

ACTION MENTAL HEALTH

**(CHARITABLE COMPANY - LIMITED
BY GUARANTEE)**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2012**

GOLDBLATT McGUIGAN

Chartered Accountants & Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

CONTENTS
For the year ended 31 March 2012

	Pages
General Information	1
Report of the Directors	2 - 8
Report of the Independent Auditor	9 - 10
Statement of Financial Activities	11 - 12
Summary Income and Expenditure Account and Statement of Total Recognised Gains and Losses	13
Balance Sheet	14
Cash Flow Statement	15 - 16
Notes to the Financial Statements	17 - 27

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

GENERAL INFORMATION

DIRECTORS – MAIN BOARD

Mr H W R Kohner - Chairman
Mr R C Mowbray - Vice Chairman
Mr R A Boyd - Hon. Treasurer
Mrs S E Hillan
Mr W B Perceval-Price
Mr G M Carson
Mr T A J McKeever
Mrs P J Cross
Mr C B McMurray
Mr J L C Thompson
Mr E F Fee
Mrs K R Canavan (resigned 23/06/11)
Mrs R Strange (resigned 12/09/11)

SECRETARY

Mrs P J Cross

CHIEF EXECUTIVE OFFICER

Mr D Babington

REGISTERED OFFICE

AMH Central Office
27 Jubilee Road
NEWTOWNARDS
BT23 4YH

BANKERS

Northern Bank
58 Market Street
Downpatrick
BT30 6LX

**RECOGNISED BY HMRC AS A CHARITY
UNDER REFERENCE NUMBER**

XN 47959

STATUTORY AUDITORS

Goldblatt McGuigan
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

COMPANY REGISTRATION NUMBER

NI005568

INVESTMENT BROKERS

Cunningham Coates Stockbrokers
The Linenhall
32-38 Linenhall Street
Belfast
BT2 8BG

Brewin Dolphin
7 Drumsheugh Gardens
Edinburgh
EH3 7QH

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2012.

CONSTITUTION

Action Mental Health (AMH) is a company limited by guarantee, governed by the Memorandum and Articles of Association. The company is recognised as a charity by HM Revenue & Customs under reference number XN 47959.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Day to day decision making is under the supervision of the Chief Executive Officer, Mr D Babington (full time appointment since August 2011) with regular reporting to the Finance and General Purposes Committee and the Board. Decisions on strategy, policy and material capital expenditure are taken by the full Board. In line with corporate good practice the company has an audit committee currently comprising of 3 independent and 2 Board members together with the Chief Executive Officer and with the external auditors in attendance when appropriate.

DIRECTORS

The directors who served the charity during the year are as noted on Page 1.

Mrs P J Cross, Mrs S E Hillan, and Messrs. Boyd, Carson, Fee, Kohner, McKeever, McMurray, Mowbray, Perceval-Price and Thompson all served throughout the year.

It is company policy to provide an induction programme for newly appointed directors to acquaint them with the charity's policy and practice, its aims and activities, management and governance and also what is expected of them under charity law.

A register of directors' interests is maintained, with regular review and update, in order for the Board to be aware of any potential conflicts of interest. None of the directors had any material interest in contracts with the charity during the year.

RISK STRATEGY

A risk register is maintained in relation to all material risks posing financial threat to the charity. This register is reviewed regularly at audit committee meetings and board meetings to ensure systems and procedures are established to mitigate those risks identified and to minimise any potential impact on the charity. The risk register has been reviewed as part of the recent Governance Review and some changes will be made next year.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES

AMH is a voluntary organisation which provides vocational training, employment guidance and personal development services to people recovering from mental illness or with a learning disability. The charity has 12 locations throughout Northern Ireland from where core services and projects, based on the model of 'recovery', are delivered to over 1,800 adults annually. In addition AMH reaches about 5,000 young people, their teachers and carers through mental health promotion programmes. AMH aims to help people lead more inclusive lives in their communities, to find employment and assists young people build their emotional resilience.

More information on AMH's work and achievements during 2011/12 is in the Annual Review which is available from the Company's Registered Office and on its website.

ACHIEVEMENTS AND PERFORMANCE

Following on from a turbulent period last year when plans were put in place to adjust to a 25% ESF funding reduction, this year was characterised by one of implementing change. This included adopting different service delivery models and initiating and delivering a number of reviews. The scale of the changes was far reaching and everyone, including Board members, clients and staff, were involved to some degree in confronting the difficult issues facing AMH.

The 5 Health Trusts in Northern Ireland demonstrated their confidence in AMH's services and matched the reduced ESF funding, in spite of the demanding economic climate. Although 21 staff appointments were lost at the turn of the financial year units maintained a high quality and valued service and the number of clients taking up services did not diminish. Indeed, in the case of Promote, the Learning Disability service in Conlig, there was a significant increase in client throughput due to being awarded ESF funding for the first time.

