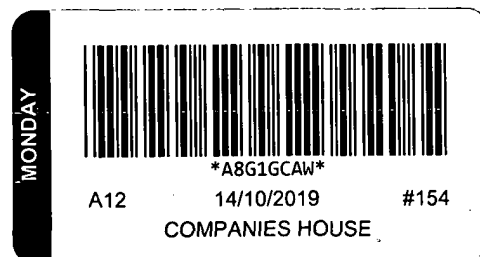


Charity registration number: 1003906  
Company registration number: 2024372

**Birmingham Association for Mental Health  
Trustees' Annual Report and Financial Statements  
Year Ended 31 March 2019**



**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
TRUSTEES' ANNUAL REPORT  
YEAR ENDED 31 MARCH 2019**

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**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
TRUSTEES' ANNUAL REPORT  
YEAR ENDED 31 MARCH 2019**

**Charity registration number** 1003906

**Company registration number** 02024372

**Trustees**

Rev Canon F Longbottom  
(Chairman of the Executive Committee)  
Mr B Geary (Company secretary & Treasurer) (member of the Clinical Governance Committee and F&GP Committee)  
Professor A Davis (member of the F&GP Committee) (Chairman of the Clinical Governance Committee)  
Mr J Piggott (member of the F&GP Committee)  
Mr B Singh Ghataora (member of the Clinical Governance Committee)  
Mr M Shakespeare (member of the Clinical Governance Committee)  
Ms Lorna Scully  
Dr Ian McPherson (member of the Clinical Governance Committee)  
Ms S Willis (member of the Clinical Governance Committee)  
Mr K Raffo (member of the F&GP Committee)  
Ms D Markman (member of the Clinical Governance Committee)  
Mr N Howl (member of the F&GP Committee)

**Chief Executive Officer** Helen Wadley

**Director of Operations** John Bristow

**Director of Finance** Ruth Galvin

**Registered office** 17 Graham Street  
Hockley  
Birmingham  
B1 3JR

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

**Bankers** **NatWest**  
1 St Philips Place  
Birmingham  
B3 2PP

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
TRUSTEES' ANNUAL REPORT  
YEAR ENDED 31 MARCH 2019**

The Trustees present their report and the audited financial statements of the charity for the year ending 31 March 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

**Trustees of the Charity**

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

Rev Canon F Longbottom	(Chair of the Executive Committee)
Mr B Geary	(Company Secretary & Treasurer) (member of the Finance Committee)(member of the Clinical Governance Committee)
Professor A Davis	(member of the Finance Committee) (Chair of the Clinical Governance Committee)
Mr J Piggott	(member of the Finance Committee)
Mr B Singh Ghataora	Resigned
Mr M Shakespeare	(member of the Clinical Governance Committee)
Ms Lorna Scully	Resigned
Dr Ian McPherson	(member of the Clinical Governance Committee)
Ms S Willis	(member of the Clinical Governance Committee)
Mr K Raffo	(member of the Finance Committee)
Ms D Markman	(member of the Clinical Governance Committee)
Mr N Howl	(member of the Finance Committee)

**Chairs Report**

We have continued to see an increase in both the breadth of work that we do as well as an increase in our income. Due to our reputation for delivering high quality services we have been asked to be part of many new ways of working and pilots with other partners. This is good news as it helps increase the reach we have into new communities in Birmingham. However the context of our work is a challenging one. Although our local Council and NHS commissioners are very supportive and understanding of mental health needs, the lack of investment in mental health has seen services straining, and often failing to meet people's needs. Clearly with how precarious funding is within local Government, National Government and the NHS we are constantly at risk of cuts and as with any public or charitable funding we are constantly trying to meet a growing demand for our services with no increase in funding within individual funding streams. Many of our contracts have not been renewed for years and as such some are becoming unviable.

After the concerns of the previous year in relation to cuts to our Supporting People Contract we have stabilised this contract and been able to fully implement our new locality model. The 4 Supporting People teams have all adapted this model to suit the needs of the differing communities within Birmingham and we have had excellent feedback from those people that use that service and stakeholders. We recognised that we needed to supplement the management team and plans are underway to achieve this by the end of the year as well as ensuring our systems and processes match our high delivery standards.

At the point of the tender for the Supporting People we indicated we might be interested in match funding for the service that Birmingham City Council (BCC) was bidding to the EU for through European Social Fund (ESF). Eventually in March 2019 it was agreed that we would work with BCC on delivering training, employment and voluntary work for people with mental health issues through this ESF

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
TRUSTEES' ANNUAL REPORT  
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opportunity, subject to the two year extension to the Supporting People contract (until June 2021). This sees us increase our staffing levels by another 9 people.

