

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

England & Wales · Charity number 1003906

Details

Other names BIRMINGHAM MIND

Status Registered

Legal form Charitable company

Company number [02024372](#)

Registered 1991-08-16

Register [View on the Charity Commission register](#)

Contact

Address Birmingham Mind
Albert House
92-93 Edward Street
Birmingham
B1 2RA

Phone 01216088001

Email info@birminghammind.org

Website www.birminghammind.org

Activities

Objects: TO PROMOTE THE PRESERVATION OF MENTAL HEALTH AND TO ASSIST IN RELIEVING AND REHABILITATING PERSONS SUFFERING FROM MENTAL DISORDERS OR CONDITIONS OF EMOTIONAL OR MENTAL DISTRESS REQUIRING ADVICE OR TREATMENT IN THE CITY OF BIRMINGHAM AND ITS ENVIRONS IN ASSOCIATION WITH MIND(THE NATIONAL ASSOCIATION FOR MENTAL HEALTH) HEREINAFTER CALLED MIND) AND IN ACCORDANCE WITH THE AIMS AND OBJECTS OF MIND

Activities: Birmingham Mind provides high quality, user led services for people who experience mental health distress. Our services include Residential Care, Supported Housing, Support in the individual's own home, Day Service provision and other specialist community services.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** CITY OF BIRMINGHAM
- Birmingham City
- Sandwell
- Walsall
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,170,340	£10,170,304	£3,285,309	223
2024-03-31	£10,297,407	£10,308,913	£3,163,773	231
2023-03-31	£10,075,108	£10,371,846	£3,403,671	205
2022-03-31	£9,614,405	£9,458,205	£3,872,409	226
2021-03-31	£8,555,836	£8,129,221	£3,472,209	199

Trustees

Name	Role	Appointed
REVD CANON FRANK LONGBOTTOM	Chair	
Andrew Eric Wylde		2020-10-08
Ann Davis		2012-11-22
Dr Ian McPherson OBE		2014-10-09
JOSEPH ROBERT PIGGOTT		2012-11-22
James Henry Langstaff		2023-10-05
NIGEL LAWRENCE HOWL		2018-10-11
Pauline Lloyd Knight		2023-10-05
Sharon Willis		2016-10-13

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England & Wales - Charity number 1003906

Accounts

Charity registration number: 1003906
Company registration number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2025

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2025**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2025**

Charity Reference and Administrative Details

Charity registration number 1003906

Company registration number 02024372

Trustees Rev Canon F Longbottom
Mr B Geary (resigned 11 April 2024)
Professor A Davis
Mr J Piggott
Mr M Shakespeare
Dr Ian McPherson
Ms S Willis
Mr N Howl
Mr A Wylde
Ms M Smojkis (resigned 7 April 2025)
Rt Revd J Langstaff
Ms P Lloyd Knight

Chief Executive Officer Helen Wadley

Director of Operations James Harper

Director of Finance Ruth Galvin

Registered office Albert House
Quay Place
92-93 Edward Street,
Birmingham,
B1 2RA

Auditor Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
4th Floor, Two Chamberlain Square
Birmingham
B3 3AX

Bankers NatWest
Unit 24 Grand Central
Ground Floor Stephenson Place
Birmingham
B2 4BF

Clydesdale Bank Plc T/A Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2025**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Rev Canon F Longbottom	(Chair of the Executive Committee)
Mr J Langstaff	(Chair of the Finance Committee, member of the Estates Committee)
Professor A Davis	(member of the Clinical Governance Committee' member of the Finance Committee)
Mr J Piggott	(Chair of Estates Committee, member of the Finance Committee)
Mr M Shakespeare	(member of the Clinical Governance Committee)
Dr Ian McPherson	(Chair of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr N Howl	(member of the Finance Committee)
Mr A Wylde	(member of the Estates Committee)
Ms M Smojkis	(member of Clinical Governance Committee)
Ms P Lloyd Knight	(member of the Clinical Governance Committee, member of the Estates Committee)
Mr B Geary	(Company Secretary & Treasurer, member of Finance committee, member of Clinical Governance committee) resigned April 2024

Chair's Report

We often start this report with the finances for the year, and again it has been a very difficult year. However, this year, we want to begin by highlighting the incredible achievements of our staff, despite the challenging financial circumstances.

During 2024/2025, we supported over 23,000 people and launched three new services. We also successfully bid for a significant contract. These accomplishments, detailed below, are a testament to the dedication of our staff and volunteers.

New Services

We have made significant progress on several long-term projects. We decided to invest £2M into refurbishing Sycamore Lodge into 14 self-contained flats/flatlets. Sycamore Lodge, previously a Care Home, was closed in 2023 due to the building's unsuitability. With the help of a Senior Build Advisor, we developed a proposal that aligns with our values and strategic direction. We secured Planning Consent and are currently tendering for builders, with a groundbreaking date in September 2025 and a completion date in October 2026.

Shortly after this decision, we had the opportunity to bid for a Recovery House Contract with the NHS. The NHS required the successful bidder to have at least 10 rooms for short-term accommodation (no more than 7 days) as a respite in a crisis or as an alternative to hospital. Given our experience with "Crisis Alternatives" services, we submitted a bid with a temporary solution until Sycamore Lodge is ready. We were informed in early 2025 that we were successful, and we are currently setting up this new service. We will be welcoming 19 new staff, and the contract is worth £1M per annum for three years, with a possible extension for two more years. This

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new service is an exciting challenge, leveraging our residential experience and crisis support expertise.

We also secured funding to expand our Crisis Cafes (Talking Spaces) and established a new under-25 crisis café in St Paul's Square at the end of this financial year. Although the funding is for one year, if we can demonstrate its effectiveness in reducing A&E visits and the need for clinical crisis services, it may be extended. Additionally, we received funding for two more staff members for our successful Discharge Navigation team, which helps people transition out of hospital as soon as they are clinically ready.

These new services, along with our recently launched ICRT (Intensive Community Rehabilitation Team) in 2023 and our Mental Health Connectors, demonstrate our role in supporting people with mental health issues who also need clinical services. By working in partnership, we offer a comprehensive service that addresses both social and medical needs. This journey began with Rookery Gardens in 2013, and our partnership efforts have only strengthened since then.

Another new service we are proud to have opened is our Wellbeing Hub in the Bullring. After working with the Bullring's owners for a couple of years, we delivered training and support to their staff and ensured our Helpline was prominently displayed. Hammerson's, the owners, offered us a small shop front to deliver services and act as a drop-in service for customers and staff. We secured a grant from Inclusive Communities to staff this service for nine months and used fundraised income to extend it to a year. This central location allows us to offer support to people who might not otherwise contact us, providing a drop-in service to the thousands of people who visit the Bullring shopping centre.

Values

Our success is rooted in our values, which guide our decisions and service delivery. Approximately every five years, we refresh our values with input from staff and service users. During 2024/2025, we conducted workshops to refresh our values, which will be formally launched in the summer of 2025. By focusing on quality and person-centered approaches using the Recovery Framework, we have built a positive reputation with our commissioners and service users.

Vulnerable Adults Service

Our Vulnerable Adults Service faced a significant funding decrease, amounting to over 20% of both our Lead Worker Contract and Supported Housing Service. We worked with Birmingham City Council (BCC) to remodel the service, allowing us to continue supporting similar numbers of people in a different way. This challenge required us to partner with BCC to safeguard services for vulnerable adults. As part of this remodeling, we decided to close Middleton Hall Road, our last group home in supported accommodation. This closure marks a significant milestone in our commitment to ensuring individuals in our care have their own facilities.

Regulated Services

This area has seen significant changes over the last decade, with the closure of our longer-stay CQC regulated care homes and an increased focus on short-term step-down services and our integrated services. Our integrated services with the Mental Health Trust, including the ICRT, have steadily increased the number of people they support, helping to reduce out-of-area placements. In 2025/2026, we expect further expansion of this work. The main change in this service area is our successful bid for the Recovery House tender, offering an alternative to hospital for people in crisis. This service is likely to be registered with CQC.

Community Services

Our Community Services continue to offer a wide range of early intervention services, from Community Development Workers to Recovery Hubs, in partnership with Creative Support. This area also includes the Mental Health Connectors service, delivered in partnership with Better Pathways and LWC, and our staff

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working in newly formed Neighborhood Hubs. As government policy mandates care closer to home, this neighborhood approach to mental health will become more prevalent. We have also been part of a pilot for a 24/7 Neighborhood approach to mental health, which our Mental Health Trust is considering rolling out more widely.

Pathways

This service area focuses on our work in partnership with the NHS within urgent and acute pathways. Our Helpline reached 17,024 people this financial year and is now more focused on prevention and early help. Our Talking Spaces (Crisis Cafes) have expanded, including a new specialist 18-25-year-old talking space. We secured long-term funding for our Selly Oak Talking Space service, initially set up as a pilot. Our Discharge Navigators team has also expanded, providing support to NHS Discharge teams and helping people transition out of psychiatric wards.

Staffing

The financial year of 2024/2025 has been challenging for many charities and social care organizations. External factors, such as increases to the Real Living Wage, required us to raise our lowest-paid staff to £12 per hour (an 8-10% increase in April 2025). While we are proud of our commitment to the Foundation for Living Wage scales, this has put pressure on other salaries. Over the last three years, our lowest-paid front-line staff have received over a 25% pay increase, while other staff have received over a 10% increase. However, our largest contract has faced a real-time equivalent cut of 20%.

Through staff surveys, we learned that those working in our two offices were dissatisfied with the accommodation. Our Head Office was drafty and lacked disabled access, while our Newtown office had little natural light. We decided to sell our Head Office, end our Newtown lease, and rent new offices nearby. We moved into the new office in December 2024, which has been very successful, bringing the organisation together and providing a better working environment.

We also launched our internal Workplace Mental Health First Aid program, training several team members and appointing our Workforce Development Manager as the Mental Health First Aid Champion. This program provides support to staff, recognising that supporting colleagues with mental health difficulties is different from supporting service users within our service provision.

Our journey towards Race Equity continued this year with the formation of a formal officer-led group. This group is dedicated to ensuring the charity reflects Birmingham's ethnicity at all levels of leadership. While our front-line staff are diverse, diversity decreases higher up the leadership structure. The passion and commitment of the Race Equity Group are outstanding.

Social Value

Our CEO continues to chair the VCFSE Mental Health Panel/Collective within the Mental Health Provider Collaborative, demonstrating our commitment to improving services beyond Birmingham Mind. We believe in influencing broader service provision and advocating for person-centered approaches. Despite significant health inequalities in mental health in Birmingham and Solihull, we use our voice to speak for those who struggle to be heard and connect our service activities with overall mental health commissioning and strategies.

We trained over 220 people around Suicide Prevention in our contract with Walsall Public Health and we have in total delivered 89 courses training over 1,145 people this year. We have also developed a strong partnership with Aston Villa Foundation for our Mental health First Aid contract. Our fundraising efforts, including the "Mental Elf" Fun Run in December 2024, brought in significant funds and helped challenge stigma.

We know that the last 12 months have been incredibly tough for individuals and companies with the Cost Of

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Living Crisis - being able to donate to charities such as ours becomes even harder. We're therefore so grateful for those people who have fundraised for us, donated to our campaigns, and supported us at our events like Mental Elf which sold over 350 tickets or our first 'Big Climb' at Snowdon. We also recognised those fundraisers who went so far above and beyond, such as the Richardson family who have raised over £10,000 for Birmingham Mind through Marathons, cycling to Weston-Super-Mare and sky dives.

We also utilized part of the fundraised money for our new Innovation Fund, allowing staff to bid for funds to introduce new ways of working or improve mental health awareness.

Volunteers

Volunteers are vitally important to us. Despite slow growth in general volunteers, we have successfully recruited volunteers for the Helpline, adding depth and richness to our service. Over 70 volunteers helped us this past year.

Service User Involvement

We have strong service user involvement within the charity. A dedicated cohort of service users helped shape our Service User Participation and Influence Strategy, and we held a successful conference. Although we faced the loss of Andrew Nicolls, who was influential in our service user engagement, our commitment to this work remains strong.

Conclusion

In summary, despite challenges, Birmingham Mind has made significant progress this year, reaching more people than ever and maintaining a commitment to being a good employer during difficult financial times. Our balance sheet remains robust, ensuring we can continue to support our service users.

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Objectives and Activities

Vision

“Better Mental Health for All”

Birmingham Mind’s Core Values

- **Respect:** Respect for the individual
- **Partnerships:** By working together, we are more effective and inclusive
- **Recovery:** enabling each individual’s unique and personal recovery journey wherever and whenever we can
- **Wellbeing:** Actively working to educate and encourage people to look after their mental, emotional and physical wellbeing
- **Prevention:** building resilience and challenging stigma in and across communities

Strategic Report

Aims and Achievements

Our Strategic and Business Plan sets out a series of objectives to be met over 2022- 2025 and is reviewed every year. Some of the main objectives and what we actually achieved are as follows:

2024/2025 What we planned to achieve	2024/2025 What we actually achieved
Relocate our three offices to provide a better working environment for people	We move in December 2024. We are in the process of selling our former Registered Office.
Innovation fund to be used to help fund internal service improvement/development ideas	Innovation Program was launched and a number of projects have been funded.
Develop new Value statements for Birmingham Mind	New Values statements and Intentions have been agreed, this set of accounts reflect the previous set due to timings.
Become a Registered Provider	We submitted a Pre-application. However a review of the external environment means that we are now planning a different approach to it.

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Risk Management

The Senior Management Team monitors all major risks to which the charity is exposed. A risk register has been established and is formally reported to the Executive Committee annually. Relevant risks are reported to each committee meeting to ensure dynamic risk management.

Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, service users and visitors. In addition, the Mind Quality Mark (MQM), which Birmingham Mind is required to meet as part of its federation agreement, provides a quality assurance framework to ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Plans for Future Periods

Birmingham Mind sets its Business Plan in March and as such the Business Plan for 2025/2026 has been set.

- Appoint builders and start the re-furnishment of Sycamore Lodge.
- Open the new Recovery House on 1st October 2025 (in temporary location in Alum Rock)
- Increase our collation and use of data to demonstrate the overall impact we have
- Re-achieve our Investors in People Gold awards and run our 3 yearly staff conferences.
- Agree on a way forward for achieving Registered Provider Status.
- Develop a new 3-5year Strategy.

Structure, Governance and Management

Birmingham Association for Mental Health (hereinafter called Birmingham Mind, the Association or the Charity) is a Charity and Company Limited by Guarantee governed by a set of Articles of Association. The objectives for which the Charity is established are to promote preservation of mental health and to assist in the relief and rehabilitation of people with mental health problems.

The governing body of the Charity is the Board of Trustees or Executive Committee who meet approx. 9 times a year including an Away Day with the Senior Management Team of the Charity, to review the overall strategic aims and business objectives of the Association. The Executive Committee has established a formal sub-committee called the Finance Committee with a specific remit to oversee the finances and risk management procedures of the Charity.

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. Our Estates Committee has picked up some of the governance around Health and Safety as well as affording us the time to consider investments in buildings.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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Structure, Governance and Management - continued

Service user representatives are actively recruited to sit on all Committees and currently we have 2 service user placements on each Trustee Led Committee.

All Trustees are recruited on a 3-year rotation programme with no overall limit on the length of service. During the last year we have undertaken a full skills Audit to enable us to focus on where we need extra knowledge. IT/Digital and housing are all areas we would like to strengthen at Board level.

Recruitment of new trustees involves a structured process to ensure the charity has the right mix of skills, experience, and commitment to fulfill its mission. The process typically includes identifying skills gaps, developing a role description before either advertising the vacancy or reaching out through the extensive networks of the Charity's existing trustees and senior managers. Following this process the Chair and CEO meet with the prospective trustee, and if felt appropriate potential Trustees are then invited to attend an Executive Committee meeting as an observer/co-opted. A formal nomination may then be made subject to all necessary checks. All new Trustees are given the opportunity to visit the key services that the Charity runs, and all Trustees can access the full internal training that is offered within the Association.

Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Mark.

Birmingham Mind subcontracts to 5 organisations; Longhurst Housing (now part of Amplius Housing), R&J Support & Care Ltd, Living Well consortium, Better Pathways and Creative Support. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, and the relevant ICB/Mental Health Provider Collaborative.

Public Benefit Statement

Our main activities and who we try to help are described throughout the Chair's report and the Strategic Report. All our charitable activities focus on either supporting people with mental health issues; increasing people's wellbeing/emotional resilience or challenging the stigma and discrimination that surrounds mental ill health. All of these are undertaken to further our charitable purposes for the public benefit. The Trustees are of the opinion that throughout the year the Charity complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Financial Review and Related Policies

The accounts show our continuing strong financial position. Our turnover has remained over £10m at £10,170k (2023 £10,297k) operationally breaking even in 2025 before the defined benefit pension scheme gain compared to a net expense of £12k for 2024, reflecting our continuing prudent use of funds in the current financial climate.

Our Balance Sheet continues to be strong, which gives confidence to our funders and commissioners working with us in the future.

There were no related party transactions during the year other than some minor trustee expenses totalling £867 which relate to travel and mobile phone costs.

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Reserves Policy

The current reserves policy is for the Association to strive to increase its unrestricted (excluding designated) reserves fund to ensure that any delay in the receipt of income by the Association, caused by the actions of third parties, does not affect the ability of the Association to meet its obligations to its beneficiaries. Trustees annually review balances and reserves and set aside resources for current plans and specific risks.

As part of this, where any donations have not been used in-year, equivalent resources are set aside to support future projects. In addition, a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short-term use.

The total amount of reserves at the year end amounts to £3,285k (2024: £3,164k). Trustees seek to retain unallocated balances (free reserves) for wider risks and short-term cash flow matters. The long-term target set by trustees for this is £3m or approximately three months budgeted operating expenditure. The amount held in free reserves now totals £1,093k after the notional FRS 102 Pension provision of £849k has been deducted, which is an improvement on the previous year. The balance in reserves now represents around 1¼ month's total expenditure.

These accounts recognise future pension liabilities in accordance with FRS 102. Trustees have continued with their policy of setting aside a designated fund to contain the impact of liability revaluations to minimise the impact on resources set aside for other plans.

Investment Policy

During 2024/2025, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings on the advice of the Finance Director and Treasurer.

We acquired several buildings at the end of April 2022 that were previously leased in order to continue delivering our existing successful services. This included a care home and 4 Supported Housing properties. Many of these properties are in need of refurbishment and as a result, cash reserves continue to be held with easy access until projects have been finalised.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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YEAR ENDED 31 MARCH 2025**

Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees Report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the Company for the year. In preparing those 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 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the Company's assets and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, as far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 7 August 2025.



Rev Canon Frank Longbottom
Chairman

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL
HEALTH FOR THE YEAR ENDED 31 MARCH 2025**

Opinion

We have audited the financial statements of Birmingham Association for Mental Health (the 'charity') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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.

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(Company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
 MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the College has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation. We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charity's control environment and how the Charity has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charity's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

4565E73EF2F046E...

Kevin Hodgetts FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date: 26 September 2025

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2025

		Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
	Note				
Income from:					
Donations and legacies	2	164,172	-	164,172	211,058
Charitable activities	4	9,884,089	79,990	9,964,079	10,052,984
Investments	3	42,089	-	42,089	33,365
Total income		10,090,350	79,990	10,170,340	10,297,407
Expenditure on:					
Raising funds	5	123,362	-	123,362	107,218
Charitable activities	5	9,904,204	79,990	9,984,194	10,138,767
Other	11	62,748	-	62,748	62,928
Total expenditure		10,090,314	79,990	10,170,304	10,308,913
Net income		36	-	36	(11,506)
Transfers between funds		1,325	(1,325)	-	-
Other recognised gains and losses					
Defined benefit pension scheme:					
Actuarial gain/(loss)	11	121,500	-	121,500	(228,392)
Net movement in funds		122,861	(1,325)	121,536	(239,898)
Reconciliation of funds					
Total funds brought forward		3,162,448	1,325	3,163,773	3,403,671
Total funds carried forward	13	3,285,309	-	3,285,309	3,163,773

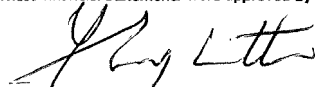
The notes on pages 18 to 26 form part of these financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible fixed assets	8		1,898,177		2,178,373
Current assets					
Debtors	9	765,552		1,407,939	
Cash at bank and in hand		<u>3,433,412</u>		<u>2,625,169</u>	
		4,198,964		4,033,108	
Creditors: amounts falling due within one year	10	<u>(1,962,832)</u>		<u>(1,847,708)</u>	
Net current assets			2,236,132		2,185,400
Net assets excluding pension liability			<u>4,134,309</u>		<u>4,363,773</u>
Defined benefit pension liability	11		(849,000)		(1,200,000)
Net assets			<u>3,285,309</u>		<u>3,163,773</u>
Charity Funds	13				
Unrestricted funds:					
General reserves before pension reserve			1,915,534		1,854,275
Pension reserve (FRS102)			(849,000)		(1,200,000)
General reserves after pension reserve			<u>1,066,534</u>		<u>654,275</u>
Designated reserves			2,218,775		2,508,173
Total unrestricted funds			<u>3,285,309</u>		<u>3,162,448</u>
Restricted funds			-		1,325
			<u>3,285,309</u>		<u>3,163,773</u>

These financial statements were approved by the Executive Committee and authorised for issue on 7 August 2025, and are signed on its behalf by:



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

The notes on pages 18 to 26 form part of these financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT
For the year ended 31 March 2025

	2025 £	2024 £
Net cash (outflow)/inflow from operating activities	528,514	(1,073,205)
Cash flow from investing activities		
Receipts from sale of fixed assets	237,640	-
Interest received	42,089	33,365
Net cash Inflow/(outflow) from investing activities	279,729	33,365
Net decrease in cash and cash equivalents	808,243	(1,039,840)
Cash and cash equivalents at start of year	2,625,169	3,665,009
Cash and cash equivalents at end of year	3,433,412	2,625,169

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities	2025 £	2024 £
Net Income for year (before other gains and losses)	36	(11,506)
Amortisation of grants receivable in respect of fixed assets	-	-
Interest receivable	(42,089)	33,365
Depreciation	52,173	55,755
Disposal of fixed assets	(9,617)	-
(Increase)/decrease in debtors	642,387	947,373
Increase/(decrease) in creditors	115,125	77,676
Interest expense re defined benefit pensions liability	62,747	62,928
Defined benefit pension deficit contribution payments	(292,248)	277,320
(Decrease)/ increase in provisions excl pension creditors	-	-
Net cash (outflow)/inflow from operating activities	528,514	(1,073,205)

b) Analysis of changes in net funds

	At 01/04/24 £	Cash flow £	At 31/3/25 £
Net cash			
Cash at bank	2,625,169	808,243	3,433,412
Total	2,625,169	808,243	3,433,412

The notes on pages 18 to 26 form part of these financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these accounts are:

(a) Basis of accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Income recognition

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income from fees charged for services are recognised on completion of the services to be performed.