The rapid review of services by the Board in early 2011 also concluded that a rationalisation of the Company's stock of premises was needed, with a move away from larger units, with high running costs, to smaller, town-centre, rented premises, more suited to the changed service delivery model. One of those sites, in the Greenbank Industrial Estate in Newry, was subsequently sold during the current year. This enabled AMH to consolidate that service with another in Newry into one city-centre site in An Storás, which is rented from the Confederation of Community Groups. The Steeple Road site in Antrim is being refurbished and has had plans drawn up for proposed new Regional offices for AMH and new tenants, which will help defray costs. The third site in Duncrue Industrial Estate in Belfast has been put up for sale. Central staff also moved into newly refurbished offices on AMH's New Horizons site in Ards to provide a more efficient and integrated role supporting AMH services, bringing the need to rent a separate central office at Knockbracken, with all its associated costs, to an end. There were a number of smaller estate projects which saw existing buildings upgraded and modernised and in support of these changes more flexible and resilient IT infrastructures were put in place.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES (Continued)

Over the year a number of reviews were delivered, details are;

- Governance Review

The Board committed to update the way AMH was led by carrying out a governance review. This was to ensure AMH was incorporating best practice and to provide assurance that processes and procedures were in line with new legislation and the requirements of the recently established Charity Commission for Northern Ireland. The outcome was positive and the main recommendations included training for existing Members, recruiting for new Members and establishment of new sub committees. The Board met 5 times; the Finance and General Purposes Committee held 6 meetings and the Audit Committee met on 2 occasions. Throughout the year a number of audits from DEL, DETI and others provided reassurance to the Board. The Board also decided to review how the investment portfolio was run and made changes by appointing new discretionary investment advisors.

- Strategic Review

As the merger with the Cedar Foundation was called off last year the Board decided to conduct a review of how AMH could better meet its obligation to support those suffering from mental ill health. The result was a plan to change the emphasis for service delivery and to diversify income to support sustainability. This included a commitment to set up a training and consultancy enterprise, AMH Works, which will support employers dealing with the effects of mental ill health with their staff.

- Organisational Review

This review focussed on management and support staff and resulted in the loss of two posts but also led to a reorganisation into three distinct functional areas designed to provide clearer leadership, better cross functional working and improved reporting to the Board. One key aspect of the review was the establishment of a new business development function, led at senior management level and directly responsible to the Chief Executive; like other senior management functions it reports to the Board.

- ESF Outcomes

AMH has 8 New Horizons units that use ESF funding and matched funding from the Health Trusts and DEL to deliver a wide range of outcomes measured in terms of helping clients to complete accredited training and to progress towards employment. Over 2011/12, AMH delivered training and employability programmes to 1,343 clients, including 716 new starts, exceeding the annual target by 31%.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES (Continued)

- ESF Outcomes (continued)

Clients achieved 1,991 accredited training outcomes (72% above target) and 423 full qualifications. Of the clients who completed the programme, 33 progressed to paid employment and 64 progressed to voluntary work, further training or other government programmes.

Similarly, AMH Promote use ESF funding and matched funding from the South Eastern Health Trust to deliver a range of accredited training and employment opportunities for adults with a learning disability. Over 2011/12, 53 clients participated in the programme and they attained 194 accredited training outcomes and 19 full qualifications.

- Partnership/Collaboration

In order to help AMH in its work there is genuine commitment to partnership working; relationships with NICVA, CO3, ACEVO, LTCANI and others continue and regular monthly meetings have been taking place at CEO level with 3 other mental health charities. Tangible evidence of collaboration was demonstrated when AMH submitted a response for new Workable contracts as part of a consortium with seven other third sector organisations. It was announced that an All Party Working Group for Mental Health at Stormont would be established and AMH will play a role in this.

- Communications/Events

Engagement with politicians has continued to grow to support AMH's profile and to assist collaboration. A successful Tughan event on the theme of Employability with over 130 attendees was held in November in Belfast and AMH was chosen to assist the Speaker of the Assembly with turning on the Christmas lights at Stormont at a high profile event. Each unit has been encouraged to get involved and very successful local events such 'Mind your Marbles' was held by the Foyle unit. These opportunities have proved useful in getting AMH staff and clients to meet politicians and to make these key decision makers understand AMH's role and priorities for the future. To facilitate ongoing engagement AMH has embraced social media as an effective tool to enable better connection with these stakeholders.

