

COMPANY REGISTRATION NUMBER NI005568

CHARITY REGISTRATION NUMBER NIC100753

ACTION MENTAL HEALTH

(CHARITABLE COMPANY - LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

CONTENTS
For the Year Ended 31 March 2022

	Pages
General Information	1
Report of the Directors	2 – 10
Auditor's Report	11 – 15
Statement of Financial Activities	16 – 17
Summary Income and Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Statement of Cash Flows	21
Notes to the Financial Statements	22 – 40

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

GENERAL INFORMATION

DIRECTORS – MAIN BOARD

Mr P Fitzsimmons - Chairman
Mr W McKeown - Vice Chairman
Mrs A Craigan - Treasurer
Mr H W R Kohner
Mr T A J McKeever (resigned 9 December 2021)
J L C Thompson DL
Mr E F Fee
Mr D McAuley
Mr D McKeown
Ms N Kerr
Mr S Robinson
Mrs S Cooke
Mr J McAdams
Prof G Lynch
Mrs R Kelly

INDEPENDENT BOARD MEMBERS

Mr D Morrissey
Mr B McDonald
Ms G Mornhinweg

SECRETARY

Mrs I Gallen

CHIEF EXECUTIVE OFFICER

Mr D Babington

REGISTERED OFFICE

AMH Central Office
27 Jubilee Road
NEWTOWNARDS BT23 4YH

AUDITOR

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

INVESTMENT BROKERS

Smith & Williamson
The Linenhall
32-38 Linenhall Street
BELFAST BT2 8BG

CCLA

Senator House
85 Queen Victoria Street
London EC4V 4ET

COMPANY REGISTRATION NUMBER

NI005568

CHARITY REGISTRATION NUMBER

NIC100753

BANKERS

Danske Bank
58 Market Street
DOWNPATRICK BT30 6LX

SOLICITORS

Tughans
Marlborough House
30 Victoria Street
BELFAST BT1 3GG

Edwards & Co
28 Hill Street
BELFAST BT1 2LA

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 2022. The Directors have adopted the provisions of 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) in preparing these accounts.

CONSTITUTION

Action Mental Health (AMH) is a charitable company limited by guarantee, registered under NI005568, governed by the Articles of Association. The company is recognised as a charity and is registered under NIC100753 and is recognised as a charity by HM Revenue & Customs under reference number XN 47959.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The AMH board is comprised of up to 15 Directors as set out in the charity's Articles of Association. Directors may serve for a maximum of 3 terms of 4 years, save for Serving Directors who, having served 15 years, must be re-appointed on an annual basis. Directors are recruited to the Board through an open recruitment and selection process, although 4 Directors may be co-opted annually. The working of the Board is guided by the Governance Manual, which includes an induction programme for Directors, Terms of Reference for Committees and roles and responsibilities of office bearers.

AMH decisions on strategy, policy and material capital expenditure are taken by the full AMH Board and it ensures the Strategic Plan guides the Executive over a three year time span. Day to day decision making is under the supervision of the Chief Executive Officer, Mr D Babington, with regular reporting to the Finance Committee, Audit and Risk Committee, Nominations and Remuneration Committee, Therapeutic Services Committee, Innovation and Strategy Committee and the Board. The Chief Executive Officer of AMH directly manages the Senior Management Team who ensures targets in the annual Operational Plan are being met.

In line with corporate good practice AMH has an Audit and Risk Committee comprising of two independent and three Board members which meets at least three times a year; the Chief Executive Officer and Head of Business Support also attend, with the external auditors present when appropriate. Each year a Directors' Conference is held with all managers in attendance to assess progress.

During the year the Board undertook a Governance Health Check and as a result drafted an action plan to update the Governance Manual and all policies and procedures relating to the working of the Board, including a revision of AMH's Articles; amongst other matters, the Business Development Committee was re-named the Innovation and Strategy Committee. Due to Covid all AMH Board and Committee meetings continued to be conducted remotely over Zoom and the Board met 6 times; the Finance Committee and Audit and Risk Committees both met 5 times, and the Nominations and Remuneration Committee, the Therapeutic Services Committee and the Innovation and Strategy Committee each met on 4 occasions. The Board also held a Directors' Conference to review progress with all managers and client representatives. Throughout the year a number of audits from DfE and others such as the ETI provided reassurance to the Board.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

In order to facilitate the merger with New Life Counselling Service (NLC) the Therapeutic Services Committee had established an Integration Steering Group in April 2020 to oversee all aspects of the merger and integration. During the year it was decided that this separate structure had served its purpose and was dissolved, in future the Committee itself would cover any further integration issues.

The Nominations and Remuneration Committee consider pay levels for all staff, and possible Cost of Living increases on an annual basis and the annual accounts are available on the website; the Committee seeks approval from the full Board for any increases in staff salaries. In 2013 the Committee commissioned an extensive independent review of all staff salaries which benchmarked them against other locally based charities, sectors and National Joint Council (NJC) scales and the recommendations were implemented in full. The Pay Policy Statement sets out the Board's approach to salaries and is on the AMH website. In respect of the Chief Executive Officer the Committee commissions independent advice which includes benchmarking against comparable roles in the sector. In response to the extraordinary circumstances presented by the Covid pandemic the Board commissioned another review of all salaries to ensure they properly reflected market rates and this led to salary increases for most staff.

In order to provide effective services AMH is involved in a number of partnerships with other charities in Northern Ireland such as the Supported Employment Services (SES) consortium, co-led by AMH and the Cedar Foundation delivering the Workable employment programme commissioned by the Department for Communities. AMH contributed to a range of other committees and partnerships such as the Mental Health Strategic Reform Board, Belfast City Council VCSE Advisory Panel, the Department for Economy Investment for Growth and Jobs Programmes Monitoring Committee for EU Infrastructure Funds, with the Chief Executive Officer holding appointments on all these Committees. AMH also provides the secretariat for the All Party Group on Suicide at the Assembly.

DIRECTORS

The Directors of AMH are its trustees for the purposes of charity law. The Directors who served the charity during the year are as noted on Page 1.