Grants received and receivable are accounted for in the year in which the Association becomes legally entitled to the monies and performance obligations have been satisfied. Grants receivable but not yet paid to the Association are included in debtors.

Grants for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities in the year they are receivable. Some of the capital grants received are technically repayable should buildings cease to be used for existing purposes.

Revenue grants are recognised as income in the Statement of Financial Activities in the year in which they become receivable.

Income where payments are linked to performance is recognised when conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Charitable donations, legacies and other income are accounted for on a receipts basis.

(c) Expenditure recognition

Expenditure on raising funds comprise those costs directly attributable to raising income.

Charitable activities represent the costs incurred in working for and promoting the preservation of mental health and the development of mental health care and meeting its objectives.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, in proportion to the budgeted direct expenditure for each activity cost category.

(d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. The company's policy is to capitalise all individual fixed assets with a cost greater than £1,000 unless where property chargeable to annual grant funding.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight line method:

Furniture, computer equipment and office equipment	20% - 33%
Building improvements	10%
Buildings	2%

(e) Unrestricted funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

Designated funds are amounts which have been set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

(g) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted reserve.

(h) Pension costs

Some of the charitable company's current and former staff are members of the Social Housing Pensions Scheme (SHPS) which provides benefits based on final pensionable pay. That scheme is now closed to new membership or additional service.

The SHPS is a funded multi-employer defined benefit scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. We have benefitted from 3,329 hours (2024: 2,116 hours) of volunteer time which if valued at adult minimum wage would equate to £38,078 (2024: £22,049).

(k) Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

(l) Critical estimates and areas of judgement

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the last triennial valuation as at 30 September 2023 has been used by the actuary in valuing the pension's liability at 31 March 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025

2 INCOME FROM DONATIONS AND LEGACIES

	2025 £	2024 £
Donations	164,172	211,058
Legacies	-	-
	164,172	211,058

3 INCOME FROM INVESTMENTS

	2025 £	2024 £
Bank interest	42,089	33,365

4 INCOME FROM CHARITABLE ACTIVITIES

	2025 £	2024 £
Birmingham City Council	2,585,438	2,982,934
Clinical Commissioning Groups / NHS Provider Collaboratives	4,184,455	3,788,832
Birmingham & Solihull Mental Health Foundation Trust	1,187,254	1,160,512
Clients	1,518,119	1,679,642
Other	488,813	441,064
	9,964,079	10,052,984

Analysis by service type	Unrestricted £	Restricted £	2025 £	2024 £
Residential	1,149,402	-	1,149,402	1,514,003
Floating support & housing	3,684,694	-	3,684,694	3,930,183
Integrated services	2,549,483	3,990	2,553,473	2,537,640
Day and community services	2,425,125	76,000	2,501,125	3,600
Other	75,385	-	75,385	
Total	9,884,089	79,990	9,964,079	10,052,984

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025**

5 ANALYSIS OF EXPENDITURE

	2025 £	2024 £
Costs of raising funds		
Staff costs	78,956	68,983
Other fundraising costs	44,406	38,235
	123,362	107,218

Charitable activities	Residential £	Floating Support & Housing £	Integrated Services £	Day & Community Services £	Total	
					2025 £	2024 £
Direct costs:						
Staff costs	682,791	1,732,327	1,702,467	1,085,452	5,203,037	5,456,803
Depreciation	14,200	16,779	-	9,000	39,979	50,755
Other costs	322,415	1,500,801	276,156	1,089,113	3,188,485	3,299,060
	1,019,406	3,249,907	1,978,623	2,183,565	8,431,501	8,806,618
Support costs:						
Finance & IT	57,509	183,340	111,622	123,183	475,654	456,304
Personnel	17,015	54,245	33,026	36,447	140,733	214,209
Administration	83,654	266,693	162,369	179,187	691,903	569,876
Governance	7,468	23,806	14,494	15,995	61,763	62,494
Property	20,608	65,697	39,999	44,142	170,446	24,266
Depreciation	1,474	4,700	2,862	3,158	12,194	5,000
	187,728	598,481	364,372	402,112	1,552,693	1,332,149
Total	1,207,134	3,848,388	2,342,995	2,585,677	9,984,194	10,138,767

Analysis by service type	Unrestricted £	Restricted £	Total	
			2025 £	2024 £
Residential	1,207,134	-	1,207,134	1,708,403
Floating support & housing	3,848,388	-	3,848,388	3,887,917
Integrated Services	2,339,005	3,990	2,342,995	1,972,727
Day and community services	2,509,677	76,000	2,585,677	2,569,720
Total	9,904,204	79,990	9,984,194	10,138,767

	2025 £	2024 £
Analysis of Governance Costs		
AGM costs	8,136	7,500
Staff costs	39,127	39,127
Professional fees	14,500	15,867
	61,763	62,494

6 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2025 £	2024 £
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	52,173	55,755
Profit on disposal of fixed assets	9,617	-
Auditor's remuneration - audit	14,500	15,867
Other operating lease rentals	206,206	347,058

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025

7 STAFF COSTS

	2025	2024
	£	£
Salaries	5,410,459	5,510,376
Social security costs	497,689	495,225
Pension costs	205,596	213,677
	6,113,744	6,219,278

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

	2025	2024
	No.	No.
£60,001-£70,000	2	1
£70,001-£80,000	-	-
£80,001-£90,000	1	1
£90,001-£100,000	-	-

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

	2025	2024
	No.	No.
Direct charitable services	192	196
Support staff	31	35
	223	231

Remuneration of key management personnel

The total amount of employee benefits received by key management personnel was £248,503 (2024: £257,646). The charity considers its key management comprise Chief Executive Officer, Director of Operations, and Director of Finance.

Trustees payments and expenses

No members of the executive committee received any emoluments, pension contributions or had benefits accruing.

Expenses of £867 were incurred during the year in respect of 4 trustees (2024: £Nil).

Redundancy and termination payments

Redundancy and termination payments for the year totalled £16k (2024:£34k).

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Computer equipment £	Office equipment £	Total £
COST				
As at 1 April 2024	2,648,486	329,349	74,729	3,052,564
Additions	-	-	-	-
Disposals	(238,769)	-	-	(238,769)
As at 31 March 2025	2,409,717	329,349	74,729	2,813,795
DEPRECIATION				
As at 1 April 2024	470,113	329,349	74,729	874,191
Charge for the period	52,173	-	-	52,173
Released on disposal	(10,746)	-	-	(10,746)
As at 31 March 2025	511,540	329,349	74,729	915,618
NET BOOK VALUE				
As at 31 March 2025	1,898,177	-	0	1,898,177
As at 1 April 2024	2,178,373	-	0	2,178,373

The net book value as at 31 March 2025 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2024: £Nil) that were contracted but not provided for in the financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025

9 DEBTORS

	2025	2024
	£	£
Rents and grants outstanding	348,969	1,081,212
Prepayments and accrued Income	390,880	325,060
Other debtors	25,703	1,667
	765,552	1,407,939

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Amounts due to suppliers	274,525	185,830
Taxation and social security	105,396	105,013
Accruals and deferred Income	1,521,064	1,489,247
Other creditors	61,847	67,618
	1,962,832	1,847,708

There was £60,326 relating to pension contributions included within other creditors (2024: £56,467).

	2025	2024
	£	£
Deferred Income included above comprised:		
Deferred Income b/f	1,133,814	1,099,333
Received in the year	2,104,518	2,858,206
Released to Income and expenditure	-1,870,332	(2,823,725)
Deferred Income c/f	1,368,000	1,133,814

The above deferred Income represents contract funding received in advance of delivery of the performance conditions of the contract, and certain grant funding received which is repayable until such time as the conditions of the funding are satisfied.

11 PENSION AND SIMILAR OBLIGATIONS

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025**

11 PENSION AND SIMILAR OBLIGATIONS (continued)

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

	2025 £	2024 £
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(52,015)	(52,404)
Expenses	(10,733)	(10,524)
Pension finance income/(costs)	(62,748)	(62,928)
Amounts recognised in Other Recognised Gains/(Losses):		
Actuarial gains/(losses)	121,500	(228,392)
Remeasurements - Impact of any change in assumptions	-	-
	121,500	(228,392)
The amounts recognised in the Balance Sheet are as follows:		
	£	£
Fair value of plan assets	4,746,959	5,178,726
Present value of defined benefit obligation	(5,595,959)	(6,378,726)
Deficit in plan	(849,000)	(1,200,000)
Defined benefit liability to be recognised	(849,000)	(1,200,000)
Movements in the present value of defined benefit obligations were as follows:		
	£	£
At 1 April	6,378,726	6,460,000
Service cost	0	-
Interest expense	302,000	309,000
Actuarial losses/(gains) due to scheme experience	(75,000)	(30,000)
Actuarial (gains)/losses due to changes in demographic assumptions	0	(77,000)
Actuarial (gains)/losses due to changes in financial assumptions	(610,500)	1,202
Benefits paid and expenses	(410,000)	(295,000)
Expenses	10,733	10,524
At 31 March	5,595,959	6,378,726

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025

	2025	2024
	£	£
Movements in the fair value of charity's share of scheme assets:		
At 1 April	5,178,726	5,274,000
Interest income	249,985	256,596
Experience on plan assets	(564,000)	(334,190)
Contributions by employer	292,248	277,320
Benefits paid and expenses	(410,000)	(295,000)
At 31 March	4,746,959	5,178,726

11 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions	At 31/03/25	At 31/03/24
Discount rate for scheme liabilities	5.77%	4.89%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.78%	2.77%
Salary growth	3.78%	3.77%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31/03/25	At 31/03/24
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.0	23.0
<i>Retiring in 20 years</i>		
Males	21.7	21.8
Females	24.5	24.4

12 COMMITMENTS UNDER OPERATING LEASES

Commitments which comprise both property and equipment leases total £462,315 (2024: £199,031), consisting of amounts due within one year £291,018 (2024: £206,206) and amounts due between 2 to 5 years £171,298 (2024: £97,130).

13 RESERVES

	Opening balance £	Income £	Expenditure £	Gains/(losses)	Transfers £	Closing balance £
Unrestricted funds						
General reserves (before pension)	1,854,275	10,090,350	-	10,267,641	-	238,550
Pension reserve	-	-	-	229,500	121,500	-
General reserve (after pension)	654,275	10,090,350	-	10,038,141	121,500	238,550
Designated reserves						
Property Major Repairs	52,000	-	-	-	26,000	78,000
Strategic development reserve	277,800	-	-	-	35,202	242,598
Fixed asset reserve	2,178,373	-	-	52,173	-	228,023
	2,508,173	-	-	52,173	-	237,225
Total unrestricted funds	3,162,448	10,090,350	-	10,090,314	121,500	1,325
Restricted funds						
Older Adults	1,325	-	-	-	-	1,325
Day Care, User & Community	-	79,990	-	79,990	-	-
Total restricted funds	1,325	79,990	-	79,990	-	1,325
Total funds	3,163,773	10,170,340	-	10,170,304	121,500	-

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted funds - Designated reserves

The designated reserves were created by the executive committee for the following purposes:

Property Major repairs reserve - this has been set aside for use to perform major repair work on properties.

Assets and Projects Reserve - this resource from previous unrestricted surpluses was set aside for major projects and future asset purchases. It has been fully utilised with the property purchases this year.

Strategic Development Reserve - the use of income raised through donations or fundraising, together with surpluses from External training Income is directed by trustees, to fund specific projects or pilots which are felt to be key to the organisation's strategic direction. The Vulnerable Adults Service has continued to be supported this year, alongside our Peer Mentor Support work.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2025**

13 RESERVES (continued)

Pensions Reserve - this reserve sets aside resources in line with potential long term additional contributions relating to the closed membership of the Social Housing Pension Scheme (defined benefit scheme - see note 11) above that associated with the discounted assessment required under FRS 102.

Fixed Assets Reserve - this sets aside amounts from general reserves to match the extent to which resources have been utilised in funding fixed assets for charitable purposes.

Restricted funds

The income funds of the charity include restricted funds comprising unexpended balances of grants received which are to be applied for specific purposes as stipulated by the donor organisation.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Provisions £	Total £
Restricted funds	-	-		-
Unrestricted funds	1,898,177	2,236,132	(849,000)	3,285,309
Balance as at 31 March 2025	<u>1,898,177</u>	<u>2,236,132</u>	<u>(849,000)</u>	<u>3,285,309</u>

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year other than those disclosed in Note 7 (2024: none).

16 POST BALANCE SHEET EVENTS

The Association is in the process of selling Graham Street former head office (NBV £57k). A buyer has been agreed and contract negotiations are under way. A completion date has not yet been agreed.

17 COMPANY LIMITED BY GUARANTEE

The Association is a private company limited by guarantee, incorporated in the United Kingdom and not having a share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up whilst that person is a member or within one year of ceasing to be a member.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

England & Wales - Charity number 1003906

Accounts

Charity registration number: 1003906
Company registration number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2024

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2024**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2024**

Charity Reference and Administrative Details

Charity registration number 1003906

Company registration number 02024372

Trustees Rev Canon F Longbottom
Mr B Geary (resigned 11 April 2024)
Professor A Davis
Mr J Piggott
Mr M Shakespeare
Dr Ian McPherson
Ms S Willis
Mr N Howl
Mr A Wylde
Ms M Smojkis
Rt Revd J Langstaff (appointed 5 October 2023)
Ms P Lloyd Knight (appointed 5 October 2023)

Chief Executive Officer Helen Wadley

Director of Operations James Harper (from 8 June 2023)
John Bristow (until 30 June 2023)

Director of Finance Ruth Galvin

Registered office 17 Graham Street
Hockley
Birmingham
B1 3JR

Auditor Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Bankers NatWest
Unit 24 Grand Central
Ground Floor
Stephenson Place
Birmingham
B2 4BF

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2024**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Rev Canon F Longbottom	(Chair of the Executive Committee)
Professor A Davis	(member of the Finance Committee, Chair of the Clinical Governance Committee)
Mr B Geary	(Company Secretary & Treasurer, member of the Finance Committee, member of the Clinical Governance Committee) (resigned 11 April 2024)
Mr J Piggott	(Chair of Estates Committee, member of the Finance Committee)
Mr M Shakespeare	(member of the Clinical Governance Committee)
Dr Ian McPherson	(member of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr N Howl	(member of the Finance Committee)
Mr A Wylde	(member of the Estates Committee)
Ms M Smojkis	(member of Clinical Governance Committee)
Mr J Langstaff (appointed 5 October 2023)	(member of the Finance Committee, member of the Estates Committee)
Ms P Lloyd Knight (appointed 5 October 2023)	(member of the Clinical Governance Committee, member of the Estates Committee)

Chair's Report

The financial year of 2023/2024 has been another challenging year. Financially we have ended with a small operating deficit (before increasing pension liabilities and the interest on those liabilities) There have been some significant challenges during the year – as well as our successes.

As reported in the 2022/2023 report, trustees decided to bring forward the cost of living pay increase due to be awarded in April 2023, to October 2022. Effecting this pay increase meant that nearly all our staff received a consolidated pay increase of £1,900 (pro rata for part-time staff). This meant for the lowest paid staff that they received a 15% increase from April 2022 to April 2023. However challenging this was going to be for our contracts, it was a moral and ethical decision the charity felt strongly in agreement on. We do hope, and have started to see, this pay off in terms of increased recruitment and retention within many of our services during this financial year.

We have also continued to invest in additional infrastructure roles that are needed for the Charity to meet its contractual and legal obligations, especially as our percentage of income from the NHS grows.

Regulated Services

During 2023 we continued to reduce our Residential Care home provision, closing Ludford Road in February 2024 and completing the intended closure of Sycamore Lodge earlier in the financial year. We have had Residential Care as a cornerstone of the work Birmingham Mind has done for decades, but reductions in funding have necessitated a lack of investment in buildings, resulting in concerns about our ability to offer the best care. Important though it has been to Birmingham Mind for a long time, we recognise that we have to ensure that what we offer meets people's needs and expectations and provides the best possible service. It is right that we take brave decisions to close services that do not meet our own expectations and the expectations of the people needing our services. We do still have two care homes: Charles Davies House

which offers rehabilitation, and Flint Green House which offers step down care for people coming out of secure inpatient services. Both offer a good standard of accommodation and high quality care, and have strong reputations.

On the one hand we have been closing care homes, but on the other we have continued to open partnership services with the NHS. At the beginning of 2023 we were pleased to use some of the monies previously invested in Pershore Road Care Home (closed 2022) to open the new Intensive Community Rehabilitation Team. This service aims to work with people placed Out of Area and in other Psychiatric settings, finding new accommodation options and providing wraparound clinical and support services, helping people to settle. During the year they worked with over 30 people, helping them to settle.]. The service has enabled people to receive support in the least restrictive type of accommodation in the community, and is already bringing significant financial savings to the mental health system, with an estimated £882k saved at the time of writing.

Rookery Gardens also comes under this area of our work (it is a partnership project with BSMHFT but registered as an inpatient facility with CQC). This continues to flourish, although again as changes are made across the Mental Health System, all services need to be reviewed and adapted to stay relevant.

Support Services

We have a Vulnerable Adult Service (VAS) contract for Supported Housing (which we work in partnership with R&J Support and Care Services Ltd) to deliver 107 units of accommodation. We also have a VAS contract for Lead Workers where our staff support people in their own homes (via a range of tenancies) and deliver this in another partnership with both R&J Support and Care Services Ltd and Longhurst Housing Association. Put together these contracts form our largest service, with a contract value of £2.5M and we are the lead provider with our partners. It is funded by Birmingham City Council (BCC), and it delivers against the same outcomes and KPIs – hence why we see it as one contract.

During the autumn of 2023 Birmingham City Council served a Section 114 Notice. This is often seen as the way a Council declares “bankruptcy” and we immediately became concerned that BCC might have no option but to only deliver Statutory Services. Our VAS contract is not a Statutory Contract, but it does help keep people away from needing a Statutory service. Thankfully when the proposed cuts came out, it was clear that although we were going to lose our inflationary increase, we weren't seeing a direct cut. Although this was good news in the main, with the high inflationary increases we have had to honour keeping staff on Real Living Wage, we know that when April 2024 comes, we will be 20% adrift in terms of our income and our expenditure. We are already working on options to address this.

We know that this service delivers fantastic outcomes for people, and we are really proud that 1,242 people have been supported through this service via a mix of brief and longer-term interventions, and we have provided safe and supportive accommodation to 106 people.

Community Services

Our Mental Health and Wellbeing Service (Recovery Hubs) continue to flourish and now delivers a mix of face-to-face activities and virtual groups. We are the lead provider and work in partnership with Creative Support, and have increased our reach into Solihull. The services continue to provide a range of drop-in social activities with a range of more active opportunities, and we continue to increase our offer to younger people.

The Community Development Worker (CDW) service has continued to be a conduit for discussions around

health inequalities and access between the Mental Health System and local community groups. As Birmingham has some severe health inequalities, and a number of communities where trust in public services is low, this work will continue to be extremely important. The service has also played an important role in the Community transformation within mental health services and is helping the neighbourhood teams understand local communities better. Overall, this service tends to over deliver on the KPIs set by our NHS Commissioners and it is one of the main ways in which we work with grassroots community groups.

We are also the lead provider working in partnership with Better Pathways and Living Well Consortium to oversee a team of Primary Care Navigators to work in multi-agency meetings. During this year the service has been renamed to Mental Health Connectors and now works in Neighbourhood teams, although they are still based in GP practice areas and take most of their referrals via GP. Our Connections help people through brief interventions, linking people into community activities and supporting them to access Talking Therapies and some guided self-help support. After its first year, this service is going well, and we have seen 1,762 people.

Following a successful partnership with the Bullring, we were really pleased to get a small shop in the prestigious shopping centre at a low rental cost. Having carried out more pop-up events, the owners of the Bullring were impressed with the impact our staff has on both people accessing the shopping centre and those that work there. We have used fundraised income to help staff the space and have continued to expand the work that we do with other community organisations, and we now have a varied and creative offer in the heart of our city.

Pathway Service Area

This service area brings together the main work that we do in direct partnership with our NHS colleagues within the urgent and acute pathways. As can be seen from some of our other services, joint working with the NHS has been at pace in all our service areas, and for this area it is predominately at the acute end of help/avoiding the acute end of mental health services.

Our largest service within Pathways is the 24/7 Mental Health Helpline. We run this in partnership with the two Mental Health Trusts and other VCFSE organisations. The service went from being a small office hour Advice and Information Line with 1.5 front line staff to a service providing the “front door” to all mental health services and support in Birmingham with a staff team of over 16 people. During this financial year we have supported 17,798 people through this service. We know that there will be changes in 2024 and we will hand the clinical crisis offer back to the Mental Health Trust and we will not have a fully integrated clinical and Birmingham Mind service. Although we are disappointed in this, we know that we still have a strong partnership with our NHS colleagues.