- Organisation and People

During the year AMH was delighted to win the Workplace Excellence category of The Irish News Awards. Craigavon New Horizons, Fermanagh New Horizons and Promote all gained 100% compliance on their Customer Service Excellence (CSE) health checks.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES (Continued)

- Organisation and People (continued)

The biennial staff survey provided remarkably positive feedback given the substantial changes in AMH. The Board agreed to take forward recommendations to address any shortcomings as soon as possible.

For 2012/13 there will no doubt be more challenges but AMH is now better placed to respond to those hurdles as well as being better poised to take advantage of opportunities. Staff members are more culturally attuned to the need for a more diverse training delivery model and they have led much of the change from the bottom up. Although AMH will continue to be mindful of the needs of funders, there is now a greater sense that our destiny is more in our own hands than that of others. The drive to diversify income streams to ensure a more sustainable future will continue at a greater pace. The Directors will continue to support the Chief Executive and his team as they adjust to the changing environment.

RESULTS

The Charity had total incoming resources of £4,553,387 (2011 - £4,820,283) for the year ended 31 March 2012 and the principal sources of this funding are as disclosed in note 3 of the financial statements.

During the year the Charity received exceptional income and incurred exceptional expenditure as noted below:

	2012	2011
	£	£
Profit on disposal of fixed assets	257,037	-
VAT Assessment costs (see note below)	(204,020)	(157,070)
Redundancy costs	(98,072)	(77,106)
Realised gains on disposal of investments	<u>72,280</u>	<u>18,959</u>
Net inflow/(outflow) from exceptional items	<u>27,225</u>	<u>(215,217)</u>

Unrealised gains on investments were £16,579, down from £127,131 in 2011.

A prior year adjustment, reducing opening general reserves by £229,638, has been posted and details of this adjustment are included in Note 8 to the accounts.

The overall net movement on unrestricted funds for the year was a surplus of £192,949 (2011 - £49,149 deficit). The charity spends all restricted monies that it receives and makes good any deficit on restricted funds from its general unrestricted reserves.

The closing balance on unrestricted reserves at 31 March 2012 was £4,401,984 (2011 - £4,209,035).

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

VAT ASSESSMENT

During the year the Charity became aware of a potential under-declaration of VAT payable. The Charity sought advice from two independent advisors. Following a detailed review by both organisations into the VAT status of the Charity, a voluntary disclosure was made to HM Revenue & Customs. Adjustments have been made in these financial statements to account for the assessed underpaid VAT to 31 March 2012, although the liability is contested, and payment has been made without prejudice to AMH's position.

This assessment is currently under appeal and is unlikely to be finalised until 2013.

RESERVES POLICY

Due to the uncertain nature of AMH's funding, it is the Board's policy to maintain a designated risk reserve equal to six months expenditure (see Note 21). The level of free reserves at the year-end (excluding designated reserves) was £867,303 (see Note 21).

INVESTMENT POLICY AND PERFORMANCE

The Board delegates authority to the Finance and General Purposes committee to oversee, monitor and advise the Board on investment decisions.

The Board reviewed how advice on investments was received and as a result held a competitive tender process which resulted in the appointment of investment advisors, who are suitably qualified and experienced. Reports on performance are provided to the Board and directors understand they are ultimately responsible for the overall management of the investments.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors 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 charitable company will continue in business.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

RESPONSIBILITIES OF THE DIRECTORS (Continued)

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

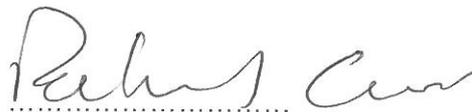
STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the directors, who held office at the date of approval of the financial statements, are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
AMH Central Office
27 Jubilee Road
NEWTOWNARDS
BT23 4YH

By order of the Board of Directors



MRS P J CROSS
Secretary

Approved by the directors on 20/12/12

Accepted as a charity by HM Revenue & Customs
under Reference No: XN 47959

Registered in Northern Ireland
No. NI005568



GOLDBLATT McGUIGAN

Alfred House, 19 Alfred Street, Belfast BT2 8EQ
DX 3910 NR BELFAST 50
Tel: 028 9031 1113 Fax: 028 9031 0777
www.goldblattmcguigan.com

ACTION MENTAL HEALTH (LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ACTION MENTAL HEALTH

We have audited the financial statements of Action Mental Health for the year ended 31 March 2012 on pages 11 to 27 which have been prepared on the basis of the accounting policies set out on page 17.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 7 and 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.



ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS
OF ACTION MENTAL HEALTH (Continued)

Opinion on Financial Statements

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 2012 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

20 December 2012


MR. JACKIE SMITH FCA
(Senior Statutory Auditor)
For and on behalf of
GOLDBLATT McGUIGAN
Chartered Accountants
& Statutory Auditor

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 (as restated) £
INCOMING RESOURCES					
Incoming Resources From Charitable Activities:					
<i>Grants & contracted funding:</i>	3				
- <i>Rehabilitation programmes</i>		3,622,404	-	3,622,404	3,859,868
- <i>Employment services</i>		249,188	-	249,188	251,767
- <i>Welfare & education</i>		81,907	-	81,907	49,818
<i>Fees – Employment services</i>		284,379	-	284,379	255,380
<i>Contribution from trading activities:</i>					
- <i>Rehabilitation programmes</i>		-	26,894	26,894	41,236
Incoming Resources From Generated Funds:					
<i>Voluntary income</i>	4	39,654	96,260	135,914	165,549
<i>Activities for generating funds</i>	5	-	141,705	141,705	154,041
<i>Investment income:</i>					
- <i>Interest</i>		-	7,896	7,896	7,541
- <i>Dividends</i>			3,100	3,100	35,082
TOTAL INCOMING RESOURCES		4,277,532	275,855	4,553,387	4,820,283
RESOURCES EXPENDED					
Charitable Activities					
<i>Rehabilitation programmes</i>	6	3,547,298	-	3,547,298	3,999,943
<i>Employment services</i>	6	646,655	-	646,655	593,175
<i>Welfare and education services</i>	6	138,683	-	138,683	106,257
Cost of generating funds					
<i>Fundraising costs</i>	6	-	21,082	21,082	21,260
Exceptional items					
<i>Profit on disposal of fixed assets</i>	7	-	(257,037)	(257,037)	-
<i>VAT Assessment</i>	7	-	204,020	204,020	157,070
<i>Redundancy costs</i>	7	-	98,072	98,072	77,106
		4,332,636	66,137	4,398,773	4,954,811
Governance costs	9	-	50,524	50,524	60,711
TOTAL RESOURCES EXPENDED		4,332,636	116,661	4,449,297	5,015,522
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		(55,104)	159,194	104,090	(195,239)

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 (as restated) £
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS	11	(55,104)	159,194	104,090	(195,239)
TRANSFER BETWEEN FUNDS	13	55,104	(55,104)	-	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	104,090	104,090	(195,239)
OTHER RECOGNISED GAINS AND LOSSES					
Realised gains on investments	10	-	72,280	72,280	18,959
Unrealised gain on investments	15	-	16,579	16,579	127,131
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		-	192,949	192,949	(49,149)
FUNDS AT 1 APRIL 2011 (As previously stated)		-	4,438,673	4,438,673	4,330,752
Prior year adjustments	8	-	(229,638)	(229,638)	(72,568)
FUNDS AT 1 APRIL 2011 (As restated)		-	4,209,035	4,209,035	4,258,184
FUNDS AT 31 MARCH 2012		-	4,401,984	4,401,984	4,209,035

The statement of financial activities includes all gains and losses in the year.
All of the above amounts relate to continuing activities.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	£	(as restated)
		£
INCOME		
Grants & contracted funding	3,953,499	4,161,453
Fees – employment services	284,379	255,380
Contribution from trading activities	26,894	41,236
Voluntary income	135,914	165,549
Activities for generating funds	141,705	154,041
Surplus on sale of fixed asset investments	72,280	18,959
	<hr/>	<hr/>
	4,614,671	4,796,618
EXPENDITURE		
Charitable activities	4,332,636	4,699,374
Cost of generating funds	21,082	21,260
Exceptional items:		
<i>Profit on disposal of fixed assets</i>	(257,037)	-
<i>VAT Assessment</i>	204,020	157,070
<i>Redundancy costs</i>	98,072	77,106
Governance costs	50,524	60,711
	<hr/>	<hr/>
	4,449,297	5,015,521
Operating surplus/(deficit)	165,374	(218,903)
Income from fixed asset investments	3,100	35,082
Other interest receivable and similar income	7,896	7,541
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR	176,370	(176,280)
	=====	=====

The income and expenditure all relates to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012

Surplus/(deficit) for the year		176,370	(176,280)
Unrealised gains on fixed asset investments dealt with through revaluation reserve	15/20	16,579	127,131
		<hr/>	<hr/>
Total recognised gains and losses for the year		192,949	(49,149)
		=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

