

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
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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
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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.

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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.

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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.

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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
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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.

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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.

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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.

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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
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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.

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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%

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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)	1,587,713	7,928,198	(7,759,747)	(731,336)	1,024,828
 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
	1,619,514	201,006	(117,639)	743,175	2,446,056
 Total unrestricted funds	3,207,227	8,129,204	(7,877,386)	11,839	3,470,884
 Restricted funds					
Older Adults	1,325	-	-	-	1,325
Day Care, User & Community	1,042	426,632	(415,835)	(11,839)	-
 Total restricted funds	2,367	426,632	(415,835)	(11,839)	1,325
 Total funds	3,209,594	8,555,836	(8,293,221)	-	3,472,209

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
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2021

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.