

ACTION MENTAL HEALTH

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

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2013**

GOLDBLATT McGUIGAN

Chartered Accountants & Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

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For the year ended 31 March 2013

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ACTION MENTAL HEALTH
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GENERAL INFORMATION

DIRECTORS – MAIN BOARD

Mr H W R Kohner - Chairman
Mr R C Mowbray - Vice Chairman
Mr P Barr - Hon Treasurer (appointed 20 December 2012)
Mrs S E Hillan
Mr T A J McKeever
Mrs P J Cross
Mr C B McMurray
Mr J L C Thompson
Mr E F Fee
Mr P D Fitzsimmons - appointed 20 December 2012
Ms P Hunter - appointed 20 December 2012
Mr D M McKeown - appointed 20 December 2012
Prof F A O'Neill - appointed 20 December 2012
Mr S F Pollard - appointed 20 December 2012
Mr W B Perceval-Price - resigned 20 December 2012
Mr G M Carson - resigned 20 December 2012
Mr R A Boyd - resigned 12 March 2013

SECRETARY

Mrs P J Cross

CHIEF EXECUTIVE OFFICER

Mr D Babington

REGISTERED OFFICE

AMH Central Office
27 Jubilee Road
Newtownards
BT23 4YH

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

XN 47959

BANKERS

Danske Bank
58 Market Street
Downpatrick
BT30 6LX

SOLICITORS

Tughans
Marlborough House
30 Victoria Street, Belfast
BT1 3GG

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 2013.

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 (CEO), Mr D Babington (full time appointment since August 2011) with regular reporting to the Finance Committee, Audit and Risk Committee, Nominations and Remuneration Committee and the Board. Decisions on strategy, policy and material expenditure are taken by the full Board. In line with corporate good practice the company has an Audit and Risk Committee comprising of one independent and three Board members; the Chief Executive Officer and Head of Business Support also attend with the external auditors present when appropriate (usually two meetings a year).

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 Fee, Kohner, McKeever, McMurray, Mowbray and Thompson all served throughout the year. Ms P Hunter and Messrs. Barr, Fitzsimmons, McKeown, O'Neill and Pollard were appointed in December 2012. Mr W B Perceval-Price and Mr G M Carson resigned as directors in December 2012 and Mr R Boyd resigned in March 2013.

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 a financial threat to the charity. This register is reviewed regularly by the Audit and Risk Committee and at Board meetings to ensure systems and procedures are established to mitigate those risks identified and to minimise any potential impact on the charity.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES

AMH is a voluntary organisation which supports people's mental health and well-being through vocational training, employment guidance and personal development services. It operates out of 12 locations throughout Northern Ireland delivering core services and projects based on the model of 'recovery' to over 2,000 adults annually. In addition AMH reaches about 5,000 young people, their teachers and carers through mental health promotion programmes; the charity also runs a learning disability project and delivers specialist Government employment schemes.

More information on AMH's work and achievements during 2012/13 is in the Annual Review which is available from the Company's Registered Office and on its website.

ACHIEVEMENTS AND PERFORMANCE

The year saw further implementation of the Board's Strategic Review in 2012 with new projects starting, facilities refurbished and a higher public profile through more public relations activities. All this effort was set against continuing uncertainty in the wider health sector due to impending reforms as part of 'Transforming Your Care' and the impact of welfare reform on clients. Both of these external influences will have an impact on clients and services in AMH for many years to come.

Since the loss of 25% ESF funding in 2011 and subsequent restructuring, AMH has developed services through a number of new projects, the consequence of this means AMH is reaching a wider range of clients. Central to this progress has been the new Business Development function which has provided focus and resources, including development of AMH Works which provides training and consultancy services. AMH was awarded one of the first 'Protect Life' contracts to provide support to communities in preventing mental ill health and this type of work is expected to increase.

Delivery of Government work programmes continues and AMH co-leads the Supported Employment Solutions (SES) consortium which includes six other partners. The award of the Department of Employment and Learning (DEL) Work Connect contract to the consortium necessitated rapid recruitment of staff and has increased AMH's expertise in 'delivery by outcome'.