Mrs A Craigan, Ms N Kerr, Ms S Cooke, Ms R Kelly and Messrs. E Fee, HWR Kohner, D McAuley, T A J McKeever (resigned on 9th December 2021), W McKeown, J L C Thompson DL, P Fitzsimmons, D McKeown, S Robinson, J McAdams and Prof G Lynch all served.

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; the issue of potential conflicts is a standing agenda item at the start of all Board and Committee meetings. None of the Directors had any material interest in contracts with the charity during the year.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

RISK STRATEGY

Risk registers are maintained in relation to all material risks posing a threat to AMH. The registers are 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.

In managing the reserves, the Board is guided by their Investment Policy and its objective is to generate a return in excess of inflation over the long term whilst generating an income which could be available to support existing services and new projects. The Reserves Policy of AMH is to hold six months of planned expenditure to ensure continued financial security and to provide for contingencies. A diversified spread of investments is maintained and the two investment providers are required to meet with the Finance Committee once a year to discuss performance, risk and adherence to the Investment Policy's ethical criteria.

PRINCIPAL RISKS AND UNCERTAINTIES

Key risks and uncertainties currently affecting AMH are set out below:

- **Funding**

Funding to support the European Social Fund (ESF) 'Working it Out' employment and training programme ends in April 2023 and the continuing uncertainty of any replacement funding makes it AMH's principal risk. Proposed replacement programmes under the UK's Levelling Up agenda are very vague for the services provided by the fifty plus voluntary sector providers across NI; a strategic approach to the loss of this support has not been anticipated and is hampered by political uncertainty. As a result, AMH has been considering contingency plans for possible ESF funding impacts in April 2023 including the effect on clients, staff, service delivery and facilities.

- **Recruitment and Retention**

As the labour market has changed throughout the Covid pandemic AMH has been no different to most employers with finding recruitment and retention of staff a significant challenge. Given AMH draws down ESF funding and it is conditional on staff being in post this has had a major consequence on securing funding. Various initiatives have been introduced regarding recruitment and the Board initiated an independent review of staff's experience during Covid to inform any possible changes for the future with AMH's staff working patterns. The Board also recognised the remarkable efforts of staff during Covid and the unique impact of the Covid pandemic by commissioning an independent review of all salaries, which resulted in increases to most staff salaries in January 2022.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

- **Impact and Learning from Covid**

Throughout the year effective delivery of services was hampered whilst responding to the Covid-19 pandemic through various lockdowns although most staff and clients had adjusted to the new hybrid operational delivery model and outcomes were delivered as expected. In order to ensure more sustainable services AMH has a greater need for a robust IT infrastructure as well as digitally transforming services. As a result the Board is committing more resources to this vital area, including investment in greater IT security, creation and use of apps/chatbots, collaborative working to prevent duplication and bringing digital expertise into AMH.

The Board recognises these key risks and uncertainties and operates so as to minimise the threat posed to the charity by adhering to the highest procedures and standards and working closely with independent experts as required to mitigate the risks.

OBJECTIVES AND ACTIVITIES

Action Mental Health

AMH's vision is for *a society which actively values and supports people on their journey to positive mental health* and the mission is *to make a positive difference to people's mental health and wellbeing*. The mission is delivered by living and working to our values of *Passion, Empowerment, Excellence and Respect*.

AMH is a voluntary organisation which continues to support people's mental health and well-being across the region through vocational training, supported employment options, personal development, therapeutic interventions, health and well-being programmes and resilience building. AMH's Objects and activities undertaken in relation to them are below and all delivery was impacted by Covid-19 and a blended service with face to face and remote support was put in place:

To provide assistance for persons affected by mental ill health, learning disability, substance abuse and/or other disabilities including without limitation vocational rehabilitation and training, personal development and guidance and other support services with a view to maintaining and improving the wellbeing of such persons to assist their return to fitness for purposeful activity.

Training & support programmes for people recovering from mental ill-health are delivered through ESF funding by nine New Horizons services, they also provide person-centred well-being programmes to support soft skills development. The five Health and Social Care Trusts remain the primary referral source for clients and AMH supports clients to move on to employment and/or more independent lives. There are also three services which cater specifically for young people and they are delivered along similar lines to the adult New Horizons services.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES (Continued)

The NLC service provides counselling for children, young people, adults and families. A range of therapeutic modalities are offered including counselling, psychotherapy, drama therapy, music, arts and play therapies. The diversity of staff skills and the range of modalities available enhances the experience for clients as NLC matches the orientation of the client to an appropriate counsellor. Counselling is provided for a range of issues – stress, anxiety, depression, relationship breakdown, drug/alcohol misuse, self-harming, suicidal ideation – amongst others and counselling is provided for those with hearing issues. Given recent experience with Covid-19 therapeutic support can now be delivered outside the region.

To assist such persons whether or not they have completed training programmes on the Company's premises to secure employment in jobs appropriate to their capabilities and to provide, if required, follow-up guidance and support.

As well as the focus on employment through the New Horizons services AMH delivers the Workable Government employment programme for people with mental health issues, which is focused on getting people into the workplace and keeping them there. The programme is delivered with 6 other charity partners as part of SES. AMH is still also the only provider of the Individual Placement Support service in the Belfast Trust area, which focuses on placing people with mental health issues in the workplace as quickly as possible and then training them.

To carry on for the benefit of such persons activities in which the skills of such persons can be developed, which activities shall be carried on wholly or largely by means of the efforts of such persons.

In line with Government policy a growing aspect of AMH's effort is building personal resilience within communities; priorities were driven by the impact of Covid-19 on communities in particular young people in primary/secondary education, further education, higher education and HMP Hydebank. The MensSana project continues to deliver the PHA funded Mindset programme and the Protect Life service which delivers suicide/self harm prevention services. Aside from funding from the Southern Trust, the PHA and corporate donors/foundations this work has continued to be funded through AMH's own funds.

The three Men's Sheds continue to maintain support to older men to help them learn new skills, socialise and connect. The long term conditions project, Managing the Challenge, in the Western Trust continued to provide people with the tools to self-manage their conditions; AMH Works also continued to provide employers with wellbeing and resilience building support. AMH continued to lead an EU funded Peace 4 contract until April 2023 with 6 other partners to deliver a cross border and cross community programme called 'Our Generation' to develop an integrated approach for building peace through emotional resilience.

