

Company number: 748773  
Charity Number: 244866

# Birmingham Industrial Therapy Association Limited

## Operating as Better Pathways

Report and financial statements  
For the year ended 31 March 2023



# Birmingham Industrial Therapy Association Limited

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### For the year ended 31 March 2023

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## Birmingham Industrial Therapy Association Limited

### Reference and administrative information

For the year ended 31 March 2023

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**Company number** 748773  
**Country of incorporation** United Kingdom

**Charity number** 244866  
**Country of registration** England & Wales

**Operating Name** Better Pathways

**Registered office and operational address** 201–206 Alcester Street  
Birmingham  
B12 0NQ

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr David Tucker (Chair)  
Mr Ben Brittain Resigned 12 December 2022  
Dr Martin Commander  
Ms Chaitali Desai  
Ms Janine Garvie–Cole  
Mr Les A Latchman Resigned 12 December 2022  
Ms Kimara Sharpe

**Key management personnel** Ms Sue Roberts Chief Executive and Company Secretary

**Bankers** CAF Bank Ltd Lloyds Bank Unity Trust Bank  
25 Kings Hill Avenue PO Box 100 4 Brindley Place  
Kings Hill, West Mailing Andover Birmingham  
ME19 4JQ BX1 1LT B1 2JB

**Solicitor** Shakespeare Martineau  
Somerset House Temple Street  
Birmingham  
B2 5DJ

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108–114 Golden Lane  
London EC1Y 0TL

# **Birmingham Industrial Therapy Association Limited**

## **Annual Report of the Trustees and Chief Executive**

**For the year ended 31 March 2023**

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The trustees and Chief Executive present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the requirements of a directors' report as required under company law, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **Our Aims**

**The aims of the Charity as set out in the Articles of Association are to:**

- 1 help people with mental health issues and learning difficulties and disabilities to secure opportunities for volunteering, training and education and progress them towards paid employment,
- 2 provide training and education to organisations that will support them to safeguard the mental health and wellbeing of their employees and other stakeholders,
- 3 deliver support programmes through our social enterprises to grow beneficiaries' confidence, sense of self-esteem and independence to enable them to stay well and take part in activities as full members of their communities,
- 4 provide mental health and wellbeing support to NHS and Local Authority client groups to enhance their potential for recovery and independent living, and
- 5 provide support to the carers of our beneficiaries, chiefly but not limited to the respite provided to families and carers arising from the participation of beneficiaries in the charity's activities.

### **Our Values**

Inclusivity:	we welcome without prejudice or judgement all those who want our help
Tenacity:	we strive tirelessly to do our best for those we serve
Empowerment:	we build confidence in people to help them become self-supporting
Integrity:	we are kind, honest and fair in all our dealings
Partnership:	we work together with our stakeholders to further our collective aims

### **Our services and support**

Registered as a mental health charity on the 1st February 1963 and located in Alcester Street, Digbeth, since 1973, Better Pathways supports some of the most vulnerable people in our communities to move into paid employment, education, training and volunteering (see reference to our social enterprise LIVE Vocational Pathways programme below). We work with people with severe and enduring mental illness, with mild to moderate poor mental health, with learning

difficulties, learning disabilities and with other neurodiverse conditions. Participants come with a range of skills deficits and other support needs, for example, basic numeracy and literacy required in the workplace, with mobility problems, including poor manual dexterity, with travel anxieties, with varying intellectual capacities for basic and complex tasks and with personal circumstances impacting, for example, on familial relationships, housing, and economic wellbeing. The job of our experienced teams is to meet all needs holistically. Delivered in our social enterprises, or out in the community under contract to the statutory sector, we work with programme participants to develop their skills, general work preparedness, confidence, self-belief, and resilience to help them to achieve their vocational aspirations. The strengths-based approach we take seeks to empower participants on their journey towards an economically and socially active life, lived as independently as possible in good mental health so that they can enjoy the full range of community activities and services that others in society take for granted.

### **Our Social Enterprises**

**Better Packing:** We are a valued supply chain partner, providing contract packing, assembly, and light engineering services to businesses in Birmingham, the West Midlands and beyond, supporting business partners to deliver high quality products to their customers. Our participants undertake contract packing and assembly work at the lower end of the skills spectrum, freeing up our commercial customers to do the higher-level skilled work that only they can do. We pack, label, and assemble a wide range of products including, a broad range of fixings, fixtures and fittings, healthcare products, plumbing and electrical products, vehicle parts and batteries. We unpack and repack products from bulk to small packs for retail and undertake re-work including, re-labelling, re-pricing, and flaw corrections. We work with electronics manufacturers, vehicle manufacturers, stationery suppliers and printers, distributors of health, homecare, and retail supplies, building trade manufacturers, gas and drainage component makers, hospital equipment suppliers, government, and community-oriented organisations.

**Better Signage:** Better Signage specialises in the design and production of interior and exterior signage, name badges, vehicle graphics, promotional banners, large format vinyl printed posters, vinyl lettering and corporate gifts. We provide engraving and printing services. We work with a range of organisations including the NHS, schools, construction companies and other businesses in Birmingham and beyond.

**Better Woodwork:** We produce items for sale made from reclaimed and donated timber. We are proud of our connection with the Edinburgh Napier University, whose students designed products for our people to craft based on a shared understanding of the skills, tools, and resources we have at our disposal. Our partnership with Pathcarvers' JoJo Wood, an internationally renowned spoon carver, continues. JoJo continues to support with training, new product development and the sales plan.

Our social enterprises are the vehicle through which we deliver our **Vocational Pathways Programme: Learning, Independence, Volunteering, Employment (LIVE)**. Adding significant social value to the supply chains of our commercial customers and making a long-term positive social impact on the lives of our participants, common to all pathways are the opportunities afforded by this programme for participants to make new friends and build relationships.

**Pathway 1:** The 12-week employment preparation pathway covers 6 stages of support, overseen by a

senior vocational specialist: co-produced person-centred support agreements, vocational skills and strengths assessment, basic skills development, personal impact awareness, external placement (if desired) and graduation with a personal resilience plan. This pathway generates £45 per day per participant.

**Pathway 2:** The meaningful day activities programme, an alternative for participants that would otherwise attend social care funded day centre activities, is designed to stimulate, excite, and challenge participants. The range of activities provided is designed to be undertaken in groups where participants can socialise, share thoughts, feelings, experiences, whilst engaging in their chosen activities. The activities present opportunities for participants to engage with others whilst at the same time developing practical skills, dexterity, and emotional wellbeing. Above all, we aim for participants to enjoy their day. This pathway generates £35 per day per participant.

**Pathway 3:** This pathway is for participants for whom employment is not a desired outcome and that do not need the support required by participants attending for meaningful day activities.

The activities coordinator is currently sitting alongside participants to ensure their aspirations are reflected in updated person-centred support plans with the aim being to encourage those with the potential to do so to move onto the vocational pathways programme. Where this does not happen, participants will participate in the supported volunteering pathway unless they are unable to fulfil the obligations of a volunteer, e.g., to participate in required induction and mandatory training. In this circumstance, they will participate in the meaningful day activities programme if they wish. This pathway is not revenue generating.

As of December 2023, there are 90 current participants across all 3 pathways of the LIVE programme.