AMH's appointment as the Assembly's Charity of the Year in 2012 helped to highlight the issue of mental health with MLAs and tackle the issue of stigma. The opening of new offices in Ards and Belfast were well supported by Ministers as well as the launch of detailed research on the New Horizons services, 'Pay Pennies; Rebuild Lives.'

Property

The current mix of owned and rented premises is proving more suited to the changed service delivery model and the Board has committed to refurbish those facilities owned by the charity to ensure a consistent standard. The Steeple Road site in Antrim went through a substantial phased refurbishment which provided new conference facilities, new tenants and new Regional Offices for AMH staff; the development will continue into next year and will help to defray costs. The site in Duncrue Industrial Estate in Belfast remains up for sale. There were a number of smaller estate projects which modernised facilities and the Downpatrick unit has initiated a plan to re-design training space in the unit. The move towards more resilient ICT continued and most day to day work is now hosted on the 'Cloud'.

ACTION MENTAL HEALTH **(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS (Continued)

ACHIEVEMENTS AND PERFORMANCE (Continued)

Over the year the Board met 6 times; the Finance Committee held 4 meetings, the Audit Committee met on 2 occasions and the Nominations and Remuneration Committee 3 times. Throughout the year a number of satisfactory audits from Department of Employment and Learning (DEL), Department of Enterprise, Trade and Investment (DETI) and others provided reassurance to the Board. The Board managed the investment portfolio (reserves) through two discretionary investment advisors.

- Outcomes

During the year 2,232 clients with mental health needs and/or a learning disability participated in services provided by AMH including New Horizons, Accept, Promote, Workable and Work Connect.

The 8 New Horizons units that use ESF funding and matched funding from the Health Trusts and DEL deliver a wide range of outcomes for clients with the principal activity being accredited training progressing towards employment. Training and employability programmes were delivered to 1,490 clients, exceeding the annual target by 66%. Clients achieved 2,071 accredited training outcomes (75% above target) and 67 progressed to paid employment and 84 progressed to voluntary work, further training or other government programmes.

AMH delivers the Long Term Conditions Alliance (NI) project 'Managing the Challenge' and 25 programmes were successfully provided throughout the year with 203 people completing the self-management programme. Also during the year the MensSana project offered a range of mental health promotion and suicide and self-harm interventions across the Southern Health and Social Care Trust area, the project had 5,333 direct beneficiaries.

In terms of Government employment programmes, the SES consortium delivers Work Connect and Workable (NI) across the region. For the first 9 months up to 31 March 2013 of the SES Workable contract, AMH supported 65 clients and for Work Connect's first 7 months up to 31 March 2013, 148 were supported by AMH; in all 20 clients supported by AMH gained employment.

- Partnership Working

AMH co-leads six other charities as part of the SES consortium delivering DEL's Work Connect and Workable employment programmes. Likewise AMH delivers the Long Term Conditions Alliance Northern Ireland's (LTCANI's) Self-Management programme on behalf of over 20 other charities; the CEO has established regular meetings at CEO level with 3 other mental health charities. Any new contracts have all been won with partners including the new cross border Salus project for young people, to be delivered next year. AMH also retains a close working partnership with NICVA, CO3 and ACEVO and has contributed regularly to the All Party Working Group for Mental Health at Stormont.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

ACHIEVEMENTS AND PERFORMANCE (Continued)

- 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 Resilience in the Workplace with over 130 attendees was held in November in Belfast; AMH also held a successful 'Mind your Marbles' event and Fashion Show in the Great Hall at Stormont in order to raise awareness of mental health. In order to enhance AMH's engagement with the wider community social media has been used more effectively and AMH is now the leading NI mental health charity presence on social media.

- Organisation and People

During the year AMH was delighted to receive a Highly Commended award in the "Work Life and Wellbeing" category of The Irish News Awards. AMH was also pleased to be shortlisted as a national finalist for the Charity Times Awards in the "HR Management" category. AMH continues to recruit and retain skilled staff and in 2012-13 achieved a staff turnover figure below the 6% annual target, with a voluntary turnover figure of only 4.43%.

Craigavon New Horizons, Fermanagh New Horizons and Promote all gained 100% compliance on their Customer Service Excellence (CSE) health checks for the second year running. The Quality Improvement Team have reviewed progress against the Staff Satisfaction Survey and Investors in People (IIP) action plans during this year and have supported preparations for IIP re-recognition, due in summer 2013.