AMH also runs a number of specialist projects to support clients to develop their own skills, such as the Vision project (Autistic Spectrum Disorder) in the Southern Trust, the Promote Learning Disability project in the South Eastern Trust and the everyBODY Eating Disorder project in the Southern Trust.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

OBJECTIVES AND ACTIVITIES (Continued)

To provide outreach services in support of people recovering from mental ill health and/or other disabilities.

AMH operates from 14 sites and many programmes and services are also delivered in the community, in local facilities such as partner organisations' offices, health centres, sports clubs or schools.

To promote awareness of the issues of mental health and other related issues to the public at large.

AMH engaged with politicians and had meetings with relevant ministers and MLAs; AMH remains part of the Mental Health Policy Group which is actively working to promote the work of the sector and to tackle underlying issues in it. The AMH Client Forum committed to co-production by discussing and promoting client issues and corporate partners continued to work with AMH to raise publicity around mental health issues.

More information on AMH's work and achievements during 2021/22 is in the Annual Review which is available from the Company's Registered Office and on its website.

ACHIEVEMENTS AND PERFORMANCE

This was the third and final year of the AMH Board's Strategic Plan 2019-2022 and the Scorecard reflects the fact that many objectives were reached even with the challenging background of the Covid-19 pandemic. Uncertainty over ESF funding remains, although core contracts and sources of funding were retained. In particular, the success of the Mental Health Support Fund bid has provided new resources to build the capacity in the NLC service and to introduce new modes of delivery. The figures demonstrate that with the significant challenge of recruitment and retention AMH has had a difficult year in terms of turnover however it has still managed to reach large numbers of the population with a variety of services.

During the year 1,576 clients with mental health needs and/or a learning disability attended services remotely or in person provided by AMH including New Horizons, Promote and Workable. The New Horizons services provided training and employability programmes to 1,521 clients who achieved 2,151 accredited training outcomes and 161 progressed to paid employment, voluntary work, further education/training or other government programmes.

Regarding resilience building programmes delivered by AMH MensSana and AMH Works, there were 42,239 direct beneficiaries. AMH everyBODY, the eating disorder information and support service in the SHSCT area, provided 1,772 one to one support sessions for service users and carers, and training/awareness programmes were delivered for 2,490 beneficiaries. AMH also continued to run the Long Term Conditions Alliance (NI) project 'Managing the Challenge' in the Western Trust area and 22 programmes were successfully provided throughout the year with 162 people participating in the self-management programme; also 154 older men attended the 3 Men's Sheds and 124 clients were supported through the Workable contract.

Regarding the New Life Counselling service, 12,290 counselling sessions were provided to 2,039 children, young people, adults and families.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (Continued)

ACHIEVEMENTS AND PERFORMANCE (Continued)

Craigavon and Fermanagh New Horizons retained 100% compliance on their Customer Service Excellence (CSE) health checks again this year.

AMH staff turnover in the year 2021-22 was 24.31%; 7.68% due to end of contract, retirement, moving to further education or personal/other reasons. AMH records a staffing complement of 232 employees: 51 males and 181 females.

Craigavon and Fermanagh New Horizons retained 100% compliance on their Customer Service Excellence (CSE) health checks again this year. AMH has achieved Investors in People (IIP) 'We invest in people' PLATINUM accreditation: only 3% of IIP accredited organisations hold this level of recognition and IIP confirm Action Mental Health is within the top 20 Platinum organisations in United Kingdom.

FINANCIAL REVIEW

As with many similar organisations in the sector AMH had a particularly challenging financial year with the ongoing Covid-19 pandemic and associated staff recruitment and retention issues. Whilst remarkable outcomes were achieved for clients AMH was unable to draw down the full allocation of ESF and Peace funding and this contributed to a sizeable deficit. This was further exacerbated by AMH's continuing commitment to underwrite other wellbeing support programmes, such as for school age children, alongside a key initiative to better retain staff. Despite it being a demanding year due to the careful supervision by the Board and senior management AMH finished it in a stable financial position.

ESF funding continued to support the recovery services whilst a range of PHA, VSS, Health and Social Care Trust funding and various grants supported all the other counselling and resilience building programmes. Unrestricted income continues through corporate partnerships and although it reduced this year due to the Covid-19 pandemic, there is an expectation that this will increase to pre pandemic levels with a return to normality.

The charity had total incoming resources of £7,113,002 (2021 - £7,248,048) for the year ended 31 March 2022 and the principal sources of this funding are as disclosed in note 3 of the financial statements.

RESULTS

Unrealised gains on investments were £411,354 (2021 – £694,355).

The overall net movement on funds for the year was a deficit of £83,083 (2021 - £641,714 surplus). 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 2022 was £7,005,972 (2021 - £7,084,496). The closing balance on restricted reserves was £nil (2021 - £4,559).

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 24). The level of free reserves at the year-end (excluding designated reserves) was £1,169,693 (2021 - £1,658,819).

INVESTMENT POLICY AND PERFORMANCE

The Finance Committee, a Board sub-committee, oversees, monitors and advises the Board on investment decisions and they are guided by the Investment Policy.

In managing the Reserves of AMH and hence its investments, the Board's objective is to generate a return in excess of inflation over the long term whilst generating an income and capital growth which could be available to support existing group services and new projects whilst a diversified spread of investments is maintained.

Reports on performance are provided to the Board at each meeting and Directors understand they are ultimately responsible for the overall management of the investments.

The Finance Committee are content that overall investment performance was acceptable and in line with investment objectives. Performance is assessed by benchmarking against accepted industry comparators and by using two separate investment advisors.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors (who are also trustees of Action Mental Health for the purposes of Charity Law), 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

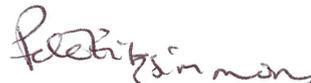
In so far as the Directors, who held office at the date of approval of the financial statements, are aware:

- 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.

In approving the Report of the Directors the Directors also approve the Strategic Report.