## **Our Statutory sector services**

- **Disability Inclusion Pathway project:** The aim of this project, which is part-funded by the European Social Fund, is to support adults furthest away from the jobs market into employment, education and training. Mobilised in July 2021, (value £1.2m), this project will end on 31<sup>st</sup> December 2023. Our employment specialists work intensively on a 1:1 basis with participants to deliver person-centred actions plans designed to achieve vocational goals. The team is networked with hundreds of organisations and groups across the city to secure, or signpost to, additional support needed by participants. The project has worked with 301 participants as of December 2023, with 72 moving into employment, education and active job searching.
- **Youth Promise Plus (YPP) Mental Health Wrap Around Support Service:** The first participant on this project, (value £506k), was referred in September 2020. The project ended on 1<sup>st</sup> October 2023. Team members worked on a 1:1 basis with young people aged 16 – 29 experiencing mental health issues to help them stay engaged on employability programmes delivered by five YPP programme providers, Change Grow Live, University Hospitals Birmingham, Birmingham Youth Service, Birmingham Careers and The Prince's Trust. Occasionally, referrals came from other sources. Over the course of this project, 148 young people were supported.
- **Primary Care Recovery Navigator Service (Mental Health Connector Service since August 2023).** We were awarded this new service in May 2022, a 3-year sub-contract to deliver a mental health support service in the community, (value £406,725). Our team of navigators (mental health connectors) is working with lead provider Birmingham Mind and a second sub-contracted partner,

the Living Well Consortium, alongside NHS colleagues to support people with poor mental health to access the services they need in the community.

- **Meaningful Day Activities** continue to be funded from direct payments allocated by Birmingham City Council's Adult Social Care team to qualifying citizens. This is a very small spot-purchase arrangement open to social workers and citizens holding their own budgets looking for alternative opportunities to mainstream day centre services. As of December 2023, there are three people being supported under this arrangement. We anticipate this growing as the profile of this offer grows into the new year.
- **Birmingham City Council, Prevention and Communities Grant, Mental Health Support with Physical Education and Activities Project:** With Sport4Life, we are jointly delivering two 3-year grant funded mental health with physical education and activities projects, aligned to community neighbourhood networks, (value £330k). This project is currently mobilising, and we anticipate formal launch in January/February 2024.

### Other revenue generating activities

- We continue to look for new markets for our Vulnerability Awareness Training and were pleased to deliver a workshop for **Octopus Energy** line managers in September 2023. Revenues from this activity were **£12k**. We are exploring, with NCFE, an awarding organisation and registered educational charity providing qualifications in England, Wales and Northern Ireland, the potential or incorporating our offer within NCFE's entry level customer service training programme.
- We welcomed new tenants **MyBnk** to our offices in Digbeth in September 2022 and are delighted that they and the young people they support are enjoying their new space. MyBnk is a national charity delivering financial awareness training to vulnerable young people, with a particular focus on debt and money management. Revenues from this activity are **£20k** per annum.
- We are now renting out storage space to **528 Interiors**. Rental income will be **£3,640** per annum.

### Who benefits from our services?

Our participant demographics have changed little since last year:

- All participants are attending for support to maintain good mental health and wellbeing.
- Approximately 70% have a diagnosed mental illness or poor mental health.
- Approximately 80% have a learning disability or significant difficulty.
- A number have dual diagnoses.
- Females account for 21% of our participants (2020/21: 18%).
- Participants from black and ethnic minority communities account for 40%
- Our two longest attending participants have been coming to the service for over 40+ years.
- Our oldest participant is in their 70s and our youngest in their 20s.
- Following the launch of our LIVE vocational pathways programme in June 2022, the mix of long-term/short-term, older/younger, participants will change, with more, and younger, people coming to Better Pathways for short-term work experience placements going forward.

## **How we help**

Unemployment in people with poor mental health, learning disabilities and other neurodiverse conditions is a major public health issue and Better Pathways helps to address this, (only 1.4% of the learning disabled population known to Birmingham City Council is in paid employment: Source: *The PURE Project August 2023*, Birmingham City Council (Quoting: NHS England, *Measures from the Adult Social Care Outcomes Framework, England*)). Inactivity and social isolation adversely impact the lives of those living with these conditions and their families, and we know that our work with participants addresses the loneliness they would otherwise feel from being socially isolated (see wellbeing survey below). In addition to the ‘hard’ outcomes we aim to achieve through our LIVE vocational pathways programme, we offer companionship, friendship, and a sense of belonging to those coming to our charity. Our impact is further enhanced by the values driven approach to all that we do, benefiting participants on our statutory sector contracts, and the commercial businesses we work with, adding significant social value to their procurement activities and supply chains.

## **Participant wellbeing survey**

Our 2023 annual survey, designed to help us understand the impact of our support on participants’ wellbeing, happiness and confidence was answered by 38 participants (40%) and their feedback is as follows (numbers in brackets are the scores for 2022 & 2021, in that order). Some respondents are common to more than one survey, others, including participants on new pathways, responded for the first time, hence there is not a straight-line improvement rate in all scores.

92% report an increased ability to make friends and build new relationships (96%/77%)
92% report increased self-confidence (100%/68%)
100% feel supported (93%/74%)
86% have a sense of belonging when attending our services (96%/80%)
81% have increased ability and confidence to pick up new skills (93%/69%)
60% indicate improved ability to deal with problems in life (71%/51%)
97% have improved general happiness (86%/63%)
76% have positive feelings and hope for the future (89%/63%)

Thirty of our participants are living at home with families. Our support of participants provides respite for families, allowing parents and siblings free time to work during the day, to engage in their communities, to recharge their batteries and to maintain the resilience required to cope with the, often complex, needs of their family member. Family members supported number approximately 120 based on an average of 4 additional family members per participant.

**Feedback from the family of KS**

**How does KS coming to Better Pathways help your family?**

KS coming to Better Pathways is very good. I am always worrying about him. I am assured that he is safe. By coming to Better Pathways, I am happy that he is receiving support from the staff. Before coming to Better Pathways, he would stay in his room and was very isolated.

**2 What have you noticed about KS as a result of him coming to Better Pathways?**

Since coming to Better Pathways K is a lot fitter. He has recently got married, happily settling in and getting to know his new wife.

**3 Would you say that your own mental health, or that of family members, improves with the respite you receive when KS comes to Better Pathways.**

I do worry about KS mental health. He can talk to the staff when he is frustrated, who are then able to liaise back with the family if concerns are about home.

**Feedback from the family of A and H**

**How does A and H coming to Better Pathways help your family?**

They have learnt more skills, they are more approachable, HM had lost his way.

**2 What have you noticed about A and H as a result of them coming to Better Pathways?**

A knows what she is doing, she has grown more confident. When they have been away from home, they return with having more ideas, and they are definitely more sociable. It has been very good for their overall wellbeing.

**3 Would you say that your own mental health, or that of family members, improves with the respite you receive when A and H come to Better Pathways.**

I acknowledge that they are never going to enter into a paid working environment but at least at Better Pathways they are both contributing to the environment.

**Feedback from the family of D**

**1 How does D coming to Better Pathways help your family?**

Gives him something to do and he does enjoy it. When he is not at Better Pathways he is upset, when he is ill for instance. Expressing that he should be there when he's here. I am happy that he is happy.

**2 What have you noticed about D as a result of him coming to Better Pathways?**

Since attending Better Pathways, he has shown an interest in looking for work, in a similar environment and where I was concerned about previous bullying, he says he gets on with everyone there, everyone is treating him good.

**3 Would you say that your own mental health, or that of family members, improves with the respite you receive when D comes to Better Pathways.**

Definitely, because D's mental health has improved a lot.

