

Charity registration number: 1003906
Company registration number: 02024372

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2024

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

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

Charity Reference and Administrative Details

Charity registration number	1003906
Company registration number	02024372
Trustees	Rev Canon F Longbottom Mr B Geary (resigned 11 April 2024) Professor A Davis Mr J Piggott Mr M Shakespeare Dr Ian McPherson Ms S Willis Mr N Howl Mr A Wylde Ms M Smojkis Rt Revd J Langstaff (appointed 5 October 2023) Ms P Lloyd Knight (appointed 5 October 2023)
Chief Executive Officer	Helen Wadley
Director of Operations	James Harper (from 8 June 2023) John Bristow (until 30 June 2023)
Director of Finance	Ruth Galvin
Registered office	17 Graham Street Hockley Birmingham B1 3JR
Auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham 3 rd Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	NatWest Unit 24 Grand Central Ground Floor Stephenson Place Birmingham B2 4BF

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

Trustees of the Charity

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

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

Chair's Report

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

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

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

Regulated Services

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

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

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

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

Support Services

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

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

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

Community Services

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

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

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

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

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

Pathway Service Area

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Objectives and Activities

Vision

"Better Mental Health for All"

Birmingham Mind's Core Values

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

Strategic Report

Aims and Achievements

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

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

Risk Management

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

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

Plans for Future Periods

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

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

Structure, Governance and Management

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

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

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

Structure, Governance and Management - continued

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

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

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

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

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

Public Benefit Statement

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

Financial Review and Related Policies

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

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

There were no related party transactions during the year.

Reserves Policy

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

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

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

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

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

Investment Policy

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

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

Going concern

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

Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the Company for the year. In preparing those financial statements the Trustees are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to the auditors

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

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

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

Signed on behalf of the board on 8 August 2024.



Rev Canon Frank Longbottom
Chairman

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

Opinion

We have audited the financial statements of Birmingham Association for Mental Health (the 'charity') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

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

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

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our report

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



Kevin Hodgetts FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

3rd Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date **25 September 2024**

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

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

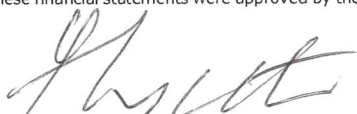
The notes on pages 19 to 27 form part of these financial statements

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

BALANCE SHEET
As at 31 March 2024

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

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



Rev Canon Frank Longbottom
Chairman

Company registered number: 02024372

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 March 2024

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

Notes to cash flow statement:

a) Reconciliation of net income to net cash inflow from operating activities	2024 £	2023 £
Net income for year (before other gains and losses)	(11,506)	(296,738)
Interest receivable	(33,365)	(12,376)
Depreciation	55,755	55,754
(Increase)/decrease in debtors	(947,373)	1,591,095
Increase/(decrease) in creditors	77,676	2,625
Interest expense re defined benefit pensions liability	62,928	41,000
Defined benefit pension deficit contribution payments	(277,320)	(262,981)
Net cash (outflow)/inflow from operating activities	(1,073,205)	1,118,379

b) Analysis of changes in net funds

	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank	3,665,009	(1,039,840)	2,625,169
Total	3,665,009	(1,039,840)	2,625,169

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

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

1 ACCOUNTING POLICIES

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

(a) Basis of accounting

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

Preparation of accounts on a going concern basis

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

(b) Income recognition

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

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

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

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

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

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

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

(c) Expenditure recognition

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

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

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

(d) Tangible fixed assets

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

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

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

(e) Unrestricted funds

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

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

1 ACCOUNTING POLICIES (CONTINUED)

(f) Designated funds

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

(g) Restricted funds

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

(h) Pension costs

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

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

Further information can be found in note 11.

(i) Operating lease rentals

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

(j) Volunteers

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

(k) Taxation

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

(l) Critical estimates and areas of judgement

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

2 INCOME FROM DONATIONS AND LEGACIES

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

3 INCOME FROM INVESTMENTS

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

4 INCOME FROM CHARITABLE ACTIVITIES

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

5 ANALYSIS OF EXPENDITURE

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

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

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

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

6 NET INCOME/(EXPENDITURE) FOR THE YEAR

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

7 STAFF COSTS

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

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

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

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

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

Remuneration of key management personnel

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

Trustees payments and expenses

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

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

Redundancy and termination payments

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

8 TANGIBLE FIXED ASSETS

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

9 DEBTORS

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

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

11 PENSION AND SIMILAR OBLIGATIONS

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

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

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

11 PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

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

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

11 PENSION AND SIMILAR OBLIGATIONS (continued)

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

Principal Actuarial Assumptions

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

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

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

12 COMMITMENTS UNDER OPERATING LEASES

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

13 RESERVES

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

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

Unrestricted funds - Designated reserves

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

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

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

BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH
(Company limited by guarantee)

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

13 RESERVES (continued)

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

Restricted funds

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

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

15 RELATED PARTY TRANSACTIONS

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

16 POST BALANCE SHEET EVENTS

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

17 COMPANY LIMITED BY GUARANTEE

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