

Charity registration number: 1003906
Company registration number: 2024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2023

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

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

Charity Reference and Administrative Details

Charity registration number 1003906

Company registration number 02024372

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

Chief Executive Officer Helen Wadley

Director of Operations John Bristow

Director of Finance Ruth Galvin

Registered office 17 Graham Street
Hockley Birmingham
B1 3JR

Auditors Haines Watts Birmingham LLP 5 -6
Greenfield Crescent
Edgbaston
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Bankers NatWest
Unit 24 Grand Central
Ground Floor Stephenson Place
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B2 4BF

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

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

Trustees of the Charity

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

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

Chair's Report

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

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

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

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

Regulated Services

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

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

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

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

Support Services

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

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

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

Community Services

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

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

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

Pathway Service Area

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

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

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

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

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

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

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

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

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

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

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

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and challenges.

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

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

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

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

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

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

Objectives and Activities

Vision

"Better Mental Health for All"

Birmingham Mind's Core Values

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

Strategic Report

Aims and Achievements

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

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

Risk Management

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

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

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

Plans for Future Periods

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

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

Structure, Governance and Management

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

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

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

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

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

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

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

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

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

Public Benefit Statement

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

Financial Review and Related Policies

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

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

Reserves Policy

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

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

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

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

Investment Policy

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

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

Trustees' responsibilities

The executive committee is responsible for preparing the executive committee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The executive committee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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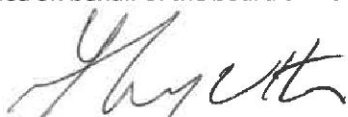
Disclosure of information to the auditors

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 10 August 2023



Rev Canon Frank Longbottom
Chairman

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

Opinion

We have audited the financial statements of Birmingham Association for Mental Health for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the Strategic Report).

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

18 August 2023

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

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


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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2023

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

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



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 March 2023

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

Notes to cash flow statement:

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

b) Analysis of changes in net funds

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

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

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

1 ACCOUNTING POLICIES

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

(a) Basis of accounting

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

Preparation of accounts on a going concern basis

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

(b) Income recognition

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

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

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

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

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

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

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

(c) Expenditure recognition

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

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

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

(d) Tangible fixed assets

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

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

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

(e) Unrestricted funds

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

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

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

(g) Restricted funds

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

(h) Pension costs

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

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

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

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

(k) Taxation

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

(l) Critical estimates and areas of judgement

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

2 INCOME FROM DONATIONS AND LEGACIES

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

3 INCOME FROM INVESTMENTS

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

4 INCOME FROM CHARITABLE ACTIVITIES

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

5 ANALYSIS OF EXPENDITURE

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

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

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

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

6 NET (EXPENDITURE)/ INCOME FOR THE YEAR

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

7 STAFF COSTS

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

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

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

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

	2023 No.	2022 No.
Direct charitable services	177	192
Support staff	28	34
	205	226

Remuneration of key management personnel

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

Trustees payments and expenses

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

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

8 TANGIBLE FIXED ASSETS

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

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

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

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

9 DEBTORS

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

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

11 PENSION AND SIMILAR OBLIGATIONS

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

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

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

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

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

11 PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

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

	2023 £	2022 £
Amounts recognised in the Statement of Financial Activities:		
Interest on pension liabilities	(31,000)	(34,000)
Expenses	(10,000)	(11,000)
Pension finance (costs)	(41,000)	(45,000)

	2023 £	2022 £
Amounts recognised in Other Recognised (Losses)/ Gains:		
Actuarial (losses)/ gains	(172,000)	244,000
	(172,000)	244,000

	£	£
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	5,274,000	7,697,019
Present value of defined benefit obligation	(6,460,000)	(8,933,000)
Deficit in plan	(1,186,000)	(1,235,981)
Defined benefit liability to be recognised	(1,186,000)	(1,235,981)

	£	£
Movements in the present value of defined benefit obligations were as follows:		
At 1 April	8,933,000	9,338,000
Service cost	-	-
Interest expense	246,000	198,000
Actuarial (gains) due to scheme experience	1,000	449,000
Actuarial (gains)/losses due to changes in demographic assumptions	(16,000)	(148,000)
Actuarial (gains)/losses due to changes in financial assumptions	(2,472,000)	(648,000)
Benefits paid and expenses	(242,000)	(267,000)
Expenses	10,000	11,000
At 31 March	6,460,000	8,933,000

	2023 £	2022 £
Movements in the fair value of charity's share of scheme assets:		
At 1 April	7,697,019	7,636,975
Interest income	215,000	164,000
Experience on plan assets	(2,659,000)	(103,000)
Contributions by employer	262,981	266,044
Benefits paid and expenses	(242,000)	(267,000)
At 31 March	5,274,000	7,697,019

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

11 PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

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

12 COMMITMENTS UNDER OPERATING LEASES

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

13 RESERVES

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

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

Unrestricted funds - Designated reserves

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

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

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

13 RESERVES (continued)

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

Restricted funds

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

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

15 RELATED PARTY TRANSACTIONS

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

16 POST BALANCE SHEET EVENTS

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

17 COMPANY LIMITED BY GUARANTEE

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