### Economic impact: the value of our social enterprise participant hours

'In 2019 there were an estimated 208,000 volunteers working in 9,000 community businesses across England. These volunteers contributed up to an estimated 18 million hours of time and £250 millions of services in 2019. Volunteers provide a wide variety of support to community businesses. In 2019 the estimated average equivalent market hourly wage rate across this range of activities was around £13.70. This is slightly above the UK median hourly earnings rate for all occupations of £13.20 (by 3.5 per cent).' *Power to Change Assessing the value of volunteers in Community Businesses [2020]*.

We use the Real Living Wage to calculate the value of our participant hours. As of December 2023, our 92 participants attend Better Pathways for 1,034 hours per week. Assuming a 48-week attendance year, this equates to 49,632 hours and an economic value of £517,165.

### The Year: 2022/2023

As was last year, this year has again been challenging from a financial perspective. Having set a deficit budget of £98,900 we ended the year with a deficit of £149,597. The biggest contributory factors to the worsening deficit were a) the ongoing impact of the loss of the IPS contract in the previous year which we always knew would take time to recover from b) lower than budgeted revenues coming through the social enterprises as a consequence of the pandemic on customers and a general downturn in demand for their, and therefore our, services, (£42k under-budget), c) a failure to achieve budgeted income through donations and legacies (£24k under-budget) and d) unplanned expenditure on buildings maintenance, (£37k over-budget).

However, we are seeing a positive impact from the considerable efforts spent building new partnerships and a pipeline for growth through 2022/2023 and into 2023/2024 as set out elsewhere in this report and in the Financial Results below.

### Plan Progress 2022/2023

We are pleased to report the following progress against the priorities set out in our Annual Report for the year ended March 2021:

#### **We will agree plans for the development of our building, either to improve our space and stay in Digbeth, or to sell and move elsewhere.**

- We have decided not to sell and move but to stay and improve our building. We have produced Stage 2 design drawings for a new roof, mezzanine floor and entrance and are grateful to the following organisations for their support, on a pro bono basis, to get this done: **Webb Yates** (Buildings Surveyor), **Roberts Limbrick** (Architect), **WT Partnership** (Quantity Surveyor), and **The Engineering Practice** (M&E works). First draft scheme costs are looking to be in the order of £1.9m and we are meeting with developers and other potential funders to explore donations in kind and fundraising schemes.
- We have completed the extension to our woodwork workshop and will continue to work on product development and supporting more participants in this service.

**We will generate income from sharing our space.**

We are delighted to report the success of the MyBnk tenancy and the agreement of a new space rental agreement with 528 Interiors. Taken together, these arrangements will generate £23,640 per annum in rental revenues. We are currently negotiating an agreement with a fledging new catering start up, Toko Street Food Service, to rent our professional standard on-site kitchen. Initially, in lieu of rent, our participants will be provided with hot food. Over time, as Toko's revenues grow, we anticipate a profit share agreement.

**We will modernise our social enterprise pathways of care to ensure we maximise social impact for participants:**

We continue to embed the new LIVE Vocational Pathways Programme. Accepting its first participants in August/September 2022, as at the end of October 2023:

- 67 referrals were received
- 12 participants had completed the 12-week employment preparation pathway (at June n=6):
  - ✓ 3 started employment and continue also to volunteer at Better Pathways
  - ✓ 2 went on to volunteer in a retail shop
  - ✓ 3 have accessed health services
  - ✓ 4 have stayed with Better Pathways on the meaningful day activities pathway
  - ✓ 8 are volunteering at Better Pathways and continue to work with the team on their longer-term goals

We are expanding the support we offer through our social enterprises:

**SEND school and college 'taster days':** Working with head teachers, we are hosting regular taster days for students with their teachers to support students with enrichment activities to help them with socialisation and life skills. As of December 2023, we have hosted upwards of 40 students. For the Spring term 2024, there is a plan to host Baskerville students, generating a one-off payment of £600 for 6 sessions with 10 students per session. This is a trial and will be repeated, and hopefully expanded to other schools, if successful.

**Student nurse placements:** Working with Fareshare and Birmingham City University, we are hosting student nurses for placements, growing their awareness of the holistic support needs of people with the range of complexities presented by our participants. As of December 2023, we have hosted 18 student nurses for week-long placements leading to additional revenues for the charity of £50 per student nurse per week.

**Job Centre Work Experience Placements:** Working with local job centres, we are now offering work experience placements to job seekers furthest away from the jobs market and needing support to maintain good mental health and wellbeing. Our support is designed to help job seekers evidence their commitment to learning and work-based discipline, ultimately helping them into paid employment. This is the newest of our new initiatives and as of December 2023 we have hosted 4 job seekers. This activity will grow but it is not revenue generating.

## Birmingham Industrial Therapy Association Limited

### Annual Report of the Trustees and Chief Executive

For the year ended 31 March 2023

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#### **We will pursue a robust income generation strategy:**

We have undertaken a rebranding exercise, updated our messaging so that our stakeholders understand the benefits of working with and supporting us from the angle of social value, social impact added, and updated our website. Additionally, we have significantly raised our social media presence, including on LinkedIn. We have worked closely with the GBSLEP Growth Hub to explore opportunities for new partnerships and are delighted to report that an introduction by our a GBSLEP growth expert to Widney, a local manufacturing business, has resulted in significant new business in Better Packing which we anticipate being in the region of £40k – £50k a year (full year effect). Better Signage is now printing name badges for Herefordshire and Worcestershire Health and Care Trust, and a garden trug produced by our Woodwork team is featuring in the 2023 Social Enterprise UK Christmas catalogue.

Grant income in 2022/2023 is confirmed in the Financial Results section below. So far in 2023/2024 we have secured the following grants:

- Goodwill Solutions Foundation – £10k (unrestricted)
- Garfield Weston Foundation – £40k (unrestricted)
- The Eveson Trust – £40k – (Unrestricted)
- The Henry Smith Charity – £162k over 3 years (Better Signage capacity expansion)
  
- Birmingham City Council – £17.5k (LIVE Programme expansion)
- Goldman Sachs – £10k (contribution to costs of new printer for Better Signage)
- West Midlands Combined Authority and the Department of Business and Trade (DBT): Made Smarter West Midlands Programme – £16.3k (contribution to costs of new printer for Better Signage)
- GBSLEP Clean Growth Grant – £8.6k (contribution to costs of a new boiler)

#### **We will establish a more systematic approach to social impact reporting**

We have yet to make meaningful progress with this aim. Social impact reporting does remain a priority for the charity, and we will further develop our approach with beneficiaries, their families, our partners, and experts as capacity to undertake this project allows.

#### **Financial results 2022/2023**

Total income for the year fell by 45% from £911,275 in 2021/22 to £790,436 in 2022/23. Significant reasons for this are as follows:

- **Recovery and employment** income decreased by 4%. This reflected the net impact of the end the Respite plus and Veterans' Stabilisation Worker contracts on the 31<sup>st</sup> March 2022 and the extension of the YPP contract and the mobilisation of the new Primary Care Recovery Navigator service on 1<sup>st</sup> May 2022
- **Net trading income** for the social enterprises fell by 21%. However, income for Express Signs increased by 45%.

## **Birmingham Industrial Therapy Association Limited**

### **Annual Report of the Trustees and Chief Executive**

**For the year ended 31 March 2023**

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- **Donation and grant** income decreased by 53% which in large part was because of the departure of our fundraising manager.
- **L.I.V.E. programme** revenues increased by 168%.

Because of the above, the number of employees reduced from 23.4 (2021/22) to 19.3 (2022/23).