Over this financial year voids in our care homes have been higher than we have ever experienced and this has impacted negatively on our income levels. Towards the end of the financial year we saw an increase in occupancy levels but nevertheless we have had to seriously take stock of our stated intention to continue to develop better care homes in relation to the facilities they offer. Through experienced managers and teams we are rated as Good in every category across all 5 homes but we can lose out to homes which are purpose built. Our plans for residential care development has been further complicated by our main Housing Association, who owns 4 out of the 5 homes, serving us with notice with the intention of moving us to a longer term lease or to buy the homes. Over the remaining part of the year we have initiated Project Mind – an internal working group – supplemented by external project consultants have been assessing the options we have (the Project Mind Group is still continuing into the later part of 2019). We had already committed to buying one of the five care homes before this news and it is likely we will buy at least one more in the following financial year.

In July 2017 we opened a ground breaking service in partnership with Birmingham and Solihull Mental Health Foundation Trust (BSMHFT) and so we are in our second year of delivery and have had an excellent Evaluation of the service – the first of its kind in the UK. We have successfully blended the culture of Birmingham Mind with BSMHFT and we have a shared vision for the service. Whilst there will always be challenges with this level of partnership. we are working well together to resolve these challenges. We have just started the process of renegotiating the contract with BSMHFT.

In April 2018 we went live with the delivery of the Recovery and Employment (MHRE) contract which is a partnership between Better Pathways (Lead) and Creative Support. This secured the medium term future of our Recovery Service at Beechcroft in Erdington and has enabled us to open a new Recovery Hub in the Handsworth area and as such we were pleased to open the new centre on 1st April 2018. A year in, we have grown the service and the partnership and are currently reviewing it with the partners and stakeholders.

We are continuing to offer our preventative services through our Wellbeing Service and our Community Development Service. We have continued to offer well respected and evidence based interventions and have been actively working with Commissioners around longer term more stable funding for these services.

Every Step of the Way has continued to thrive and the Experts by Experience and Involvement Champions continue help make the "system change" that is key to the long term success of this service. As we are entering the 5<sup>th</sup> year of contract that is 7 years long we will need to make some personnel change soon, reducing the size of the team.

Our involvement with Pilots have continued to be a big feature of the year. They have produced some excellent results although it should be noted that they have all placed significant strain on senior manager's time. Firstly we have continued working with BSMHFT and Forward Thinking Birmingham (FTB) with Hospital Navigator services. These navigators and peer workers help to ensure peoples accommodation is ready for them to move to/return to as soon as they are medically able to be discharge. For most of the year we have piloted a role with FTB out of hour's crisis line for young people and their parents. We ran this for a year and then the role morphed into a worker supporting young people in the FTB Hub centres working on reducing peoples hospital admissions.

We have been involved in two different Pilots around Primary Care liaison services – one of them was built from the ground up with GPs bringing together community organisations, BSMHFT and Birmingham City Council to help consider the needs of the people that services struggle to engage and meet their needs. The other Primary Care Pilot was developed by BSMHFT and Commissioners with the Commissioners funding staff from the Third Sector to be part of a multi-disciplinary team that worked with a group of GPs to avoid people being referred to BSMHFT or FTB. It is clear through Government

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
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policy this is the direction of travel, however how this will be developed and funded is unclear at the moment. We have also delivered a short pilot with the Liaison Psychiatry Service based at the Queen Elizabeth A&E Department helping to pick up and work with people's social situation if it has led to a mental health crisis. This has been very successful. Our involvement with Pilots is based on our strong reputation and we do learn a lot as well as giving staff the opportunity to grow and develop different skills. However the downside is that they take up significant senior management time in the planning, design, delivery and evaluation of the pilots and the staff on secondment can leave existing services short.

In the previous financial year we used reserves to run a Crisis Café from Thursday to Sunday until 10pm at Beechcroft in Erdington. BSMHFT provided two staff and we had a member of staff and a volunteer. We funded this on the basis of the funding being picked up at the end of the year. Whilst the CCG Commissioners did pick it up – a week before it was due to close – it was disappointing that there were issues with who was responsible for funding the service despite the sign up of the whole system to the concept of Crisis Cafes. We are still struggling to engage BSMHFT on their part of the operation.