Looking to the Future

Looking ahead to 2013/14 AMH will continue to adapt to the changing external environment which should see more emphasis on health services being delivered in community settings. The Board and the Senior Management have a joint vision of controlled growth in the year ahead as programmes are developed and expanded as needed, this will also diversify income streams and create a more sustainable future. The charity is also committed to maintaining and even improving the quality of service to clients, in order to enhance their opportunities. The Directors will continue to support the Chief Executive and his team as they address the needs of clients.

RESULTS

The charity had total incoming resources of £4,740,635 (2012 - £4,553,387) for the year ended 31 March 2013 and the principal sources of this funding are as disclosed in note 3 of the financial statements.

Unrealised gains on investments were £202,048, up from £16,579 in 2012.

The overall net movement on unrestricted funds for the year was a surplus of £232,574 (2012 - £192,949). 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 2013 was £4,634,558 (2012 - £4,401,984).

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

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 budgeted expenditure (see note 21). The level of free reserves at the year-end (excluding designated reserves) was £490,709 (2012 - £867,303) (see note 21).

INVESTMENT POLICY AND PERFORMANCE

The Finance committee, a Board sub-committee, oversees, monitors and advises the Board on investment decisions.

The Finance committee conducted a 12 month review of investments and reported to the Board in March 2013. Reports on performance are provided to the Board and Directors understand they are ultimately responsible for the overall management of the investments.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

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
Company Secretary

Approved by the Directors on 1/8/2013

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

Registered in Northern Ireland
No. NI005568

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
Incoming Resources From Charitable Activities:					
<i>Grants & contracted funding:</i>	3				
- <i>Rehabilitation programmes</i>		3,467,058	-	3,467,058	3,622,404
- <i>Employment services</i>		235,717	-	235,717	249,188
- <i>Welfare & education</i>		187,140	-	187,140	81,907
<i>Fees – Employment services</i>		456,392	-	456,392	284,379
<i>Contribution from trading activities:</i>					
- <i>Rehabilitation programmes</i>		-	20,314	20,314	26,894
Incoming Resources From Generated Funds:					
<i>Voluntary income</i>	4	26,446	146,023	172,469	135,914
<i>Activities for generating funds</i>	5	-	143,228	143,228	141,705
<i>Investment income:</i>					
- <i>Interest</i>		-	6,124	6,124	7,896
- <i>Dividends</i>		-	52,193	52,193	3,100
TOTAL INCOMING RESOURCES		4,372,753	367,882	4,740,635	4,553,387
RESOURCES EXPENDED					
Charitable Activities					
<i>Rehabilitation programmes</i>	6	3,649,226	-	3,649,226	3,547,298
<i>Employment services</i>	6	730,505	-	730,505	646,655
<i>Welfare and education services</i>	6	177,302	-	177,302	138,683
Cost of generating funds					
<i>Fundraising costs</i>	6	-	78,536	78,536	21,082
Exceptional items					
<i>Profit on disposal of fixed assets</i>	7	-	-	-	(257,037)
<i>VAT assessment</i>	7	-	-	-	204,020
<i>Redundancy costs</i>	7	-	-	-	98,072
		4,557,033	78,536	4,635,569	4,398,773
Governance costs	9	-	84,797	84,797	50,524
TOTAL RESOURCES EXPENDED		4,557,033	163,333	4,720,366	4,449,297
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		(184,280)	204,549	20,269	104,090

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS	11	(184,280)	204,549	20,269	104,090
TRANSFER BETWEEN FUNDS	13	184,280	(184,280)	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	20,269	20,269	104,090
OTHER RECOGNISED GAINS AND LOSSES					
Realised gains on investments	10	-	10,257	10,257	72,280
Unrealised gain on investments	15	-	202,048	202,048	16,579
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		-	232,574	232,574	192,949
FUNDS AT 1 APRIL 2012 (As previously stated)		-	4,401,984	4,401,984	4,438,673
Prior year adjustments	8	-	-	-	(229,638)
FUNDS AT 1 APRIL 2012 (As restated)		-	4,401,984	4,401,984	4,209,035
FUNDS AT 31 MARCH 2013		-	4,634,558	4,634,558	4,401,984