### **Fundraising and Donations**

For the year 2022/23 we raised £51,186 from grant giving trusts/foundations and £5,117 in public donations (2021/22: £114,440 and £4,627 respectively). We are grateful to the funders who have responded so positively to our bids for support, and we are pleased to acknowledge them later in this report.

We are grateful to the following organisations and for their generous grants and donations in 2022/23. These funds have helped us to deliver our activities for the benefit of our service users:

Birmingham City Council – £17.5k

Access, The Foundation for Social Investment's Enterprise Development Programme – £27.4k

Edward Gosling Foundation – £5k

UK Government Department for Business and Trade £50k bounce back loan: Year 1 interest donation – £1.2k

Misc Just Giving donations – £2.9k

We were immensely saddened at the sudden passing of Simon Lawrence, our Chair of Trustees until December 2021. Mourners at Simon's funeral were invited to donate to Better Pathways in lieu of sending flowers. We were honoured to receive donations totalling £2.2k over the months following Simon's funeral. Simon's widow, Veronica, was kind enough to set up a Just Giving Page for the charity.

We are registered with the Fundraising Regulator and can confirm we have not received any complaints in the year. Currently, our fundraising activity is geared to submitting to grant giving bodies. We have hitherto raised funds from the public via JustGiving and Amazon Smile. We have recently moved to the Enthuse platform. We do not raise donations through door-to-door canvassing, but were we ever to do so, we would ensure that we have policies and procedures in place to identify and protect people in situations of vulnerability.

### **Principal funding sources**

In respect of our statutory sector contracts our principal sources of funding are:

- European Social Fund for the Disability Inclusion Pathway
- Birmingham City Council for the Youth Promise Plus Mental Health Wrap Around Support Service
- Birmingham and Solihull Mental Health Foundation Trust (BSMHFT) via Birmingham Mind as the lead provider: Neighbourhood Mental Health Connector Service

## **Plans for 2023/2024**

### **Our social enterprise LIVE Vocational Pathways programme will be further embedded:**

- Better Signage moved from Solihull in January 2023 to join our other enterprises in Digbeth and there will be a major focus on training more participants in signage production and printing skills.
- The new arrangement with Toko Food Services, and the completion of our kitchen refurbishment, will enable us to establish a food hygiene, food preparation, training offer as part of our LIVE 12-week employment preparation pathway.
- We will progress discussions with Serco and the Shaw Trust about supporting their participants on our LIVE vocational pathways programme.
- We will make progress with plans to open a charity shop at our site in Digbeth, for its income generating potential, and to provide opportunities for extending our work experience offer and to raise our profile with the public, whom we will invite to collect their purchased woodcraft and other items.
- We will work with NCFE to develop an accredited Better Pathways branded training programme to enhance the standing of our LIVE 12-week employment preparation pathway.
- We will make progress with our beneficiaries and their families to strengthen our approach to impact measurement. The planned introduction of a new activity recording system, Tacklit, will make this easier to achieve.

### **We will explore all avenues for income generation**

- We will continue to look for statutory sector contract opportunities, including as sub-contractors to larger organisations where our values align. We have produced a report for commissioners setting out the impacts and outcomes for young people supported by our YPP mental health wrap around support team and we will explore the potential for this model to add value in other contexts and settings. We will continue to liaise closely with local authority commissioners on plans to commission Shared Prosperity Funded projects to replace those currently funded with ESF monies.
- We will progress discussions with a national construction company for the provision of signage services linked to a major new development opposite our site in Digbeth.
- We will continue to seek corporate partnerships such as charity of the year agreements.
- We will continue to submit bids to grant funding bodies, building on our successes so far in 2023/2024, looking for support for core costs wherever we can.
- We will progress discussions with NCFE about the potential for our vulnerability awareness training to form part of NCFE's customer service modules.

### **We will improve our building for the benefit of beneficiaries and to grow our business**

- We will make progress with improvements to our participant restroom facilities.
- We will discuss with the developer/construction company of the site opposite our building, the potential to receive their support for the building of our new roof, mezzanine floor and front entrance.
- We will launch a 'Raise the Roof' crowdfunding campaign, to raise the balance of funds needed after donations 'in kind' are secured.
- We will continue to repair our roof in the meantime, making it watertight until a new roof is in place.

## Principal risks and mitigations

The Charity's principal risks:

- 1. A failure to maintain current customers and to grow the customer base in our social enterprises, will undermine their viability.**
  - We have reshaped roles in the senior leadership team. There is now a senior leader dedicated to leadership of the social enterprises and the new arrangement will allow the CEO to focus more significantly on externally facing activities to grow the charity's profile, partnerships and income generating opportunities.
  - The Senior Leadership Team is collectively building networks to maximise new business opportunities.
  - We are grateful for the support we continue to receive from 'ambassadors' who are informing our approach to achieving the growth we need for future sustainability, identifying potential new customers and making helpful introductions.
  - We have worked with branding and marketing experts to clarify our messaging and to update our branding and website. We will continue to grow our marketing activities to build on our recent LinkedIn campaigns.
  - We have undertaken a review of our pricing methodology and will take a more structured approach to applying annual price increases for our social enterprise activities.
  - We will continue to work with Pathcarvers, a local social enterprise, to develop our Woodcraft offer.
  
- 2. A failure to maintain a portfolio of statutory sector contracts will have a significant impact on the Charity's financial position, reducing the contribution to overheads and margin.**
  - We continue to seek out opportunities to bid for new contracts and to partner with other potential bidders.
  - We are in discussions about providing a 3-month PURE employability project from January – March 2024 in anticipation of having an opportunity to express an interest in a Shared Prosperity Funded project from 1<sup>st</sup> April 2024 (this will be a one year only project).
  - Discussions about our mental health wrap around support model will be progressed with commissioners.
  
- 3. A failure sufficiently to grow revenues/income from all sources, including from grant giving bodies, quickly enough, will lead to a depletion of reserves and to a drop in cash such as to put at risk the charity's ability to deliver its activities and maintain its 'going concern' status.**
  - We own our building and will develop a contingency plan to raise funds against the building should that be necessary.

### **Reserves policy and statement of going concern**

The trustees' policy is to maintain 90 days' expenditure in general reserves to provide working capital for unforeseen reductions in cash flow. As of November 2023, there are reserves to cover 69 days of operation. The forecast for March 2024 is 87 days.

On 31 March 2023, Better Pathways had total funds of £317,519 to carry forward. These funds were made up as follows:

- £105,520 – General Reserves
- £38,528 – Restricted Funds
- £173,471 – Designated Funds

The designated funds largely relate to the tangible fixed asset fund so do not form part of our calculation of general reserves. This fund represents the net book value of fixed assets purchased through general funds and depreciation is charged against this fund.

The general reserves on 31 March 2023 amounted to 42 days' expenditure, down from 60 days in March 2022. However, on 30 November 2023, the position is much improved. General reserves are £163,437 translating to 69 days' expenditure.

A cash flow forecast covering January 2024 – January 2025 shows month on month cash positions varying from highs of £177k (February 2024) and £155K (April 2024) to a low of £57k (November 2024) before improving to £71k (January 2025). Trustees are required to look ahead 12 months from the date of signing of the accounts and, on the basis of the 12 month cash flow forecast and by approving these accounts, Trustees and the Chief Executive are happy that Better Pathways remains a going concern.

### **Current Cash Position**

At the end of November 2023, the charity's cash position is £174k, an improvement on the £156k cash position at the end of March 2023.

### **General Reserves**

We continue to grow the activities and income streams of the charity.