Two other services have started during the year. By using the funds raised via fundraising, donations and surplus of the training department received in 2016/2017 we have employed a Young Persons Coordinator who is working with a set number of schools and in partnership with BEP (Birmingham Educational Partnership) and FTB. The funds from the same income streams for 2017/2018 have been used to appoint a member of staff to working in partnership with Housing 21. The outcome of this pilot will be a toolkit that can be used in sheltered and Extra Care schemes to help develop Peer initiatives to combat loneliness. It has been agreed that the funds raised in 2018/2019 will be used to set up an Advice and Information Line.

Our external training department continues to be very busy and we are seeing an increase in the number of large corporate organisations that are contacting us wanting training on mental health or workplace wellbeing. This is a fantastic opportunity to educate people and challenge stigma – two of our key aims. We also have developed longer term relationships with some organisations through cooperate fundraising and cooperate volunteering.

One of the key changes we agreed during this year is a complete review of our Memorandum and Articles of Associations. With legal advice we have simplified and modernised this into a single set of Articles of Association which were formally adopted at an Extraordinary General Meeting held on 14<sup>th</sup> February.

As trustees we are really pleased that we have continued to grow the number of our volunteers. Volunteers bring real added value to the work that we do and we are fortunate that we have over 90 active volunteers with us and overall volunteers have contributed over 7300 hours of additional service.

We have very strong Service User Involvement within the Charity and have over 80 people involved in feeding into the Governance Structures and improving their local service offer. Their creativity, passion and unique viewpoint is crucial in making Birmingham Mind the Charity it is.

Following on from our extensive consultation on creating a new Vision and Values for the Charity we started on the roll out of these values. Each 4 months a particular Value is chosen and each service comes up with a creative way of demonstrating how it meets it. We have had plays, songs, videos, events, art projects and many more creative initiatives. Clearly our values are embedded throughout the Charity and those that work for us.

Overall it has been an incredibly busy but successful year. Financially although there have been concerns in residential we have managed to cover all expenditure and what we offer as a Charity grows in size and breadth.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
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**Objectives and Activities**

Vision

**"Better Mental Health for All"**

Birmingham Mind's Core Values

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

**Strategic Report**

The Trustees accepted a Five Year Strategic Plan covering the period of 2016-2021. Under this Strategic Plan each year a Business Plan is then developed in order to guide Executive Officers and Trustees on the aims and aspirations for the coming year.

Aims and Achievements

Our Strategic and Business Plan sets out a series of objectives to be met during 2017/2018. Below highlights some of those objectives and the progress we have made in achieving them.

<b>2018/2019 What we planned to achieve</b>	<b>2018/2019 What we actually achieved</b>
Opening the new Recovery Hub in Handsworth	Handsworth Hub opened on 1 <sup>st</sup> April and continues to attract people to its courses and social support sessions.
Introduce the new Finance, Payroll and HR system	All systems introduced and embedded,
Review care homes and look to replace one of them if possible	All Care homes under review but news from Housing Association has meant review and replacements have taken more urgency.
Consider the needs of the infrastructure of Birmingham Mind due to its growth.	Review in different departments undertaken and new roles agreed.
Achieve the Mind Quality Mark	Obtained the Mind Quality Mark.
Continue to invest in strengthening our partnerships with other organisations	Partnerships continue to grow and develop.

**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**

When setting the Business Plan for 2019/2020 trustees were cognisant of the growth that Birmingham Mind has undergone in the last 2 years which has put considerable strain on infrastructure support. As such we have allocated investment to increase this infrastructure and systems.

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We hope to be able to bid for, and hopefully win, the Dementia Navigator Service in partnership with two Older People Charities. This would help us be able to grow our support to older adults in line with our Strategic Plan.

Through the support of additional resources we hope to be able to replace/repurpose one of our care homes to offer a more modern environment.

Through the use of money raised through fundraising/donations/surplus from educational activities we are planning on setting up an Advice and Information line which is much needed in the city. It will also serve as a portal to Birmingham Mind services.

We expect to be investing a considerable percentage of our Reserves into buying some of the buildings we are operating some of our services from. With the changes forced upon us by our main Housing Association we have agreed that it will be financially safer to buy them and run them ourselves. In this way we can invest in making the building the best it can be.

Continue to tender for new opportunities to expand our reach into the communities we serve. Despite our growth we must still respond to appropriate opportunities to pilot/run new types of services.

