

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
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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 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
1 St Philips Place
Birmingham
B3 2PP

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
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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.

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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.

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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.

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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
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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
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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 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.

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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.

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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 | |
| | | <u>5,663,602</u> | | <u>5,535,901</u> | |
| Creditors: amounts falling due within one | 10 | <u>(1,767,407)</u> | | <u>(1,606,278)</u> | |
| Net current assets | | | 3,896,195 | | 3,929,623 |
| Net assets excluding pension liability | | | <u>5,108,390</u> | | <u>5,173,234</u> |
| Defined benefit pension liability | 11 | | (1,235,981) | | (1,701,025) |
| Net assets | | | <u>3,872,409</u> | | <u>3,472,209</u> |
| Charity Funds | 13 | | | | |
| Unrestricted funds: | | | | | |
| General reserves before pension reserve | | | 2,631,614 | | 2,725,853 |
| Pension reserve (FRS102) | | | <u>(1,235,981)</u> | | <u>(1,701,025)</u> |
| General reserves after pension reserve | | | 1,395,633 | | 1,024,828 |
| Designated reserves | | | 2,465,464 | | 2,446,056 |
| Total unrestricted funds | | | <u>3,861,096</u> | | <u>3,470,884</u> |
| Restricted funds | | | 11,313 | | 1,325 |
| | | | <u>3,872,409</u> | | <u>3,472,209</u> |

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.

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 |

| | Unrestricted £ | Restricted £ | Total 2022 £ | Total 2021 £ |
|---------------------------------|-------------------|-----------------|--------------------|--------------------|
| Analysis by service type | | | | |
| 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 |

| | 2022 £ | 2021 £ |
|-------------------------------------|---------------|---------------|
| Analysis of Governance Costs | | |
| 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 No. | 2021 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 No. | 2021 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.

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 | - |
| | 2,051,661 | 1,497,689 |

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

| | 2022 £ | 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 |
| | 1,767,407 | 1,606,278 |

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 | 1,104,861 | 1,044,371 |

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% |

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) | 1,024,828 | 8,927,717 | (8,588,328) | 31,416 | 1,395,633 |
| 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 |
| | 2,446,056 | 251,355 | (200,531) | (31,416) | 2,465,464 |
| Total unrestricted funds | 3,470,884 | 9,179,072 | (8,788,860) | - | 3,861,096 |
| Restricted funds | | | | | |
| Older Adults | 1,325 | - | - | - | 1,325 |
| Day Care, User & Community | - | 435,333 | (425,345) | - | 9,988 |
| Total restricted funds | 1,325 | 435,333 | (425,345) | - | 11,313 |
| Total funds | 3,472,209 | 9,614,405 | (9,214,205) | - | 3,872,409 |

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 | <u>1,212,195</u> | <u>3,896,195</u> | <u>(1,235,981)</u> | <u>3,872,409</u> |

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.