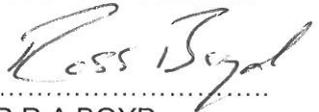
BALANCE SHEET
AT 31 MARCH 2012

	Notes	2012 £	2011 (as restated) £
FIXED ASSETS			
Tangible assets	14	2,425,866	2,352,800
Investments	15	1,516,579	880,481
		-----	-----
		3,942,445	3,233,281
CURRENT ASSETS			
Stocks	16	13,982	14,628
Debtors	17	561,122	671,511
Investments – term deposits		301,757	-
Cash at bank and in hand		1,654,896	1,051,230
		-----	-----
		2,531,757	1,737,369
CREDITORS: Amounts falling due within one year	18	(2,072,218)	(761,615)
		-----	-----
NET CURRENT ASSETS		459,539	975,754
		-----	-----
NET ASSETS		4,401,984	4,209,035
		=====	=====
CAPITAL AND RESERVES			
Unrestricted funds:			
General fund	21	867,303	227,162
Revaluation reserve	20	16,579	285,169
Designated funds	21	3,518,102	3,696,704
		-----	-----
		4,401,984	4,209,035
		=====	=====

The financial statements on pages 11 to 27 were approved and authorised for issue by the Board of Directors on 20/12/12 and were signed on its behalf by:



 MR H W R KOHNER
 Director and Chairman



 MR R A BOYD
 Director and Honorary Treasurer

Company Registration Number – NI005568

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	£	(as restated) £
NET CASH INFLOW/(OUTFLOW) FROM CONTINUING OPERATING ACTIVITIES	1,462,399	(296,772)
	-----	-----
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	3,100	7,541
Dividends	7,896	35,082
	-----	-----
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	10,996	42,623
	-----	-----
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(309,587)	(38,017)
Purchase of investments	(1,500,000)	(25,027)
Receipts from sale of fixed assets	288,854	-
Sale of fixed asset investments	952,761	50,915
	-----	-----
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE & FINANCIAL INVESTMENT	(567,972)	(12,129)
	-----	-----
INCREASE/(DECREASE) IN CASH	905,423	(266,278)
	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

	2012 £	2011 (as restated) £
1. RECONCILIATION OF OPERATING SURPLUS (DEFICIT) TO NET CASHFLOW FROM OPERATING ACTIVITIES		
Net incoming/(outgoing) resources before other recognised gains and losses	104,090	(195,239)
Interest received	(7,896)	(7,541)
Dividends received	(3,100)	(35,082)
Profit on disposal of fixed assets	(257,037)	-
Depreciation	204,704	204,385
Decrease in stocks	646	49,832
Decrease/(increase) in debtors	110,389	(458,496)
Increase in creditors	1,310,603	145,369
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,462,399	(296,772)
	=====	=====
2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase/(decrease) in cash	905,423	(266,278)
	<hr/>	<hr/>
Movement in net funds in period	905,423	(266,278)
	<hr/>	<hr/>
Net funds at 1 April 2011	1,051,230	1,317,508
	<hr/>	<hr/>
Net funds at 31 March 2012	1,956,653	1,051,230
	=====	=====

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2011 £	Cashflows £	At 31 March 2012 £
Term Deposits	-	301,757	301,757
Cash on hand	1,051,230	603,666	1,654,896
	<hr/>	<hr/>	<hr/>
Total cash	1,051,230	905,423	1,956,653
	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. In preparing the financial statements the company follows the recommendations in Statement of Recommended Practice: Accounting and Reporting by Charities (Revised 2005) and applicable Accounting Standards.
- (b) Revenue grants are credited to incoming resources on the earlier of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Donations, contracted funding, income for services provided and other income are included in full in the Statement of Financial Activities when receivable.
- (d) Restricted funds are to be used for specified purposes by reference to the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and costs.
- (e) Unrestricted funds represent other incoming resources received or generated for charitable purposes, to be used at the charity's discretion.
- (f) The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of fixed assets, in equal annual instalments on the following bases:-

Land	None
Buildings	4%
Plant and machinery	20% and 16.66%
Office equipment	20% and 33.33%
Motor vehicles	25%

- (g) Government and European grants received against capital expenditure are included in full in the Statement of Financial Activities as restricted income. Once the capital expenditure has taken place and the conditions of the grant are fulfilled, they are transferred to a designated unrestricted fund which is then reduced over the useful economic life of the asset in line with depreciation,
- (h) Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolescent, slow moving and defective stocks.
- (i) The company operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable to the scheme in the accounting period.
- (j) Investments are stated on the balance sheet at market value and all movements, including realised and unrealised gains and losses, are shown in the Statement of Financial Activities.
- (k) As a registered charity, Action Mental Health is not liable to either Income Tax or Corporation Tax.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

2. MEMBERS LIABILITY

The charity is a company limited by guarantee. Every member undertakes to contribute such amounts, not exceeding £10, to the charity's assets if it should be wound up whilst being a member, or within one year of ceasing to be a member.