We are better managing our working capital, getting cash in more quickly.

We are compiling a business case to present to a bank for funds which we will raise against the value of our building, which we own. This will be our fallback position should we find ourselves at risk of dangerously low cash.

### **Restricted Funds**

We have and will continue to implement restricted fund projects, significantly reducing the restricted funds balance of £38k (of which 67% is for capital assets against which depreciation is being charged) by March 2023.

## **Birmingham Industrial Therapy Association Limited**

### **Annual Report of the Trustees and Chief Executive**

**For the year ended 31 March 2023**

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#### **Designated Funds**

After the year end, Future Investment for Social Enterprise and Premises Improvement funds totalling £20k, have been reallocated to the General fund. This is because there had been expenditure on items out of general funds that were a legitimate call on these designated funds.

#### **Accreditations**

- We continue to meet the requirements of the Investors in People standard, the MATRIX standards, and Disability Confident Accreditation.
- The charity is still an accredited Living Wage Employer after the year end.

#### **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated in England and Wales in September 1965, and registered as a Charity on 1st February 1963.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the Charity. The trustees have not claimed any expenses from the Charity during the year.

Trustees are elected at the annual general meeting and nominations for additional trustees may be made by Board members. All directors serve in an honorary capacity and are the trustees of the Charity. There is a rotational process in place with trustees retiring from the board each year; however, these trustees can offer themselves for re-election should they wish to do so. We aim to ensure that the Board is diverse in terms of age, gender and ethnicity and possess the skills required to direct the organisation.

At no time during the year did any trustee have an interest in a contract entered into by the Association in relation to the activities of the Association other than their involvement as employees of Mental Health Trusts. No remuneration or other benefits have been paid or are payable to any trustee of the Association either directly or indirectly from the funds of the Association. The overall policy of the Association is set by the trustees at regular meetings of the Board. Day to day running of the Association is managed by the Chief Executive, Sue Roberts.

#### **Appointment of trustees**

We use the guidance for trustee recruitment published by the Charity Commission. Skills audits are completed, gaps are identified, and new Trustees appointed based on these gaps.

#### **Trustee engagement**

New trustees meet with the Chair and Chief Executive as part of their induction and to agree expectations with respect to Trustee engagement in the charity's business. The following is covered:

- Trustee Role and Responsibilities

## **Birmingham Industrial Therapy Association Limited**

### **Annual Report of the Trustees and Chief Executive**

#### **For the year ended 31 March 2023**

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- Trustee Code of Conduct, including Conflicts of Interest
- Timetable of Annual Key tasks
- Trustee Contact details
- Expenses – How to claim travel and other expenses
- Induction visits and meetings include:
  - Attendance requirements and feedback
  - Organisation background and history
  - Mental Health First Aid (2-day accredited course) if desired
  - Social Enterprise site visit

#### Required reading includes:

- Memorandum & Articles
- Audited Accounts and Annual Report
- Risk Register
- Strategic Plan
- Organisation Chart
- Policies and Procedures
- The Essential Trustee (CC3)
- Other relevant Charity Commission guidance

### **Related parties and relationships with other organisations**

No formal relationships exist between the Association and any related parties and there are no subsidiary undertakings. The Association cooperates with other charities in the pursuit of its charitable objectives.

### **Remuneration policy for key management personnel**

The Chair conducts the annual appraisal of the Chief Executive and agrees her salary, which is benchmarked against comparable organisations in the not-for-profit sector. The salary is endorsed by all members of the Board.

### **Policy for employment of disabled persons**

The Association has an Equality and Diversity policy which commits the Association to examine its selection and appointment process, personnel procedures, and training provisions to ensure the elimination of direct or indirect discrimination and the provision of equality of opportunity for the protected characteristics contained with the Equality Act 2010. There are regular reviews to maintain good employment practices and those engaged in the selection process will be made aware of the Equality and Diversity Policy, the Acts, and their personal liability to law.

### **Employee information**

The Association aims to provide employees with as much information as possible on matters of concern to them as employees. Responsibility for doing this rests with the Senior Leadership Team.

### **Funds held as custodian trustee on behalf of others**

No funds are held by the Association as custodian trustee on behalf of others.

### **Statement of responsibilities of the trustees**

The trustees (who are also directors of Birmingham Industrial Therapy Association Ltd for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, 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 trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees 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

## **Birmingham Industrial Therapy Association Limited**

### **Annual Report of the Trustees and Chief Executive**

**For the year ended 31 March 2023**

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safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as, the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees are appointed at the AGM which is attended by the charity's trustees. There were 6 trustees in the year 21/2022 (20/2021:11).

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on **12 January 2023** and signed on their behalf by

David Tucker, Chair of Trustees

Sue Roberts, Chief Executive Officer

## Independent auditor's report

To the members of

**Birmingham Industrial Therapy Association Limited**

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### Opinion

We have audited the financial statements of Birmingham Industrial Therapy Association Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 of 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Independent auditor's report

To the members of

**Birmingham Industrial Therapy Association Limited**

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### Other Information

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual 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 trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

## Independent auditor's report

To the members of

### Birmingham Industrial Therapy Association Limited

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company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

## Independent auditor's report

To the members of

### Birmingham Industrial Therapy Association Limited

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- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

Fleur Holden (Senior statutory auditor)

DATE: 12th January 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Birmingham Industrial Therapy Association Limited**

**Statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2023**

	Note	Unrestricted £	Restricted £	2023 Total £	2022 Total £
<b>Income from:</b>					
Donations and grants	3	11,367	44,936	<b>56,303</b>	119,067
Charitable activities					
Recovery and Employment	4	490,867	–	<b>490,867</b>	512,741
Social Enterprise – Better Assembly Services	4	117,570	–	<b>117,570</b>	131,984
Social Enterprise – Express Signs	4	125,650	–	<b>125,650</b>	147,399
Bank Interest		46	–	<b>46</b>	84
<b>Total income</b>		<u>745,500</u>	<u>44,936</u>	<b><u>790,436</u></b>	<u>911,275</u>
<b>Expenditure on:</b>					
Charitable activities					
Recovery and Employment	5	583,034	–	<b>583,034</b>	721,402
Social Enterprise – Better Assembly Services	5	123,835	95,968	<b>219,803</b>	203,967
Social Enterprise – Express Signs	5	109,760	27,436	<b>137,196</b>	108,968
<b>Total expenditure</b>		<u>816,629</u>	<u>123,404</u>	<b><u>940,033</u></b>	<u>1,034,336</u>
<b>Net movement in funds (being net expenditure in the year)</b>	19	(71,129)	(78,468)	<b>(149,597)</b>	(123,062)
<b>Reconciliation of funds:</b>					
Total funds brought forward		350,121	116,994	<b>467,115</b>	590,177
<b>Total funds carried forward</b>		<u><u>278,992</u></u>	<u><u>38,527</u></u>	<b><u><u>317,519</u></u></b>	<u><u>467,115</u></u>

All of the above results are derived from continuing activities, except where shown. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

