

MENTAL HEALTH REFORM

Company Limited by Guarantee

FINANCIAL STATEMENTS

31st DECEMBER 2012

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD ENDED 31st DECEMBER 2012

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**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Edmond Molloy
Collette Nolan
Sam McGuinness
Paul Flynn
Noeleen Hartigan
Michelle Kerrigan
John Saunders
John Matthew Owens
Jacinta Hastings
Caroline McGrath
Carol Moore

Company secretary

Orla Barry

Registered office

6-9 Trinity Street
Dublin 2

Auditor

Grant Thornton
Chartered Accountants
& Registered Auditor
24 - 26 City Quay
Dublin 2

Bankers

Bank of Ireland
34 College Green
Dublin 2

KBC Bank Ireland Plc
Sandwith Street
Dublin 2

Ulster Bank
P.O. Box 145
33 College Green
Dublin 2

Solicitors

Millett & Matthews
Main Street
Baltinglass
Co. Wicklow

MENTAL HEALTH REFORM COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31st DECEMBER 2012

The Directors present their report and the audited financial statements for the year ended 31 December 2012.

The Company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Acts, 1963 to 2012. The main activities of the organisation are charitable.

INCORPORATION

The Company was incorporated on the 2nd December 2011 as Mental Health Reform Limited.

The Company does not have a share capital and consequently the liability of the members is limited.

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 and managed by a Board of Directors.

The Company has been granted charitable status under Section 207 and 208 of the Taxes Consolidation Act 1997 Charity No CHY 19958.

RECRUITMENT AND APPOINTMENT OF BOARD OF DIRECTORS

The directors of the Company are also charity trustees for the purpose of charity law and under the company's Article are known as members of the board of directors.

The Memorandum and Articles of Association of Mental Health Reform set out the following requirements for the appointment of Directors:

- The number of Directors shall not exceed 11 (including the Chairperson)
- There shall be up to 5 directors (the "Appointed Directors") who shall each be nominated by a member of the Company and shall be appointed by vote of the members in General Meeting.
- There shall be five Directors (hereafter referred to as the "Expert Directors", each of whom shall have expertise (or represent an appropriate body) in at least one of the following areas:
 - Law
 - Management
 - Public Affairs
 - Finance
 - Mental health service user
- The Expert Directors shall be nominated by another, existing director and their appointment to the Board shall be ratified by the Members in General Meeting. In any Board of Directors, there will be a directorship reserved for each of the areas and if any director previously acting as an Expert Director should cease to be a Director, the vacancy created may only be filled by the nomination and appointment of another Expert Director in that area.

The Memorandum and Articles of Association of Mental Health Reform set out the following requirements for rotation of Directors:

- At the first Annual General Meeting of the Company, all the Directors shall retire from office and at the Annual General Meeting in every subsequent year one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

MENTAL HEALTH REFORM COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31st DECEMBER 2012

RECRUITMENT AND APPOINTMENT OF BOARD OF DIRECTORS *(continued)*

- The Directors to retire in every year shall be those who have been longest in office since the last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
- A retiring Director shall be eligible for re-election for two consecutive three year terms. A Director who has served two terms is eligible for re-election after a three year period has elapsed.

The directors and secretary who served the company during the period were as follows:

Edmond Molloy
Collette Nolan
Sam McGuinness
Paul Flynn
Noeleen Hartigan
Michelle Kerrigan
John Saunders
John Matthew Owens
Jacinta Hastings
Caroline McGrath
Carol Moore

RISK MANAGEMENT/ PRINCIPLE RISKS AND UNCERTAINTIES

In 2012 the Board committed to comply with the Governance Code and undertook a review of the Boards performance and a risk assessment of the company. The Directors have identified that the key risks and uncertainties facing Mental Health Reform are funding for the period 2014-2016 and reputational risk.

The company mitigates these risks as follows:

Implementing a fundraising strategy to secure funding for the period 2014-2016

Ensuring good governance and implementation of internal controls in managing finance, health and safety and communications.

ORGANISATIONAL STRUCTURE

Board meetings are held 6 times a year and directors are expected to attend a minimum of 4 meetings annually. The Board has two committees, Finance and Fundraising.

Mental Health Reform has a team of four staff and three volunteer interns. The three full time staff, the Executive Director, Orla Barry; Policy Officer, Shari McDaid and Communications Officer, Lara Kelly are supported by part time administrator, Barbara Merriman. Natalie Buhl held the role of Communications Officer until May 2012.