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

On behalf of the Board of Directors


Mr P Fitzsimmons
Director and Chairman


Mrs A Craigan
Director and Honorary Treasurer

Date: 29 June 2022

Registered in Northern Ireland
No. NI005568
Charity Registration No: NIC100753

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF ACTION MENTAL HEALTH**

OPINION

We have audited the financial accounts of Action Mental Health (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, summary income and expenditure account, balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of the charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

17 Mandeville Street
PORTADOWN
Craigavon
BT62 3PB

Tel: +44 (0)28 3833 2801
Fax: +44 (0)28 3835 0293

Alfred House
19 Alfred Street
BELFAST BT2 8EQ
DX3910 NR Belfast 50

Tel: +44 (0)28 9031 1113
Fax: +44 (0)28 9031 0777

Century House
40 Crescent Business Park
LISBURN
BT28 2GN

Tel: +44 (0)28 9260 7355
Fax: +44 (0)28 9260 1656





ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ACTION MENTAL HEALTH

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report, which includes the trustees' report prepared for the purposes of charity law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ACTION MENTAL HEALTH

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the charitable company's activities and control environment;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud and identified the greatest potential for fraud in unauthorised use of funds and revenue recognition such as fictitious or duplicate funding applications. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.



ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ACTION MENTAL HEALTH

**EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING
IRREGULARITIES, INCLUDING FRAUD (Continued)**

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

AUDIT RESPONSE TO RISKS IDENTIFIED

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing and testing the operation of controls;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF ACTION MENTAL HEALTH

USE OF OUR REPORT

This report is made solely to the charitable company's directors, as a body, in accordance with the terms of our engagement. 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.

Gillian Johnston ACA (Senior Statutory Auditor)
For and on behalf of GM^cG BELFAST

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

Date: 26 July 2022

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 March 2022

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Charitable activities:					
Grants & contracted funding:	3				
- Rehabilitation programmes		4,611,038	-	4,611,038	4,638,861
- Employment services		119,443	-	119,443	121,472
- Welfare and education		666,072	83,019	749,091	681,594
- Therapeutic services		877,103	-	877,103	1,063,227
Other employment income	4	247,420	-	247,420	255,565
Contribution from trading activities:	4				
- Rehabilitation programmes		-	15,073	15,073	-
Donations and legacies	5	-	336,917	336,917	315,676
Other activities	6	-	132,329	132,329	148,368
Investments	7	-	24,588	24,588	23,285
TOTAL INCOME AND ENDOWMENT		<u>6,521,076</u>	<u>591,926</u>	<u>7,113,002</u>	<u>7,248,048</u>
EXPENDITURE ON:					
Charitable Activities					
- Rehabilitation programmes	8	4,962,009	-	4,962,009	4,785,643
- Employment services		204,756	-	204,756	183,608
- Welfare and education		1,144,760	105,237	1,249,997	1,081,700
- Therapeutic services		1,000,716	-	1,000,716	1,134,332
Raising funds	9	-	157,493	157,493	153,016
Other	11	-	48,363	48,363	41,221
TOTAL EXPENDITURE		<u>7,312,241</u>	<u>311,093</u>	<u>7,623,334</u>	<u>7,379,520</u>
NET (EXPENDITURE)/INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		(791,165)	280,833	(510,332)	(131,472)
NET GAINS ON INVESTMENTS					
Realised gain on investments		-	15,895	15,895	78,831
Unrealised gain on investments		-	411,354	411,354	694,355
NET (EXPENDITURE)/INCOME BEFORE TRANSFERS		<u>(791,165)</u>	<u>708,082</u>	<u>(83,083)</u>	<u>641,714</u>

The Statement of Financial Activities continues on page 17.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (Continued)
For the Year Ended 31 March 2022

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
NET (EXPENDITURE)/INCOME BEFORE TRANSFERS		(791,165)	708,082	(83,083)	641,714
TRANSFER BETWEEN FUNDS	15	<u>786,606</u>	<u>(786,606)</u>	-	-
NET MOVEMENTS IN FUNDS		<u>(4,559)</u>	<u>(78,524)</u>	<u>(83,083)</u>	<u>641,714</u>
		£	£	£	£
RECONCILIATION OF FUNDS:					
Funds at 1 April 2021		<u>4,559</u>	<u>7,084,496</u>	<u>7,089,055</u>	<u>6,447,341</u>
Funds at 31 March 2022		<u>-</u>	<u>7,005,792</u>	<u>7,005,972</u>	<u>7,089,055</u>

The Statement of Financial Activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 22 to 40 form part of these financial statements.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31 March 2022

	Notes	2022 £	2021 £
INCOME			
Charitable activities		6,619,168	6,760,719
Donations		336,917	315,676
Other activities		132,329	148,368
Investments		24,588	23,285
Realised gains on investments		15,895	78,831
Unrealised gain on investments		<u>411,354</u>	<u>694,355</u>
		<u>7,540,251</u>	<u>8,021,234</u>
EXPENDITURE			
Charitable activities		7,417,478	7,185,283
Raising funds		157,493	153,016
Other		<u>48,363</u>	<u>41,221</u>
		<u>7,623,334</u>	<u>7,379,520</u>
NET (EXPENDITURE)/INCOME FOR THE YEAR	1	<u><u>(83,083)</u></u>	<u><u>641,714</u></u>

Income and expenditure relates to continuing activities.