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 2013

	2013	2012
	£	£
INCOME		
Grants & contracted funding	3,889,915	3,953,499
Fees – employment services	456,392	284,379
Contribution from trading activities	20,314	26,894
Voluntary income	172,469	135,914
Activities for generating funds	143,228	141,705
Surplus on sale of fixed asset investments	10,257	72,280
	<hr/>	<hr/>
	4,692,575	4,614,671
EXPENDITURE		
Charitable activities	4,557,033	4,332,636
Cost of generating funds	78,536	21,082
Exceptional items:		
<i>VAT assessment</i>	-	204,020
<i>Redundancy costs</i>	-	98,072
Governance costs	84,797	50,524
	<hr/>	<hr/>
	4,720,366	4,706,334
Operating deficit	(27,791)	(91,663)
Profit on disposal of fixed assets	-	257,037
Income from fixed asset investments	52,193	3,100
Other interest receivable and similar income	6,124	7,896
	<hr/>	<hr/>
SURPLUS FOR THE YEAR	30,526	176,370
	=====	=====

The income and expenditure all relates to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2013

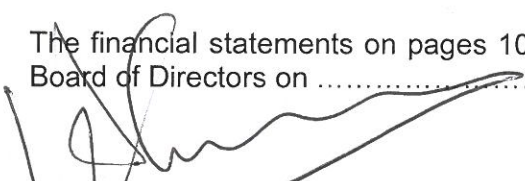
Surplus for the year		30,526	176,370
Unrealised gains on fixed asset investments dealt with through revaluation reserve	Notes 15/20	202,048	16,579
		<hr/>	<hr/>
Total recognised gains and losses for the year		232,574	192,949
		=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

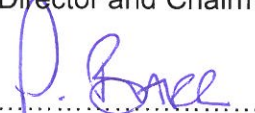
BALANCE SHEET
AT 31 MARCH 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	14	2,381,804	2,425,866
Investments	15	1,767,546	1,516,579
		-----	-----
		4,149,350	3,942,445
		-----	-----
CURRENT ASSETS			
Stocks	16	14,964	13,982
Debtors	17	558,413	561,122
Investments – term deposits		305,867	301,757
Cash at bank and in hand		550,231	1,654,896
		-----	-----
		1,429,475	2,531,757
		-----	-----
CREDITORS: Amounts falling due within one year	18	(944,267)	(2,072,218)
		-----	-----
NET CURRENT ASSETS		485,208	459,539
		-----	-----
NET ASSETS		4,634,558	4,401,984
		=====	=====
CAPITAL AND RESERVES			
Unrestricted funds:			
General fund	21	490,709	867,303
Revaluation reserve	20	218,627	16,579
Designated funds	21	3,925,222	3,518,102
		-----	-----
		4,634,558	4,401,984
		=====	=====

The financial statements on pages 10 to 27 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:



 MR H W R KOHNER
 Director and Chairman



 MR P BARR
 Director and Honorary Treasurer

Company Registration Number – NI005568

ACTION MENTAL HEALTH
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CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
NET CASH (OUTFLOW)/INFLOW FROM CONTINUING OPERATING ACTIVITIES	(970,759)	1,462,399
	<hr/>	<hr/>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	6,124	7,896
Dividends	52,193	3,100
	<hr/>	<hr/>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	58,317	10,996
	<hr/>	<hr/>
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(152,421)	(309,587)
Purchase of fixed asset investments	(140,081)	(1,500,000)
Receipts from sale of fixed assets	2,970	288,854
Receipts from sale of fixed asset investments	78,081	952,761
Decrease in cash in portfolio	23,338	-
	<hr/>	<hr/>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE & FINANCIAL INVESTMENT	(188,113)	(567,972)
	<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH	(1,100,555)	905,423
	<hr/> <hr/>	<hr/> <hr/>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