Mental Health Reform is a coalition of organisations interested in the promotion of improved mental health services in Ireland. In 2012 membership numbered thirty two organisations.

Mental Health Reform offers both governing membership and associate membership to organisations who share our vision and values.

MENTAL HEALTH REFORM COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31st DECEMBER 2012

Governing membership is open to not-for-profit/non-governmental organisations with the exception of unions, professional associations, training and education bodies and non-governmental organisations that provide inpatient mental health services and/or approved centre(s).

Associate membership is open to all non-governmental organisations who are committed to the implementation of A Vision for Change, including unions, professional associations, training and education bodies and those who provide inpatient mental health services and/or approved centres. While Associate Members do not participate in the Board structures of MHR and do not have voting rights at Annual General Meetings, their participation is an integral part of the movement to improve mental health services in Ireland.

Statutory bodies or organisations established by or within statutory bodies, local authorities, governmental agencies and state entities are not eligible for membership of MHR.

VISION STATEMENT

An Ireland where people experiencing mental health difficulties achieve and enjoy their right to the highest attainable standard of mental (and physical) health.

MISSION STATEMENT

Mental Health Reform works with people who experience mental health difficulties, their families and friends in promoting a fundamental improvement in mental health services, social inclusion and vindication of rights.

OBJECTIVES AND ACTIVITIES

The main object of the Company is to benefit the community by promoting best practice in all aspects of service provision to people experiencing mental health difficulties and advancing the education of the public at large to the benefits of an Ireland where people achieve and enjoy the highest attainable standard of mental health.

The following objects set out hereafter are exclusively subsidiary and ancillary to the main object set out above and these objects are to be used only for the attainment of that main object and any income generated therefrom is to be applied for the main object only.

1. To provide information and education on best practice in mental health service provision to groups and organisations, communities and other relevant persons.
2. To promote public awareness of the importance of mental health to the achievement of personal health and wellbeing.
3. To promote the provision of the highest attainable standard of public mental health and social services which are oriented to the individual's recovery and social integration into community life.
4. To provide assistance to and represent groups and bodies working in the mental health arena through consultation, information sharing and mutual support.
5. To train and work with other groups and bodies encouraging the fullest participation of mental health interest groups in the mental health discourse and the development of quality services.

ACHIEVEMENTS AND PERFORMANCE

To achieve our objectives Mental Health Reform works to inform our members and the public on what is a good mental health service; to unite our members and service users and family members in building a movement to promote improved mental health services; to advocate to the Government and the HSE for improved services.

Considerable progress was made on all these objectives during the year.

MENTAL HEALTH REFORM COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31st DECEMBER 2012

FINANCIAL REVIEW

The Directors consider the financial performance satisfactory with full details in the financial statements on the following pages.

PLANS FOR FUTURE PERIODS/ FUTURE DEVELOPMENTS

In 2013 Mental Health Reform will review our strategy and set out new objectives for the period 2014 – 2016. The time frame for the mental health policy A Vision for Change concludes in 2016 and we see the period 2014-2016 as critical in achieving lasting change. We aim to grow our membership to 45 organisations in 2013. Funding the organisation to 2016 is a priority as the grants from the One Foundation and the Atlantic Philanthropies finish at the end of 2013.

EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date which have a material impact on the company's financial statements.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Acts, 1963 to 2012. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOOKS OF ACCOUNT

The directors believe they have complied with the requirements of section 202 of the Companies Act 1990, with regard to books of account by contracting out the bookkeeping service to an agency, Shine, with appropriate expertise and by providing adequate resources to the financial function. The detailed books of account are held at the agency's premises 8 Blessington Street, Dublin 7 with summaries held at the companies registered office at 6-9 Trinity Street.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31st DECEMBER 2012

AUDITORS

The auditor Grant Thornton who was appointed during the period will continue in office in accordance with section 160(2) of the Companies Act 1963.

This report was approved by the Board on 25 of March and signed on its behalf by

.....
Edmond Molloy
Director

.....
Collette Nolan
Director

MENTAL HEALTH REFORM COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH REFORM FOR THE PERIOD ENDED 31st DECEMBER 2012

We have audited the financial statements of Mental Health Reform for the period ended 31st December 2012 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement, Accounting Policies and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities on pages 2 to 6, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the 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 responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL
HEALTH REFORM FOR THE PERIOD ENDED 31st DECEMBER 2012 *(continued)***

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31st December 2012 and of its result and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2012.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 2 to 6 is consistent with the financial statements.