We do need to review the IT platform we use and consider the best platform for moving forward, especially with all of our mobile working.

**Structure, Governance and Management**

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

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

The Association also has a Clinical Governance Committee which directly reports to the Executive Committee. This Committee oversees the operational side of the Association focusing on quality and standards. A Health and Safety Committee is also held to ensure that the appropriate focus is given to this area and a member of the Executive sits on this Committee. Service user representatives are actively recruited to sit on all Committees and currently we have 2 service users on each Trustee Led Committee.

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

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

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



**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
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Birmingham Mind is affiliated to National Mind and has to ensure compliance with the National Mind Quality Standards Manual and Key Policies. During 2014/2015 we reviewed and formally signed a new Partnership Agreement with National Mind however Birmingham Mind is a Charity in its own right.

Birmingham Mind subcontracts to two organisations; Friendship Care and Housing and R&J Support and Care Ltd. We work as a subcontractor to Shelter and in partnership with Sifa Fireside for one combined service. We work as a subcontractor for our Recovery Hubs with Better Pathways as Lead and Creative Support as partner. We have formal contracts with Forward Thinking for Birmingham, Birmingham and Solihull Mental Health Foundation Trust as well as Birmingham City Council, the relevant Clinical Commissioning Groups, Big Lottery Fund and BVSC.

**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.

**Fundraising Activity**

Most income from donors comprises simple donations, for which we are very grateful. We participate with a Fundraising Events promotor, where members of the public can sign up for an event e.g. Marathons, Skydives, Cycle Rides etc. and select Birmingham Mind as the receiver of funds raised, however the individual participant is responsible for obtaining their donors, and income is usually collated via Just Giving. Collection buckets may be available at certain events whether outdoors or indoors, but the collection of any such donations is always ancillary to the actual event. The charity does not participate in any door to door, telephone or street marketing campaigns to obtain donors, directly or via professional fundraisers. As a result, Birmingham Mind is not required to register with the Fundraising Regulator, and has not done so, however Trustees are mindful of The Code of Fundraising Practice, much of which is already incorporated in the Association's Fundraising Good Practice Policy.

**Financial Review and Related Policies**

The accounts show our continuing strong financial position. We have seen an increase in turnover from £6,577k last year to £7,533k, and our net income (excluding increased pension liabilities and the interest on those liabilities) increased from £203k to £224k, despite 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 used in-year equivalent resources are set aside for support future projects. In addition a fixed assets reserve is matched to the extent that resources are invested in capital and therefore not available for short term use.

Trustees seek to retain unallocated balances (free reserves) for wider risks and short term cash flow matters. The long term target set by trustees for this is £2.5m or approximately six months total income. The amount held in free reserves now totals £1.163m after the notional FRS 102 Pension provision of £2.5m has been deducted. This represents approximately 1.9 months total income.

**BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH  
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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 2018/2019, we continued to hold funds in higher interest accounts with easy access. This policy was under continual review during the year with the Finance Committee reviewing the investments at its meetings with the advice of the Finance Director and Treasurer.

As stated above it is expected that we will be investing in property where we currently are delivering successful service in. We have agreed to buy one of our Care Homes – Flint Green House during this financial year and we expect to allocate more reserves for further purchases during the year ahead.

**Trustees' responsibilities**

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

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

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

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

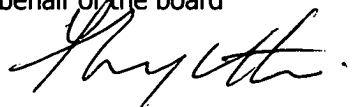
**Disclosure of information to the auditors**

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

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

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

On behalf of the board



**Rev Canon Frank Longbottom**  
Chairman

8 August 2019

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER 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 2019 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources 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 Charities Act 2011.

### **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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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 charity'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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

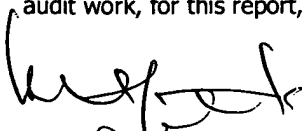
## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BIRMINGHAM ASSOCIATION FOR MENTAL HEALTH**

