychology and Neuroscience King's College London.
- Dr Laila J Tata, Associate Professor in Epidemiology, Faculty of Medicine & Health Sciences, University of Nottingham.
- Dr Nicola Morant, Associate Professor, University College London
- Dr Peter Taylor, Senior Clinical Lecturer, Manchester University.
- Professor Veena Kumari, Professor of Psychology and Director of the Centre for Cognitive Neuroscience, College of Health, Medicine and Life Sciences, Brunel University London.

Policies

COMPLAINTS POLICY: MHRUK has a comprehensive complaints policy and procedures which are reviewed regularly. The charity did not receive any complaints during 2022-23.

DATA PROTECTION: MHRUK handles all personal data in accordance with the requirements of the Data Protection Act, and uses it fairly, lawfully and transparently.

HEALTH & SAFETY: MHRUK has comprehensive health and safety policies which are reviewed regularly. There were no incidents to report in 2022-23.

MENTAL HEALTH RESEARCH UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees' report was approved by the Board of Trustees.

Professor Sir Michael Owen
Trustee

6 November 2023

MENTAL HEALTH RESEARCH UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees are responsible for preparing the Trustees' 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 and 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 year.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that 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 Charity (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.

MENTAL HEALTH RESEARCH UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MENTAL HEALTH RESEARCH UK

I report to the trustees on my examination of the financial statements of Mental Health Research UK (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement


Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Philip Handley FCA

HSKSG
Chartered Accountants
3rd Floor
Butt Dyke House
33 Park Row
NG1 6EE
Nottingham

Dated: 6 November 2023

MENTAL HEALTH RESEARCH UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	78,064	31,049	109,113	101,604	25,001	126,605
Investments	4	4,771	-	4,771	1,855	-	1,855
Total income		<u>82,835</u>	<u>31,049</u>	<u>113,884</u>	<u>103,459</u>	<u>25,001</u>	<u>128,460</u>
Expenditure on:							
Charitable activities	5	108,246	136,261	244,507	74,792	27,878	102,670
Net gains/(losses) on investments	10	-	(43,122)	(43,122)	-	6,919	6,919
Net movement in funds		<u>(25,411)</u>	<u>(148,334)</u>	<u>(173,745)</u>	<u>28,667</u>	<u>4,042</u>	<u>32,709</u>
Fund balances at 1 April		<u>180,371</u>	<u>490,682</u>	<u>671,053</u>	<u>151,704</u>	<u>486,640</u>	<u>638,344</u>
Fund balances at 31 March		<u><u>154,960</u></u>	<u><u>342,348</u></u>	<u><u>497,308</u></u>	<u><u>180,371</u></u>	<u><u>490,682</u></u>	<u><u>671,053</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MENTAL HEALTH RESEARCH UK

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	12		1,105,432		1,148,554
Current assets					
Cash at bank and in hand		254,214		524,070	
Creditors: amounts falling due within one year	13	(395,162)		(366,834)	
Net current (liabilities)/assets			(140,948)		157,236
Total assets less current liabilities			964,484		1,305,790
Creditors: amounts falling due after more than one year	14		(467,176)		(634,737)
Net assets			497,308		671,053
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	342,348		490,682	
General unrestricted funds		154,960		180,371	
			497,308		671,053
			497,308		671,053

The financial statements were approved by the Trustees on 6 November 2023

Professor Sir Michael Owen
Trustee

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Mental Health Research UK is a registered charity in England and Wales (Charity number 1125538) regulated by the Charity Commission and established by its Declaration of Trust dated 25 July 2008.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Scholarship grants awards payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

These financial statements for the year ended 31 March 2023 are the first financial statements of Mental Health Research UK prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2021. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.7 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 2 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Donations and gifts	78,064	31,049	109,113	101,604	25,001	126,605

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Investments

Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
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Interest receivable	4,771	1,855
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5 Charitable activities

TOTAL 2023 £	TOTAL 2022 £
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Cost of generating voluntary receipts	561	561
Fundraising costs	1,987	1,936
Cost of charitable activities	101	297
Scholars' Day	144	37
	<u>2,793</u>	<u>2,831</u>

Grant funding of activities (see note 6)	240,083	98,218
Share of governance costs (see note 7)	1,631	1,621
	<u>244,507</u>	<u>102,670</u>

Analysis by fund

Unrestricted funds - general	108,246	74,792
Unrestricted funds - designated	136,261	27,878
	<u>244,507</u>	<u>102,670</u>

6 Grants payable

TOTAL 2023 £	TOTAL 2022 £
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Grants to individuals	240,083	98,218
	<u>240,083</u>	<u>98,218</u>

Grants payable to individuals included £103,822 (2022: £70,340) in respect of Mental Health Research UK and £136,261 (2022: £27,878) in respect of the Schizophrenia Research Fund.

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Independent examiner's remuneration	-	1,290	1,290	1,230
Other	-	341	341	391
	<u>-</u>	<u>1,631</u>	<u>1,631</u>	<u>1,621</u>
Analysed between				
Charitable activities	-	1,631	1,631	1,621
	<u>-</u>	<u>1,631</u>	<u>1,631</u>	<u>1,621</u>

The independent examiner's remuneration reflects the independent examination and the accounts preparation fee.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

None of the trustees (or any persons connected with them) were repaid expenses from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-
	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

10 Net gains/(losses) on investments

	Unrestricted funds designated 2023	Unrestricted funds designated 2022
	£	£
Revaluation of investments	(43,122)	6,919
	<u>(43,122)</u>	<u>6,919</u>

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	1,148,554
Valuation changes	(43,122)
At 31 March 2023	<u>1,105,432</u>
Carrying amount	
At 31 March 2023	<u>1,105,432</u>
At 31 March 2022	<u><u>1,148,554</u></u>

Fixed asset investments revalued

Listed investments are valued on an open market basis.

The historical cost of the listed investments as at 31 March 2023 was £1,178,687 (2022: £1,178,687).

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Grant awards	393,872	365,604
Accruals and deferred income	1,290	1,230
	<u>395,162</u>	<u>366,834</u>

14 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Grant awards	<u>467,176</u>	<u>634,737</u>

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2023
	Balance at 1 April 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2022	Incoming resources	Resources expended	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£	£
Schizophrenia Research Fund	486,640	25,001	(27,878)	6,919	490,682	31,049	(136,261)	(43,122)	342,348
	<u>486,640</u>	<u>25,001</u>	<u>(27,878)</u>	<u>6,919</u>	<u>490,682</u>	<u>31,049</u>	<u>(136,261)</u>	<u>(43,122)</u>	<u>342,348</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====

MENTAL HEALTH RESEARCH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

	Unrestricted Schizophrenia Research Fund		Total Unrestricted Schizophrenia Research Fund			Total
	2023	2023	2023	2022	2022	
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Investments	373,476	731,956	1,105,432	182,127	966,427	1,148,554
Current assets/(liabilities)	42,266	(183,214)	(140,948)	325,552	(168,316)	157,236
Long term liabilities	(260,782)	(206,394)	(467,176)	(327,308)	(307,429)	(634,737)
	<u>154,960</u>	<u>342,348</u>	<u>497,308</u>	<u>180,371</u>	<u>490,682</u>	<u>671,053</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

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