**Birmingham Industrial Therapy Association Limited**

**Balance sheet  
As at 31 March 2023**

	Note	£	2023 £	£	2022 £
<b>Fixed assets:</b>					
Tangible assets	11		<u>199,181</u>		<u>194,766</u>
			<b>199,181</b>		<b>194,766</b>
<b>Current assets:</b>					
Stock	12	5,466		5,466	
Debtors	13	181,081		325,506	
Cash at bank and in hand		<u>156,123</u>		<u>170,042</u>	
			<b>342,670</b>	<b>501,014</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<u>194,333</u>		<u>178,664</u>	
<b>Net current assets</b>			<u><b>148,337</b></u>		<u><b>322,350</b></u>
<b>Total assets less current liabilities</b>			<b>347,518</b>		<b>517,116</b>
Creditors: amounts falling due after one year	16		<b>(30,000)</b>		<b>(50,000)</b>
<b>Total net assets</b>			<u><u><b>317,519</b></u></u>		<u><u><b>467,115</b></u></u>
<b>The funds of the charity:</b>					
Restricted income funds	19		<b>38,527</b>		<b>116,994</b>
Unrestricted income funds:					
Designated funds		173,471		185,815	
General funds		<u>105,520</u>		<u>164,306</u>	
Total unrestricted funds			<b>278,992</b>		<b>350,121</b>
<b>Total charity funds</b>			<u><u><b>317,519</b></u></u>		<u><u><b>467,115</b></u></u>

Approved by the trustees on 12 January 2024 and signed on their behalf by

David Tucker  
Chair

**Birmingham Industrial Therapy Association Limited**

**Statement of cash flows**

**For the year ended 31 March 2023**

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash used in operating activities</b>	21		<b>22,259</b>		<b>(264,335)</b>
<b>Cash flows from investing activities:</b>					
Interest received		<b>46</b>		84	
Purchase of fixed assets		<b>(26,223)</b>		<b>(738)</b>	
<b>Net cash used in investing activities</b>			<b>(26,177)</b>		<b>(654)</b>
<b>Cash flows from financing activities:</b>					
Repayment of borrowings			<b>(10,000)</b>		<b>-</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(13,918)</b>		<b>(264,989)</b>
Cash and cash equivalents at the beginning of the year			<b>170,041</b>		435,030
<b>Cash and cash equivalents at the end of the year</b>			<b>156,123</b>		<b>170,041</b>

**Analysis of cash and cash equivalents and of net debt**

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	170,041	(13,917)	<b>156,123</b>
<b>Total cash and cash equivalents</b>	170,041	(13,917)	<b>156,123</b>
Loans falling due after more than one year	(50,000)	10,000	(40,000)
<b>Total</b>	<b>120,041</b>	<b>(3,917)</b>	<b>116,123</b>

Notes to the financial statements

For the year ended 31 March 2023

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**1 Accounting policies**

**a) Statutory information**

Birmingham Industrial Therapy Association Limited is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 201–206 Alcester Street, Digbeth, Birmingham, B12 0NQ.

**b) Basis of preparation**

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) – (Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as explained in the trustees' annual report. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of providing education, volunteering and employment services to the service users undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity. Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure. Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of staff time by each activity.

- |  |     |
|--|-----|
| ● Recovery and Employment                      | 63% |
| ● Social Enterprise – Better Assembly Services | 23% |
| ● Social Enterprise – Express Signs            | 14% |

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold Building 50 years
- Motor Vehicles, Computer Equipment 4 years
- Plant, Fixture and Fittings 10 years

l) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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 amortised cost using the effective interest method.

q) Pensions

The charity has a NEST pension scheme to offer all employees. The charity is contributing a minimum employer contribution percentage into the scheme set by the Pension Regulator.

2 Detailed comparatives for the statement of financial activities (prior year)

	Unrestricted activities £	Restricted activities £	2022 Total £
<b>Income from:</b>			
Donations and grants	24,627	94,440	119,067
Charitable activities:			
Recovery and Employment	512,741	-	512,741
Social Enterprise – Better Assembly Services	131,984	-	131,984
Social Enterprise – Express Signs	147,399	-	147,399
Bank interest	84	-	84
<b>Total income</b>	<u>816,835</u>	<u>94,440</u>	<u>911,275</u>
<b>Expenditure on:</b>			
Charitable activities:			
Recovery and Employment	721,402	-	721,402
Social Enterprise – Better Assembly Services	193,328	10,638	203,966
Social Enterprise – Express Signs	108,968	-	108,968
<b>Total expenditure</b>	<u>1,023,698</u>	<u>10,638</u>	<u>1,034,336</u>
<b>Net (expenditure) / income for the year</b>	<u>(206,863)</u>	<u>83,802</u>	<u>(123,062)</u>

## Notes to the financial statements

For the year ended 31 March 2023

## 3 Income from donations

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Grants received	6,250	44,936	<b>51,186</b>	20,000	94,440	114,440
Donations	5,117	-	<b>5,117</b>	4,627	-	4,627
	<u>11,367</u>	<u>44,936</u>	<u><b>56,303</b></u>	<u>24,627</u>	<u>94,440</u>	<u>119,067</u>

## 4a Income from charitable activities (current year)

	Unrestricted activities £	Restricted activities £	2023 Total £	2022 Total £
European Social Fund – Disability Inclusion Pathway	195,197	-	<b>195,197</b>	119,850
Birmingham Solihull Mental Health Trust – Respite	-	-	-	72,000
Birmingham Solihull Mental Health Trust – Veteran	-	-	-	96,025
Birmingham City Council – Youth Promise Plus	146,364	-	<b>146,364</b>	170,571
Birmingham MIND –PCRN	124,277	-	<b>124,277</b>	-
Other	25,028	-	<b>25,028</b>	54,295
<b>Total for Recovery and Employment</b>	<u>490,867</u>	<u>-</u>	<u><b>490,867</b></u>	<u>512,741</u>
Birmingham City Council Day Care	19,302	-	<b>19,302</b>	7,206
Earned Income	98,269	-	<b>98,269</b>	124,778
<b>Total for Social Enterprise – Better Assembly Services</b>	<u>117,570</u>	<u>-</u>	<u><b>117,570</b></u>	<u>131,984</u>
Birmingham Solihull Mental Health Trust	99,046	-	<b>99,046</b>	129,046
Earned Income	26,604	-	<b>26,604</b>	18,353
<b>Total for Social Enterprise – Express Signs</b>	<u>125,650</u>	<u>-</u>	<u><b>125,650</b></u>	<u>147,399</u>
<b>Total income from charitable activities</b>	<u><b>734,087</b></u>	<u>-</u>	<u><b>734,087</b></u>	<u><b>792,124</b></u>

## 4b Income from charitable activities (prior year)

	Unrestricted activities £	Restricted activities £	2022 Total £
European Social Fund – Disability Inclusion Pathway	119,850	-	<b>119,850</b>
Birmingham Solihull Mental Health Trust – Respite	72,000	-	<b>72,000</b>
Birmingham City Cross CCG Funding	-	-	-
Grant funding for core activities	-	-	-
Other	54,295	-	<b>54,295</b>
Birmingham City Council– Neurodiverse	-	-	-
Prospects – Thrive into Work	-	-	-
Birmingham Solihull Mental Health Trust – Veteran	96,025	-	<b>96,025</b>
Birmingham City Council –Youth Promise Plus	170,571	-	<b>170,571</b>
Mental Health First Aid Training	-	-	-
<b>Total for Recovery and Employment</b>	<u>512,741</u>	<u>-</u>	<u><b>512,741</b></u>
Birmingham City Council Day Care	7,206	-	<b>7,206</b>
Earned Income	124,778	-	<b>124,778</b>
<b>Total for Social Enterprise– Better Assembly Services</b>	<u>131,984</u>	<u>-</u>	<u><b>131,984</b></u>
Birmingham Solihull Mental Health Trust	129,046	-	<b>129,046</b>
Earned Income	18,353	-	<b>18,353</b>
<b>Total for Social Enterprise– Express Signs</b>	<u>147,399</u>	<u>-</u>	<u><b>147,399</b></u>
<b>Total income from charitable activities</b>	<u><b>792,124</b></u>	<u>-</u>	<u><b>792,124</b></u>