	2013 £	2012 £	
1. RECONCILIATION OF OPERATING SURPLUS (DEFICIT) TO NET CASHFLOW FROM OPERATING ACTIVITIES			
Net incoming resources before other recognised gains and losses	20,269	104,090	
Interest received	(6,124)	(7,896)	
Dividends received	(52,193)	(3,100)	
Profit on disposal of fixed assets	(2,970)	(257,037)	
Depreciation	196,483	204,704	
(Increase)/decrease in stocks	(982)	646	
Decrease in debtors	2,709	110,389	
(Decrease)/increase in creditors	(1,127,951)	1,310,603	
	-----	-----	
Net cash (outflow)/inflow from operating activities	(970,759)	1,462,399	
	=====	=====	
2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease)/increase in cash	(1,100,555)	905,423	
	-----	-----	
Movement in net funds in period	(1,100,555)	905,423	
	-----	-----	
Net funds at 1 April 2012	1,956,653	1,051,230	
	-----	-----	
Net funds at 31 March 2013	856,098	1,956,653	
	=====	=====	
3. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 April 2012 £	Cashflows £	At 31 March 2013 £
Term deposits	301,757	4,110	305,867
Cash on hand	1,654,896	(1,104,665)	550,231
	-----	-----	-----
Total cash	1,956,653	(1,100,555)	856,098
	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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 charity 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) All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the charity's main premises. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

- (e) Restricted funds are to be used for specified purposes by reference to the donor. Expenditure which meets the criteria is identified and allocated to the fund, either directly or by allocating a fair proportion of overheads and other costs.
- (f) Unrestricted funds represent other incoming resources received or generated for charitable purposes, to be used at the charity's discretion. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- (g) 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%
Fixtures, fittings, tools and other equipment	20% and 33.33%
Motor vehicles	25%

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (Continued)

- (h)** 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.
- (i)** 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.
- (j)** The charity 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.
- (k)** 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.
- (l)** As a registered charity, Action Mental Health is not liable to either Income Tax or Corporation Tax.

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.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

3. GRANTS AND CONTRACTED FUNDING

	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Amounts received and receivable				
<i>Rehabilitation programmes</i>				
Contracted funding –				
Health & Social Care Trusts:				
- Northern	226,960	-	226,960	226,960
- Southern	328,833	-	328,833	363,536
- Belfast	221,109	-	221,109	221,109
- South Eastern	247,325	-	247,325	1,281,429
- Western	388,775	-	388,775	383,978
Grants –				
- European Social Fund	1,447,385	-	1,447,385	1,441,079
- Local Health & Soc Care Groups	23,430	-	23,430	23,796
- Garfield Weston	-	-	-	20,000
- Community Dev & Health Network	22,492	-	22,492	20,819
- The John Atcheson Foundation	-	-	-	17,000
- The Arts Council of Northern Ireland	-	-	-	7,282
- Ulster Garden Villages	-	-	-	20,000
- Tughan Trust	-	-	-	10,000
- Big Lottery Fund	19,175	-	19,175	7,975
- AE Harvey Charitable Trust	-	-	-	5,000
- John Wilson Trust released	-	-	-	6,000
- Antrim Borough Council	6,019	-	6,019	-
- Western Area Acute Hospital	19,850	-	19,850	4,180
- Sundry grants	793	-	793	4,180
Deferred balance b/forward	587,683	-	587,683	157,392
To restricted income	-	-	-	(7,448)
	<u>3,539,829</u>	<u>-</u>	<u>3,539,829</u>	<u>4,210,087</u>
Amounts deferred c/forward	(72,771)	-	(72,771)	(587,683)
Funding utilised	<u>3,467,058</u> =====	<u>-</u> =====	<u>3,467,058</u> =====	<u>3,622,404</u> =====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