Our Crisis Café contract (called Talking Spaces) covers our 7-days-per-week service in Erdington as well as us working with Creative Support to deliver a Talking Space in Northfield for 4 nights a week. We were pleased this year to open up a new Crisis Café at a new partnership venue in Selly Oak. In partnership with Living Well Consortium (LWC) we secured funding to update a building, creating a new Wellbeing Café. LWC run the daytime Wellbeing offer and for 4 evenings a week we run a Crisis Café. We are funding this through unspent grants and we hope to secure long-term funding in the future as we know this area has one of the highest referral rates into the NHS.

We also have several staff that are based within the wards in Birmingham and Solihull Mental Health Trust and Forward Thinking Birmingham (an NHS organisation), working with people who are clinically ready to leave the wards. They are very valued by both those receiving the support as well as clinicians and the wider system.

We have also had a small team of staff working with the Psychiatric Liaison Team, supporting those turning

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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up to A&E with mental health issues but who need support with housing or other social needs, although this service has an uncertain future.

There are fundamental changes to how the NHS is funded and how they commission services. This started in April 2023, and we have been actively involved in these changes and helped lead the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector in becoming a more formal part of the governance of the new Mental Health Provider Collaborative. The two NHS Mental Health Trusts and the VCFSE Collective/Panel are the three partners now responsible for over £380M of mental health spend. Although Birmingham and Solihull Mental Health Foundation Trust is the lead provider, we do hope that this seat around the table will enable us to have a stronger voice and influence over what is commissioned.

Changes in structure and how the funding flows are both a risk and an opportunity. We are proud of how we have developed new services and ways of working, but we do not underestimate the risk of the changes to the VCFSE and to our Charity.

We passionately believe that it is not just about what Birmingham Mind actually delivers, but the wider influence on services. We champion the idea that services should be more person-centred and we are concerned that the health inequalities within mental health in Birmingham and Solihull are still profound, despite the Mental Health System knowing this. We use our voice to speak for people who struggle to be heard, and we try to create a bridge with some of the service work we do with the overall mental health commissioning and strategies within Birmingham and Solihull.

As trustees we have always wanted our CEO to be influencing the wider mental health provision and we know we have built up significant relationships and reputation with others. We ensure as a Board that we are monitoring this as time spent on wider System influence is time away from Birmingham Mind provision.

Fundraised income has continued to grow, and we have been delighted with some of our local partnerships with organisations and individuals. We have a dedicated Fundraiser, and they have continued to grow this area of income generation – raising £211,058 this year. Having charitable funds that are used at the discretion of trustees is crucial to help reduce health inequalities and address gaps in services. We have put charitable funds into our Peer Lead Programme this year as well as our new work in the Bullring.

Our External Training Department found its feet following a dip in income during COVID-19, and we have reached 1,129 people through our training, helping us to deliver on our educational purpose.

Volunteers are vitally important to us as a Charity. Despite the slow growth of general volunteers, we have had significant success in recruiting volunteers for the Helpline and this has added depth and richness to our service offer. We have had 2,116 hours of volunteering this year.

We have very strong Service User Involvement within the Charity. We have a strong cohort of service users that have helped us shape our Service User Participation and Influence Strategy and we held a very successful conference. We continue to have User participation on all our Governance Committee structures. Our experienced Board of trustees continues to seek new trustees and we have been reaching out into communities and to people with some different skills.

During the year we saw Solihull Mind leave the Mind Federation and as such it has been a natural progression to Birmingham Mind being more visible in our work in Solihull. As our NHS covers both Birmingham and Solihull, many of our NHS contracts already specify this, however in the past we would normally ask one of our partners to lead in Solihull, which we no longer need to do.

To sum up, Birmingham Mind has had some challenges this year, but it has also had some significant

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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achievements and in particular we know we have reached more people than ever before and that with austerity the need for us as a service, and the need for us to be a good employer, has never been so acute.

We did predict a deficit (due to funding some services from Charitable funds) and the deficit of £11,506 before the pension liability adjustment is in line with those expectations.

The balance sheet of Birmingham Mind is robust and shows cash resources that will be able to support our service users going forwards.

Objectives and Activities

Vision

“Better Mental Health for All”

Birmingham Mind’s Core Values

- **Respect:** Respect for the individual
- **Partnerships:** By working together, we are more effective and inclusive
- **Recovery:** enabling each individual’s unique and personal recovery journey wherever and whenever we can
- **Wellbeing:** Actively working to educate and encourage people to look after their mental, emotional and physical wellbeing
- **Prevention:** building resilience and challenging stigma in and across communities

Strategic Report

Aims and Achievements

Our Strategic and Business Plan sets out a series of objectives to be met over 2023- 2025 and is reviewed every year. Some of the main objectives and what we actually achieved are as follows:

2023/2024 What we planned to achieve	2023/2024 What we actually achieved
Finalise what we want to build on the Erdington Site	We have moved forward with this, but we still have further work to do as costs were higher than expected.
Work to ensure our buildings are fit for purpose	Continued our disinvestment approach to care homes and we have been finalising the office move to bring 3 separate offices together.
Consider how we can improve our recruitment and retention	We undertook a 12-month project to ensure our recruitment practices are fit for current times and considered ways of retaining people. Recruitment has improved and retention has improved.
Ensure that we have a scheme of delegation that enables decisions to be made closer to the services.	New Scheme of delegation agreed and circulated

Risk Management

The Senior Management Team will monitor all aspects of risk within the Association. All risks are recorded within the Risk Register and regularly reviewed. The Risk Register is formally reported to the Finance and General Purposes Committee and the Executive Committee on a yearly basis with ongoing review of the risks assessed as high.

At every meeting trustees review the risks pertinent to the reports/subjects being discussed.

Plans for Future Periods

Birmingham Mind sets its Business Plan in March and as such the Business Plan for 2024/2025 has been set.

- Increase our collation and use of data to demonstrate the overall impact we have
- Develop new Value statements for Birmingham Mind
- Move Office: bring together 3 offices into one to aid communication and improve the standard of accommodation
- Innovation fund to be used to help fund internal service improvement/development ideas.
- Continue to address health inequalities in our area of benefit
- Apply to become a Registered Provider of housing

Structure, Governance and Management

Birmingham Association for Mental Health (hereinafter called Birmingham Mind, the Association or the Charity) is a Charity and Company Limited by Guarantee governed by a new set of Articles of Association. The objectives for which the Charity is established are to promote preservation of mental health and to assist in the relief and rehabilitation of people with mental health problems.

The governing body of the Charity is the Board of Trustees or Executive Committee who meet approx. 9 times a year including an Away Day with the Senior Management Team of the Charity, to review the overall strategic aims and business objectives of the Association. The Executive Committee has established a formal sub-committee called the Finance Committee with a specific remit to oversee the finances and risk management procedures of the Charity.

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. Our Estates Committee has picked up some of the governance around Health and Safety as well as affording us the time to consider investments in buildings.

Structure, Governance and Management - continued

Service user representatives are actively recruited to sit on all Committees and currently we have 2 service user placements on each Trustee Led Committee.

All Trustees are recruited on a 3-year rotation programme with no overall limit on the length of service. During the last year we have undertaken a full skills Audit to enable us to focus on where we need extra knowledge. IT/Digital and building development are areas we would like to strengthen at Board level.

All potential Trustees meet formally with the Chair and the Chief Executive to discuss the role of a Trustee and the skills and experience that they would bring to the Board. Potential Trustees are then invited to attend an Executive Committee meeting as an observer and then the person may be co-opted. A formal nomination may then be made. All new Trustees are given the opportunity to visit the key services that the Charity runs, and all Trustees can access the full internal training that is offered within the Association.

Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Mark.

Birmingham Mind subcontracts to 5 organisations; Longhurst Housing, R&J Support & Care Ltd, Living Well consortium, Better Pathway and Creative Support. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, and the relevant ICB/Mental Health Provider Collaborative.

Public Benefit Statement

Our main activities and who we try to help are described throughout the Chair's report and the Strategic Report. All our charitable activities focus on either supporting people with mental health issues; increasing people's wellbeing/emotional resilience or challenging the stigma and discrimination that surrounds mental ill health. All of these are undertaken to further our charitable purposes for the public benefit. The Trustees are of the opinion that throughout the year the Charity complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Financial Review and Related Policies

The accounts show our continuing strong financial position. We have seen an increase in turnover from £10,075k last year to £10,297k, with our deficit (excluding increased pension liabilities and the interest on those liabilities) decreasing from a net expense of £297k to a net expense of £12k, reflecting our prudent use of funds in the current financial climate.

Our Balance Sheet continues to be strong, which gives confidence to our funders and commissioners working with us in the future.

There were no related party transactions during the year.

Reserves Policy

The current reserves policy is for the Association to strive to increase its unrestricted (excluding designated) reserves fund to ensure that any delay in the receipt of income by the Association, caused by the actions

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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of third parties, does not affect the ability of the Association to meet its obligations to its beneficiaries. Trustees annually review balances and reserves and set aside resources for current plans and specific risks.

As part of this, where any donations have not been used in-year, equivalent resources are set aside to support future projects. In addition, a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short-term use.

Trustees seek to retain unallocated balances (free reserves) for wider risks and short-term cash flow matters. The long-term target set by trustees for this is £3m or approximately three months budgeted operating expenditure. The amount held in free reserves now totals £654k after the notional FRS 102 Pension provision of £1.2m has been deducted. The decrease in free funds is due, once again, to the significant pension liability at the year end. The balance in reserves now represents less than 1 month's total expenditure, which highlights the squeezing of funds in the current economic climate.

These accounts recognise future pension liabilities in accordance with FRS 102. Trustees have continued with their policy of setting aside a designated fund to contain the impact of liability revaluations to minimise the impact on resources set aside for other plans.

Investment Policy

During 2023/2024, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings on the advice of the Finance Director and Treasurer.

We acquired several buildings at the end of April 2022 that were previously leased in order to continue delivering our existing successful services. This included a care home and 4 Supported Housing properties. Many of these properties are in need of refurbishment and as a result, cash reserves continue to be held with easy access until projects have been finalised.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees Report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the Company for the year. In preparing those financial statements the Trustees are required to:

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the Company's assets and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, as far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 8 August 2024.



Rev Canon Frank Longbottom
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL
HEALTH FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of Birmingham Association for Mental Health (the 'charity') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires 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' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

Responsibilities of trustees (continued)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the College has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation. We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charity's control environment and how the Charity has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charity's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR
MENTAL HEALTH FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hodgetts FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

3rd Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date **25 September 2024**

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2024

		Unrestricted funds £	Restricted funds £	Total 2,024 £	Total 2023 £
	Note				
Income from:					
Donations and legacies	2	211,058	-	211,058	198,957
Charitable activities	4	9,866,054	186,930	10,052,984	9,863,775
Investments	3	33,365	-	33,365	12,376
Total income		10,110,477	186,930	10,297,407	10,075,108
Expenditure on:					
Raising funds	5	107,218	-	107,218	89,844
Charitable activities	5	9,951,837	186,930	10,138,767	10,241,002
Other	11	62,928	-	62,928	41,000
Total expenditure	5	10,121,983	186,930	10,308,913	10,371,846
Net income		(11,506)	-	(11,506)	(296,738)
Transfers between funds		9,988	(9,988)	-	-
Other recognised gains and losses					
Defined benefit pension scheme: Actuarial gain/(loss)	11	(228,392)	-	(228,392)	(172,000)
Net movement in funds		(229,910)	(9,988)	(239,898)	(468,738)
Reconciliation of funds					
Total funds brought forward		3,392,358	11,313	3,403,671	3,872,409
Total funds carried forward	13	3,162,448	1,325	3,163,773	3,403,671

The notes on pages 19 to 27 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible fixed assets	8		2,178,373		2,234,128
Current assets					
Debtors	9	1,407,939		460,566	
Cash at bank and in hand		<u>2,625,169</u>		<u>3,665,009</u>	
		4,033,108		4,125,575	
Creditors: amounts falling due within one year	10	<u>(1,847,708)</u>		<u>(1,770,032)</u>	
Net current assets			2,185,400		2,355,543
Net assets excluding pension liability			<u>4,363,773</u>		<u>4,589,671</u>
Defined benefit pension liability	11		(1,200,000)		(1,186,000)
Net assets			<u>3,163,773</u>		<u>3,403,671</u>
Charity Funds	13				
Unrestricted funds:					
General reserves before pension reserve			1,854,275		2,089,087
Pension reserve (FRS102)			<u>(1,200,000)</u>		<u>(1,186,000)</u>
General reserves after pension reserve			654,275		903,087
Designated reserves			<u>2,508,173</u>		<u>2,489,271</u>
Total unrestricted funds			<u>3,162,448</u>		<u>3,392,358</u>
Restricted funds			1,325		11,313
			<u>3,163,773</u>		<u>3,403,671</u>

These financial statements were approved by the Executive Committee and authorised for issue on 8 August 2024, and are signed on its behalf by:



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

The notes on pages 19 to 27 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash (outflow)/inflow from operating activities	a	(1,073,205)	1,118,379
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(1,077,687)
Interest received		33,365	12,376
Net cash inflow/(outflow) from investing activities		33,365	(1,065,310)
Net (decrease) / increase in cash and cash equivalents		(1,039,840)	53,068
Cash and cash equivalents at start of year		3,665,009	3,611,941
Cash and cash equivalents at end of year		2,625,169	3,665,009

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities		2024 £	2023 £
Net income for year (before other gains and losses)		(11,506)	(296,738)
Interest receivable		(33,365)	(12,376)
Depreciation		55,755	55,754
(Increase)/decrease in debtors		(947,373)	1,591,095
Increase/(decrease) in creditors		77,676	2,625
Interest expense re defined benefit pensions liability		62,928	41,000
Defined benefit pension deficit contribution payments		(277,320)	(262,981)
Net cash (outflow)/inflow from operating activities		(1,073,205)	1,118,379
b) Analysis of changes in net funds			
	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank	3,665,009	(1,039,840)	2,625,169
Total	3,665,009	(1,039,840)	2,625,169

The notes on pages 19 to 27 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these accounts are:

(a) Basis of accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Income recognition

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income from fees charged for services are recognised on completion of the services to be performed.

Grants received and receivable are accounted for in the year in which the Association becomes legally entitled to the monies and performance obligations have been satisfied. Grants receivable but not yet paid to the Association are included in debtors.

Grants for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities in the year they are receivable. Some of the capital grants received are technically repayable should buildings cease to be used for existing purposes.

Revenue grants are recognised as income in the Statement of Financial Activities in the year in which they become receivable.

Income where payments are linked to performance is recognised when conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Charitable donations, legacies and other income are accounted for on a receipts basis.

(c) Expenditure recognition

Expenditure on raising funds comprise those costs directly attributable to raising income.

Charitable activities represent the costs incurred in working for and promoting the preservation of mental health and the development of mental health care and meeting its objectives.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, in proportion to the budgeted direct expenditure for each activity cost category.

(d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. The company's policy is to capitalise all individual fixed assets with a cost greater than £1,000 unless where properly chargeable to annual grant funding.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight line method:

Furniture, computer equipment and office equipment	20% - 33%
Building improvements	0.1
Buildings	0.0

(e) Unrestricted funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

Designated funds are amounts which have been set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

(g) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted reserve.

(h) Pension costs

Some of the charitable company's current and former staff are members of the Social Housing Pensions Scheme (SHPS) which provides benefits based on final pensionable pay. That scheme is now closed to new membership or additional service.

The SHPS is a funded multi-employer defined benefit scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. Although we have not yet got back up to pre-pandemic levels, we benefitted from 2,116 hours (2023: 1,981 hours) of volunteer time which if valued at adult minimum wage would equate to £22,049 (2023: £18,820).

(k) Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

(l) Critical estimates and areas of judgement

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the valuation as at 30 September 2020 has been used by the actuary in valuing the pension's liability at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

2 INCOME FROM DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	211,058	198,957
Legacies	-	-
	211,058	198,957

3 INCOME FROM INVESTMENTS

	2024	2023
	£	£
Bank interest	33,365	12,376

4 INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Birmingham City Council	2,982,934	2,450,949
Clinical Commissioning Groups / NHS Provider Collaboratives	3,788,832	2,864,382
Birmingham & Solihull Mental Health Foundation Trust	1,160,512	1,007,821
Supporting People	0	668,630
Clients	1,679,642	2,543,659
Other	441,064	328,334
	10,052,984	9,863,775

Analysis by service type	Unrestricted	Restricted	2024	2023
	£	£	£	£
Residential	1,514,003	-	1,514,003	2,010,988
Floating support & housing	3,930,183	-	3,930,183	3,856,726
Integrated services	2,037,704	29,854	2,067,558	1,630,366
Day and community services	2,380,564	157,076	2,537,640	2,365,695
Other	3,600	-	3,600	0
Total	9,866,054	186,930	10,052,984	9,863,775

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

5 ANALYSIS OF EXPENDITURE

	2024	2023
	£	£
Costs of raising funds		
Staff costs	68,983	60,630
Other fundraising costs	38,235	29,214
	107,218	89,844

Charitable activities	Residential	Floating Support & Housing	Integrated Services	Day & Community Services	Total 2024	Total 2023
	£	£	£	£	£	£
Direct costs:						
Staff costs	1,051,469	1,829,055	1,489,608	1,086,671	5,456,803	5,639,794
Depreciation	24,976	16,779	-	9,000	50,755	50,753
Other costs	407,488	1,531,243	223,919	1,136,410	3,299,060	3,168,898
	1,483,933	3,377,077	1,713,527	2,232,081	8,806,618	8,859,445
Support costs:						
Finance & IT	76,888	174,979	88,784	115,653	456,304	589,308
Personnel	36,095	82,143	41,679	54,292	214,209	135,727
Administration	96,025	218,531	110,882	144,438	569,876	575,604
Governance	10,530	23,965	12,160	15,839	62,494	53,736
Property	4,089	9,305	4,722	6,150	24,266	22,182
Depreciation	843	1,917	973	1,267	5,000	5,000
	224,470	510,840	259,200	337,639	1,332,149	1,381,557
Total	1,708,403	3,887,917	1,972,727	2,569,720	10,138,767	10,241,002

Analysis by service type	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Residential	1,708,403	-	1,708,403	2,279,690
Floating support & housing	3,887,917	-	3,887,917	4,043,673
Integrated Services	1,942,873	29,854	1,972,727	1,501,267
Day and community services	2,412,644	157,076	2,569,720	2,416,372
Total	9,951,837	186,930	10,138,767	10,241,002

Analysis of Governance Costs	2024	2023
	£	£
AGM costs	7,500	6,001
Staff costs	39,127	33,863
Professional fees	15,867	13,873
	62,494	53,737

6 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2024	2023
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	55,755	55,754
Auditor's remuneration - audit	15,867	13,873
Other operating lease rentals	347,058	334,292

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

7 STAFF COSTS

	2024	2023
	£	£
Salaries	5,510,376	5,298,916
Social security costs	495,225	497,174
Pension costs	213,677	207,214
	6,219,278	6,003,304

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

	2024	2023
	No.	No.
£60,001-£70,000	1	1
£70,001-£80,000	0	2
£80,001-£90,000	1	0
£90,001-£100,000	0	1

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

	2024	2023
	No.	No.
Direct charitable services	196	177
Support staff	35	28
	231	205

Remuneration of key management personnel

The total amount of employee benefits received by key management personnel was £257,646 (2023: £230,484). The charity considers its key management comprise Chief Executive Officer, Director of Operations and Director of Finance.

Trustees payments and expenses

No members of the executive committee received any emoluments, pension contributions or had benefits accruing.

No members of the executive committee were reimbursed any expenses (2023: £Nil).

Redundancy and termination payments

Redundancy and termination payments for the year totalled £34k (2023: £nil).

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Computer equipment	Office equipment	Total
	£	£	£	£
COST				
As at 1 April 2023	2,648,486	329,349	74,729	3,052,564
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2024	2,648,486	329,349	74,729	3,052,564
DEPRECIATION				
As at 1 April 2023	414,358	329,349	74,729	818,436
Charge for the period	55,755	-	-	55,755
Released on disposal	-	-	-	-
As at 31 March 2024	470,113	329,349	74,729	874,191
NET BOOK VALUE				
As at 31 March 2024	2,178,373	-	-	2,178,373
As at 1 April 2023	2,234,128	-	-	2,234,128

The net book value as at 31 March 2024 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2023: £Nil) that were contracted but not provided for in the financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

9 DEBTORS

	2024	2023
	£	£
Rents and grants outstanding	1,081,212	121,406
Prepayments and accrued income	325,060	338,371
Other debtors	1,667	789
	1,407,939	460,566

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Amounts due to suppliers	185,830	216,788
Taxation and social security	105,013	115,620
Accruals and deferred income	1,489,247	1,366,402
Other creditors	67,618	71,222
	1,847,708	1,770,032

There was £56,467 relating to pension contributions included within other creditors (2023: £56,701).

	2024	2023
	£	£
Deferred income included above comprised:		
Deferred income b/f	1,099,333	1,104,861
Received in the year	2,858,206	5,486,354
Released to income and expenditure	(2,823,725)	(5,491,882)
Deferred income c/f	1,133,814	1,099,333

The above deferred income represents contract funding received in advance of delivery of the performance conditions of the contract, and certain grant funding received which is repayable until such time as the conditions of the funding are satisfied.