NOTE TO THE SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31 March 2022

1. ANALYSIS OF NET (EXPENDITURE)/INCOME:

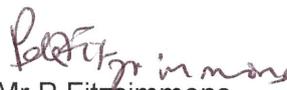
	2022 £	2021 £
Net expenditure for the year excluding gains on investment portfolio held	(494,437)	(52,641)
Unrealised gain on investment portfolio held	<u>411,354</u>	<u>694,355</u>
	<u><u>(83,083)</u></u>	<u><u>641,714</u></u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

BALANCE SHEET
At 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	1,948,452	2,089,996
Investments	17	<u>4,745,049</u>	<u>4,302,014</u>
		<u>6,693,501</u>	<u>6,392,010</u>
CURRENT ASSETS			
Stocks	18	16,334	9,919
Debtors	19	931,437	1,087,261
Cash at bank and in hand		<u>669,000</u>	<u>711,315</u>
		1,616,771	1,808,495
CREDITORS: Amounts falling due within one year	20	<u>(1,304,300)</u>	<u>(1,111,450)</u>
NET CURRENT ASSETS		<u>312,471</u>	<u>697,045</u>
NET ASSETS		<u>7,005,972</u>	<u>7,089,055</u>
CAPITAL AND RESERVES			
Unrestricted funds:			
General fund	24	1,169,693	1,658,819
Revaluation reserve	23	1,608,548	1,237,496
Designated funds	24	4,227,731	4,188,181
Restricted funds	25	<u>-</u>	<u>4,559</u>
		<u>7,005,972</u>	<u>7,089,055</u>

The financial statements were approved and authorised for issue by the Board of Directors on 29 June 2022 and were signed on its behalf by:


 Mr P Fitzsimmons
 Director and Chairman


 Mrs A Craigan
 Director and Honorary Treasurer

Company Registration Number – NI005568

The notes on pages 22 to 40 form part of these financial statements.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2022

	Notes	2022 £	2021 £
NET CASH PROVIDED BY OPERATING ACTIVITIES	1	<u>(19,021)</u>	<u>75,054</u>
Interest received		173	776
Dividends received		24,415	22,509
Purchase of tangible fixed assets		(32,096)	(54,226)
Purchase of fixed asset investments		(152,212)	(967,177)
Receipts from sale of fixed asset investments		147,608	393,886
(Increase)/decrease in cash held in investment portfolio		<u>(11,182)</u>	<u>107,899</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(23,294)</u>	<u>(496,333)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(42,315)</u>	<u>(421,279)</u>
CASH AND CASH EQUIVALENTS AT 1 APRIL 2021		<u>711,315</u>	<u>1,132,594</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH 2022		<u>669,000</u>	<u>711,315</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:			
Cash at bank and on hand		<u>669,000</u>	<u>711,315</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2022

**1. RECONCILIATION OF NET MOVEMENT IN FUNDS
TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2022	2021
	£	£
Net expenditure before other recognised gains and losses	(510,332)	(131,472)
Interest received	(173)	(776)
Dividends received	(24,415)	(22,509)
Depreciation and amortisation	173,640	220,913
(Increase)/decrease in stocks	(6,415)	9,778
Decrease/(increase) in debtors	155,824	(429,579)
Increase in creditors	<u>192,850</u>	<u>428,699</u>
Net cash provided by operating activities	<u>(19,021)</u>	<u>75,054</u>

2. ANALYSIS OF CHANGES IN NET DEBT

The charity had no debt at the beginning or end of the year.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES

- (a) The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, Charity Law and UK Generally Accepted Practice.

These financial statements are prepared for Action Mental Health as an individual entity only. Action Mental Health is the parent undertaking of New Life Counselling Service, a company limited by guarantee. Consolidated accounts have not been presented on the grounds that the subsidiary undertaking has been dormant during the period.

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. The financial statements are prepared in sterling, which is the functional currency of the entity, and are recorded to the nearest £.

- (b) The financial statements have been prepared on a going concern basis. As a result of the UK leaving the European Union, the European Social Fund (ESF) will no longer be available as a source of funding for the charity from 31 March 2023. During the year ended 31 March 2022 the charity received £2.1m from ESF and this enabled AMH to attract match funding of another £1.2m from Departments and Health Trusts in NI. There is still much uncertainty over how EU funded programmes will be resourced and shaped after existing programmes end, particularly as there is no sitting NI Executive to make such cross Departmental decisions. The directors are hopeful that the UK's Levelling Up agenda and its proposed UK Shared Prosperity Fund (UKSPF) may replace the lost ESF funding but details are sketchy and timelines very tight.

The current 52 recipient organisations of ESF funding, including AMH, are undertaking increasing engagement with politicians, DoF, DfE, DfC, DoH and DLUHC with NICVA, NIUSE, the Equality Commission and ARC to try to secure assurances that some form of replacement funding will be available.

The Directors have prepared projections to 31 December 2023, which show the charity making a small surplus in the year to 31 March 2023. However, the Directors are aware there is significant uncertainty around post ESF funding after this date and as such have been carrying out scenario planning to try to calculate the financial impact for the organisation. The worst of these scenarios would be that there would be no replacement funding either through the UKSPF or through local funders, such as Health & Social Care Trusts or Departments, and this scenario would result in a deficit of £675k in the 9 months to 31 December 2023.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES (Continued)

(b) (Continued)

The Directors are of the opinion that this scenario is unlikely as there would be such significant impact on so many vulnerable people supported by AMH and over fifty other ESF providers across NI; current soundings would give grounds for hope that some form of replacement funding will be provided. Also the Senior Management Team and the Directors would move very quickly to re-shape services to reduce costs and make sure the deficit for the period does not reach this level. The charity has total reserves of £7m including a designated risk reserve of £3.8m so therefore has enough reserves to support the charity during such a transition period, should it be required.

While the Directors acknowledge the uncertainty around the future of ESF funding they are confident that the services affected can be reshaped to operate within any new funding stream that may become available to support the vital services the charity provides. The Directors are confident that the charity can continue to operate for the foreseeable future and this is based on the additional assurances that the non-ESF funded parts of the charity (Counselling and Resilience Building) have continuing income sources and in some cases are expanding. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements and furthermore do not believe the above mentioned situation to constitute a material uncertainty.

- (c) 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.
- (d) Donations, contracted funding, income for services provided and other income are included in full in the Statement of Financial Activities when receivable.
- (e) Income from other activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- (f) All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs are categorised under the following headings:
- Costs of raising funds includes direct costs of fundraising and investment management fees;
 - Expenditure on charitable activities includes direct costs of the rehabilitative services, the employment service and the welfare & education programme; and
 - Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES (Continued)

(g) Support costs allocation

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. Support costs are allocated on a basis consistent with the use of resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

(h) 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.