3. GRANTS AND CONTRACTED FUNDING (continued)

	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Amounts received and receivable				
<i>Employment Services</i>				
Grants –				
South Eastern H&SC Trust	46,575	-	46,575	246,574
Dept. for Employ & Learning	89,142	-	89,142	89,042
Amounts deferred b/forward	100,000	-	100,000	13,572
	<u>235,717</u>	<u>-</u>	<u>235,717</u>	<u>349,188</u>
Amounts deferred c/forward	-	-	-	(100,000)
Funding utilised	<u>235,717</u>	<u>-</u>	<u>235,717</u>	<u>249,188</u>
<i>Welfare & Education</i>				
Grants –				
Southern H&SC Trust	3,333	-	3,333	13,344
Western H&SC Trust	44,000	-	44,000	44,000
John Wilson Trust	23,000	-	23,000	23,000
PHA Protect Life	39,465	-	39,465	23,000
Big Lottery	34,871	-	34,871	3,630
Interreg ERDF Funding	4,471	-	4,471	23,000
Monument Trust	38,000	-	38,000	-
Other grants	-	-	-	3,630
Amounts deferred b/forward	23,000	-	23,000	20,933
	<u>210,140</u>	<u>-</u>	<u>210,140</u>	<u>104,907</u>
Amounts deferred c/forward	(23,000)	-	(23,000)	(23,000)
Funding utilised	<u>187,140</u>	<u>-</u>	<u>187,140</u>	<u>81,907</u>
Total grants and contracted funding utilised	<u>3,889,915</u>	<u>-</u>	<u>3,889,915</u>	<u>3,953,499</u>
	=====	=====	=====	=====
4. VOLUNTARY INCOME				
Rank Foundation	-	-	-	9,500
Shorts Foundation	-	-	-	4,000
Event Income	-	16,694	16,694	-
DHSSPS grant – admin	-	85,237	85,237	85,237
Pfizer	26,446	-	26,446	12,154
John Atcheson Foundation	-	16,000	16,000	-
Health in Mind	-	-	-	14,000
Donations	-	9,517	9,517	11,023
Tughans	-	17,500	17,500	-
Methodist Church - Newtownards	-	1,075	1,075	-
	<u>26,446</u>	<u>146,023</u>	<u>172,469</u>	<u>135,914</u>
	=====	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
5. ACTIVITIES FOR GENERATING FUNDS				
Salary recovery-USEL	-	-	-	7,194
Administration fees	-	13,954	13,954	27,436
Rents and room hire	-	21,895	21,895	23,400
Counselling	-	840	840	910
External training fees	-	44,701	44,701	40,950
Sundry income	-	4,981	4,981	8,097
Insurance claims	-	22,202	22,202	3,063
Catering income	-	34,655	34,655	30,655
	-----	-----	-----	-----
	-	143,228	143,228	141,705
	=====	=====	=====	=====

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	10,998	492,421	98,573	23,925	Pro-rata to expenditure
Direct costs	67,538	3,156,805	631,932	153,377	Direct
	-----	-----	-----	-----	-----
Total costs	78,536	3,649,226	730,505	177,302	-
	=====	=====	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

7. EXCEPTIONAL ITEMS

In the prior year, the charity incurred the following exceptional items:

Profit on disposal of fixed assets

During the year ended 31 March 2012 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.

A prior year adjustment was processed to account for the under declared VAT payable in previous years and the adjustment in the year ended 31 March 2012 was £204,020.

The assessment is currently under appeal.

Redundancy costs

The charity incurred one-off exceptional redundancy costs during the year ended 31 March 2012 of £98,072.

8. PRIOR YEAR ADJUSTMENTS – YEAR ENDED 31 MARCH 2012

Adjustments were made to prior year figures in relation to deferred income and a VAT assessment as follows:

	£
Opening reserves at 1 April 2012 (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 2012 (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 was processed to correct this. The adjustment 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 2013

8. PRIOR YEAR ADJUSTMENTS – YEAR ENDED 31 MARCH 2012 (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. The assessment is currently under appeal.

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

HM Revenue & Customs assessed the VAT payable (including interest) for the year ended 31 March 2012 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 were accrued at the year end and opening funds and expenditure were adjusted accordingly.

Under-declared VAT was 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.

	2013 £	2012 £
10. REALISED GAINS		
Gain on sale of fixed asset investments	10,257	357,449
Less: previously recognised gains (note 20)	-	(285,169)
	<u>10,257</u>	<u>72,280</u>
	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
11. NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		
This is stated after charging:		
Depreciation:		
- owned tangible fixed assets	196,483	204,704
Auditor's remuneration - audit (including projects)	13,640	9,807
- other services	-	-
	=====	=====

12. STAFF COSTS

(a) Staff costs		
Wages and salaries	2,648,629	2,583,024
Social security costs	225,257	221,788
Agency & seconded staff	92,830	101,805
Pension costs – defined contribution schemes	85,921	89,404
	-----	-----
	3,082,636	2,996,021
	=====	=====

(b) One staff member earned between £60,000 and £70,000 (2012 – one in same band).

(c) No fees were paid to any Director for their services as Board members. During the year, travel expenses totalling £877 (2012 - £1,960) were re-imbursed to four Directors (2012 – four).