24 - 26 City Quay
Dublin 2
Ireland

25th March 2013

TURLOUGH MULLEN FCA
For and on behalf of
GRANT THORNTON
Chartered Accountants
& Registered Auditor

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

PERIOD ENDED 31st DECEMBER 2012

	Note	2012 €
INCOME	1	307,609
Administrative expenses		309,562
OPERATING DEFICIT	2	(1,953)
Interest receivable	4	1,953
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		—
Tax on surplus on ordinary activities		—
SURPLUS FOR THE FINANCIAL PERIOD		—

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

These financial statements were approved by the directors on 25 of March and are signed on their behalf by:

.....
Edmond Molloy
Director

.....
Collette Nolan
Director

The accounting policies and notes on pages 12 to 15 form part of these financial statements.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31st DECEMBER 2012

	Note	€	2012 €
CURRENT ASSETS			
Debtors	5	192	
Cash at bank		209,051	
		<u>209,243</u>	
CREDITORS: Amounts falling due within one year	6	209,243	
		<u>209,243</u>	
NET CURRENT ASSETS			-
TOTAL ASSETS LESS CURRENT LIABILITIES			-
RESERVES	7		-
MEMBERS' FUNDS			-

These financial statements were approved by the directors and authorised for issue on 25 of March, and are signed on their behalf by:

.....
Edmond Molloy
Director

.....
Collette Nolan
Director

The accounting policies and notes on pages 12 to 15 form part of these financial statements.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

PERIOD ENDED 31st DECEMBER 2012

	Note	2012 €	€
NET CASH INFLOW FROM OPERATING ACTIVITIES	8		207,098
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,953	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			1,953
INCREASE IN CASH	9		<u>209,051</u>

The accounting policies and notes on pages 12 to 15 form part of these financial statements.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

ACCOUNTING POLICIES

PERIOD ENDED 31st DECEMBER 2012

Basis of accounting

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland, and Irish statute comprising the Companies Acts, 1963 to 2012.

Income

The income shown in the income and expenditure account represents grants from funders, deposit, interest, training and membership income invoiced during the period.

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31st DECEMBER 2012

1. INCOME

The income for the year has been derived from :-

	2012
	€
One Foundation	220,000
Atlantic Philanthropies	125,000
Membership fees	16,406
Training income	2,293
Less deferred to future periods	<u>(56,090)</u>
TOTAL INCOME RECOGNISED IN THE PERIOD	<u>307,609</u>

2. OPERATING DEFICIT

Operating deficit is stated after charging:

	2012
	€
Directors' remuneration	-
Auditor's remuneration - as auditor	<u>3,075</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	2012
	No
Number of administrative staff	<u>4</u>

The aggregate payroll costs of the above were:

	2012
	€
Wages and salaries	193,703
Social welfare costs	18,207
Other pension costs	<u>5,639</u>
	<u>217,549</u>

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31st DECEMBER 2012

4. INTEREST RECEIVABLE

	2012
	€
Bank interest receivable	1,953
	<u>1,953</u>

5. DEBTORS

	2012
	€
Other debtors	1
Prepayments and accrued income	191
	<u>192</u>

6. CREDITORS: Amounts falling due within one year

	2012
	€
Trade creditors	312
PAYE and social welfare	2,447
Accruals and deferred income	206,484
	<u>209,243</u>

7. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital.

The Company enjoys charitable status for taxation purposes, reference CHY 19958.

**8. RECONCILIATION OF OPERATING LOSS TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2012
	€
Operating deficit	(1,953)
Increase in debtors	(192)
Increase in creditors	209,243
Net cash inflow from operating activities	<u>207,098</u>

**MENTAL HEALTH REFORM
COMPANY LIMITED BY GUARANTEE**

DETAILED INCOME AND EXPENDITURE ACCOUNT

PERIOD ENDED 31st DECEMBER 2012

	2012	
	€	€
9. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
		2012
		€
Increase in cash in the period		209,051
Movement in net funds in the period		<u>209,051</u>
Net funds at 1 January 2012		<u>–</u>
Net funds at 31 December 2012		<u><u>209,051</u></u>

10. ANALYSIS OF CHANGES IN NET FUNDS

	At	Cash flows	At
	1 Jan 2012	€	31 Dec 2012
	€	€	€
Net cash:			
Cash in hand and at bank	–	<u>209,051</u>	<u>209,051</u>
Net funds	<u>–</u>	<u><u>209,051</u></u>	<u><u>209,051</u></u>

11. ACCOUNTING PERIOD

The period covered by these financial statements is 2 December 2011 (date of incorporation) to 31 December 2012.