(i) 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 Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(j) 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 less residual value, in equal annual instalments on the following bases:-

Land	None
Buildings	4% and 2%
Plant and machinery	20% and 16.66%
Fixtures, fittings, tools and other equipment	20% and 33.33%

(k) 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.

(l) 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.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES (Continued)

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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.

(n) Investments, excluding subsidiary undertakings, are stated on the balance sheet at fair value and all movements, including realised and unrealised gains and losses, are shown in the Statement of Financial Activities. Realised gains and losses are the aggregate of the difference between sales proceeds and opening fair value (or on addition if purchased during the year). Unrealised gains and losses represent the movement in market value during the year.

(o) As a registered charity, Action Mental Health is not liable to either Income Tax or Corporation Tax.

(p) Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(q) Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

(r) Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES (Continued)

(s) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the company's key sources of estimation uncertainty:

Tangible fixed assets - the annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The Directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Debtors - short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

(t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

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 2022

3. GRANTS AND CONTRACTED FUNDING

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Amounts received and receivable				
<i>Rehabilitation programmes</i>				
Contracted funding				
Health & Social Care Trusts:				
Northern	266,956	-	266,956	266,906
Southern	343,397	-	343,397	350,950
Belfast	271,771	-	271,771	271,771
South Eastern	1,012,430	-	1,012,430	1,012,430
Western	426,187	-	426,187	426,187
Grants –				
European Social Fund	2,072,595	-	2,072,595	2,099,556
Local Health & Soc. Care Groups	85,575	-	85,575	54,284
Clear Project DOH	4,950	-	4,950	19,295
Core grant	63,728	-	63,728	79,660
PHA Distribution fund	-	-	-	20,000
ChatPal	12,963	-	12,963	7,839
ANDBC Arts	4,733	-	4,733	500
VSS Environmental grant	-	-	-	2,789
TrustHouse	-	-	-	2,500
You Matter	12,500	-	12,500	-
Outreach	7,504	-	7,504	-
University of Grenada Menhir Project	10,612	-	10,612	-
Sundry grants	(1,123)	-	(1,123)	2,650
Covid related grants	<u>32,298</u>	<u>-</u>	<u>32,298</u>	<u>20,735</u>
	4,627,076	-	4,627,076	4,638,052
Amounts deferred b/forward	<u>49,770</u>	<u>-</u>	<u>49,770</u>	<u>50,579</u>
	4,676,846	-	4,676,846	4,688,631
Amounts deferred c/forward	<u>(65,808)</u>	<u>-</u>	<u>(65,808)</u>	<u>(49,770)</u>
Funding utilised	<u><u>4,611,038</u></u>	<u><u>-</u></u>	<u><u>4,611,038</u></u>	<u><u>4,638,861</u></u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

3. GRANTS AND CONTRACTED FUNDING (continued)

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Amounts received and receivable				
<i>Employment Services</i>				
Grants				
Dept. for Communities	119,443	-	119,443	121,472
Amounts deferred b/forward	-	-	-	-
	119,443	-	119,443	121,472
Amounts deferred c/forward	-	-	-	-
Funding utilised	<u>119,443</u>	<u>-</u>	<u>119,443</u>	<u>121,472</u>
<i>Welfare and Education Services</i>				
Grants –				
Southern H&SC Trust	52,520	-	52,520	52,511
Western H&SC Trust	54,368	-	54,368	54,368
South Eastern H&SC Trust	5,000	-	5,000	-
SEUPB – Peace IV	305,512	-	305,512	619,320
PHA	117,837	-	117,837	107,871
AMH Works	-	83,019	83,019	105,338
DoJ	16,756	-	16,756	15,430
DfC	38,025	-	38,025	11,197
Comic Relief	-	-	-	15,000
Big Lottery – NI Families	8,882	-	8,882	4,890
Dalriadan	(2,305)	-	(2,305)	4,305
Enkalon	-	-	-	2,085
ANBC	-	-	-	250
FODC	-	-	-	1,060
NM&DDC	900	-	900	-
Sundry	-	-	-	1,300
Schools programme	6,455	-	6,455	-
ACNI – Lottery	<u>3,868</u>	<u>-</u>	<u>3,868</u>	<u>-</u>
	607,818	83,019	690,837	994,925
Amounts deferred b/forward	<u>313,582</u>	<u>-</u>	<u>313,582</u>	<u>251</u>
	921,400	83,019	1,004,419	995,176
Amounts deferred c/forward	<u>(255,328)</u>	<u>-</u>	<u>(255,328)</u>	<u>(313,582)</u>
Funding utilised	<u>666,072</u>	<u>83,019</u>	<u>749,091</u>	<u>681,594</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

3. GRANTS AND CONTRACTED FUNDING (continued)

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Therapeutic Services				
DfC Neighbourhood Renewal	62,200	-	62,200	105,441
VSS	100,070	-	100,070	105,063
BH&SCT	68,694	-	68,694	89,419
New Colin Counselling	67,776	-	67,776	120,805
SEH&SCT	66,396	-	66,396	94,495
PHA	321,060	-	321,060	440,982
BBC Children in Need	-	-	-	9,996
Big Lottery Fund ACES	28,966	-	28,966	57,478
Big Lottery Fund PNI	-	-	-	11,830
Big Lottery Fund SFNB	-	-	-	19,500
NIHE	21,555	-	21,555	16,200
MS Society	17,095	-	17,095	14,527
Colin Partnership	-	-	-	10,478
BCC Revenue	9,000	-	9,000	9,000
Urban Villages	7,031	-	7,031	9,519
Schools SLA	66,970	-	66,970	-
Barclays	100,000	-	100,000	-
Yew Project	91,825	-	91,825	-
Other	<u>380</u>	<u>-</u>	<u>380</u>	<u>26,474</u>
	1,029,018	-	1,029,018	1,141,207
Amounts deferred b/forward	<u>140,934</u>	<u>-</u>	<u>140,934</u>	<u>62,954</u>
	1,169,952	-	1,169,952	1,204,161
Amounts deferred c/forward	<u>(292,849)</u>	<u>-</u>	<u>(292,849)</u>	<u>(140,934)</u>
Funding utilised	<u><u>877,103</u></u>	<u><u>-</u></u>	<u><u>877,103</u></u>	<u><u>1,063,227</u></u>
Total grants and contracted funding utilised	<u><u>6,273,656</u></u>	<u><u>83,019</u></u>	<u><u>6,356,675</u></u>	<u><u>6,505,154</u></u>

In the prior year income from grants and contract funding was attributable to restricted funds with the exception of £105,338 which was unrestricted.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

**4. OTHER EMPLOYMENT INCOME & CONTRIBUTION
FROM TRADING ACTIVITIES FROM REHABILITATION PROGRAMMES**

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Other Employment income	247,420	-	247,420	255,565
Contribution from trading activities:				
- Rehabilitation programmes	<u>-</u>	<u>15,073</u>	<u>-</u>	<u>-</u>

In the prior year all income was attributable to restricted funds.