11 PENSION AND SIMILAR OBLIGATIONS

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last full actuarial valuation of the scheme was carried out with an effective date of 30 September 2023, but the results of this have not yet been disclosed to us by TPT. The previous valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan was put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

11 PENSION AND SIMILAR OBLIGATIONS (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

	2024 £	2023 £
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(52,404)	(31,000)
Expenses	(10,524)	(10,000)
Unwinding of the discount factor (interest expense)	-	-
Pension finance income/(costs)	(62,928)	(41,000)
Amounts recognised in Other Recognised Gains/(Losses):		
Actuarial gains/(losses)	(228,392)	(172,000)
Remeasurements - impact of any change in assumptions	-	-
	(228,392)	(172,000)
The amounts recognised in the Balance Sheet are as follows:		
	£	£
Fair value of plan assets	5,178,726	5,274,000
Present value of defined benefit obligation	(6,378,726)	(6,460,000)
Deficit in plan	(1,200,000)	(1,186,000)
Defined benefit liability to be recognised	(1,200,000)	(1,186,000)
Movements in the present value of defined benefit obligations were as follows:		
	£	£
At 1 April	6,460,000	8,933,000
Service cost	-	-
Interest expense	309,000	246,000
Actuarial losses/(gains) due to scheme experience	(30,000)	1,000
Actuarial (gains)/losses due to changes in demographic assumptions	(77,000)	(16,000)
Actuarial (gains)/losses due to changes in financial assumptions	1,202	(2,472,000)
Benefits paid and expenses	(295,000)	(242,000)
Expenses	10,524	10,000
At 31 March	6,378,726	6,460,000

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

11 PENSION AND SIMILAR OBLIGATIONS (continued)

	2024	2023
	£	£
Movements in the fair value of charity's share of scheme assets:		
At 1 April	5,274,000	7,697,019
Interest income	256,596	215,000
Experience on plan assets	(334,190)	(2,659,000)
Contributions by employer	277,320	262,981
Benefits paid and expenses	(295,000)	(242,000)
At 31 March	5,178,726	5,274,000

Principal Actuarial Assumptions

	At 31.03.24	At 31.03.23
Discount rate for scheme liabilities	4.89%	4.88%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.77%	2.74%
Salary growth	3.77%	3.74%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31.03.24	At 31.03.23
<i>Retiring today</i>		
Males	20.5	21.0
Females	23.0	23.4
<i>Retiring in 20 years</i>		
Males	21.8	22.2
Females	24.4	24.9

12 COMMITMENTS UNDER OPERATING LEASES

The Association is party to agreements for the rental of land and buildings which have no formal period but which can be terminated by either party with six months notice. The minimum lease payments under these agreements at the year end are £104,305 (2023: £95,810). Other commitments which comprise both property and equipment leases total £199,031 (2023: £135,706), consisting of amounts due within one year £101,901 (2023: £98,578) and amounts due between 2 to 5 years £97,130 (2023: £37,128).

13 RESERVES

	Opening balance	Income	Expenditure	Gains/(losses)	Transfers	Closing balance
	£	£	£	£	£	£
Unrestricted funds						
General reserves (before pension)	2,089,087	10,110,477	(10,280,620)	-	(64,669)	1,854,275
Pension reserve	(1,186,000)	-	214,392	(228,392)	-	(1,200,000)
General reserve (after pension)	903,087	10,110,477	(10,066,228)	(228,392)	(64,669)	654,275
Designated reserves						
Property Major Repairs	-	-	-	-	52,000	52,000
Strategic development reserve	255,143	-	-	-	22,657	277,800
Fixed asset reserve	2,234,128	-	(55,755)	-	-	2,178,373
	2,489,271	-	(55,755)	-	74,657	2,508,173
Total unrestricted funds	3,392,358	10,110,477	(10,121,983)	(228,392)	9,988	3,162,448
Restricted funds						
Older Adults	1,325	-	-	-	-	1,325
Day Care, User & Community	9,988	186,930	(186,930)	-	(9,988)	0
Total restricted funds	11,313	186,930	(186,930)	-	(9,988)	1,325
Total funds	3,403,671	10,297,407	(10,308,913)	(228,392)	-	3,163,773

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted funds - Designated reserves

The designated reserves were created by the executive committee for the following purposes:

Property Major repairs reserve - this has been set aside for use to perform major repair work on properties.

Strategic Development Reserve - the use of income raised through donations or fundraising, together with surpluses from External training income is directed by trustees, to fund specific projects or pilots which are felt to be key to the organisation's strategic direction. The Vulnerable Adults Service has continued to be supported this year, alongside our Peer Mentor Support work.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2024

13 RESERVES (continued)

Fixed Assets Reserve - this sets aside amounts from general reserves to match the extent to which resources have been utilised in funding fixed assets for charitable purposes.

Restricted funds

The income funds of the charity include restricted funds comprising unexpended balances of grants received which are to be applied for specific purposes as stipulated by the donor organisation.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Provisions	Total
	£	£	£	£
Restricted funds	-	1,325		1,325
Unrestricted funds	2,178,373	2,184,075	(1,200,000)	3,162,448
Balance as at 31 March 2024	<u>2,178,373</u>	<u>2,185,400</u>	<u>(1,200,000)</u>	<u>3,163,773</u>

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2023: none).

16 POST BALANCE SHEET EVENTS

The Association is in the process of selling Ludford Road residential care home (NBV £229k). A buyer has been agreed and contract negotiations are under way. A completion date has not yet been agreed.

17 COMPANY LIMITED BY GUARANTEE

The Association is a private company limited by guarantee and not having a share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up whilst that person is a member or within one year of ceasing to be a member.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

England & Wales - Charity number 1003906

Accounts

Charity registration number: 1003906
Company registration number: 2024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2023

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2023**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2023**

Charity Reference and Administrative Details

Charity registration number 1003906

Company registration number 02024372

Trustees Rev Canon F Longbottom
Mr B Geary
Professor A Davis
Mr J Piggott
Mr M Shakespeare
Dr Ian McPherson
Ms S Willis
Mr N Howl
Mr A Wylde
Ms M Smojkis

Chief Executive Officer Helen Wadley

Director of Operations John Bristow

Director of Finance Ruth Galvin

Registered office 17 Graham Street
Hockley Birmingham
B1 3JR

Auditors Haines Watts Birmingham LLP 5 -6
Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Bankers NatWest
Unit 24 Grand Central
Ground Floor Stephenson Place
Birmingham
B2 4BF

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2023**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Rev Canon F Longbottom	(Chair of the Executive Committee)
Professor A Davis	(member of the Finance Committee, Chair of the Clinical Governance Committee)
Mr B Geary	(Company Secretary & Treasurer, member of the Finance Committee, member of the Clinical Governance Committee)
Mr J Piggott	(member of the Finance Committee)
Mr M Shakespeare	(member of the Clinical Governance Committee)
Dr Ian McPherson	(member of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr N Howl	(member of the Finance Committee)
Mr A Wylde	(member of the Estates Committee)
Ms M Smojkis	(member of Clinical Governance Committee)

Chair's Report

The financial year of 2022/2023 continued to be challenging due to Covid. the requirements around testing, vaccination and mask wearing in Care Homes continued right up until September 2022. As well, we needed to pick up areas of work that had been put to one side during the Pandemic and we had to ensure that our new services set up at the point of Covid were financially and operationally robust.

We also faced challenges with our finances, although much of our deficit this year was planned as we needed to invest money we had already received into new service provision. We have continued to grow and diversify and here we acknowledge and thank our wonderful staff, who have proved yet again their commitment to their work and their willingness to go the extra mile in their duties. Through our services we have supported 34,915 people in 2022/2023.

One large financial decision the trustees made was due to Cost-of-living pressures. We were very mindful that although we are a Real Living Wage employer (as defined by Living Wage Foundation) many of our staff were going to struggle with the increased costs of food and energy. In addition to the pay increase given to all staff in April 2022, the trustees made the decision to pay an April 2023 increase in October 2022 and as such nearly all full-time staff received a significant increase with the lowest paid staff receiving 15%. However challenging this meant our contracts were going to be, it was a necessary and ethical decision. It has helped us to retain staff and increased recruitment within many of our services.

We have also continued to invest in additional infrastructure roles that are needed in order that the Charity can meet its contractual and legal obligations, especially as our percentage of income from the NHS grows.

Regulated Services

We have been making conscious decisions to disinvest in our regulated care home activity, in line with our Strategy on providing suitable accommodation as well as the changing needs of those with long term mental health issues. Following in depth conversations with our NHS Commissioners it was decided that service provided through the Pershore Road Care Home would be more suited to being community based rather than building based. Those conversations have resulted in the closure of the Pershore Road facility and the launching of a new Intensive Community Rehabilitation Service, designed in partnership with the NHS, which launched in February 2023.

We also came to the sad conclusion towards the back end of 2022/2023 that we could not keep Sycamore Lodge Care

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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Home open. For many years the challenges of the building and the lack of suitability of it as a care home concerned us. We looked at remodelling the building, but the investment was too great and would have entailed the demolition of the building. As we were also struggling for new residents, we made the announcement in early 2023 that we would close and set an initial closure date of 31st May 2023 for all residents to be found alternative accommodation.

As changes are made across the Mental Health System, all services need to be reviewed and adapted to stay relevant and fit for purpose. Our remaining 3 care homes all need to be fully reviewed in 2023 and we need to decide whether this area of work is one that we should continue with. All three are rated Good by CQC (Care Quality Commission) and offer different types of support and accommodation for different groups. Rookery Gardens also comes under this area of our work (it is a partnership project with BSMHFT (Birmingham and Solihull Mental Health Foundation Trust) but registered as an inpatient facility with CQC). This continues to flourish but again we will consider whether it needs to be adapted/expanded to meet changing needs.

Support Services

Following a delay in Commissioning processes we were eventually able to move forward with the mobilisation of our new Vulnerable Adults Service (VAS) Contracts. These contracts were linked to the previous Supporting People Contract, but terminology has changed and there have been some changes in the delivery model. We have one Vulnerable Adult Service contract for Supported Housing, which we work in partnership with R&J Housing and Support Ltd to deliver 107 units of accommodation. In addition, we have one contract for Lead Workers where our staff support people in their own homes (range of tenancies) and we deliver this in partnership with both R&J Support and Housing Ltd and Longhurst Housing Association. Put together these elements represent our single largest contract of £2.5M and we are the lead provider with our partners.

Due to the pressures of the increases to Real Living Wage, we were very grateful that at the end of the financial year BCC (Birmingham City Council) secured a one-off amount of money, equating to 8.5% of our contracts, to aid us in meeting Real Living Wage obligations.

We have continued with our Training/Voluntary/ Employment service called PURE. This has struggled to deliver on the KPIs and funding comes to an end next year.

Community Services

Our Mental Health and Wellbeing (Recovery Hubs) continue to flourish and now deliver a mix of face-to-face activities and some virtual groups. Working in partnership with Creative Support (we are lead provider) we have been asked to increase our reach into Solihull. The services provide a range of drop-in social activities together with more active opportunities and we continue to increase our offer to younger people.

The Community Development Worker service continues to help as a conduit for discussions around health inequalities and access between the Mental Health System and local community groups. As Birmingham has some severe health inequalities and a number of communities where trust in public services is low, this work will continue to be extremely important. The service has also played an important role in the Community transformation within mental health services and is helping the neighbourhood teams to understand local communities better.

At the beginning of the financial year, we started a new service working in partnership with Better Pathways and Living Well Consortium, to oversee a team of Primary Care Navigators to work in Multi Agency meetings. As part of the Community Transformation programme, this service will help provide people with mental health needs some support closer to their home and within their community. It should blur the boundaries between primary mental health support and secondary mental health services (provided by the mental health trusts). In this first year this service is going extremely well.

Pathway Service Area

The Pathway Service Area brings together our services that we do in direct partnership with our NHS colleagues within their Urgent and Acute pathways. Our services are designed to help offer alternatives and divert people away from acute services such as A&E as well as supporting people to leave Acute hospital provision.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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Our largest service within Pathways is the 24/7 Mental Health Helpline. We run this in partnership with the two Mental Health Trusts and other VCFSE (Voluntary, Community, Faith and Social Enterprise) organisations. The service went from being a small Advice and Information Line with 1.5 front line staff to a service providing the "front door" to all mental health services and support in Birmingham with a staff team of over 16. This vitally important service has grown enormously, highlighting the need to have easily accessible contact points for people with mental health concerns. The Covid pandemic saw a huge increase in the numbers seeking help and reassurance, but numbers have continued to remain high. As such we are looking for the mental health system to fund this work in its entirety.

Our Crisis Café (or Talking Spaces) contract covers our 7 day a week service in Erdington as well as us working with Creative Support to deliver a Talking Space in Northfield for 4 nights a week. We are actively working with one of our partners, Living Well Consortium, to deliver a Talking Space facility in Selly Oak.

We also have several staff that are based within the wards in BSMHFT and FTB (Forward Thinking Birmingham), working with people who are clinically ready to leave the wards. They are very valued by both those receiving the support as well as clinicians and the wider system.

We have a small team of staff working with the Psychiatric Liaison Team, supporting those turning up to A&E with mental health issues but who need support with housing or other social needs, although this service has an uncertain future.

There are fundamental changes to how the NHS is funded and how they commission services starting in April 2023. We have been actively involved in these changes and helped lead the VCFSE sector to become a formal part of the governance of the new Mental Health Provider Collaborative. Although Birmingham and Solihull Mental Health Foundation Trust will be the lead Provider, we hope that we will be able to advocate for greater spend in VCFSE as we are able to move from crisis support to prevention in people's communities.

Changes in structure and how the funding flows are both a risk and an opportunity. We are proud of how we have developed new services and ways of working, but we do not underestimate the risk of the changes to the VCFSE and to our Charity. We have been showcased in the wider Health Economy of Birmingham and Solihull as an exemplar of new ways of working, but we have concerns that more money in the future may be channelled into NHS delivery. We are pleased that the actions taken during this year will help to ensure we will continue to be able to influence and support the system to see the benefits of working in partnership with each other. As trustees we have supported our CEO in having an influencing role in wider mental health provision and we know we have built up significant relationships and reputation with others. As a trusted provider charity our Senior Leadership Team (SLT) are recognised as individuals with great knowledge in the mental health field and their input is sought and valued at many levels. As a Board we are mindful of the balance our SMT have with strengthening the partnerships with the NHS, Commissioners and VCFSE organisations and their time on Birmingham Mind provision.

Fundraised income has continued to grow, and we have been delighted with some of our local partnerships with organisations and individuals. We now have a dedicated Fundraiser, and we hope that they will continue to grow this area of income generation. Having Charitable funds that are used at the discretion of trustees is crucial to meet health inequalities and address gaps in services. We have put Charitable fund money in a Peer Lead Programme this year (and 23/24) and it is vital in allowing new pilot services to get off the ground and become established.

Our External Training Department found its feet following a dip in income during covid. 1,305 people have been reached through our training, helping us to deliver on our educational purpose.

Volunteers are vitally important to us as a Charity, but as reported last year we lost most of our volunteers and this area has been slower to come back than hoped. Despite the slow growth of general volunteers, we have had significant success in recruiting volunteers for the Helpline and this has added depth and richness to our service offer. We have also benefited from corporate volunteering again this year.

We have a very strong Service User Involvement within the Charity, and we were particularly pleased that this was acknowledged with a Quality Award from the Mind network following our formal Mind Quality Mark review. We have a strong cohort of service users that have helped us shape our Service User Participation and Influence Strategy and it is pleasing to have this formally recognised. They continue to help other local Minds and other organisations learn from our successes

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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and challenges.

It was also pleasing that through this Mind Quality Mark Review our Financial Processes and Governance also won an Award and our Finance Director made a short film based on the areas of good practice that were highlighted.

We also retained our Investors in People Gold Award, held Staff Conferences/Consultation events for all staff and ran our first 18-month New Leaders Programme, which in part is to help us increase diversity in the management and leadership group. We know this is an area we need to improve on.

User representation and participation on all our Governance Committee structures remains vitally important. Our experienced Board of trustees continue to seek new trustees and we have been reaching out into communities and to people with some different skills.

To sum up Birmingham Mind had some challenges this year, but it has also had some significant achievements and in particular we know we have reached more people than ever before. With austerity the need for us as a service, and the need for us to be a good employer, has never been so acute.

We did predict a deficit and the amount of £296,736 before pension adjustments is in line with those expectations.

The balance sheet of Birmingham Mind is robust and shows cash resources that will be able to support our programmes and service users going forward.

Objectives and Activities

Vision

“Better Mental Health for All”

Birmingham Mind’s Core Values

- **Respect:** Respect for the individual
- **Partnerships:** By working together we are more effective and inclusive
- **Recovery:** enabling each individual’s unique and personal recovery journey wherever and whenever we can
- **Wellbeing:** Actively working to educate and encourage people to look after their mental, emotional and physical wellbeing.
- **Prevention:** building resilience and challenging stigma in and across communities

Strategic Report

Aims and Achievements

2022/2023 What we planned to achieve	2022/23 What we actually achieved
Consider how to influence the new Mental Health System	Helped shape the governance of the New Mental Health System and organise the VCFSE
Embed the new work with Primary Care Navigators and increase our partnership working And our working in communities	Achieved on both accounts
Hold Staff Conferences	4 staff conferences were held ensuring all staff get to Give their views to senior managers, trustees.

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Close Pershore Road home and invest the money in A new Community Offer	Closed May 2022 and the new Intensive Community Rehab Team soft launched in February 2023
Achieve Mind Quality Mark and Investors in People Award	Achieved with many areas of praise and commendation
Improve our IT systems	Significant improvements over the year, particularly in our new contracts. Our digital systems improved and stabilised.

Risk Management

The Senior Management Team will monitor all aspects of risk within the Association. All risks are recorded within the Risk Register and regularly reviewed. The Risk Register is formally reported to the Finance and General Purposes Committee and the Executive Committee on a yearly basis with ongoing review of the risks assessed as high.

Covid and associated risks are not over and will need continued oversight. Our senior covid leadership team continues to meet regularly, scaling up meetings when needed.

At every meeting trustees review the risks pertinent to the reports/subjects being discussed.

Plans for Future Periods

Birmingham Mind sets its Business Plan in March and as such the Business Plan for 2023/2024 has been set.

- We want to move forward with our investment in buildings and agree on the site in Erdington where Sycamore Lodge was sited.
- We need to clarify our intentions regarding care home provision and make buildings fit for the purpose
- Reduce our costs centrally and reduce the spending on our offices as our contracts become tighter.
- We want to continue to fight against the health inequalities that exist in Birmingham, but also between those with/without mental health needs.
- Consider how we better recruit and retain the best people. Recruitment and retention are one of our highest risks, as it is for other organisations – particularly social care and health who are not able to afford high salaries.
- Look to how we can work in greener ways that are more sustainable.
- Move more decisions to Operations and Service Manager level. As we have increased in size there is a need to de-centralise decisions and further empower managers.

Structure, Governance and Management

Birmingham Association for Mental Health (hereinafter called Birmingham Mind, the Association or the Charity) is a Charity and Company Limited by Guarantee governed by a new set of Articles of Association. The objectives for which the Charity is established are to promote preservation of mental health and to assist in the relief and rehabilitation of people with mental health problems.

The governing body of the Charity is the Board of Trustees or Executive Committee who meet approx. 9 times a year including an Away Day with the Senior Management Team of the Charity, to review the overall strategic aims and objectives of the Association. The Executive Committee has established a formal sub-committee called the Finance Committee with a specific remit to oversee the finances and risk management procedures of the Charity.

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. Our Estates Committee has picked up some of the governance around Health and Safety as well as affording us the time to consider our buildings portfolio.

Service user representatives are actively recruited to sit on all Committees and currently we have 2 service user placements on each Trustee Led Committee.

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Last year, in order to modernise and ensure best practice, We carried out an in-depth review and updated all of the Terms of Reference for the Sub-committee Meetings as well as a full review of the Memorandum and Articles of Association

All Trustees are recruited on a 3-year rotation programme with no overall limit on the length of service. During the last year we have undertaken a full skills Audit to enable us to focus on where we need extra knowledge. IT/Digital and building development are areas we would like to strengthen at Board level.

All potential Trustees meet formally with the Chair and the Chief Executive to discuss the role of a Trustee and the skills and experience that they would bring to the Board. Potential Trustees are then invited to attend an Executive Committee meeting as an observer and then the person may be co-opted. A formal nomination may then be made at the following Annual General Meeting. All new Trustees are given the opportunity to visit the key services that the Charity runs, and all Trustees can access the full internal training that is offered within the Association.

Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Mark.

Birmingham Mind subcontracts to 5 organisations; Longhurst Housing, R&J Support & Care Ltd, Living Well consortium, Better Pathway and Creative Support. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, the relevant Clinical Commissioning Groups

Public Benefit Statement

Our main activities and who we try to help are described throughout the Chair's report and the Strategic Report. All our charitable activities focus on either supporting people with mental health issues; increasing people's wellbeing/emotional resilience or challenging the stigma and discrimination that surrounds mental ill health. All of these are undertaken to further our charitable purposes for the public benefit. The Trustees are of the opinion that throughout the year the Charity complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Financial Review and Related Policies

The accounts show our continuing strong financial position. We have seen an increase in turnover from £9,614k last year to £10,075k, although our net income (excluding increased pension liabilities and the interest on those liabilities) decreased from £156k to a net expense of £297k, reflecting the continuing cutbacks in funding, especially from local authorities, particularly in residential care.

Our Balance Sheet continues to be strong, which gives confidence to our funders and commissioners working with us in the future.

Reserves Policy

The current reserves policy is for the Association to strive to increase its unrestricted (excluding designated) reserves fund to ensure that any delay in the receipt of income by the Association, caused by the actions of third parties, does not affect the ability of the Association to meet its obligations to its beneficiaries. Trustees annually review balances and reserves and set aside resources for current plans and specific risks.

As part of this, where any donations have not been fully used in the year of receipt, equivalent resources are set aside to support future projects. In addition, a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short-term use.