### **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.

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

4 October 2019

**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 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	2	124,723	-	124,723	72,192
Charitable activities	4	6,818,956	568,475	7,387,431	6,497,947
Investments	3	20,517	-	20,517	7,103
<b>Total income</b>		<b>6,964,196</b>	<b>568,475</b>	<b>7,532,671</b>	<b>6,577,242</b>
<b>Expenditure On:</b>					
Raising funds	5	19,660	-	19,660	22,621
Charitable activities	5	6,682,955	605,922	7,288,877	6,351,929
Other	11	61,000	-	61,000	19,000
<b>Total expenditure</b>	5	<b>6,763,615</b>	<b>605,922</b>	<b>7,369,537</b>	<b>6,393,550</b>
<b>Net income/(expenditure)</b>		<b>200,581</b>	<b>(37,447)</b>	<b>163,134</b>	<b>183,692</b>
<b>Transfers between funds</b>		<b>43,008</b>	<b>(43,008)</b>	<b>-</b>	<b>-</b>
<b>Other recognised (losses)/gains</b>					
Initial recognition of multi-employer defined benefit scheme		(793,563)		(793,563)	-
Remeasurement loss on defined benefit	11	(566,000)	-	(566,000)	20,000
<b>Net movement in funds</b>		<b>(1,115,974)</b>	<b>(80,455)</b>	<b>(1,196,429)</b>	<b>203,692</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward		3,485,557	81,780	3,567,337	3,363,645
<b>Total funds carried forward</b>	13	<b>2,369,583</b>	<b>1,325</b>	<b>2,370,908</b>	<b>3,567,337</b>

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

**BALANCE SHEET**  
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible fixed assets	8		577,926		602,156
<b>Current assets</b>					
Debtors	9	573,879		480,859	
Cash at bank and in hand		<u>4,402,694</u>		<u>4,495,848</u>	
		4,976,573		4,976,707	
<b>Creditors: amounts falling due within one year</b>	10	<u>(656,591)</u>		<u>(715,089)</u>	
<b>Net current assets</b>			4,319,982		4,261,618
<b>Net assets excluding pension liability</b>			<u>4,897,908</u>		<u>4,863,774</u>
<b>Pension - defined benefit liability</b>	11		(2,527,000)		(1,296,437)
<b>Net assets</b>			<u>2,370,908</u>		<u>3,567,337</u>
<b>Charity Funds</b>	13				
Unrestricted funds:					
General reserves		3,690,654		3,301,838	
Pension reserve		<u>(2,527,000)</u>		<u>(1,296,437)</u>	
General reserves after pension reserve		1,163,654		2,005,401	
Designated reserves		<u>1,205,929</u>		<u>1,480,156</u>	
Total unrestricted funds		2,369,583		3,485,557	
Restricted funds			1,325		81,780
			<u>2,370,908</u>		<u>3,567,337</u>

These financial statements were approved by the Executive Committee and authorised for issue on 8 August 2019, 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 2019

	Note	2019 £	2018 £
<b>Net cash inflow from operating activities</b>	<b>a</b>	<b>(113,671)</b>	113,760
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		-	-
Interest received		20,517	7,103
<b>Net cash outflow from investing activities</b>		<b>20,517</b>	7,103
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(93,154)</b>	120,863
<b>Cash and cash equivalents at start of year</b>		<b>4,495,848</b>	4,374,985
<b>Cash equivalents at end of year</b>		<b>4,402,694</b>	4,495,848

**Notes to cash flow statement:**

<b>a) Reconciliation of net income/(expenditure) to net cash inflow from operating activities</b>	<b>2019 £</b>	<b>2018 £</b>
Net income for year	163,134	183,692
Amortisation of grants receivable in respect of fixed assets	-	-
Interest receivable	(20,517)	(7,103)
Depreciation	24,230	36,813
Interest expense re pensions liability	61,000	19,000
Disposal of fixed assets	-	-
(Increase)/decrease in debtors	(93,020)	(119,611)
(Decrease)/increase in creditors	(58,498)	174,731
Additional pension deficit contribution payments	(190,000)	(173,762)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(113,671)</b>	113,760

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**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 2015)', 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 majority of funding for the Charity is linked to a range of long term contracts (typically 3-5 years) most of which are then extended or reviewed after, in some cases, market testing. It is recognised that some funding streams might expire; however this is offset by new funding/services which continually are sought. In addition the charity holds prudent unallocated reserves and other resources which make Trustees confident to compile these accounts on the basis of a going concern.

**(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 and other income is accounted for on a receipts basis.

**(c) Expenditure recognition**

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

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

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

**(d) Tangible fixed assets**

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

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

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

**(e) Unrestricted funds**

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



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 March 2019**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(f) Designated funds**

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

**(g) Restricted funds**

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

**(h) Pension costs**

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

The (now closed) final pension scheme is a multi-employer scheme and has not been consistently applied because it had not previously been possible for the charity to identify its share of the underlying assets and liabilities and therefore it was treated as a defined contribution scheme whereby the liability was assessed in accordance with FRS102 as the discounted value of future deficit payments as determined by the Funds Trustees after the most recent actuarial assessment. Sufficient information is now available to enable TPT Retirement Solutions (formerly The Pensions Trust) to determine each participating employer's share of the scheme and, in accordance with FRED71, defined benefit accounting is now applied. As a result at 31 March 2019 a defined benefit liability has been recognised and the previous deficit funding liability has been de-recognised.