5. DONATIONS AND LEGACIES

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
General	-	236,418	236,418	217,383
Association of Loyal Orangewomen	-	10,000	10,000	
Coca Cola	-	10,000	10,000	14,250
Gordons Chemist	-	10,000	10,000	6,742
Henderson Challenge	-	11,534	11,534	-
John Atcheson	-	26,000	26,000	10,000
SDC	-	12,482	12,482	-
Terry Bradley Guitar Fundraiser Just Giving	-	20,483	20,483	-
Charles Hayward	-	-	-	23,000
SDC Trailers	-	-	-	14,549
WeightWatchers	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,752</u>
	<u>-</u>	<u>336,917</u>	<u>336,917</u>	<u>315,676</u>

Amounts included as general above represent all donations received of less than £10,000.

In the prior year £257,923 from donations and legacies was attributable to unrestricted funds and £57,753 attributable to restricted.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

6. OTHER ACTIVITIES

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Administration fees	-	42,348	42,348	50,085
Rents and room hire	-	45,767	45,767	45,767
Counselling	-	3,850	3,850	-
External training fees	-	22,618	22,618	9,086
Sundry income	-	7,176	7,176	5,678
Client contribution	-	1,467	1,467	685
Catering income	-	-	-	1,820
ROC income	-	9,103	9,103	11,402
Job retention scheme grants	-	-	-	<u>23,845</u>
	<u>-</u>	<u>132,329</u>	<u>132,329</u>	<u>148,368</u>

In the prior year all income from other activities was attributable to unrestricted funds.

7. INVESTMENTS

	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Interest	-	173	173	776
Dividends	-	<u>24,415</u>	<u>24,415</u>	<u>22,509</u>
	<u>-</u>	<u>24,588</u>	<u>24,588</u>	<u>23,285</u>

In the prior year all income from investments was attributable to unrestricted funds.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

8. EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by activity

	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Rehabilitation programmes	4,220,696	741,313	4,962,009	4,785,643
Employment services	174,166	30,590	204,756	183,608
Welfare and education services	1,063,250	186,747	1,249,997	1,081,700
Therapeutic services	<u>851,211</u>	<u>149,505</u>	<u>1,000,716</u>	<u>1,134,332</u>
	<u>6,309,323</u>	<u>1,108,155</u>	<u>7,417,478</u>	<u>7,185,283</u>

In the current year £105,237 expenditure on charitable activities was attributable to unrestricted funds (2021 - £101,845). All other expenditure on charitable activities was attributable to restricted funds in both years.

9. RAISING FUNDS

Summary by activity

	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Fundraising and awareness costs	<u>133,964</u>	<u>23,529</u>	<u>157,493</u>	<u>153,016</u>

In the current and prior year all expenditure on raising funds was attributable to unrestricted funds.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

10. SUPPORT COSTS BY CATEGORY

	2022	2021
	£	£
Support Costs		
Administration and Finance	<u>1,131,684</u>	<u>1,015,372</u>

Support costs are made up of the following:

	2022	2021
	£	£
Staff costs	812,571	748,300
Office costs	26,171	23,878
Premises	10,129	9,802
Other costs	<u>282,813</u>	<u>233,392</u>
	<u>1,131,684</u>	<u>1,015,372</u>

11. OTHER

	Restricted Funds	Unrestricted Funds	Total 2022	Total 2021
	£	£	£	£
Investment management fees	-	8,629	8,629	7,119
Governance costs	<u>-</u>	<u>39,734</u>	<u>39,734</u>	<u>34,102</u>
	<u>-</u>	<u>48,363</u>	<u>48,363</u>	<u>41,221</u>

In the prior year all other expenditure was attributable to unrestricted funds.

12. GOVERNANCE COSTS

	2022	2021
	£	£
Auditor's remuneration	11,500	13,411
Other professional fees	25,618	20,547
Board, Committee costs	<u>2,616</u>	<u>144</u>
	<u>39,734</u>	<u>34,102</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

13. NET INCOME BEFORE TRANSFERS

	2022	2021
	£	£
This is stated after charging:		
Depreciation:		
- owned tangible fixed assets	173,640	220,913
Auditor's remuneration - statutory audit	6,960	9,000
- other financial services	4,540	4,411
Gain on disposal of investments	15,895	78,831
Gain on fair value movement of investments	411,354	694,355
Operating leases rentals	<u>161,120</u>	<u>142,607</u>

14. STAFF COSTS

	2022	2021
	£	£
(a) Staff costs		
Wages and salaries	4,881,544	4,792,543
Social security costs	399,630	389,650
Agency and seconded staff	26,553	98,895
Pension costs – defined contribution schemes	<u>240,898</u>	<u>230,851</u>
	<u>5,548,625</u>	<u>5,511,939</u>
(b) One staff member earned between £70,000 and £80,000 (2021 – one in same band).		
	2022	2021
	No.	No.
(c) Average number of persons directly employed:		
Office and management	31	32
Supervision and instruction	164	171
Support staff	<u>38</u>	<u>39</u>
	<u>233</u>	<u>242</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

14. STAFF COSTS (Continued)

- (d) Directors' and key management personnel remuneration and expenses

No fees were paid to any director for their services as Board members. No travel expenses were reimbursed to Directors in the current year (2021 – £Nil). No amounts were paid directly to third parties.