Trustees seek to retain unallocated balances (free reserves) for wider risks and short-term cash flow matters. The long-term target set by trustees for this is £3m or approximately three months budgeted operating expenditure. The amount held in free reserves now totals £903k after the notional FRS 102 Pension provision of £1.2m has been deducted. This represents approximately 1 months total expenditure.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2023**

These accounts recognise future pension liabilities in accordance with FRS 102. Trustees have continued with their policy of setting aside a designated fund to contain the impact of liability revaluations without impacting resources set aside for other plans.

Investment Policy

During 2022/2023, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings on the advice of the Finance Director and Treasurer.

We acquired several buildings at the end of April 2022 that were previously leased in order to continue delivering our existing services. This included a care home and 4 Supported Housing properties. Many of these properties are in need of refurbishment and as a result, cash reserves continue to be held with easy access until projects have been finalised.

Trustees' responsibilities

The executive committee is responsible for preparing the executive committee's 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 executive committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the executive committee are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The executive committee is responsible for keeping 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 Companies Act 2006. 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.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2023**

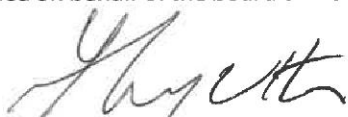
Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 10 August 2023



Rev Canon Frank Longbottom
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

Opinion

We have audited the financial statements of Birmingham Association for Mental Health for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

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 Report of the Trustees (incorporating the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH**

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Kevin Hodgetts FCA (Senior Statutory Auditor)
For and on behalf of Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

18 August 2023

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2023

		Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
	Note				
Income from:					
Donations and legacies	2	198,957	-	198,957	156,255
Charitable activities	4	9,776,574	87,201	9,863,775	9,451,334
Investments	3	12,376	-	12,376	6,816
Total income		9,987,907	87,201	10,075,108	9,614,405
Expenditure on:					
Raising funds	5	89,844	-	89,844	48,075
Charitable activities	5	10,153,801	87,201	10,241,002	9,365,130
Other	11	41,000	-	41,000	45,000
Total expenditure	5	10,284,645	87,201	10,371,846	9,458,205
Net (expenditure)/ income		(296,738)	-	(296,738)	156,200
Transfers between funds		-	-	-	-
Other recognised gains and losses					
Defined benefit pension scheme:					
Actuarial (loss)/ gain	11	(172,000)	-	(172,000)	244,000
Net movement in funds		(468,738)	-	(468,738)	400,200
Reconciliation of funds					
Total funds brought forward		3,861,096	11,313	3,872,409	3,472,209
Total funds carried forward	13	3,392,358	11,313	3,403,671	3,872,409

The notes on pages 18 to 26 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	8		2,234,128		1,212,195
Current assets					
Debtors	9	460,566		2,051,661	
Cash at bank and in hand		3,665,009		3,611,941	
		<u>4,125,575</u>		<u>5,663,602</u>	
Creditors: amounts falling due within one	10	<u>(1,770,032)</u>		<u>(1,767,407)</u>	
Net current assets			2,355,543		3,896,195
Net assets excluding pension liability			<u>4,589,671</u>		<u>5,108,390</u>
Defined benefit pension liability	11	(1,186,000)		(1,235,981)	
Net assets			<u>3,403,671</u>		<u>3,872,409</u>
Charity Funds	13				
Unrestricted funds:					
General reserves before pension reserve		2,089,087		2,631,614	
Pension reserve (FRS102)		(1,186,000)		(1,235,981)	
General reserves after pension reserve		<u>903,087</u>		<u>1,395,633</u>	
Designated reserves		2,489,271		2,465,464	
Total unrestricted funds		<u>3,392,358</u>		<u>3,861,096</u>	
Restricted funds			11,313		11,313
			<u>3,403,671</u>		<u>3,872,409</u>

These financial statements were approved by the Executive Committee and authorised for issue on 10 August 2023, and are signed on its behalf by:



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT
For the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash inflow/(outflow) from operating activities	a	1,118,379	(433,087)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(1,077,687)	-
Interest received		12,376	6,816
Net cash (outflow)/inflow from investing activities		(1,065,310)	6,816
Net decrease in cash and cash equivalents		53,068	(426,271)
Cash and cash equivalents at start of year		3,611,941	4,038,212
Cash and cash equivalents at end of year		3,665,009	3,611,941

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities		2,023	2,022
		£	£
Net (expenditure)/ income for year (before other gains and losses)		(296,738)	156,200
Interest receivable		(12,376)	(6,816)
Depreciation		55,754	31,416
Decrease/ (increase) in debtors		1,591,095	(553,972)
Increase/ (decrease) in creditors		2,625	161,129
Interest expense re defined benefit pensions liability		41,000	45,000
Defined benefit pension deficit contribution payments		(262,981)	(266,044)
Net cash inflow/ (outflow) from operating activities		1,118,379	(433,087)

b) Analysis of changes in net funds

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank	3,611,941.10	53,068	3,665,009
Total	3,611,941	53,068	3,665,009

The notes on pages 18 to 26 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these accounts are:

(a) Basis of accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Income recognition

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income from fees charged for services are recognised on completion of the services to be performed.

Grants received and receivable are accounted for in the year in which the Association becomes legally entitled to the monies. Grants receivable but not yet paid to the Association are included in debtors.

Grants for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities in the year they are receivable. Some of the capital grants received are technically repayable should buildings cease to be used for existing purposes.

Revenue grants are recognised as income in the Statement of Financial Activities in the year in which they become receivable.

Income where payments are linked to performance is recognised when conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Charitable donations, legacies and other income are accounted for on a receipts basis.

(c) Expenditure recognition

Expenditure on raising funds comprise those costs directly attributable to raising income.

Charitable activities represent the costs incurred in working for and promoting the preservation of mental health and the development of mental health care and meeting its objectives.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, in proportion to the budgeted direct expenditure for each activity cost category.

(d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. The company's policy is to capitalise all individual fixed assets with a cost greater than £1,000 unless where properly chargeable to annual grant funding.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight line method:

Furniture, computer equipment and office equipment	20% - 33%
Building improvements	10%
Buildings	2%

(e) Unrestricted funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

Designated funds are amounts which have been set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

(g) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted reserve.

(h) Pension costs

Some of the charitable company's current and former staff are members of the Social Housing Pensions Scheme (SHPS) which provides benefits based on final pensionable pay. That scheme is now closed to new membership or additional service.

The SHPS is a funded multi-employer defined benefit scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. Although we have not yet got back up to pre-pandemic levels, we benefitted from 1,981 hours (2022: 606 hours) of volunteer time which if valued at adult minimum wage would equate to £18,820 (2022: £5,399).

(k) Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

(l) Critical estimates and areas of judgement

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the valuation as at 30 September 2020 has been used by the actuary in valuing the pension's liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

2 INCOME FROM DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	198,957	131,735
Legacies	-	24,520
	198,957	156,255

3 INCOME FROM INVESTMENTS

	2023	2022
	£	£
Bank interest	12,376	6,817

4 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Birmingham City Council	2,450,949	475,879
Clinical Commissioning Groups	2,864,382	2,417,400
Birmingham & Solihull Mental Health Foundation Trust	1,007,821	599,270
Supporting People	668,630	2,477,124
Clients	2,543,659	2,798,091
Other	328,334	683,569
	9,863,775	9,451,334

Analysis by service type	Unrestricted	Restricted	2023	2022
	£	£	£	£
Residential	2,010,988	-	2,010,988	2,321,615
Floating support & housing	3,856,726	-	3,856,726	3,720,084
Integrated services	1,630,366	-	1,630,366	1,377,650
Day and community services	2,278,494	87,201	2,365,695	2,031,985
Total	9,776,574	87,201	9,863,775	9,451,334

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

5 ANALYSIS OF EXPENDITURE

	2023	2022
	£	£
Costs of raising funds		
Staff costs	60,630	28,355
Other fundraising costs	29,214	19,720
	<u>89,844</u>	<u>48,075</u>

Charitable activities	Residential £	Floating Support & Housing £	Integrated Services £	Day & Community Services £	Total 2023 £	Total 2022 £
Direct costs:						
Staff costs	1,533,010	1,949,258	1,149,162	1,008,364	5,639,794	5,407,367
Depreciation	24,975	16,778	-	9,000	50,753	29,200
Other costs	414,165	1,532,128	149,577	1,073,028	3,168,898	2,713,185
	<u>1,972,150</u>	<u>3,498,164</u>	<u>1,298,739</u>	<u>2,090,392</u>	<u>8,859,445</u>	<u>8,149,752</u>
Support costs:						
Finance & IT	131,182	232,689	86,389	139,048	589,308	552,738
Personnel	30,213	53,592	19,897	32,025	135,727	154,839
Administration	128,132	227,278	84,380	135,814	575,604	419,358
Governance	11,962	21,218	7,877	12,679	53,736	61,876
Property	4,938	8,758	3,252	5,234	22,182	24,350
Depreciation	1,113	1,974	733	1,180	5,000	2,217
	<u>307,540</u>	<u>545,509</u>	<u>202,528</u>	<u>325,980</u>	<u>1,381,557</u>	<u>1,215,378</u>
Total	<u>2,279,690</u>	<u>4,043,673</u>	<u>1,501,267</u>	<u>2,416,372</u>	<u>10,241,002</u>	<u>9,365,130</u>

Analysis by service type	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Residential	2,279,690	-	2,279,690	2,226,613
Floating support & housing	4,043,673	-	4,043,673	3,730,233
Integrated Services	1,501,267	-	1,501,267	1,386,109
Day and community services	2,329,171	87,201	2,416,372	2,022,175
Total	<u>10,153,801</u>	<u>87,201</u>	<u>10,241,002</u>	<u>9,365,130</u>

Analysis of Governance Costs	2023 £	2022 £
AGM costs	6,001	13,418
Staff costs	33,863	29,835
Professional fees	13,873	18,624
	<u>53,737</u>	<u>61,877</u>

6 NET (EXPENDITURE)/ INCOME FOR THE YEAR

Net (expenditure)/ income is stated after charging:	2023 £	2022 £
Depreciation of tangible fixed assets	55,754	31,416
Auditor's remuneration - audit	13,873	12,360
Other operating lease rentals	334,292	335,585

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

7 STAFF COSTS

	2023	2022
	£	£
Salaries	5,298,916	5,190,325
Social security costs	497,174	440,282
Pension costs	207,214	194,148
	<u>6,003,304</u>	<u>5,824,755</u>

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

	2023	2022
	No.	No.
£60,001-£70,000	1	2
£70,001-£80,000	2	-
£80,001-£90,000	-	1
£90,001-£100,000	1	-

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

	2023	2022
	No.	No.
Direct charitable services	177	192
Support staff	28	34
	<u>205</u>	<u>226</u>

Remuneration of key management personnel

The total amount of employee benefits received by key management personnel was £230,484 (2022: £227,686). The charity considers its key management comprise Chief Executive Officer, Director of Operations and Director of Finance.

Trustees payments and expenses

No members of the executive committee received any emoluments, pension contributions or had benefits accruing.

No members of the executive committee were reimbursed any expenses (2022: £Nil).

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Computer equipment	Office equipment	Total
	£	£	£	£
COST				
As at 1 April 2022	1,570,799	329,349	74,729	1,974,877
Additions	1,077,687	-	-	1,077,687
Disposals	-	-	-	-
As at 31 March 2023	<u>2,648,486</u>	<u>329,349</u>	<u>74,729</u>	<u>3,052,564</u>
DEPRECIATION				
As at 1 April 2022	358,604	329,349	74,729	762,682
Charge for the period	55,754	-	-	55,754
Released on disposal	-	-	-	-
As at 31 March 2023	<u>414,358</u>	<u>329,349</u>	<u>74,729</u>	<u>818,436</u>
NET BOOK VALUE				
As at 31 March 2023	<u>2,234,128</u>	-	-	<u>2,234,128</u>
As at 1 April 2022	<u>1,212,195</u>	-	-	<u>1,212,195</u>

The net book value as at 31 March 2023 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2022: £Nil) that were contracted but not provided for in the financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

9 DEBTORS

	2023	2022
	£	£
Rents and grants outstanding	121,406	679,526
Prepayments and accrued income	338,371	294,448
Other debtors	789	1,077,687
	460,566	2,051,661

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts due to suppliers	216,788	186,217
Taxation and social security	115,620	113,708
Accruals and deferred income	1,366,402	1,396,851
Other creditors	71,222	70,631
	1,770,032	1,767,407

There was £56,701 relating to pension contributions included within other creditors (2022: £54,007).

	2023	2022
	£	£
Deferred income included above comprised:		
Deferred income b/f	1,104,861	1,044,371
Received in the year	5,486,354	4,712,320
Released to income and expenditure	(5,491,882)	(4,651,831)
Deferred income c/f	1,099,333	1,104,861

The above deferred income represents contract funding received in advance of delivery of the performance conditions of the contract, and certain grant funding received which is repayable until such time as the conditions of the funding are satisfied.

11 PENSION AND SIMILAR OBLIGATIONS

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023

11 PENSION AND SIMILAR OBLIGATIONS (continued)

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

	2023	2022
	£	£
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(31,000)	(34,000)
Expenses	(10,000)	(11,000)
Pension finance (costs)	(41,000)	(45,000)
Amounts recognised in Other Recognised (Losses)/ Gains:		
	£	£
Actuarial (losses)/ gains	(172,000)	244,000
	(172,000)	244,000
The amounts recognised in the Balance Sheet are as follows:		
	£	£
Fair value of plan assets	5,274,000	7,697,019
Present value of defined benefit obligation	(6,460,000)	(8,933,000)
Deficit in plan	(1,186,000)	(1,235,981)
Defined benefit liability to be recognised	(1,186,000)	(1,235,981)
Movements in the present value of defined benefit obligations were as follows:		
	£	£
At 1 April	8,933,000	9,338,000
Service cost	-	-
Interest expense	246,000	198,000
Actuarial (gains) due to scheme experience	1,000	449,000
Actuarial (gains)/losses due to changes in demographic assumptions	(16,000)	(148,000)
Actuarial (gains)/losses due to changes in financial assumptions	(2,472,000)	(648,000)
Benefits paid and expenses	(242,000)	(267,000)
Expenses	10,000	11,000
At 31 March	6,460,000	8,933,000
Movements in the fair value of charity's share of scheme assets:		
	2023	2022
	£	£
At 1 April	7,697,019	7,636,975
Interest income	215,000	164,000
Experience on plan assets	(2,659,000)	(103,000)
Contributions by employer	262,981	266,044
Benefits paid and expenses	(242,000)	(267,000)
At 31 March	5,274,000	7,697,019

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

11 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions	At 31.03.23	At 31.03.22
Discount rate for scheme liabilities	4.88%	2.79%
Inflation (RPI)	3.20%	3.62%
Inflation (CPI)	2.74%	3.21%
Salary growth	3.74%	4.21%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31.03.23	At 31.03.22
<i>Retiring today</i>		
Males	21.0	21.1
Females	23.4	23.7
<i>Retiring in 20 years</i>		
Males	22.2	22.4
Females	24.9	25.2

12 COMMITMENTS UNDER OPERATING LEASES

The Association is party to agreements for the rental of land and buildings which have no formal period but which can be terminated by either party with six months notice. The minimum lease payments under these agreements at the year end are £95,810 (2022: £184,350). Other commitments which comprise both property and equipment leases total £135,706.

13 RESERVES

	Opening balance	Income	Expenditure	Transfers	Closing balance
	£	£	£	£	£
Unrestricted funds					
General reserves (before pension)	2,631,614	9,736,552	(10,214,346)	(64,733)	2,089,087
Pension reserve	(1,235,981)	-	-	49,981	(1,186,000)
General reserve (after pension)	1,395,633	9,736,552	(10,214,346)	(14,752)	903,087
Designated reserves					
Assets and projects reserve	594,893	-	-	(594,893)	-
Project Redundancy Reserve	-	-	-	-	-
Pensions Reserve	-	-	-	-	-
Strategic development reserve	658,375	251,355	(242,299)	(412,288)	255,143
Fixed asset reserve	1,212,195	-	-	1,021,933	2,234,128
	2,465,463	251,355	(242,299)	14,752	2,489,271
Total unrestricted funds	3,861,096	9,987,907	(10,456,645)	-	3,392,358
Restricted funds					
Older Adults	1,325	-	-	-	1,325
Day Care, User & Community	9,988	87,201	(87,201)	-	9,988
Total restricted funds	11,313	87,201	(87,201)	-	11,313
Total funds	3,872,409	10,075,108	(10,543,846)	-	3,403,671

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted funds - Designated reserves

The designated reserves were created by the executive committee for the following purposes:

Assets and Projects Reserve - this resource from previous unrestricted surpluses was set aside for major projects and future asset purchases. It has been fully utilised with the property purchases this year.

Strategic Development Reserve - the use of income raised through donations or fundraising, together with surpluses from External training income is directed by trustees, to fund specific projects or pilots which are felt to be key to the organisation's strategic direction. The Advice and Information Line Service has continued to be funded from this reserve this year

Project Redundancy Reserve - this sets aside resources from the Community Development Workers contract towards the risks of material redundancy costs if the contract is not renewed.

Pensions Reserve - this reserve sets aside resources in line with potential long term additional contributions relating to the closed membership of the Social Housing Pension Scheme (defined benefit scheme - see note 11) above that associated with the discounted assessment required under FRS 102.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2023**

13 RESERVES (continued)

Fixed Assets Reserve - this sets aside amounts from general reserves to match the extent to which resources have been utilised in funding fixed assets for charitable purposes.

Restricted funds

The income funds of the charity include restricted funds comprising unexpended balances of grants received which are to be applied for specific purposes as stipulated by the donor organisation.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Provisions	Total
	£	£	£	£
Restricted funds	-	11,313	-	11,313
Unrestricted funds	2,234,128	2,344,230	(1,186,000)	3,392,358
Balance as at 31 March 2023	2,234,128	2,355,543	(1,186,000)	3,403,671

15 RELATED PARTY TRANSACTIONS

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

16 POST BALANCE SHEET EVENTS

The Association is in the process of closing one of its residential Care Homes. Sycamore Lodge is due to close 30 June 2023. The property is owned by the Association and discussions are ongoing about the future use of the site.

17 COMPANY LIMITED BY GUARANTEE

The Association is a private company limited by guarantee and not having a share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up whilst that person is a member or within one year of ceasing to be a member.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

England & Wales - Charity number 1003906

Accounts

Charity registration number: 1003906
Company registration number: 2024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2022

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Charity Reference and Administrative Details

Charity registration number	1003906
Company registration number	02024372
Trustees	Rev Canon F Longbottom Mr B Geary Professor A Davis Mr J Piggott Mr M Shakespeare Dr Ian McPherson Ms S Willis Mr N Howl Mr A Wylde Ms M Smojikis
Chief Executive Officer Director of Operations Director of Finance	Helen Wadley John Bristow Ruth Galvin
Registered office	17 Graham Street Hockley Birmingham B1 3JR
Auditors	Haines Watts Birmingham LLP 5 -6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	NatWest 1 St Philips Place Birmingham B3 2PP

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Rev Canon F Longbottom	(Chair of the Executive Committee)
Professor A Davis	(member of the Finance Committee, Chair of the Clinical Governance Committee)
Mr B Geary	(Company Secretary & Treasurer, member of the Finance Committee, member of the Clinical Governance Committee)
Mr J Piggott	(member of the Finance Committee)
Mr M Shakespeare	(member of the Clinical Governance Committee)
Dr Ian McPherson	(member of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr K Raffo	(member of the Finance Committee) (Resigned October 2021)
Mr N Howl	(member of the Finance Committee)
Mr A Wylde	(member of the Estates Committee)
Ms M Smojikis	(member of Clinical Governance Committee) (Appointed October 2021)

Chair's Report

The financial year of 2021/2022 has of course been continued to be dominated by Covid. The worldwide pandemic has had both financial and operational impact on the work we do, how we do that work and the need which we have been trying to meet. Due to prudent financial management and the support of our commissioners we have been less worried about the finances and able to focus on the operational challenges to keep our staff and service users safe, whilst maintaining service delivery. In fact, we have continued to grow and diversify in our service delivery. Our biggest thanks of course is to our staff, who have proved yet again their commitment to their work and their willingness to go above and beyond, even in the face of the continuing and unpredictable pandemic.

As we have continued to grow and diversify our services, we have struggled at times to keep up with the infrastructure needs of supporting a larger and more diverse workforce and service delivery. Despite trustees' agreement to changes in senior management and extra roles, we have struggled to recruit and as such we have spent much of the year without the positive impact of extra resources invested in last year.

Recruitment has been a challenge across the board. We have struggled to recruit even in our higher paid front line staff roles as well as infrastructure roles. This has put a pressure on our service delivery and without existing staff doing more shifts, we would have had some significant issues. Covid has also continued to cause service delivery and staff issues and despite us getting through 2020/2021 without any covid outbreaks in our care homes, Omicron saw most of our care homes being put under lockdown.

However, despite these challenges Birmingham Mind has reached more people than ever before and has continued to deliver all of its services in line with the plans made. Our staff have helped cover vacancies and have continued to offer the highest possible care and support to the people that need it. There is much to be proud of during this year.

Regulated Services

This covers our 5 care homes and our partnership project with BSMHFT – Rookery Gardens. One of the biggest changes in our Regulated services this year has been the decision to close Pershore Road.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Regulated Services - continued

We had been having conversations with our NHS Commissioners for over a year about whether this service would be more suited to being community based rather than building based. As such the end of this year saw us work with the staff to close the home, moving residents on to appropriate accommodation and we will be working with our partners in 2022/2023 to design and deliver a new Community Intensive Rehabilitation Service.