## Notes to the financial statements

For the year ended 31 March 2023

## 5a Analysis of expenditure (current year)

	Charitable activities					2023 Total £	2022 Total £
	Recovery and Employment £	Social Enterprise – Better Assembly Services £	Social Enterprise – Express Signs £	Governance costs £	Support costs £		
Staff costs (Note 7)	237,965	85,933	53,752	-	241,663	<b>619,313</b>	667,926
Delivery by other partners	72,111	-	-	-	-	<b>72,111</b>	70,076
Material	969	99	6,017	-	-	<b>7,085</b>	10,628
Recruitment and Training	991	96	-	-	6,124	<b>7,211</b>	7,746
Client and Participant Expenses	-	14,940	819	-	90	<b>15,849</b>	27,183
Staff Travel and Motor Expenses	1,081	10,015	240	-	996	<b>12,332</b>	11,647
Marketing, Print and Stationery	299	308	1,073	-	5,359	<b>7,039</b>	4,255
ICT and Communication	2,038	792	1,749	-	27,389	<b>31,968</b>	59,643
Consultancy and Professional Fees	-	892	4,870	-	23,551	<b>29,314</b>	34,025
Utilities	-	-	-	-	22,442	<b>22,442</b>	19,104
Premises Cost and Insurance	-	8,689	14,500	-	61,096	<b>84,285</b>	57,027
Sundry Expenses	9	(144)	(4,757)	-	(3,562)	<b>(8,455)</b>	8,589
Audit Fee	-	-	-	9,900	-	<b>9,900</b>	8,600
Bank Charges	-	-	-	-	3,052	<b>3,052</b>	1,059
Non Recoverable VAT	-	-	-	-	4,781	<b>4,781</b>	13,240
Depreciation	6,977	4,077	69	-	10,686	<b>21,809</b>	33,588
	<b>322,438</b>	<b>125,697</b>	<b>78,333</b>	<b>9,900</b>	<b>403,665</b>	<b>940,033</b>	<b>1,034,336</b>
Support costs	254,358	91,853	57,455	-	(403,665)	-	-
Governance costs	6,238	2,253	1,409	(9,900)	-	-	-
<b>Total expenditure 2023</b>	<b>583,034</b>	<b>219,803</b>	<b>137,196</b>	<b>-</b>	<b>-</b>	<b>940,033</b>	
Total expenditure 2022	<b>721,402</b>	<b>203,967</b>	<b>108,968</b>	<b>-</b>	<b>-</b>		<b>1,034,336</b>

## 5b Analysis of expenditure (prior year)

	Charitable activities					2022 Total £
	Recovery and Employment £	Social Enterprise – Better Assembly £	Social Enterprise – Express Signs £	Governance costs £	Support costs £	
Staff costs (Note 7)	309,564	79,968	42,820	-	235,574	<b>667,926</b>
Delivery by other partners	70,076	-	-	-	-	<b>70,076</b>
Material	-	365	10,263	-	-	<b>10,628</b>
Recruitment and Training	2,565	1,766	323	-	3,093	<b>7,747</b>
Client and Participant Expenses	2,008	24,321	854	-	-	<b>27,183</b>
Staff Travel and Motor Expenses	2,946	7,037	-	-	1,664	<b>11,647</b>
Marketing, Print and Stationery	2,689	1,133	433	-	-	<b>4,255</b>
ICT and Communication	23,513	7,724	3,786	-	24,619	<b>59,642</b>
Consultancy and Professional Fees	24,276	1,192	2,584	-	5,973	<b>34,025</b>
Utilities	9,334	4,569	-	-	5,201	<b>19,104</b>
Premises Cost and Insurance	22,173	9,266	15,548	-	10,040	<b>57,027</b>
Sundry Expenses	2,379	795	-	-	5,415	<b>8,589</b>
Audit Fee	-	-	-	8,600	-	<b>8,600</b>
Bank Charges	518	170	83	-	288	<b>1,059</b>
Non Recoverable VAT	9,636	-	-	-	3,604	<b>13,240</b>
Depreciation	6,411	5,391	-	-	21,786	<b>33,588</b>
	<b>488,088</b>	<b>143,697</b>	<b>76,694</b>	<b>8,600</b>	<b>317,257</b>	<b>1,034,336</b>
Support costs	227,156	58,680	31,421	-	(317,257)	-
Governance costs	6,158	1,591	852	(8,600)	-	-
<b>Total expenditure 2022</b>	<b>721,402</b>	<b>203,968</b>	<b>108,968</b>	<b>-</b>	<b>-</b>	<b>1,034,336</b>

Notes to the financial statements

For the year ended 31 March 2023

**6 Net income / (expenditure)**

This is stated after charging:

	2023 £	2022 £
Depreciation	21,809	33,588
Operating lease rentals:		
Other	32,566	14,347
Auditors' remuneration (excluding VAT):		
Audit	<u>9,900</u>	<u>8,600</u>

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	522,342	562,381
Redundancy and termination costs	-	3,000
Social security costs	44,104	48,904
Other Staff Costs	43,180	42,820
Employer's contribution to defined contribution pension schemes	<u>9,688</u>	<u>10,821</u>
	<u><u>619,313</u></u>	<u><u>667,926</u></u>

In 2023 no employee was made redundant in the year (2023: £nil) (2022: 2). No redundancy and termination costs (2022: £3,000) were settled and paid.

The total employee benefits (including employer's pension contributions and employer's national insurance) of the key management personnel were £57,256 (2022: £56,992).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). No trustees' expenses were paid in 2023 and 2022.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Recovery & Employment	7.1	12.4
Social Enterprise- Better Assembly Services	5.0	4.1
Support	<u>7.3</u>	<u>6.9</u>
	<u><u>19.3</u></u>	<u><u>23.4</u></u>

**9 Related party transactions**

Aggregated donations from related parties were £nil (2023: £nil). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Martin Commander, Vice Chair Board of Trustees is a paid consultant to Birmingham Solihull Mental Health Trust (BSMHFT). During the year the charity received income of £110,180 (2022: £297,071) from BSMHFT which was provided on an arms length basis.

**10 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## Notes to the financial statements

For the year ended 31 March 2023

## 11 Tangible fixed assets

	Freehold property £	Plant, fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At the start of the year	312,910	305,330	197,406	<b>815,646</b>
Additions in year	6,210	20,013	-	<b>26,223</b>
Disposals in year	-	(67,160)	(86,657)	<b>(153,817)</b>
At the end of the year	<u>319,120</u>	<u>258,183</u>	<u>110,749</u>	<u><b>688,052</b></u>
<b>Depreciation</b>				
At the start of the year	167,152	272,908	180,820	<b>620,880</b>
Charge for the year	7,969	12,754	1,085	<b>21,809</b>
Eliminated on disposal	-	(67,160)	(86,657)	<b>(153,817)</b>
At the end of the year	<u>175,121</u>	<u>218,502</u>	<u>95,248</u>	<u><b>488,872</b></u>
<b>Net book value</b>				
<b>At the end of the year</b>	<u>143,999</u>	<u>39,681</u>	<u>15,501</u>	<u><b>199,181</b></u>
At the start of the year	<u>145,758</u>	<u>32,422</u>	<u>16,586</u>	<u>194,766</u>

Land with a value of £36,625 (2022: £36,625) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

## 12 Stock

	2023 £	2022 £
Finished goods	<u><b>5,466</b></u>	<u>5,466</u>

## 13 Debtors

	2023 £	2022 £
Trade debtors	<b>50,892</b>	168,953
Prepayments	<b>12,946</b>	8,658
Accrued income	<b>117,243</b>	147,895
	<u><b>181,081</b></u>	<u>325,506</u>

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 below.