3. GRANTS AND CONTRACTED FUNDING

	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 (as restated) £
Amounts received and receivable				
<i>Rehabilitation programmes</i>				
Contracted funding –				
Health & Social Care Trusts:				
- Northern	226,960	-	226,960	227,820
- Southern	363,536	-	363,536	378,218
- Belfast	221,109	-	221,109	226,574
- South Eastern	1,281,429	-	1,281,429	760,559
- Western	383,978	-	383,978	383,979
Grants –				
- European Social Fund	1,441,079	-	1,441,079	1,735,067
- Local Health & Soc Care Groups	23,796	-	23,796	27,671
- Garfield Weston	20,000	-	20,000	-
- Community Dev & Health Network	20,819	-	20,819	29,381
- The John Atcheson Foundation	17,000	-	17,000	-
- The Arts Council of Northern Ireland	7,282	-	7,282	-
- Ulster Garden Villages	20,000	-	20,000	20,000
- Tughan Trust	10,000	-	10,000	5,000
- Big Lottery Fund	7,975	-	7,975	14,000
- Marks & Spencer	-	-	-	2,000
- AE Harvey Charitable Trust	5,000	-	5,000	2,500
- John Wilson Trust	6,000	-	6,000	-
- Sundry grants	4,180	-	4,180	46,428
Deferred balance b/forward	157,392	-	157,392	158,063
To restricted income	(7,448)	-	(7,448)	-
	<u>4,210,087</u>	<u>-</u>	<u>4,210,087</u>	<u>4,017,260</u>
Amounts deferred c/forward	(587,683)	-	(587,683)	(157,392)
Funding utilised	<u>3,622,404</u> =====	<u>-</u> =====	<u>3,622,404</u> =====	<u>3,859,868</u> =====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

3. GRANTS AND CONTRACTED FUNDING (continued)

	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 (as restated) £
Amounts received and receivable				
<i>Employment Services</i>				
Grants –				
South Eastern H&SC Trust	246,574		246,574	146,575
Dept. for Employ & Learning	89,042	-	89,042	118,869
Sundry grants	-	-	-	(105)
Amounts deferred b/forward	13,572	-	13,572	-
	349,188	-	349,188	265,339
Amounts deferred c/forward	(100,000)	-	(100,000)	(13,572)
Funding utilised	249,188	-	249,188	251,767
<i>Welfare & Education</i>				
Grants –				
Southern H&SC Trust	13,344	-	13,344	12,119
Western H&SC Trust	44,000	-	44,000	49,000
John Wilson Trust	23,000	-	23,000	-
Children in Need	-	-	-	21,835
Long Term Conditions Alliance	-	-	-	(12,203)
Other grants	3,630	-	3,630	-
Amounts deferred b/forward	20,933	-	20,933	-
	104,907	-	104,907	70,751
Amounts deferred c/forward	(23,000)	-	(23,000)	(20,933)
Funding utilised	81,907	-	81,907	49,818
Total grants and contracted funding utilised	3,953,499	-	3,953,499	4,161,453

4. VOLUNTARY INCOME

Rank Foundation	9,500	-	9,500	24,000
Shorts Foundation	4,000	-	4,000	-
Monument Trust	-	-	-	38,000
DHSSPS grant – admin	-	85,237	85,237	85,237
Pfizer	12,154	-	12,154	-
John Atcheson Foundation	-	-	-	6,000
Health in Mind	14,000	-	14,000	-
Donations	-	11,023	11,023	12,312
	39,654	96,260	135,914	165,549

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 (as restated) £
5. ACTIVITIES FOR GENERATING FUNDS				
Salary recovery-USEL	-	7,194	7,194	12,926
Administration fees	-	27,436	27,436	43,662
Rents and room hire	-	23,400	23,400	22,799
Counselling	-	910	910	2,763
External training fees	-	40,950	40,950	47,031
Recovery of abortive merger fees	-	-	-	9,910
Sundry income	-	8,097	8,097	14,950
Insurance claims	-	3,063	3,063	-
Catering income	-	30,655	30,655	-
	-----	-----	-----	-----
	-	141,705	141,705	154,041
	=====	=====	=====	=====

6. SUPPORT COST ALLOCATIONS

Resources expended include the undernoted support costs.

	Fund - raising £	Rehab. progs £	Employ. services £	Welfare & Educ. £	Basis of allocation
<u>Support cost</u>					
Admin & Finance	1,318	220,669	40,069	8,641	Pro-rata to expenditure
Information Technology	250	41,819	7,594	1,638	Pro-rata to expenditure
Public Relations	130	21,749	3,949	852	Pro-rata to expenditure
Human Resources	447	85,654	19,280	3,390	Pro-rata to salary costs
Total support costs	----- 2,145	----- 369,891	----- 70,892	----- 14,521	
Direct costs	18,937	3,177,407	575,763	124,162	
Total costs	----- 21,082	----- 3,547,298	----- 646,655	----- 138,683	----- 4,353,718
	=====	=====	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

7. EXCEPTIONAL ITEMS

Profit on disposal of fixed assets

The charity disposed of its site at Greenbank Industrial Estate in Newry at a profit of £257,037.