A number of our care homes and residential buildings were leased from Midland Heart who had advised they were divesting their property portfolio. As we were not able to find suitable alternative facilities, the trustees agreed to procure several buildings in order to continue to offer the support and services being enjoyed by our existing users. At the very end of the financial year, we transferred the money to our solicitors to buy Ludford Road care home and some of our Supported Accommodation units and we hope that 2022/2023 will see an extension on Ludford Road as well as investment in our other newly purchased buildings.

All of our Care Homes continue to be rated as Good under CQC regulations.

Support Services

The delayed tender for our Supporting People Contract occurred this year. Unfortunately it needed to be completely re-run due to an error by Birmingham City Council and this delayed the outcome of the tender until the end of May 2022. We know at the time of writing this report that we were successful in our bid, indeed we scored the highest in the Mental Health Vulnerable Adults Tender.

Our staff have continued to offer a mix of face to face, virtual and tele-support over the year, always keeping the risk of transmission of covid low, but ensuring people got the mental health support that they need.

As part of the viability of the Supporting People contract, we also deliver a Training/Voluntary/ Employment service called PURE. This has struggled to deliver on the KPIs and it is no doubt impacted by the pandemic, a saturated employment support market and low unemployment numbers.

Community Services

This financial year has been the first year of our new Mental Health and Wellbeing Service (Recovery Hubs). We are now the lead provider and working in partnership with Creative Support to provide a range of in-person and virtual psycho-social sessions and activities. With Covid the in-person events have had to be more limited than we would have wanted but by the end of the financial year we opened up more fully and most people prefer attending in person events.

The Community Development Worker service has continued to help be a conduit for discussions around health inequalities and access between the Mental Health System and the local community groups. As Birmingham has some severe health inequalities and a number of communities where trust of public services is low, this work will continue to be extremely important.

We saw the closure of our small Carers Service and Wellbeing Service during the financial year but we are confident that other providers in Birmingham are able to provide what is needed in these two areas and we continue to support carers through our Mental Health and Wellbeing Hub service.

We also saw the ending of our Every Step of the Way service during the year. This was a lottery funded project supporting Experts by Experience to help with system change work. Over the 5 years we held the contract for we are proud of the work supporting Experts to have a greater voice. This was part of a much wider lottery funded project and we continue to be involved in the legacy of this work.

At the tail end of the fiscal year, we were successful in winning a new service to manage a team of Primary Care Navigators to work in Multi Agency meetings. This will be delivered in partnership with Better Pathways and Living Well Consortium (LWC) and will hopefully help to be able to provide people with mental health needs with support closer to their home and within their community.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Pathway Service Area

This is a new Service Area, and it brings together the main work that we do in direct partnership with our NHS colleagues. As this is a significant part of our operations, we agreed that it would be beneficial for this to not only have its own dedicated Operations Manager, but also its own grouping within the accounts.

Our largest service within Pathways is the 24/7 Mental Health Helpline. We run this in partnership with the two Mental Health Trusts and other VSCE organisations. The service went from being a small office hour Advice and Information Line with 1.5 front line staff to a service providing the "front door" to all mental health services and support in Birmingham with a staff team of over 16 people. This has secured its own Contract at the beginning of this fiscal year and we know that we will continue to develop this service, which has been invaluable in providing an initial contact for people to discuss issues and be referred to support services during lockdown and post Covid.

During this fiscal year we have been able to re-open our Crisis Café - Talking Spaces – and we now commission Creative Support to deliver one Talking Space in Northfield and we deliver one in Erdington.

We also have several staff that are based within the wards in BSMHFT and FTB, working with people who are clinically ready to leave the wards and we are hopeful that these will attract longer term funding. They are very valued by both those receiving the support as well as clinicians and the wider system.

We have also had a small team of staff working with the Psychiatric Liaison Team, supporting those turning up to A&E with mental health issues but who need support with housing or other social needs.

There are fundamental changes to how the NHS is funded and how they commission services. We have been actively involved in this transformation work, both within the Mental health Systems as well as in the wider Health Economy. Many of our new services are concrete examples of how the VCSE can be involved in all aspects of mental health services – from crisis and urgent care, through to prevention.

Changes in structure and how the funding flows is both a risk and an opportunity. We are proud of how we have developed new services and ways of working, but we do not underestimate the risk of the changes to the VSCE and to our Charity. We have been showcased in the wider Health Economy of Birmingham and Solihull as an exemplar of new ways of working, but we still have concerns that more money in the future may be channelled into the NHS rather than VCSE organisations thereby restricting the support and help that these organisations offer alongside and complimentary to the NHS. As trustees we have always wanted our CEO to be influencing the wider mental health provision and we know we have built up significant relationships and reputation with others. We ensure as a Board that we are monitoring this.

Fundraised income has continued to hold steady, and we have been delighted with some of our local partnerships with organisations and individuals. We now have a dedicated Fundraiser, and we hope that they will continue to grow this area of income generation. Having Charitable funds that are used at the discretion of trustees is crucial to meet health inequalities and address gaps in services. We have put Charitable fund money into the Helpline again this last year and have recently agreed to invest in a new Peer Lead Programme and in a Hardship fund for service users and staff.

Volunteers are vitally important to us as a Charity, but Covid has meant we lost most of our volunteers. We now have plans to grow this area again and have some fresh staff to concentrate on this piece of work, but we are not able to report the number of hours we have previously.

We have a very strong Service User Involvement within the Charity and although Covid has meant for some of the services the formal involvement and engagement activities have not been possible, we have still had a strong cohort of service users that have met virtually and helped us shape our response to covid and our service delivery/communications.

Our experienced Board of trustees has welcomed a new trustee this year and we continue to have User participation on all our Governance Committee structures.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

We did predict a small deficit (due to funding some services from Charitable funds) but due to cost savings, a small operating surplus of £156,200 before pension adjustments was able to be reported.

The balance sheet of Birmingham Mind is robust and shows cash resources that will be able to support our service users going forwards.

Objectives and Activities

Vision

“Better Mental Health for All”

Birmingham Mind’s Core Values

- **Respect:** Respect for the individual
- **Partnerships:** By working together we are more effective and inclusive
- **Recovery:** enabling each individual’s unique and personal recovery journey wherever and whenever we can
- **Wellbeing:** Actively working to educate and encourage people to look after their mental, emotional and physical wellbeing.
- **Prevention:** building resilience and challenging stigma in and across communities

Strategic Report

Aims and Achievements

Our Strategic and Business Plan sets out a series of objectives to be met during 2021 and 2022. Areas that were not met are those out of our control. Looking forward to 2022/2023 we have developed a new 3-year Strategic Plan and Business Plan and are using a different format, reflecting the changing nature of our Charity.

2021/2022 What we planned to achieve	2021/2022 What we actually achieved
Complete a new 3-year Strategic Plan document	We completed the Strategic Plan and associated Business Plan.
Deliver on our commitment to a New Leadership Programme internally to help widen our pool of new leaders	We started this programme slightly later than planned, but our first cohort will finish their year in September 2022.
Successfully re-tender for our largest contract – Support Services	We came first in the tender process for the new Vulnerable Adults Contract and secured the same level of support/income.
Procure existing care home and supported accommodation buildings	We are behind on this aim due to the delays in being able to purchase the buildings from our current landlord.
Look at securing longer term funding for our pilot services with NHS	We achieved more than we hoped in this area, we achieved longer term funding for all the pilots undertaken over the last 2 years with NHS.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Risk Management

The Senior Management Team will monitor all aspects of risk within the Association. All risks are recorded within the Risk Register and regularly reviewed. The Risk Register is formally reported to the Finance and General Purposes Committee and the Executive Committee on a yearly basis with ongoing review of the risks assessed as high.

Covid and associated risks are not over and will need continued oversight. Our senior covid leadership team continues to meet regularly, scaling up meetings when needed.

At every meeting trustees review the risks pertinent to the reports/subjects being discussed. Regular Covid updates go out to trustees.

Plans for Future Periods

Birmingham Mind sets its Business Plan in January and as such the Business Plan for 2020/2021 has been set. However this was set before Covid and so the planned developments below need to be viewed in the light of this massive change and challenge.

- Our Strategic Plan sets our course for the next 3 years. We now need to ensure that all the Associated Workplans are in place under this plan, with the Golden threads running through them.
- We want to move forward with our investment in buildings.
- We want to continue to fight against the awful health inequalities that exist in Birmingham, but also between those with/without mental health needs.
- Hold Staff Conferences and hear more from our staff about how to support them.
- Consider how we better recruit and retain the best people. Recruitment and retention is one of our highest risks, as it is for other organisations – particular social care and health who are not able to afford high salaries.
- Look to how we can work in greener ways that are more sustainable.
- Move more decisions to Operations and Service Manager level. As we have increased in size there is a need to de-centralise decisions and look at a new delegation scheme.
- Continue investment in IT and digital resources to enable our staff to be equipped to do the job we ask them to do.

Structure, Governance and Management

Birmingham Association for Mental Health (hereinafter called Birmingham Mind, the Association or the Charity) is a Charity and Company Limited by Guarantee governed by a new set of Articles of Association. The objectives for which the Charity is established are to promote preservation of mental health and to assist in the relief and rehabilitation of people with mental health problems.

The governing body of the Charity is the Board of Trustees or Executive Committee who meet approx. 9 times a year including an Away Day with the Senior Management Team of the Charity, to review the overall strategic aims and business objectives of the Association. The Executive Committee has established a formal sub-committee called the Finance Committee with a specific remit to oversee the finances and risk management procedures of the Charity.

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. With a new Committee – Estates Committee coming on stream it was agreed during this year that the Health and Safety Committee would become Officer led. The Estates Committee will pick up some of the governance around Health and Safety as well as affording us the time to consider investments in buildings.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Structure, Governance and Management - continued

Service user representatives are actively recruited to sit on all Committees and currently we have 2 service users on each Trustee Led Committee.

We carried out an in-depth review and updated all of the Terms of Reference for the Sub-committee Meetings as well as a full review of the Memorandum and Articles of Association; modernise and taking on best practice last year.

All Trustees are recruited on a 3 year rotation programme with no overall limit on length of service. During the last year we have undertaken a full skills mix Audit to enable us to focus on where we need extra knowledge. IT/Digital is an area we would like to strengthen at Board level.

All potential Trustees meet formally with the Chair and the Chief Executive to discuss the role of a Trustee and the skills and experience that they would bring to the Board. Potential Trustees are then invited to attend an Executive Committee meeting as an observer and then the person may be co-opted. A formal nomination may then be made at the following Annual General Meeting. All new Trustees are given the opportunity to visit the key services that the Charity runs, and all Trustees can access the full internal training that is offered within the Association.

Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Manual and Key Policies. In February 2022 we have started the re-appraisal under Mind Quality Standards, and this will run until the summer of 2022.

Birmingham Mind subcontracts to 3 organisations; Longhurst Housing, R&J Support & Care Ltd and Creative Support. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, the relevant Clinical Commissioning Groups, Big Lottery Fund and BVSC as well as some smaller grants

Public Benefit Statement

Our main activities and who we try to help are described throughout the Chair's report and the Strategic Report. All our charitable activities focus on either supporting people with mental health issues; increasing people's wellbeing/emotional resilience or challenging the stigma and discrimination that surrounds mental ill health. All of these are undertaken to further our charitable purposes for the public benefit. The Trustees are of the opinion that throughout the year the Charity complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Financial Review and Related Policies

The accounts show our continuing strong financial position. We have seen an increase in turnover from £8,556k last year to £9,614k, although our net income (excluding increased pension liabilities and the interest on those liabilities) decreased from £427k to £156k, reflecting the continuing cutbacks in funding, especially from local authorities, particularly in residential care.

Our Balance Sheet continues to be strong which gives confidence to our funders and commissioners working with us in the future.

Reserves Policy

The current reserves policy is for the Association to strive to increase its unrestricted (excluding designated) reserves fund to ensure that any delay in the receipt of income by the Association, caused by the actions of third parties, does not affect the ability of the Association to meet its obligations to its beneficiaries. Trustees annually review balances and reserves and set aside resources for current plans and specific risks.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Reserves Policy – continued

As part of this where any donations have not been used in-year equivalent resources are set aside to support future projects. In addition a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short term use.

Trustees seek to retain unallocated balances (free reserves) for wider risks and short term cash flow matters. The long term target set by trustees for this is £3m or approximately three months budgeted operating expenditure. The amount held in free reserves now totals £1,396k after the notional FRS 102 Pension provision of £1.2m has been deducted. This represents approximately 1.75 months total expenditure.

These accounts recognise future pension liabilities in accordance with FRS 102. Trustees have continued with their policy of setting aside a designated fund to contain the impact of liability revaluations without impacting resources set aside for other plans.

Investment Policy

During 2021/2022, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings with the advice of the Finance Director and Treasurer.

As stated previously, we are expecting to procure buildings that were previously leased in order to continue delivering our existing successful services. We bought one of our Care Homes – Flint Green House during the last financial year and we have allocated further reserves to acquire existing buildings already accommodating our service users during the year ahead.

Trustees' responsibilities

The executive committee is responsible for preparing the executive committee's 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 executive committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the executive committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The executive committee is responsible for keeping 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 Companies Act 2006. 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.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022**

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 4 August 2022.



Rev Canon Frank Longbottom
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

Opinion

We have audited the financial statements of Birmingham Association for Mental Health for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

Opinion 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 Report of the Trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Strategic 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 Report of the Trustees (incorporating the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Kevin Hodgetts FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

8 September 2022

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2022

		Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
	Note				
Income from:					
Donations and legacies	2	156,255	-	156,255	139,841
Charitable activities	4	9,016,001	435,333	9,451,334	8,397,280
Investments	3	6,816	-	6,816	18,715
Total income		9,179,072	435,333	9,614,405	8,555,836
Expenditure on:					
Raising funds	5	48,075	-	48,075	41,135
Charitable activities	5	8,939,785	425,345	9,365,130	8,043,086
Other	11	45,000	-	45,000	45,000
Total expenditure	5	9,032,860	425,345	9,458,205	8,129,221
Net income		146,213	9,988	156,200	426,615
Transfers between funds		-	-	-	-
Other recognised gains and losses					
Defined benefit pension scheme: Actuarial gain/(loss)	11	244,000	-	244,000	(164,000)
Net movement in funds		390,213	9,988	400,200	262,615
Reconciliation of funds					
Total funds brought forward		3,470,884	1,325	3,472,209	3,209,594
Total funds carried forward	13	3,861,097	11,313	3,872,409	3,472,209

The notes on pages 16 to 24 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	8		1,212,195		1,243,611
Current assets					
Debtors	9	2,051,661		1,497,689	
Cash at bank and in hand		3,611,941		4,038,212	
		5,663,602		5,535,901	
Creditors: amounts falling due within one	10	(1,767,407)		(1,606,278)	
Net current assets			3,896,195		3,929,623
Net assets excluding pension liability			5,108,390		5,173,234
Defined benefit pension liability	11		(1,235,981)		(1,701,025)
Net assets			3,872,409		3,472,209
Charity Funds	13				
Unrestricted funds:					
General reserves before pension reserve			2,631,614		2,725,853
Pension reserve (FRS102)			(1,235,981)		(1,701,025)
General reserves after pension reserve			1,395,633		1,024,828
Designated reserves			2,465,464		2,446,056
Total unrestricted funds			3,861,096		3,470,884
Restricted funds			11,313		1,325
			3,872,409		3,472,209

These financial statements were approved by the Executive Committee and authorised for issue on 4 August 2022, and are signed on its behalf by:



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash (outflow)/inflow from operating activities	a	(433,087)	126,731
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(710,000)
Interest received		6,816	18,715
Net cash inflow/(outflow) from investing activities		6,816	(691,285)
Net decrease in cash and cash equivalents		(426,271)	(564,554)
Cash and cash equivalents at start of year		4,038,212	4,602,766
Cash and cash equivalents at end of year		3,611,941	4,038,212

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities	2022 £	2021 £
Net income for year (before other gains and losses)	156,200	426,615
Interest receivable	(6,816)	(18,715)
Depreciation	31,416	27,100
(Increase)/decrease in debtors	(553,972)	(848,546)
Increase/(decrease) in creditors	161,129	762,253
Interest expense re defined benefit pensions liability	45,000	45,000
Defined benefit pension deficit contribution payments	(266,044)	(266,975)
Net cash (outflow)/inflow from operating activities	(433,087)	126,731

b) Analysis of changes in net funds

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank	4,038,212	(426,271)	3,611,941
Total	4,038,212	(426,271)	3,611,941

The notes on pages 16 to 24 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these accounts are:

(a) Basis of accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Income recognition

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income from fees charged for services are recognised on completion of the services to be performed.

Grants received and receivable are accounted for in the year in which the Association becomes legally entitled to the monies. Grants receivable but not yet paid to the Association are included in debtors.

Grants for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities in the year they are receivable. Some of the capital grants received are technically repayable should buildings cease to be used for existing purposes.

Revenue grants are recognised as income in the Statement of Financial Activities in the year in which they become receivable.

Income where payments are linked to performance is recognised when conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Charitable donations, legacies and other income are accounted for on a receipts basis.

(c) Expenditure recognition

Expenditure on raising funds comprise those costs directly attributable to raising income.

Charitable activities represent the costs incurred in working for and promoting the preservation of mental health and the development of mental health care and meeting its objectives.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, in proportion to the budgeted direct expenditure for each activity cost category.

(d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. The company's policy is to capitalise all individual fixed assets with a cost greater than £1,000 unless where properly chargeable to annual grant funding.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight line method:

Furniture, computer equipment and office equipment	20% - 33%
Building improvements	10%
Buildings	2%

(e) Unrestricted funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

Designated funds are amounts which have been set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

(g) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted reserve.

(h) Pension costs

Some of the charitable company's current and former staff are members of the Social Housing Pensions Scheme (SHPS) which provides benefits based on final pensionable pay. That scheme is now closed to new membership or additional service.

The SHPS is a funded multi-employer defined benefit scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. Although greatly restricted by the Covid-19 pandemic during the year, we benefitted from 606 hours (2021: 1,504) of volunteer time which if valued at adult minimum wage would equate to £5,399 (2021: £13,115).

(k) Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

(l) Critical estimates and areas of judgement

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the valuation as at 30 September 2020 has been used by the actuary in valuing the pension's liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022**

2 INCOME FROM DONATIONS AND LEGACIES	2022	2021
	£	£
Donations	131,735	139,841
Legacies	24,520	-
	156,255	139,841

3 INCOME FROM INVESTMENTS	2022	2021
	£	£
Bank interest	6,817	18,715

4 INCOME FROM CHARITABLE ACTIVITIES	2022	2021
	£	£
Birmingham City Council Grants	475,879	317,974
Clinical Commissioning Groups	2,497,043	1,516,010
Supporting People	2,477,124	2,552,172
Clients	2,798,091	2,775,392
Other	1,203,196	1,235,731
	9,451,334	8,397,280

Analysis by service type	Unrestricted	Restricted	2022	2021
	£	£	£	£
Residential	2,321,615	-	2,321,615	2,507,350
Floating support & housing	3,497,683	222,401	3,720,084	3,682,836
Integrated services	1,342,840	34,810	1,377,650	995,895
Day and community services	1,853,863	178,122	2,031,985	1,203,699
Other	-	-	-	7,500
Total	9,016,001	435,333	9,451,334	8,397,280

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

5 ANALYSIS OF EXPENDITURE

	2022	2021
	£	£
Costs of raising funds		
Staff costs	28,355	19,534
Other fundraising costs	19,720	21,601
	48,075	41,135

Charitable activities	Residential £	Floating Support & Housing £	Integrated Services £	Day & Community Services £	Total 2022 £	Total 2021 £
Direct costs:						
Staff costs	1,502,944	1,910,114	1,078,076	916,233	5,407,367	5,035,326
Depreciation	20,200	-	-	9,000	29,200	22,100
Other costs	414,506	1,336,020	128,148	834,510	2,713,185	2,111,380
	1,937,650	3,246,134	1,206,225	1,759,743	8,149,752	7,168,806
Support costs:						
Finance & IT	131,417	220,162	81,809	119,350	552,738	342,654
Personnel	36,814	61,674	22,917	33,434	154,839	100,111
Administration	99,705	167,035	62,068	90,550	419,358	358,840
Governance	14,711	24,646	9,158	13,361	61,876	44,494
Property	5,789	9,699	3,604	5,258	24,350	23,181
Depreciation	527	883	328	479	2,217	5,000
	288,963	484,099	179,884	262,432	1,215,378	874,280
Total	2,226,613	3,730,233	1,386,109	2,022,175	9,365,130	8,043,086

Analysis by service type	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Residential	2,226,613	-	2,226,613	2,197,608
Floating support & housing	3,513,057	217,176	3,730,233	3,636,799
Integrated Services	1,354,866	31,242	1,386,109	1,016,407
Day and community services	1,845,248	176,927	2,022,175	1,192,272
Total	8,939,785	425,345	9,365,130	8,043,086

Analysis of Governance Costs	2022 £	2021 £
AGM costs	13,418	5,315
Staff costs	29,835	27,362
Professional fees	18,624	11,817
	61,877	44,494

6 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2022	2021
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	31,416	27,100
Auditor's remuneration - audit	12,360	11,817
Other operating lease rentals	335,585	406,278

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

7 STAFF COSTS

	2022	2021
	£	£
Salaries	5,190,325	4,650,759
Social security costs	440,282	384,598
Pension costs	194,148	164,375
	5,824,755	5,199,732

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

	2022	2021
	No.	No.
£60,001-£70,000	2	2
£70,001-£80,000	-	-
£80,001-£90,000	1	1

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

	2022	2021
	No.	No.
Direct charitable services	192	175
Support staff	34	24
	226	199

Remuneration of key management personnel

The total amount of employee benefits received by key management personnel was £227,686 (2021: £211,031). The charity considers its key management comprise Chief Executive Officer, Director of Operations and Director of Finance.

Trustees payments and expenses

No members of the executive committee received any emoluments, pension contributions or had benefits accruing.