Further information can be found in note 11.

**(i) Operating lease rentals**

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

**(j) Volunteers**

We would like to reflect within the notes to these financial accounts the immense contributions made to the association by our volunteers, helpful members, friends, advisors, patrons and of course our committee members, the help of whom contributes greatly to enhance the work of the association and to whom we are most grateful. We benefitted for example from over 7,300 hours (2018: 6,815) of volunteers which if valued at adult minimum wage would equate to £57,159 (2018: £51,112).

**(k) Taxation**

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

**(l) Critical estimates and areas of judgement**

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

Where sufficient information is available, the SHPS must be accounted for as a defined benefit scheme. Consistent with the guidance in FRED 71, the difference between the deficit funding agreement liability social landlords currently recognised for SHPS, and the net defined benefit deficit for SHPS, should be recognised in other comprehensive income. The earliest date that sufficient information was provided is 31 March 2018 and therefore the relevant date to apply the adjustment is 1 April 2018.

The present value of the Social Housing Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the one-off "member by member" valuation as at 31 March 2018 has been used by the actuary in valuing the pension's liability at 31 March 2019. 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 2019**

**2 INCOME FROM DONATIONS AND LEGACIES**

	2019 £	2018 £
Donations	<u>124,723</u>	<u>72,192</u>

**3 INCOME FROM INVESTMENTS**

	2019 £	2018 £
Bank interest	<u>20,517</u>	<u>7,103</u>

**4 INCOME FROM CHARITABLE ACTIVITIES**

	2019 £	2018 £
Birmingham City Council Grants	196,394	140,507
Clinical Commissioning Groups	1,036,483	709,448
Supporting People	2,643,403	2,419,129
Clients	2,453,668	2,322,806
Other	1,057,483	906,057
	<u>7,387,431</u>	<u>6,497,947</u>

Analysis by service type	Unrestricted £	Restricted £	Total £	2018 £
Residential	2,143,942	-	2,143,942	1,591,753
Floating support & housing	3,528,316	284,013	3,812,329	3,440,271
Day and community services	1,108,603	284,462	1,393,065	1,465,923
Youth Services	38,095	-	38,095	-
<b>Total</b>	<u>6,818,956</u>	<u>568,475</u>	<u>7,387,431</u>	<u>6,497,947</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 March 2019**

**5 ANALYSIS OF EXPENDITURE**

	2019 £	2018 £
<b>Costs of raising funds</b>		
Staff costs	17,707	17,632
Other fundraising costs	1,953	4,989
	<b>19,660</b>	<b>22,621</b>

Charitable activities	Residential £	Floating Support & Housing £	Day & Community Services £	Total 2019 £	Total 2018 £
Direct costs:					
Staff costs	1,543,377	1,978,213	870,446	4,392,036	3,729,076
Depreciation	4,248	2,979	9,000	16,227	14,581
Other costs	364,487	1,391,374	240,684	1,996,545	1,783,829
	<b>1,912,112</b>	<b>3,372,566</b>	<b>1,120,130</b>	<b>6,404,808</b>	<b>5,527,486</b>
Support costs:					
Finance & IT	80,293	142,874	47,036	270,203	272,634
Personnel	50,322	89,543	29,479	169,344	69,310
Administration	112,943	200,971	66,163	380,077	411,640
Governance	9,807	17,451	5,745	33,003	31,106
Property	6,966	12,395	4,081	23,442	17,523
Depreciation	2,377	4,230	1,393	8,000	22,230
	<b>262,708</b>	<b>467,464</b>	<b>153,897</b>	<b>884,069</b>	<b>824,443</b>
<b>Total</b>	<b>2,174,820</b>	<b>3,840,030</b>	<b>1,274,027</b>	<b>7,288,877</b>	<b>6,351,929</b>

Analysis by service type	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Residential	2,174,820	-	2,174,820	1,830,892
Floating support & housing	3,519,048	320,982	3,840,030	3,290,353
Older adults	-	-	-	-
Day and community services	989,087	284,940	1,274,027	1,230,684
<b>Total</b>	<b>6,682,955</b>	<b>605,922</b>	<b>7,288,877</b>	<b>6,351,929</b>