VAT Assessment

On 7 August 2012, a VAT assessment was raised by HM Revenue and Customs totalling £636,680 (including interest). This assessment related to over-declared input VAT for the four years ending 30 June 2012. This assessment is currently under appeal.

A prior year adjustment has been processed to account for the under declared VAT payable in previous years and the adjustment in the current year was £204,020 (2011 - £157,070).

Redundancy costs

The charity incurred one-off exceptional redundancy costs during the year of £98,072 (2011 - £77,106).

8. PRIOR YEAR ADJUSTMENTS

Adjustments have been made to prior year figures in relation to deferred income and a VAT assessment.

	£
Opening reserves at 1 April 2011 (as previously stated)	4,438,673
Prior year adjustments:	
a) Deferred income adjustment	159,923
b) VAT assessment	<u>(389,561)</u>
	(229,638)
Opening reserves at 1 April 2011 (restated)	4,209,035
	=====

a) Deferred Income

In accordance with the Statement of Recommended Practice on 'Accounting and Reporting by Charities' (Revised 2005) income received in advance of performance, where there are no specific timing restrictions or contractual obligations, should be recognised in the Statement of Financial Activities on the date of receipt.

In prior years, the Charity incorrectly deferred this type of income and as a result a prior year adjustment has been processed to correct this. The adjustment has had the effect of increasing closing unrestricted funds at 31 March 2010 by £159,923.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

8. PRIOR YEAR ADJUSTMENTS (Continued)

b) VAT Assessment

On 7 August 2012, a VAT assessment was raised by HM Revenue and Customs totalling £636,680 (including interest). This assessment related to over-declared input VAT for the four years ending 30 June 2012. This assessment is currently under appeal.

A prior year adjustment of £389,561 has been made in the financial statements for the year ended 31 March 2012 to account for this VAT Assessment.

HM Revenue & Customs have assessed the VAT payable (including interest) for the current year and earlier periods as follows:

	£
Period ended 31 March 2010 and earlier	232,491
Year ended 31 March 2011	<u>157,070</u>
Prior year adjustment	389,561
Year ended 31 March 2012	<u>204,020</u>
Total assessment (including interest) to 31 March 2012	<u>593,581</u>

Consequently, the above amounts have been accrued at the year end and opening funds and expenditure has been adjusted accordingly.

Under-declared VAT has been included as a single line exceptional item due to the quantum involved.

9. GOVERNANCE COSTS

Governance costs relate to the general running and oversight of the charity and include costs for audit, accountancy, legal, AGM, annual report and meetings.

	2012 £	2011 (as restated) £
10. REALISED GAINS		
Gain on sale of fixed asset investments	357,449	18,959
Less: previously recognised gains (Note 20)	(285,169)	-
	<u>72,280</u>	<u>18,959</u>
	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

	2012 £	2011 (as restated) £
11. NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		
This is stated after charging:		
Staff costs (note 12)	2,817,213	2,891,871
Depreciation:		
- owned tangible fixed assets	204,704	204,385
Auditor's remuneration – audit (including projects)	9,807	10,550
- other services	-	-
Pension costs – defined contribution scheme	89,404	95,982
	=====	=====

12. STAFF COSTS

(a) Staff costs		
Wages and salaries	2,583,024	2,637,580
Social security costs	221,788	242,516
Agency & seconded staff	101,805	107,757
	-----	-----
	2,906,617	2,987,853
	=====	=====

(b) No staff member earned in excess of £60,000.

(c) No fees were paid to any director for their services as board members. During the year, travel expenses totalling £1,960 (2011 - £1,733) were re-imbursed to four directors.

	No.	No.
(d) Average number of persons directly employed		
Office and management	20	21
Supervision and instruction	81	96
Support staff	28	29
	-----	-----
	129	146
	=====	=====

13. TRANSFERS BETWEEN FUNDS

An amount of £55,104 was transferred from unrestricted funds to restricted funds as a contribution from general funds which the directors wish to apply towards the shortfall between restricted funds received and expended in the year.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