No members of the executive committee were reimbursed any expenses (2021: £Nil).

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Computer equipment	Office equipment	Total
	£	£	£	£
COST				
As at 1 April 2021	1,570,799	329,349	74,729	1,974,877
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	1,570,799	329,349	74,729	1,974,877
DEPRECIATION				
As at 1 April 2021	327,188	329,349	74,729	731,266
Charge for the period	31,416	-	-	31,416
Released on disposal	-	-	-	-
As at 31 March 2022	358,604	329,349	74,729	762,682
NET BOOK VALUE				
As at 31 March 2022	1,212,195	-	-	1,212,195
As at 1 April 2021	1,243,611	-	-	1,243,611

The net book value as at 31 March 2022 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2021: £Nil) that were contracted but not provided for in the financial statements.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022**

9 DEBTORS

	2022	2021
	£	£
Rents and grants outstanding	679,526	1,243,650
Prepayments and accrued income	294,448	254,039
Other debtors	1,077,687	-
	<u>2,051,661</u>	<u>1,497,689</u>

Included in other debtors is £1,077,687 which represents funds transferred to solicitors in preparation for property purchases which completed on 29 April 2022 and will be capitalised in the financial year to 31 March 2023.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2,022	2021
	£	£
Amounts due to suppliers	186,217	134,357
Taxation and social security	113,708	90,266
Accruals and deferred income	1,396,851	1,320,773
Other creditors	70,631	60,882
	<u>1,767,407</u>	<u>1,606,278</u>

There was £54,007 relating to pension contributions included within other creditors (2021: £47,867).

	2022	2021
	£	£
Deferred income included above comprised:		
Deferred income b/f	1,044,371	366,869
Received in the year	4,712,320	4,789,373
Released to income and expenditure	(4,651,831)	(4,111,871)
Deferred income c/f	<u>1,104,861</u>	<u>1,044,371</u>

The above deferred income represents contract funding received in advance of delivery of the performance conditions of the contract, and certain grant funding received which is repayable until such time as the conditions of the funding are satisfied.

11 PENSION AND SIMILAR OBLIGATIONS

The Social Housing Pension Scheme (SHPS) and the Scottish Housing Associations' Pension Scheme (SHAPS) (collectively "SHPS/SHAPS") are defined benefit multiemployer pension schemes with approximately 450 and 150 sponsoring employers respectively, which includes social landlords. The schemes are administered by TPT Retirement Solutions (formerly The Pensions Trust) ("TPT").

The scheme is classified as a 'last-man standing arrangement' therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The last full actuarial valuation of the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation showed total scheme assets of £5,148m, total scheme liabilities of £6,708m and a total scheme deficit of £1,560m. The valuation of the scheme's assets and liabilities attributable to the organisation, as assessed by the actuary, are recognised in the charity's Balance Sheet at each reporting date, the details of which are given below.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

11 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

	2022 £	2021 £
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(34,000)	(34,000)
Expenses	(11,000)	(11,000)
Pension finance income/(costs)	(45,000)	(45,000)

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £61,000.

	2022 £	2021 £
Amounts recognised in Other Recognised Gains/(Losses):		
Actuarial gains/(losses)	244,000	(164,000)
	244,000	(164,000)

	2022 £	2021 £
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	7,697,019	7,636,975
Present value of defined benefit obligation	(8,933,000)	(9,338,000)
Deficit in plan	(1,235,981)	(1,701,025)
Defined benefit liability to be recognised	(1,235,981)	(1,701,025)

	2022 £	2021 £
Movements in the present value of defined benefit obligations were as follows:		
At 1 April	9,338,000	9,094,000
Service cost	-	-
Interest expense	198,000	188,000
Actuarial losses/(gains) due to scheme experience	449,000	(638,000)
Actuarial (gains)/losses due to changes in demographic assumptions	(148,000)	35,000
Actuarial (gains)/losses due in scheme experience	(648,000)	882,000
Benefits paid and expenses	(267,000)	(234,000)
Expenses	11,000	11,000
At 31 March	8,933,000	9,338,000

	2022 £	2021 £
Movements in the fair value of charity's share of scheme assets:		
At 1 April	7,636,975	7,335,000
Interest income	164,000	154,000
Experience on plan assets	(103,000)	115,000
Contributions by employer	266,044	266,975
Benefits paid and expenses	(267,000)	(234,000)
At 31 March	7,697,019	7,636,975

Principal Actuarial Assumptions	At 31.03.22	At 31.03.21
Discount rate for scheme liabilities	2.79%	2.15%
Inflation (RPI)	3.62%	3.29%
Inflation (CPI)	3.21%	2.86%
Salary growth	4.21%	3.86%

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

11 PENSION AND SIMILAR OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31.03.22	At 31.03.21
<i>Retiring today</i>		
Males	21.1	21.6
Females	23.7	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.9
Females	25.2	25.1

12 COMMITMENTS UNDER OPERATING LEASES

The Association is party to agreements for the rental of land and buildings which have no formal period but which can be terminated by either party with six months notice. The minimum lease payments under these agreements at the year end are £184,350 (2021: £184,350).

13 RESERVES

	Opening balance £	Income £	Expenditure £	Transfers £	Closing balance £
Unrestricted funds					
General reserves (before pension)	2,725,853	8,927,717	(8,588,328)	(433,628)	2,631,614
Pension reserve	(1,701,025)	-	-	465,044	(1,235,981)
General reserve (after pension)	<u>1,024,828</u>	<u>8,927,717</u>	<u>(8,588,328)</u>	<u>31,416</u>	<u>1,395,633</u>
Designated reserves					
Assets and projects reserve	594,893	-	-	-	594,893
Strategic development reserve	607,552	251,355	(200,531)	-	658,376
Fixed asset reserve	1,243,611	-	-	(31,416)	1,212,195
	<u>2,446,056</u>	<u>251,355</u>	<u>(200,531)</u>	<u>(31,416)</u>	<u>2,465,464</u>
Total unrestricted funds	<u>3,470,884</u>	<u>9,179,072</u>	<u>(8,788,860)</u>	<u>-</u>	<u>3,861,096</u>
Restricted funds					
Older Adults	1,325	-	-	-	1,325
Day Care, User & Community	-	435,333	(425,345)	-	9,988
Total restricted funds	<u>1,325</u>	<u>435,333</u>	<u>(425,345)</u>	<u>-</u>	<u>11,313</u>
Total funds	<u>3,472,209</u>	<u>9,614,405</u>	<u>(9,214,205)</u>	<u>-</u>	<u>3,872,409</u>

Unrestricted funds - General reserve

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted funds - Designated reserves

The designated reserves were created by the executive committee for the following purposes:

Assets and Projects Reserve - this sets aside resources from previous unrestricted surpluses for major projects and future asset purchases. It also provides a resource to smooth cyclical expenditure on replacement equipment and furniture.

Strategic Development Reserve - the use of income raised through donations or fundraising, together with surpluses from External training income is directed by trustees, to fund specific projects or pilots which are felt to be key to the organisation's strategic direction. The Advice and Information Line Service has been funded from this reserve this year

Fixed Assets Reserve - this sets aside amounts from general reserves to match the extent to which resources have been utilised in funding fixed assets for charitable purposes.

Restricted funds

The income funds of the charity include restricted funds comprising unexpended balances of grants received which are to be applied for specific purposes as stipulated by the donor organisation.

Restricted funds have arisen from timing differences between grants received from funding bodies and expenditure on the specified charitable activities.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Provisions	Total
	£	£	£	£
Restricted funds	-	11,313	-	11,313
Unrestricted funds	1,212,195	3,884,882	(1,235,981)	3,861,096
Balance as at 31 March 2022	1,212,195	3,896,195	(1,235,981)	3,872,409

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2021: none).

16 POST BALANCE SHEET EVENTS

On 29 April 2022 the charity completed various property purchases for a consideration of £1,077,687.

17 COMPANY LIMITED BY GUARANTEE

The Association is a private company limited by guarantee and not having a share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up whilst that person is a member or within one year of ceasing to be a member.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

England & Wales - Charity number 1003906

Accounts

Charity registration number: 1003906
Company registration number: 2024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2021

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Charity registration number	1003906
Company registration number	02024372
Trustees	Rev Canon F Longbottom Mr B Geary Professor A Davis Mr J Piggott Mr M Shakespeare Dr Ian McPherson Ms S Willis Mr K Raffo Mr N Howl Mr A Wylde
Chief Executive Officer Director of Operations Director of Finance	Helen Wadley John Bristow Ruth Galvin
Registered office	17 Graham Street Hockley Birmingham B1 3JR
Auditors	Haines Watts Birmingham LLP 5 -6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	NatWest 1 St Philips Place Birmingham B3 2PP

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Rev Canon F Longbottom	(Chair of the Executive Committee)
Professor A Davis	(member of the Finance Committee, Chair of the Clinical Governance Committee)
Mr B Geary	(Company Secretary & Treasurer, member of the Finance Committee, member of the Clinical Governance Committee)
Mr J Piggott	(member of the Finance Committee)
Mr M Shakespeare	(member of the Clinical Governance Committee)
Dr Ian McPherson	(member of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr K Raffo	(member of the Finance Committee)
Mr N Howl	(member of the Finance Committee)
Mr A Wyld	(member of the Estates Committee)

Chair's Report

The financial year of 2020/2021 has of course been dominated by Covid. The worldwide Pandemic has had both financial and operational impact on the work we do, how we do that work and the need which we have been trying to meet. Due to prudent financial management and the support of our commissioners we have been less worried about the finances and able to focus on the operational challenges to keep our staff and service users safe, whilst maintaining service delivery. We would like to thank our Commissioners for their approach; they trusted us to use the contract income to deliver what was needed, rather than what was in the contract. And our biggest thanks of course is to our staff, who have proved yet again their commitment to their work and their willingness to go above and beyond, even in the face of a pandemic.

In large part due to our close working relationship with Commissioners and willingness to look beyond the status quo has meant that during Covid we have actually grown – both in breadth of what we deliver and in terms of our income. This has meant that we have had to ask too much of too few and we undertook a further management restructuring, particularly at the senior level. We have invested in increasing the Senior Management Team – bringing in a new Director of Business Development and upgrading the Finance Director to become Director of Finance and Digital; and to bring in a Financial Controller to help oversee the day to day operations of the finance department. Our increases in income/service delivery are due to taking on more work from the NHS and the requirements for NHS work are often more complex and challenging than Local Authority requirements.

When the lockdown occurred all head office staff were sent home to work and 16 months later people are still mainly working from home. We are very pleased with how all staff have stepped up to a different way of working and our payroll and financial management all continued with no disruption. Inevitable the call on IT equipment in this country was huge; thankfully we were slightly ahead of others in making plans and we managed to ensure that all head office staff had IT equipment for working at home, and that we made it easier for all staff who were having to work from home. However due to our growth and the reliance on IT we have needed to invest in more IT support. Whilst we do expect more working at the office to occur over the next few months we do believe that a hybrid model of home/office working will be the way forward in the longer term.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

There has been a very mixed picture in relation to disruption of service delivery, with some services continuing to provide support in exactly the same way; predominantly our care homes, through to services moving to zoom/phone calls. Our Business Continuity Plan has always been to prioritise the services where people are the most vulnerable. This meant that some staff from our Recovery/Wellbeing Services and CDW services moved across to Residential care to help with staffing levels due to some staff shielding and higher sickness expected in the first lockdown/wave. We are incredibly grateful for staffs' flexibility. We did immediately review the Sickness Policy and lifted all restrictions on sick pay and therefore were able to assure staff that their pay would not be impacted on due to Covid. We also increased the percentage for Overtime to 20% from 10% and announced a 3.3% pay increase for 2021. We divided the year up into 3 month periods for review of Sickness and Overtime Policy.

In line with our Business Continuity Plan we prioritised our most vulnerable service users and we asked staff to move around and work in services that they were not used to. In particular we asked for more staff to go and work in our care homes as we expected high sickness. Thankfully this did not occur and after a few months people were able to move back to their roles. We also set up a 9am-11pm Helpline to offset the closure of our crisis café service. This has become a strategically important service within the city and we have developed a unique model with the NHS that has seen this service get prioritised for new funding as of April 2021. It has become the gateway into mental health services focusing on prevention and on ensuring people are supported to get the help they need. Approximately 85% of people that call us get their call resolved by ringing us (self-help or emotional support) or get signposted to a range of counselling and community services.

Support Services

To briefly cover each of the main service areas; Our Supporting People Contract was due to be tendered for last year. However Birmingham City Council (BCC) decided to extend the contract for a further year and as such the tender is due in October 2021 to start in July 2022. Within the Supporting People Contract we have a mix of supported housing and outreach services to people in their own homes. Any service user that has been deemed as being very vulnerable has continued to have face to face physical support. This saw most of our Supported Housing projects still having regular visits from Support Workers. For most of the outreach service users support was delivered by phone during lockdown and visits if they took place have been more in the fresh air than usual. As part of the viability of the Supporting People contract we also deliver a Training/Voluntary/ Employment service called PURE. This has been extended for a further 2 years.

Residential / Regulated Care

Our residential care portfolio consists of 5 very different services – from step down from hospital short term rehabilitation projects through to longer term homes for people with long standing mental health issues; we have concentrated on getting these on a secure financial footing. We have managed to agree fee structures for most of our homes/residents

so there is a secure financial footing going forward from BSOL CCG, although there are still some issues to resolve. As part of the Covid response the Government, through Local Authorities, have given additional grants for staffing costs and infection control measures. We have also benefited from having free PPE (Personal Protective Equipment) from the middle part of the year.

Despite Covid we had expected to have been able to have bought the care homes and supported housing properties that we had agreed with the Landlord in 2019. However due to changes in personnel within the Housing Association it has not yet been possible and at the time of writing this report negotiations are ongoing.

In July 2017 we opened a ground breaking service in partnership with Birmingham and Solihull Mental Health Foundation Trust (BSMHFT), with a team of Birmingham Mind Recovery Navigators working embedded within a clinical team offering inpatient rehabilitation support. Initially it was for a 2 year pilot and we have managed to secure a 7 year contract to continue this important work.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

During this last year the service has continued to operate well although it is the service that has been the most impacted on by Covid. We have had significant numbers of staff in and out of self-isolation. Thankfully all staff are well.

Community Services

This financial year has been the last year of our sub-contracted arrangements with Better Pathways. For the previous 3 years Better Pathways operated an employment service and then they sub-contracted two Recovery Hubs from us and two Recovery Hubs from Creative Support. Unexpectedly the Commissioners decided to separate the Recovery Contracts from the Employment Contract and put both out to tender in summer of 2020. In discussion with Creative Support we agreed we would put ourselves forward as the Lead Contractor with us then sub-contracting two of the Recovery Hubs to them. We were very pleased to be successful in this tender. We will operate it as a partnership contract and we are looking forward to seeing the services and the partnership flourish.

Due to Covid we redesigned our Being Well Service to enable all the wellbeing courses via zoom using free-lance trainers. We started delivery of this service in September 2020 with BCC funding for a year. This has been well used, especially by people contacting us via the Helpline.

Our Community Development Worker contract continues to help the mental health system hear the views of community groups and helps community groups have greater knowledge of mental health and how to seek help. During this year it hasn't been possible to deliver much of this community work face to face but we have supported community virtually.

Every Step of the Way is our Experts by Experience project that supports people with complex needs. It is a seven year Lottery funded project and funding is due to end December 2021. We are working with the current group of Experts in order to ensure that by the end of the project they have a move on plan whether that be employment or training etc. This programme has done some great work and we are sad that we haven't been able to secure on-going funding.

Crisis café – as reported in last year's accounts we had developed a model of 3 Crisis Cafes in the City. As they were all drop in services we had to close the doors but we extended our office hours Advice and Information service to become an out of hours Helpline. As stated earlier this service now has its own funding. In summer of 2020 we started offering face to face support through the Helpline and this then started the process of us extending the crisis café model. We are now planning for the Crisis Café drop-in model to be expanded.

There are fundamental changes to how the NHS is funded and how they commission services and due to Covid there has been extra monies put into the system to ensure capacity is available but also to help transform services. In particular we have been involved with the Crisis Transformation funding stream and the Community Transformation. Under the Crisis Transformation monies we have seen the Crisis Cafes move from pilot status to on-going contract and the Helpline being funded. In addition we have also been asked to provide a team of social recovery staff to work within Psychiatric Liaison team following a successful pilot and the mental health trust has also asked us to expand the number of Housing Navigators and Peer Mentors we provide for them.

Fundraised income and donations have not been as badly affected for us as some other charities. The recognition that this last year has had a huge toll on peoples mental health means that we have been able to secure donations and fundraising from various sources. We have also developed good partnerships with organisations like the Bullring and NEC Group as well as our successful training opportunities and relationships.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Although the Helpline now has NHS funding towards it we still are allocating Charitable funds. It has previously been agreed that the donations/fundraised income combined with surplus from external training should be used to set up and run an Advice and Information service for 3 years. As this service has now become a Helpline with NHS income the trustees made the decision to still use some Charitable monies for the Helpline for the remaining part of the 3 years as the Helpline is much broader in its aims than just NHS work and it is a core part of the public benefit side of our work.

Community Services - continued

As trustees we are always extremely appreciative of the volunteers that give of their time, skills and expertise to Birmingham Mind across a wide range of services and activities. Volunteers bring real added value to the work that we do and we are fortunate that we have over 40 active volunteers with us and overall volunteers have contributed over 1500 hours of additional service. This number is down on 2019/2020 due to the restrictions that Covid brought to us being able to utilise volunteers in a number of our services but we plan to increase levels back up as soon as restrictions are reduced.

We have very strong Service User Involvement within the Charity and although Covid has meant for some of the services the formal involvement and engagement activities has not been possible we have still had a strong cohort of service users that have met virtually and helped us shape our response to covid and our service delivery/communications.

We did have a predicted small deficit (due to funding some services from Charitable funds) but we actually made a surplus of £262k.

There are a number of reasons behind this and the Charity is grateful for the financial support it has received to offset Covid related expenditure and to ensure that we have a stable financial base.

The balance sheet of Birmingham Mind remains positive and ensures that we are in good shape to continue to help the community through the challenges presented by the pandemic and issues that will arise from the ending of lockdown

Objectives and Activities

Vision

"Better Mental Health for All"

Birmingham Mind's Core Values

- **Respect:** Respect for the individual
- **Partnerships:** By working together we are more effective and inclusive
- **Recovery:** enabling each individual's unique and personal recovery journey wherever and whenever we can
- **Wellbeing:** Actively working to educate and encourage people to look after their mental, emotional and physical wellbeing.
- **Prevention:** building resilience and challenging stigma in and across communities

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Strategic Report

The Trustees accepted a Five Year Strategic Plan covering the period of 2016-2021. Under this Strategic Plan each year a Business Plan is then developed in order to guide Executive Officers and Trustees on the aims and aspirations for the coming year.

Aims and Achievements

Our Strategic and Business Plan sets out a series of objectives to be met during 2017/2018. Below highlights some of those objectives and the progress we have made in achieving them.

2020/21 What we planned to achieve	2020/21 What we actually achieved
Develop and expand the Advice and Information Service	This service developed into the core part of the 24/7 access point for all people in Birmingham and Solihull in relation to mental health support. It includes instant chat, translation and access to NHS staff
Secure increased care home funding to stabilise the future of these homes	Increased funding agreed and paid.
Develop dashboard of metric of organisational health.	New draft frameworks in place.
Increase our partnership work	New partners in place and existing relationships strengthened due to Covid.
Review of Sub committees	Development of a new Estates sub-committee.

Risk Management

The Senior Management Team will monitor all aspects of risk within the Association. All risks are recorded within the risk register and regularly reviewed. The risk register is formally reported to the Finance and General Purposes Committee and the Executive Committee on a yearly basis with ongoing review of the risks assessed as high.

At every meeting trustees review the risks pertinent to the reports/subjects being discussed.

Plans for Future Periods

Birmingham Mind sets its Business Plan in January and as such the Business Plan for 2020/2021 has been set. However this was set before Covid and so the planned developments below need to be viewed in the light of this massive change and challenge.

- Birmingham Mind should reflect the diversity of Birmingham's population at all levels within the organisation
- For Birmingham Mind to ensure Lived Experience partnership is a golden thread through the work that we do.
- To start the process of upgrading the accommodation buildings that we own or lease.
- To have a structure that supports the proactive management of our accommodation and buildings We will review and strengthen core processes and monitoring underpinning the delivery of services.
- We will review and develop the organisational structures to meet changing internal and external requirements.
- To continue to be a strategic partner within the city to develop and build on the new ways of working.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Plans for Future Periods - continued

- To use the learning from Covid to improve both internal service delivery and help support community recovery.
- Ensuring we continue to prioritise the health and wellbeing of our staff and volunteers during/after pandemic.
- Ensuring that Birmingham Mind enable staff to make best use of digital technology.
- To ensure that our working practices and training offer adapts to the Covid/post Covid world

Structure, Governance and Management

Birmingham Association for Mental Health (hereinafter called Birmingham Mind, the Association or the Charity) is a Charity and Company Limited by Guarantee governed by a new set of Articles of Association. The objectives for which the Charity is established are to promote preservation of mental health and to assist in the relief and rehabilitation of people with mental health problems.

The governing body of the Charity is the Board of Trustees or Executive Committee meets approx. 9 times a year including an Away Day with the Senior Management Team of the Charity, to review the overall strategic aims and business objectives of the Association. The Executive Committee has established a formal sub-committee called the Finance Committee with a specific remit to oversee the finances and risk management procedures of the Charity.

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. A Health and Safety Committee is also held to ensure that the appropriate focus is given to this area and a member of the Executive sits on this Committee. Service user representatives are actively recruited to sit on all Committees and currently we have 2 service users on each Trustee Led Committee.