Analysis of Governance Costs	2019 £	2018 £
AGM costs	960	1,613
Staff costs	20,036	19,798
Professional fees	12,007	9,695
	<b>33,003</b>	<b>31,106</b>

**6 NET INCOME/(EXPENDITURE) FOR THE YEAR**

	2019 £	2018 £
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	24,230	36,813
Loss on disposal of fixed assets	-	-
Auditor's remuneration	12,007	10,770
Other operating lease rentals	402,799	365,320

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31 March 2019

**7 STAFF COSTS**

	2019 £	2018 £
Salaries	3,786,696	3,262,289
Social security costs	299,882	248,923
Pension costs	78,601	71,164
	<b>4,165,179</b>	<b>3,582,376</b>

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

	2019	2018
£60,001-£70,000	1	1
£70,001-£80,000	1	-

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

	2,019 No.	2,018 No.
Direct charitable services	159	142
Support staff	17	14
	<b>176</b>	<b>156</b>

**Remuneration of key management personnel**

The total amount of employee benefits received by key management personnel was £193,983 (2018: £174,096). 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 (2018: £Nil).

**8 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Computer equipment £	Office equipment £	Total £
<b>COST</b>				
As at 1 April 2018	860,799	329,349	74,729	1,264,877
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2019	<b>860,799</b>	<b>329,349</b>	<b>74,729</b>	<b>1,264,877</b>
<b>DEPRECIATION</b>				
As at 1 April 2018	265,657	323,368	73,696	662,721
Charge for the period	17,216	5,981	1,033	24,230
Released on disposal	-	-	-	-
As at 31 March 2019	<b>282,873</b>	<b>329,349</b>	<b>74,729</b>	<b>686,951</b>
<b>NET BOOK VALUE</b>				
As at 31 March 2019	<b>577,926</b>	-	-	<b>577,926</b>
As at 1 April 2018	595,142	5,981	1,033	602,156

The net book value as at 31 March 2019 represents fixed assets used for direct charitable purposes.

At the year end there were no capital commitments (2018: £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 2019**

**9 DEBTORS**

	2019 £	2018 £
Rents and grants outstanding	227,428	78,673
Prepayments and accrued income	344,981	400,559
Other debtors	1,470	1,627
	<b>573,879</b>	<b>480,859</b>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Amounts due to suppliers	218,714	86,510
Taxation and social security	71,571	63,031
Accruals and deferred income	320,375	533,318
Other creditors	45,931	32,230
	<b>656,591</b>	<b>715,089</b>

There was £33,528 relating to pension contributions included within other creditors (2018: £25,991).

	2019 £	2018 £
Deferred income included above comprised:		
Deferred income b/f	269,403	203,126
Received in the year	307,294	3,137,436
Released to income and expenditure	(429,843)	(3,071,159)
Deferred income c/f	<b>146,854</b>	<b>269,403</b>

The above deferred income represents grant funding received which is repayable until such time as the conditions of the grant are satisfied.

**11 PENSION AND SIMILAR OBLIGATIONS**

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

Historically it has not been possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, and therefore it accounted for the scheme as a defined contribution scheme. However following a number of changes to systems and processes, sufficient information became available to allow for the scheme to be accounted for as a defined benefit scheme under FRS102.

The valuation has been based on data collected by TPT as part of a one-off "member by member" valuation as at 31 March 2018 to give an accurate starting position at that date. The 31 March 2019 position will be projected from the 30 September 2018 data and TPT has asserted that it does not have data to provide sufficient information before the date 31 March 2018. Therefore as at 01 April 2018 the present value of the social landlord's deficit funding agreement has been de-recognised and an adjustment has been made to recognise the deficit funding agreement liability.

The last full actuarial valuation of the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 1 December 2017 and showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31 March 2019

**11 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)**

	2019 £	2018 £
<b>Amounts recognised in the Statement of Financial Activities:</b>		
Interest on pension liabilities	(51,000)	-
Expenses	(10,000)	-
Unwinding of the discount factor (interest expense)	-	(19,000)
<b>Pension finance income/(costs)</b>	<b>(61,000)</b>	<b>(19,000)</b>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £337,000.