14. TANGIBLE FIXED ASSETS

	Land and Buildings (long leasehold) £	Plant and machinery £	Motor vehicles £	Fixtures, fittings, tools & other equipment £	Total £
Cost:					
At 1 April 2011	5,266,018	386,749	71,989	95,676	5,820,432
Additions	293,546	16,041	-	-	309,587
Disposals	(314,598)	(98,673)	-	(9,344)	(422,615)
At 31 March 2012	<u>5,244,966</u>	<u>304,117</u>	<u>71,989</u>	<u>86,332</u>	<u>5,707,404</u>
Depreciation:					
At 1 April 2011	2,952,077	353,302	71,989	90,264	3,467,632
Charges for the year	192,356	11,784	-	564	204,704
Eliminated on disposals	(282,781)	(98,673)	-	(9,344)	(390,798)
At 31 March 2012	<u>2,861,652</u>	<u>266,413</u>	<u>71,989</u>	<u>81,484</u>	<u>3,281,538</u>
Net book value:					
At 31 March 2012	<u>2,383,314</u>	<u>37,704</u>	<u>-</u>	<u>4,848</u>	<u>2,425,866</u>
At 31 March 2011	<u>2,313,941</u>	<u>33,447</u>	<u>-</u>	<u>5,412</u>	<u>2,352,800</u>

Included in long leasehold land and buildings is land costing £116,337 (2011 - £116,337) that is not depreciated.

No fixed assets are subject to hire purchase or finance contracts.

15. FIXED ASSET INVESTMENTS

	Quoted Investments £
As at 1 April 2011	880,481
Additions, at cost	1,500,000
Realised gain on disposal	72,280
Disposals, at valuation	(952,761)
Unrealised gain on revaluation	<u>16,579</u>
At 31 March 2012, at market value	<u>1,516,579</u>
At 31 March 2012, at historical cost	<u>1,500,000</u>

The above investments are all listed on European Stock Exchanges. None of the investments individually exceeded 5% of the total portfolio at the year end.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

	2012 £	2011 (as restated) £	
16. STOCKS			
Raw materials and consumables	13,982	14,567	
Finished goods and goods for sale	-	61	
	<hr/>	<hr/>	
	13,982	14,628	
	=====	=====	
17. DEBTORS			
Trade debtors	68,742	88,758	
Grants due - C&E	335,528	418,343	
- Other	5,664	15,671	
Prepayments and accrued income	59,600	52,051	
Other debtors	91,588	96,688	
	<hr/>	<hr/>	
	561,122	671,511	
	=====	=====	
18. CREDITORS: Amounts falling due within one year			
Trade creditors	137,612	53,332	
Other taxation and social security	56,371	-	
Deferred income	1,140,156	200,968	
Accruals	144,498	117,754	
VAT Assessment	593,581	389,561	
	<hr/>	<hr/>	
	2,072,218	761,615	
	=====	=====	
19. ANALYSIS OF NET ASSETS BETWEEN FUNDS			
	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets & investments	-	3,942,445	3,942,445
Current assets	804,628	1,727,129	2,531,757
Liabilities	(804,628)	(1,267,590)	(2,072,218)
	<hr/>	<hr/>	<hr/>
	-	4,401,984	4,401,984
	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

20. REVALUATION RESERVE

	£
At 1 April 2011	285,169
Transfer to general fund	
- Realised on disposal	(285,169)
Surplus on revaluation	16,579
	<hr/>
At 31 March 2012	16,579
	=====

This represents the unrealised gains accumulated on the revaluation of the fixed asset investments.

21. UNRESTRICTED FUNDS

	General Fund £	Designated Capital Utilised Fund £	Designated Risk Reserve Fund £	Total £
Unrestricted				
At 1 April 2011 (as previously stated)	456,800	1,319,784	2,376,920	4,153,504
Prior year adjustment (Note 8)	(229,638)	-	-	(229,638)
Surplus for the year	192,949	-	-	192,949
Transfer from revaluation reserve	285,169	-	-	285,169
Transfer to/(from) general reserve	174,799	-	(174,799)	-
Unrealised gain on investments	(16,579)	-	-	(16,579)
Capital grants received in year	(133,362)	133,362	-	-
Amortisation of capital grants released in year	104,797	(104,797)	-	-
Transfer of capital grants on property disposal	32,368	(32,368)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	867,303	1,315,981	2,202,121	4,385,405
	=====	=====	=====	=====

Capital utilised fund:

This represents grants and donations originally received for restricted capital purposes. Having been fully utilised for those purposes they become unrestricted funds and are released to the General Fund at the same rates that depreciation is charged on those assets.

Risk reserve fund:

The risk reserve fund represents an amount equivalent to six months expenditure (excluding exceptional items) which the Board feel is prudent to set aside in line with the charity's risk and reserve policies.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

22. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under FRS 8, Related Party Disclosures.

23. TAXATION

The company has been accepted by HM Revenue & Customs as a charity (reference no. XN 47959).

24. CONTINGENT LIABILITIES

A portion of grants received may become repayable if the Charity fails to comply with the terms of the letter of offer.