We carried out an in-depth review and updated all of the Terms of Reference for the Sub-committee Meetings as well as a full review of the Memorandum and Articles of Association; modernise and taking on best practice last year.

All Trustees are recruited on a 3 year rotation programme with no overall limit on length of service. During the last year we have undertaken a full skills mix Audit to enable us to focus on where we need extra knowledge. IT/Digital is an area we would to strengthen at Board level.

All potential Trustees meet formally with the Chair and the Chief Executive to discuss the role of a Trustee and the skills and experience that they would bring to the Board. Potential Trustees are then invited to attend an Executive Committee meeting as an observer and then the person may be co-opted. A formal nomination may then be made at the following Annual General Meeting. All new Trustees are given the opportunity to visit the key services that the Charity runs and all Trustees can access the full internal training that is offered within the Association.

Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Manual and Key Policies. During 2020 we reviewed and formally signed a new Partnership Agreement with National Mind however Birmingham Mind is a Charity in its own right.

Birmingham Mind subcontracts to two organisations; Friendship Care and Housing and R&J Support and Care Ltd. We work as a subcontractor to Shelter and in partnership with Sifa Fireside for one combined service. We worked as a subcontractor for our Recovery Hubs with Better Pathways as Lead and Creative Support as partner. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, the relevant Clinical Commissioning Groups, Big Lottery Fund and BVSC.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Public Benefit Statement

Our main activities and who we try to help are described throughout the Chair's report and the Strategic report. All our charitable activities focus on either supporting people with mental health issues; increasing people's wellbeing/emotional resilience or challenging the stigma and discrimination that surrounds mental ill health. All of these are undertaken to further our charitable purposes for the public benefit. The Trustees are of the opinion that throughout the year the Charity complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Financial Review and Related Policies

The accounts show our continuing prudent use of funds and strong financial position. We have seen an increase in turnover from £7,768k last year to £8,556k, and our net income (excluding increased pension liabilities and the interest on those liabilities) increased from £261k to £472k. After taking into account pension costs, the surplus of £262k represents 3% of gross income. It is anticipated that much of this surplus will be invested in purchasing and upgrading properties for future service use.

Our Balance Sheet continues to be strong which gives confidence to our funders and commissioners working with us in the future.

Reserves Policy

The current reserves policy is for the Association to strive to increase its unrestricted (excluding designated) reserves fund to ensure that any delay in the receipt of income by the Association, caused by the actions of third parties, does not affect the ability of the Association to meet its obligations to its beneficiaries. Trustees annually review balances and reserves and set aside resources for current plans and specific risks. As part of this where any donations have not been used in-year equivalent resources are set aside for support future projects. In addition a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short term use.

Trustees seek to retain unallocated balances (free reserves) for wider risks and short term cash flow matters. The long term target set by trustees for this is £2.5m or approximately six months total income. The amount held in free reserves now totals £1,025k after the notional FRS 102 Pension provision of £1.7m has been deducted. This represents approximately 1.5 months total income.

These accounts recognise future pension liabilities in accordance with FRS 102. Trustees have continued with their policy of setting aside a designated fund to contain the impact of liability revaluations without impacting resources set aside for other plans.

Our Balance Sheet continues to be strong which gives confidence to our funders and commissioners working with us in the future.

Investment Policy

During 2020/21, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings with the advice of the Finance Director and Treasurer.

As stated above it is acknowledged that we are seeking to secure properties that our current landlord is disposing of, so that we can continue to offer residential services as we have for many years and wish to do in the future'. We have bought one of our Care Homes – Flint Green House during this financial year and we expect to allocate more reserves for further purchases during the year ahead.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

Trustees' responsibilities

The executive committee is responsible for preparing the executive committee's 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 executive committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the executive committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The executive committee is responsible for keeping 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 Companies Act 2006. 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.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 5 August 2021.



Rev Canon Frank Longbottom
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

Opinion

We have audited the financial statements of Birmingham Association for Mental Health for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Report of the Council.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

Opinion 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 Report of the Trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Strategic 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 Report of the Trustees (incorporating the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Kevin Hodgetts FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

5 August 2021

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	139,841	-	139,841	310,591
Charitable activities	4	7,970,648	426,632	8,397,280	7,430,084
Investments	3	18,715	-	18,715	26,917
Total income		8,129,204	426,632	8,555,836	7,767,592
Expenditure on:					
Raising funds	5	41,135	-	41,135	22,452
Charitable activities	5	7,627,251	415,835	8,043,086	7,418,329
Other	11	45,000	-	45,000	66,000
Total expenditure	5	7,713,386	415,835	8,129,221	7,506,781
Net income/expenditure		415,818	10,797	426,615	260,811
Transfers between funds		11,839	(11,839)	-	-
Other recognised (losses)/ gains					
Defined benefit pension scheme: Remeasurement (loss)/ gain	11	(164,000)	-	(164,000)	577,875
Net movement in funds		263,657	(1,042)	262,615	838,686
Reconciliation of Funds					
Total funds brought forward		3,207,227	2,367	3,209,594	2,370,908
Total funds carried forward	13	3,470,884	1,325	3,472,209	3,209,594

The notes on pages 16 to 24 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	8		1,243,611		560,711
Current assets					
Debtors	9	1,497,689		649,143	
Cash at bank and in hand		4,038,212		4,602,766	
		<u>5,535,901</u>		<u>5,251,909</u>	
Creditors: amounts falling due within	10	<u>(1,606,278)</u>		<u>(844,026)</u>	
Net current assets			3,929,623		4,407,883
Net assets excluding pension liability			<u>5,173,234</u>		<u>4,968,594</u>
Defined benefit pension liability	11	(1,701,025)		(1,759,000)	
Net assets			<u>3,472,209</u>		<u>3,209,594</u>
Charity Funds	13				
Unrestricted funds:					
General reserves before pension reserve		2,725,853		3,346,713	
Pension reserve (FRS102)		<u>(1,701,025)</u>		<u>(1,759,000)</u>	
General reserves after pension reserve		<u>1,024,828</u>		<u>1,587,713</u>	
Designated reserves		2,446,056		1,619,514	
Total unrestricted funds		<u>3,470,884</u>		<u>3,207,227</u>	
Restricted funds			1,325		2,367
			<u>3,472,209</u>		<u>3,209,594</u>

These financial statements were approved by the Executive Committee and authorised for issue on 05/08/2021, and are signed on its behalf by:



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow/(outflow) from operating activities	a	126,729	173,155
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(710,000)	-
Interest received		18,715	26,917
Net cash outflow from investing activities		(691,285)	26,917
Net (decrease)/ increase in cash and cash equivalents		(564,556)	200,072
Cash and cash equivalents at start of year		4,602,766	4,402,694
Cash equivalents at end of year		4,038,210	4,602,766

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities	2021 £	2020 £
Net income for year	426,615	260,811
Interest receivable	(18,715)	(26,917)
Depreciation	27,100	17,215
Interest expense re pensions liability	45,000	66,000
(Increase)/decrease in debtors	(848,547)	(75,264)
Increase/(decrease) in creditors	762,252	187,435
Additional pension deficit contribution payments	(266,975)	(256,125)
(Decrease)/ increase in provisions excl pension creditors	-	-
Net cash inflow from operating activities	126,729	173,155

b) Analysis of changes in net funds

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank	4,602,766	(564,554)	4,038,212
Total	4,602,766	(564,554)	4,038,212

The notes on pages 16 to 24 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these accounts are:

(a) Basis of accounting

accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of accounts on a going concern basis

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Income recognition

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income from fees charged for services are recognised on completion of the services to be performed.

Grants received and receivable are accounted for in the year in which the Association becomes legally entitled to the monies. Grants receivable but not yet paid to the Association are included in debtors.

Grants for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities in the year they are receivable. Some of the capital grants received are technically repayable should buildings cease to be used for existing purposes.

Revenue grants are recognised as income in the Statement of Financial Activities in the year in which they become receivable.

Income where payments are linked to performance is recognised when conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Charitable donations, legacies and other income are accounted for on a receipts basis.

(c) Expenditure recognition

Expenditure on raising funds comprise those costs directly attributable to raising income.

Charitable activities represent the costs incurred in working for and promoting the preservation of mental health and the development of mental health care and meeting its objectives.

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, in proportion to the budgeted direct expenditure for each activity cost category.

(d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. The company's policy is to capitalise all individual fixed assets with a cost greater than £1,000 unless where properly chargeable to annual grant funding.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight line method:

Furniture, computer equipment and office equipment	20% - 33%
Building improvements	10%
Buildings	2%

(e) Unrestricted funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2021

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

Designated funds are amounts which have been set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

(g) Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted reserve.

(h) Pension costs

Some of the charitable company's current and former staff are members of the Social Housing Pensions Scheme which provides benefits based on final pensionable pay. That scheme is now closed to new membership or additional service. The assets of the scheme are held separately from those of the company.

The (now closed) final pension scheme is a multi-employer scheme and has not been consistently applied because it had not previously been possible for the charity to identify its share of the underlying assets and liabilities and therefore it was treated as a defined contribution scheme whereby the liability was assessed in accordance with FRS102 as the discounted value of future deficit payments as determined by the Funds Trustees after the most recent actuarial assessment. Sufficient information became available in 2018/9 to enable TPT Retirement Solutions (formerly The Pensions Trust) to determine each participating employer's share of the scheme and, in accordance with FRED71, defined benefit accounting was then applied. As a result at 31 March 2019 a defined benefit liability was recognised and the previous deficit funding liability was de-recognised.

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. Although greatly restricted by the Covid-19 pandemic during the year, we benefitted from 1,504 hours (2020: 5,657) of volunteer time which if valued at adult minimum wage would equate to £13,115 (2020: £49,329).

(k) Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

(l) Critical estimates and areas of judgement

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Where sufficient information is available, the SHPS must be accounted for as a defined benefit scheme. Consistent with the guidance in FRED 71, the difference between the deficit funding agreement liability social landlords currently recognised for SHPS, and the net defined benefit deficit for SHPS, should be recognised in other comprehensive income. The earliest date that sufficient information was provided is 31 March 2018 and therefore the relevant date to apply the adjustment is 1 April 2018.

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the one-off "member by member" valuation as at 31 March 2018 has been used by the actuary in valuing the pension's liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2021

2 INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	139,841	215,737
Legacies	-	94,854
	139,841	310,591

3 INCOME FROM INVESTMENTS

	2021	2020
	£	£
Bank interest	18,715	26,917

4 INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Birmingham City Council Grants	317,974	144,620
Clinical Commissioning Groups	1,516,010	1,115,397
Supporting People	2,552,172	2,417,083
Clients	2,775,392	2,546,095
Other	1,235,731	1,206,889
	8,397,280	7,430,084

Analysis by service type	Unrestricted	Restricted	2021	2020
	£	£	£	£
Residential	2,910,712	-	2,910,712	2,265,230
Floating support & housing	3,631,162	267,641	3,898,803	3,751,324
Day and community services	1,421,274	158,991	1,580,265	1,413,530
Other	7,500	-	7,500	-
Total	7,970,648	426,632	8,397,280	7,430,084

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2021

5 ANALYSIS OF EXPENDITURE

	2021	2020
	£	£
Costs of raising funds		
Staff costs	19,534	19,117
Other fundraising costs	21,601	3,335
	41,135	22,452

Charitable activities	Residential	Floating Support & Housing	Day & Community Services	Total 2021	Total 2020
	£	£	£	£	£
Direct costs:					
Staff costs	1,779,592	2,059,127	1,196,607	5,035,326	4,422,389
Depreciation	13,100	-	9,000	22,100	13,564
Other costs	480,512	1,374,010	256,858	2,111,380	2,024,288
	2,273,204	3,433,137	1,462,465	7,168,806	6,460,241
Support costs:					
Finance & IT	108,654	164,097	69,903	342,654	316,872
Personnel	31,745	47,943	20,423	100,111	65,806
Administration	113,787	171,848	73,205	358,840	501,834
Governance	14,109	21,308	9,077	44,494	41,031
Property	7,351	11,101	4,729	23,181	28,893
Depreciation	1,585	2,395	1,020	5,000	3,652
	277,231	418,692	178,357	874,280	958,088
Total	2,550,435	3,851,829	1,640,822	8,043,086	7,418,329

Analysis by service type	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Residential	2,550,435	-	2,550,435	2,263,226
Floating support & housing	3,602,592	249,237	3,851,829	3,868,728
Older adults	-	-	-	-
Day and community services	1,474,224	166,598	1,640,822	1,286,375
Total	7,627,251	415,835	8,043,086	7,418,329

Analysis of Governance Costs	2021	2020
	£	£
AGM costs	5,315	3,239
Staff costs	27,362	25,629
Professional fees	11,817	12,163
	44,494	41,031

6 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021	2020
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	27,100	17,215
Auditor's remuneration - audit	11,817	12,163
Other operating lease rentals	406,278	419,617

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2021

7 STAFF COSTS

	2021	2020
	£	£
Salaries	4,650,759	4,058,071
Social security costs	384,598	316,982
Pension costs	164,375	146,470
	5,199,732	4,521,523

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

	2021	2020
	No.	No.
£60,001-£70,000	2	1
£70,001-£80,000		1
£80,001-£90,000	1	-

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

	2021	2020
	No.	No.
Direct charitable services	175	155
Support staff	24	19
	199	174

Remuneration of key management personnel

The total amount of employee benefits received by key management personnel was £227,686 (2020: £211,031). The charity considers its key management comprise Chief Executive Officer, Director of Operations and Director of Finance.

Trustees payments and expenses

No members of the executive committee received any emoluments, pension contributions or had benefits accruing.

No members of the executive committee were reimbursed any expenses (2020: £Nil).

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Computer equipment £	Office equipment £	Total £
COST				
As at 1 April 2020	860,799	329,349	74,729	1,264,877
Additions	710,000	-	-	710,000
Disposals	-	-	-	-
As at 31 March 2021	1,570,799	329,349	74,729	1,974,877
DEPRECIATION				
As at 1 April 2020	300,088	329,349	74,729	704,166
Charge for the period	27,100	-	-	27,100
Released on disposal	-	-	-	-
As at 31 March 2021	327,188	329,349	74,729	731,266
NET BOOK VALUE				
As at 31 March 2021	1,243,611	-	-	1,243,611
As at 1 April 2020	560,711	-	-	560,711

The net book value as at 31 March 2021 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2020: £Nil) that were contracted but not provided for in the financial statements.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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For the year ended 31 March 2021

9 DEBTORS

	2021	2020
	£	£
Rents and grants outstanding	1,243,650	401,361
Prepayments and accrued income	254,039	247,267
Other debtors	-	515
	1,497,689	649,143

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Amounts due to suppliers	134,357	172,645
Taxation and social security	90,266	81,759
Accruals and deferred income	1,320,773	539,763
Other creditors	60,882	49,859
	1,606,278	844,026

There was £47,867 relating to pension contributions included within other creditors (2020: £33,528).

	2021	2020
	£	£
Deferred income included above comprised:		
Deferred income b/f	366,869	146,854
Received in the year	4,789,373	307,294
Released to income and expenditure	(4,111,871)	(87,279)
Deferred income c/f	1,044,371	366,869

The above deferred income represents grant funding received which is repayable until such time as the conditions of the grant are satisfied.

11 PENSION AND SIMILAR OBLIGATIONS

The Social Housing Pension Scheme (SHPS) and the Scottish Housing Associations' Pension Scheme (SHAPS) (collectively "SHPS/SHAPS") are defined benefit multiemployer pension schemes with approximately 450 and 150 sponsoring employers respectively, which includes social landlords. The schemes are administered by TPT Retirement Solutions (formerly The Pensions Trust) ("TPT").

The scheme is classified as a 'last-man standing arrangement' therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Historically it has not been possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, and therefore it accounted for the scheme as a defined contribution scheme. However following a number of changes to systems and processes, sufficient information became available to allow for the scheme to be accounted for as a defined benefit scheme under FRS102.

The valuation was based on data collected by TPT as part of a one-off "member by member" valuation as at 31 March 2018 to give an accurate starting position at that date. The 31 March 2019 position was projected from the 30 September 2018 data and TPT asserted that it did not have data to provide sufficient information before the date 31 March 2018. Therefore as at 1 April 2018 the present value of the social landlord's deficit funding agreement was de-recognised and an adjustment made to instead recognise the actuarial valuation under FRS 102 of the scheme's full deficit attributable to the organisation.

The last full actuarial valuation of the scheme was carried out with an effective date of 30 September 2020, but the results of this have not yet been disclosed to us by TPT. The previous valuation was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 1 December 2017 and showed total scheme assets of £4,553m, total scheme liabilities of £6,075m and a total scheme deficit of £1,522m. The valuation of the scheme's assets and liabilities attributable to the organisation, as assessed by the actuary, are recognised in the charity's Balance Sheet at each reporting date, the details of which are given below.

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For the year ended 31 March 2021

11 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

	2021	2020
	£	£
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(34,000)	(55,400)
Expenses	(11,000)	(10,600)
Pension finance income/(costs)	(45,000)	(66,000)

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was (£8,000).

	2021	2020
	£	£
Amounts recognised in Other Recognised Gains/(Losses):		
Actuarial gains/ (losses)	(164,000)	577,875
	(164,000)	577,875

	2021	2020
	£	£
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	7,636,975	7,335,000
Present value of defined benefit obligation	(9,338,000)	(9,094,000)
Deficit in plan	(1,701,025)	(1,759,000)
Defined benefit liability to be recognised	(1,701,025)	(1,759,000)

	2021	2020
	£	£
Movements in the present value of defined benefit obligations were as follows:		
At 1 April	9,094,000	9,891,000
Service cost	-	-
Interest expense	188,000	224,400
Actuarial (gains)/losses due to scheme experience	(638,000)	(524,000)
Actuarial (gains)/losses due to changes in demographic assumptions	35,000	(94,000)
Actuarial (gains)/losses due in scheme experience	882,000	(137,000)
Benefits paid and expenses	(234,000)	(277,000)
Expenses	11,000	10,600
At 31 March	9,338,000	9,094,000

	2021	2020
	£	£
Movements in the fair value of charity's share of scheme assets:		
At 1 April	7,335,000	7,364,000
Interest income	154,000	169,000
Experience on plan assets	115,000	(177,125)
Contributions by employer	266,975	256,125
Benefits paid and expenses	(234,000)	(277,000)
At 31 March	7,636,975	7,335,000

Principal Actuarial Assumptions	At 31.03.21	At 31.03.20
Discount rate for scheme liabilities	2.15%	2.09%
Inflation (RPI)	3.29%	2.95%
Inflation (CPI)	2.86%	1.95%
Salary growth	3.86%	2.65%

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For the year ended 31 March 2021

11 PENSION AND SIMILAR OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31.03.21	At 31.03.20
<i>Retiring today</i>		
Males	21.6	21.5
Females	23.5	23.3
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	25.1	24.5

12 COMMITMENTS UNDER OPERATING LEASES

The Association is party to agreements for the rental of land and buildings which have no formal period but which can be terminated by either party with six months notice. The minimum lease payments under these agreements at the year end are £184,350 (2020: £184,350).

13 RESERVES

	Opening balance £	Income £	Expenditure £	Transfers £	Closing balance £
Unrestricted funds					
General reserves (before pension)	3,346,713	7,928,198	(7,759,747)	(789,311)	2,725,853
Pension Reserves	(1,759,000)	-	-	57,975	(1,701,025)
General Reserves (after pension)	<u>1,587,713</u>	<u>7,928,198</u>	<u>(7,759,747)</u>	<u>(731,336)</u>	<u>1,024,828</u>
Designated reserves					
Assets and Projects Reserve	594,893	-	-	-	594,893
Strategic development reserve	463,910	201,006	(117,639)	60,275	607,552
Fixed Asset Reserve	560,711	-	-	682,900	1,243,611
	<u>1,619,514</u>	<u>201,006</u>	<u>(117,639)</u>	<u>743,175</u>	<u>2,446,056</u>
Total unrestricted funds	<u>3,207,227</u>	<u>8,129,204</u>	<u>(7,877,386)</u>	<u>11,839</u>	<u>3,470,884</u>
Restricted funds					
Older Adults	1,325	-	-	-	1,325
Day Care, User & Community	1,042	426,632	(415,835)	(11,839)	-
Total restricted funds	<u>2,367</u>	<u>426,632</u>	<u>(415,835)</u>	<u>(11,839)</u>	<u>1,325</u>
Total funds	<u>3,209,594</u>	<u>8,555,836</u>	<u>(8,293,221)</u>	<u>-</u>	<u>3,472,209</u>

Unrestricted funds - General reserve

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted funds - Designated reserves

The designated reserves were created by the executive committee for the following purposes:

Assets and Projects Reserve - this sets aside resources from previous unrestricted surpluses for major projects and future asset purchases. It also provides a resource to smooth cyclical expenditure on replacement equipment and furniture.

Strategic Development Reserve - the use of income raised through donations or fundraising, together with surpluses from External training income is directed by trustees, to fund specific projects or pilots which are felt to be key to the organisations strategic direction. The Advice and Information Line Service has been funded from this reserve this year

Fixed Assets Reserve - this sets aside amounts from general reserves to match the extent to which resources have been utilised in funding fixed assets for charitable purposes.

Restricted funds

The income funds of the charity include restricted funds comprising unexpended balances of grants received which are to be applied for specific purposes as stipulated by the donor organisation.

Restricted funds have arisen from timing differences between grants received from funding bodies and expenditure on the specified charitable activities.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Provisions	Total
	£	£	£	£
Restricted funds	-	1,325		1,325
Unrestricted funds	1,243,611	3,928,298	(1,701,025)	3,470,884
Balance as at 31 March 2021	1,243,611	3,929,623	(1,701,025)	3,472,209

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2020: none).

16 COMPANY LIMITED BY GUARANTEE

The Association is a private company limited by guarantee and not having a share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up whilst that person is a member or within one year of ceasing to be a member.