	2019 £	2018 £
<b>Amounts recognised in Other Recognised (Losses)/Gains:</b>		
De-recognition of deficit funding agreement as at 31 March 2018	1,296,437	-
Recognition of net pension deficit as at 31 March 2018	(2,090,000)	-
	(793,563)	-
Actuarial (losses)/gains	(566,000)	-
Remeasurements - impact of any change in assumptions	-	20,000
	<b>(2,153,126)</b>	<b>20,000</b>

	2019 £	2018 £
<b>The amounts recognised in the Balance Sheet are as follows:</b>		
Fair value of plan assets	7,364,000	7,041,000
Present value of defined benefit obligation	(9,891,000)	(9,131,000)
(Deficit)/surplus in plan	<b>(2,527,000)</b>	<b>(2,090,000)</b>
Defined benefit liability to be recognised	<b>(2,527,000)</b>	<b>(2,090,000)</b>

	2019 £
<b>Movements in the present value of defined benefit obligations were as follows:</b>	
<b>At 1 April</b>	<b>9,131,000</b>
Service cost	-
Interest expense	230,000
Actuarial losses/ (gains) due to scheme experience	120,000
Actuarial losses/ (gains) due to changes in demographic assumptions	29,000
Actuarial losses/ (gains) due in scheme experience	575,000
Benefits paid and expenses	(204,000)
Expenses	10,000
<b>At 31 March</b>	<b>9,891,000</b>

	2019 £
<b>Movements in the fair value of charity's share of scheme assets:</b>	
<b>At 1 April</b>	<b>7,041,000</b>
Interest income	179,000
Experience on plan assets	158,000
Contributions by employer	190,000
Benefits paid and expenses	(204,000)
<b>At 31 March</b>	<b>7,364,000</b>

<b>Principal Actuarial Assumptions</b>	<b>At 31.03.19</b>	<b>At 31.03.18</b>
Discount rate for scheme liabilities	2.29%	2.55%
Inflation (RPI)	3.20%	3.20%
Inflation (CPI)	2.30%	2.20%
Salary growth	3.00%	3.20%

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31 March 2019

**11 PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	<b>At 31.03.19</b>
<i>Retiring today</i>	
Males	21.8
Females	23.5
<i>Retiring in 20 years</i>	
Males	23.2
Females	24.7

**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 £209,808 (2018:£201,400).

**13 RESERVES**

	Opening balance £	Income £	Expenditure £	Gains, losses & Transfers £	Closing balance £
<b>Unrestricted funds</b>					
General reserves (before pension)	3,301,838	6,774,196	(6,702,615)	317,235	3,690,654
Pension reserve	(1,296,437)	190,000	(61,000)	(1,359,563)	(2,527,000)
General reserves (after pension)	2,005,401	6,964,196	(6,763,615)	(1,042,328)	1,163,654
<b>Designated reserves</b>					
Assets and Projects Reserve	628,000	-	-	-	628,000
Project Redundancy Reserve	50,000	-	-	(50,000)	-
Pensions Reserve	200,000	-	-	(200,000)	-
Fixed Asset Reserve	602,156	-	-	(24,227)	577,929
	1,480,156	-	-	(274,227)	1,205,929
<b>Total unrestricted funds</b>	3,485,557	6,964,196	(6,763,615)	(1,316,555)	2,369,583
<b>Restricted funds</b>					
Older Adults	1,325	-	-	-	1,325
Day Care, User & Community	80,455	568,475	(605,922)	(43,008)	-
<b>Total restricted funds</b>	81,780	568,475	(605,922)	(43,008)	1,325
<b>Total funds</b>	3,567,337	7,532,671	(7,369,537)	(1,359,563)	2,370,908

**Unrestricted funds**

**General reserve**

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

**Designated reserves**

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

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

Project Redundancy Reserve - this set aside resources from the Community Development Workers contract towards the risks of material redundancy costs if the contract is not renewed. This is no longer considered to be a material risk.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 March 2019**

**13 RESERVES (CONTINUED)**

Pensions Reserve - this reserve set 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. Following changes to accounting policy, this liability is now shown in full in the unrestricted reserves, so the additional reserve is no longer required.

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

**Restricted funds**

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

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

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible fixed assets £</b>	<b>Net current assets £</b>	<b>Total £</b>
Restricted funds	-	1,325	1,325
Unrestricted funds	577,926	1,791,657	2,369,583
Balance as at 31 March 2019	<u>577,926</u>	<u>1,792,982</u>	<u>2,370,908</u>

**15 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the current or previous years.

**16 COMPANY LIMITED BY GUARANTEE**

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