The total amount of employee benefits received by key management personnel is £201,453 (2021 - £197,541). The charity considers its key management personnel to comprise the Chief Executive Officer, Director of Business Support and Director of Operations.

15. TRANSFERS BETWEEN FUNDS

An amount of £786,606 (2021 - £370,304) 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.

16. TANGIBLE FIXED ASSETS

	Land and buildings (long leasehold) £	Plant and machinery £	Fixtures, fittings, tools & other equipment £	Total £
Cost:				
At 1 April 2021	6,290,626	350,080	81,876	6,722,582
Additions	32,096	-	-	32,096
Disposals	<u>-</u>	<u>(8,657)</u>	<u>-</u>	<u>(8,657)</u>
At 31 March 2022	<u>6,322,722</u>	<u>341,423</u>	<u>81,876</u>	<u>6,746,021</u>
Depreciation:				
At 1 April 2021	4,278,999	317,234	36,353	4,632,586
Charges for the year	127,834	27,054	18,752	173,640
Eliminated on disposals	<u>-</u>	<u>(8,657)</u>	<u>-</u>	<u>(8,657)</u>
At 31 March 2022	<u>4,406,833</u>	<u>335,631</u>	<u>55,105</u>	<u>4,797,569</u>
Net book value:				
At 31 March 2022	<u>1,915,889</u>	<u>5,792</u>	<u>26,771</u>	<u>1,948,452</u>
At 31 March 2021	<u>2,011,627</u>	<u>32,846</u>	<u>45,523</u>	<u>2,089,996</u>

Included in long leasehold land and buildings is land costing £86,330 (2021 - £86,330). Land is not depreciated.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

17. FIXED ASSET INVESTMENTS

	Quoted Investments £
As at 1 April 2021	4,302,014
Additions, at cost	152,212
Realised gain on disposals	15,895
Disposals, at valuation	(147,608)
Increase/(decrease) in cash holding	11,182
Unrealised gain on revaluation	<u>411,354</u>
At 31 March 2022, at market value	<u>4,745,049</u>
At 31 March 2022, at historical cost	<u>3,136,501</u>

The charity's investments are managed on a discretionary basis by two independent investment brokers. Included in investments are cash balances of £14,429 (2021 - £3,247) held as part of the investment portfolio.

Subsidiary

New Life Counselling Service is a subsidiary of Action Mental Health. New Life Counselling Service was dormant throughout the year and granted strike off from the Registrar of Companies on 10 May 2022.

18. STOCKS

	2022 £	2021 £
Raw materials and consumables	<u>16,334</u>	<u>9,919</u>

19. DEBTORS

	2022 £	2021 £
Trade debtors	162,419	230,361
Grants due - ESF	178,177	317,730
Grants due – Peace 4	273,389	-
Grants due - Other	188,364	448,104
Prepayments and accrued income	128,741	86,640
Other debtors	<u>347</u>	<u>4,426</u>
	<u>931,437</u>	<u>1,087,261</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

20. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	284,298	244,016
Other taxation and social security	106,900	130,278
Deferred income	623,397	524,261
Accruals and other creditors	<u>289,705</u>	<u>212,895</u>
	<u>1,304,300</u>	<u>1,111,450</u>

21. DEFERRED INCOME

	Under 1	Over 1	Total
	year	year	£
	£	£	
At 1 April 2021	524,261	-	524,261
Amounts released to income	(524,261)	-	(524,261)
Amounts deferred from income	<u>623,397</u>	<u>-</u>	<u>623,397</u>
At 31 March 2022	<u>623,397</u>	<u>-</u>	<u>623,397</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	£	£	£
Tangible fixed assets	1,948,452	-	1,948,452
Investments	4,745,049	-	4,745,049
Net current assets	<u>312,471</u>	<u>-</u>	<u>312,471</u>
	<u>7,005,972</u>	<u>-</u>	<u>7,005,972</u>

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

23. REVALUATION RESERVE

	£
At 1 April 2021	1,237,496
Net transfer from general fund	<u>371,052</u>
At 31 March 2022	<u>1,608,548</u>

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

24. OTHER UNRESTRICTED FUNDS

	General Fund £	Designated Capital Utilised Fund £	Designated Risk Reserve Fund £	Total £
Unrestricted				
At 1 April 2021	1,658,819	498,421	3,689,760	5,847,000
Deficit for the year	(83,083)	-	-	(83,083)
Transfer to/from general fund	(121,906)	-	121,906	-
Transfer from restricted fund	4,559	-	-	4,559
Net transfer to revaluation res.	(371,052)	-	-	(371,052)
Addition to capital grants	-	-	-	-
Amortisation of capital grants	<u>82,356</u>	<u>(82,356)</u>	-	-
At 31 March 2022	<u>1,169,693</u>	<u>416,065</u>	<u>3,811,666</u>	<u>5,397,424</u>

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 of budgeted operational expenditure which the Board feel is prudent to set aside in line with the charity's risk and reserve policies.

25. RESTRICTED FUNDS

This represented funds held on transfer from the subsidiary, New Life Counselling Service, in respect of specified counselling and therapeutic services. A transfer of £4,559 was made from restricted to unrestricted funds in the year due as restrictions no longer applied to this fund. This transfer was included within the overall transfer of £786,606 from unrestricted to restricted reserves as disclosed at note 15.

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

26. TAXATION

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

27. CONTINGENT ASSETS AND LIABILITIES

A portion of grants received may become repayable if the charity fails to comply with the terms of the relevant letters of offer.

28. CONDUIT FUNDING

AMH acts as lead partner for Youth Action on the ESF, Working It Out project.

At the balance sheet date AMH held the following balances in respect of the above:

	Youth Action
	£
Debtor	3,857
Creditor	3,857

In accordance with SORP (FRS 102) these balances have not been included in the Balance Sheet.

29. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £240,898 (2021 - £230,851).

30. RELATED PARTY TRANSACTIONS

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

ACTION MENTAL HEALTH
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2022

31. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than one year	155,323	155,333
Later than one and not later than five years	80,000	80,000
Later than five years	<u>170,000</u>	<u>190,000</u>