	No.	No.
(d) Average number of persons directly employed		
Office and management	24	20
Supervision and instruction	87	81
Support staff	26	28
	-----	-----
	137	129
	=====	=====

13. TRANSFERS BETWEEN FUNDS

An amount of £184,280 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 2013

14. TANGIBLE FIXED ASSETS

	Land and buildings (long leasehold) £	Plant and machinery £	Motor vehicles £	Fixtures, fittings, tools & other equipment £	Total £
Cost:					
At 1 April 2012	5,244,966	304,117	71,989	86,332	5,707,404
Additions	143,764	8,657	-	-	152,421
Disposals	-	(94,120)	-	(63,337)	(157,457)
At 31 March 2013	<u>5,388,730</u>	<u>218,654</u>	<u>71,989</u>	<u>22,995</u>	<u>5,702,368</u>
Depreciation:					
At 1 April 2012	2,861,652	266,413	71,989	81,484	3,281,538
Charges for the year	184,996	10,922	-	565	196,483
Eliminated on disposals	-	(94,120)	-	(63,337)	(157,457)
At 31 March 2013	<u>3,046,648</u>	<u>183,215</u>	<u>71,989</u>	<u>18,712</u>	<u>3,320,564</u>
Net book value:					
At 31 March 2013	<u>2,342,082</u>	<u>35,439</u>	<u>-</u>	<u>4,283</u>	<u>2,381,804</u>
At 31 March 2012	<u>2,383,314</u>	<u>37,704</u>	<u>-</u>	<u>4,848</u>	<u>2,425,866</u>

Included in long leasehold land and buildings is land costing £116,337 (2012 - £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 2012	1,516,579
Additions, at cost	140,081
Realised gain on disposal	10,257
Disposals, at valuation	(78,081)
Decrease in cash holding	(23,338)
Unrealised gain on revaluation	<u>202,048</u>
At 31 March 2013, at market value	<u>1,767,546</u>
At 31 March 2013, at historical cost	<u>1,500,000</u>

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 2013

	2013	2012	
	£	£	
16. STOCKS			
Raw materials and consumables	14,964	13,982	
	=====	=====	
17. DEBTORS			
Trade debtors	97,638	68,742	
Grants due - C&E	335,887	335,528	
- Other	40,177	5,664	
Prepayments and accrued income	58,832	59,600	
Other debtors	25,879	91,588	
	-----	-----	
	558,413	561,122	
	=====	=====	
18. CREDITORS: Amounts falling due within one year			
Trade creditors	202,471	137,612	
Other taxation and social security	85,364	56,371	
Deferred income	498,797	1,140,156	
Accruals	157,635	144,498	
VAT Assessment	-	593,581	
	-----	-----	
	944,267	2,072,218	
	=====	=====	
19. ANALYSIS OF NET ASSETS BETWEEN FUNDS			
	Restricted	Unrestricted	Total
	Funds	Funds	Funds
	£	£	£
Tangible fixed assets & investments	-	4,149,350	4,149,350
Current assets	462,669	966,806	1,429,475
Liabilities	(462,669)	(481,598)	(944,267)
	-----	-----	-----
	-	4,634,558	4,634,558
	=====	=====	=====

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

20. REVALUATION RESERVE

	£
At 1 April 2012	16,579
Transfer to general fund	
- Realised on disposal	-
Surplus on revaluation	202,048
	<hr/>
At 31 March 2013	218,627
	=====

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

21. OTHER UNRESTRICTED FUNDS

	General Fund £	Designated Capital Utilised Fund £	Designated Risk Reserve Fund £	Total £
Unrestricted				
At 1 April 2012	867,303	1,315,981	2,202,121	4,385,405
Surplus for the year	232,574	-	-	232,574
Transfer to/(from) general reserve	(514,670)	-	514,670	-
Transfer to revaluation reserve – unrealised gain on investments	(202,048)	-	-	(202,048)
Transfer re capital grants	107,550	(107,550)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	490,709	1,208,431	2,716,791	4,415,931
	=====	=====	=====	=====

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 the assets to which they relate.

Risk reserve fund:

The risk reserve fund represents an amount equivalent to six months budgeted 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 2013

22. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed.

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.