## 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	<b>10,000</b>	-
Trade creditors	<b>134,218</b>	25,986
Taxation and social security	<b>9,688</b>	26,113
Accruals	<b>40,427</b>	114,012
Deferred income (note 15)	-	12,554
	<u><b>194,333</b></u>	<u><b>178,664</b></u>

## 15 Deferred income

Deferred income comprises participant costs received in advance.

	2023 £	2022 £
Balance at the beginning of the year	<b>12,554</b>	16,529
Additions within the year	<b>17,500</b>	-
Amount released to income in the year	<b>(30,054)</b>	(3,975)
	<u><b>-</b></u>	<u>12,554</u>

## Notes to the financial statements

## For the year ended 31 March 2023

## 16 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	<u>30,000</u>	<u>50,000</u>

The Bounce Bank Loan balance as at 31 March 2023 £40,000 (2022: £50,000) is unsecured. The terms of the loan are 72 months with an interest rate of 2.5%. The UK Government funded the interest payment for the first 12 months through the Business Interruption Payment (BIP) £1,250 and the monthly loan repayments commenced April 2022.

## 17 Pension Scheme

The charity offers an auto-enrolment into the NEST pension scheme. At the end of the year the liability of the NEST pension scheme was £2,001 (2022: £2,219).

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

## a) Accounting valuation

The present value of the liabilities as at 31 March 2023 has been determined using the Projected Unit Credit Method (PUCM), with allowance for expected future pay increases in respect of active members, and the demographic and financial assumptions applying as at 31 March 2023. The current service cost (expressed as a percentage of pensionable pay) in respect of accruing costs in the year ended 31 March 2023 was determined using the PUCM and the demographic and financial assumptions applicable at the start of the year, that is: those adopted as at 31 March 2022 in the 2021-20 Annual Report and Accounts.

## b) Full actuarial (funding) valuation

A full actuarial (funding) valuation is undertaken every four years and its purpose is to assess the liability in respect of the benefits due under the Schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from 1 April 2019 at 20.6% of member pensionable pay.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation, however, on 30 January 2019 the Government announced a pause to the cost control mechanism which was to form part of the valuation. This was due to the Court of Appeal ruling in December 2018 relating to the transitional protection offered to some members in the 2015 pension reforms. On 4 February 2021, the Government announced that the cost cap mechanism calculations would be completed allowing for the transitional protection remedy costs. HMT published valuation directions dated 7 October 2021 that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the Scheme Actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme.

The results for the Scheme were set out in the Government Actuary's Department report of 7 February 2022, which stated that the cost cap cost was within the +/-2% corridor specified in the HMT regulations and so no changes to benefits or member contributions were required.

The Government has set out changes to the operation of the employer cost cap that will be effective from the valuation of the Scheme as at 31 March 2020. The new mechanism will only allow for the reformed Scheme, will have an increased cost cap corridor of +/-3% and will also now include an economic check, which means that a breach would only result in changes if there was still a breach once the impact of any change in the discount rate has been taken into account.

The 2020 valuation will set the employer contribution rate payable from April 2024 and test the cost of the Scheme relative to the employer cost cap. This 2020 valuation is currently in progress and will be based upon further valuation directions provided by HMT. The final directions to enable completion of the 2020 valuation are expected from HM Treasury during 2022. The results of the 2020 valuation including the employer cost cap will be reported in the 2022-23 NHS Pension Scheme Annual Reports.

In December 2021 several unions filed a joint Judicial Review against the Government on the inclusion of the McCloud remedy costs within the cost control mechanism. On 4 July 2022 the Judicial Review was granted permission to be heard, with no further detail currently available on the timeline for a hearing. Even if the Judicial Review is successful, it is unclear what remedy the court may order, and the Government would then need to consider how to proceed following that. Any attempt to predict such outcomes, such as any impact on Scheme liabilities, would be highly speculative at this stage.

## Notes to the financial statements

For the year ended 31 March 2023

## 18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	0	173,471	25,710	199,181
Net current assets	135,521	-	12,817	148,337
Long term liabilities	(30,000)	-	-	(30,000)
<b>Net assets at 31 March 2023</b>	<b>105,521</b>	<b>173,471</b>	<b>38,527</b>	<b>317,519</b>

## 18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	165,815	28,952	194,767
Net current assets	214,306	20,000	88,043	322,349
Long term liabilities	(50,000)	-	-	(50,000)
<b>Net assets at 31 March 2022</b>	<b>164,306</b>	<b>185,815</b>	<b>116,994</b>	<b>467,115</b>

## 19a Movements in funds (current year)

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
<b>Restricted funds:</b>					
Freehold Property	23,219	-	(2,600)	-	20,619
ERDF Catalysts Enterprises Grant	5,733	-	(642)	-	5,091
The Rowlands Trust	2,100	-	(783)	-	1,317
Eveson Charitable Trust	4,495	-	(4,495)	-	-
Edward and Dorothy Cadbury Trust	2,000	-	(2,000)	-	-
Prince's Charities	3,000	-	(3,000)	-	-
Roger and Douglas Trust	3,000	-	(3,000)	-	-
G J W Turner Trust	3,000	-	(3,000)	-	-
CB & HH Taylor 1984	1,000	-	(1,000)	-	-
The Grimmitt Trust	2,000	-	(2,000)	-	-
Radcliffe Trust Grant	5,000	-	(1,124)	-	3,876
Warwick Masonic Trust	1,000	-	(1,000)	-	-
The Rowlands Trust	2,000	-	(2,000)	-	-
National Lottery Fund	9,448	-	(9,448)	-	-
Allison Hillman Charitable Trust	1,000	-	(1,000)	-	-
William A. Cadbury Trust	15,000	-	(15,000)	-	-
Resonance Grant	34,000	-	(34,000)	-	-
The Foundation for Social Investment	-	27,436	(27,436)	-	-
Birmingham City Council	-	17,500	(9,876)	-	7,625
<b>Total restricted funds</b>	<b>116,995</b>	<b>44,936</b>	<b>(123,404)</b>	<b>-</b>	<b>38,527</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Tangible Fixed Assets Funds	165,815	-	(18,567)	26,223	173,471
Future Investment for Social Enterprises	10,000	-	-	(10,000)	-
Premises Improvement Fund	10,000	-	-	(10,000)	-
<b>Total designated funds</b>	<b>185,815</b>	<b>-</b>	<b>(18,567)</b>	<b>6,223</b>	<b>173,471</b>
<b>General funds</b>	<b>164,306</b>	<b>745,500</b>	<b>(798,063)</b>	<b>(6,223)</b>	<b>105,520</b>
<b>Total unrestricted funds</b>	<b>350,121</b>	<b>745,500</b>	<b>(816,629)</b>	<b>-</b>	<b>278,992</b>
<b>Total funds at 31 March 2023</b>	<b>467,115</b>	<b>790,436</b>	<b>(940,033)</b>	<b>-</b>	<b>317,519</b>

## Notes to the financial statements

For the year ended 31 March 2023

## 19b Movements in funds (prior year)

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
Freehold Property	24,253	-	(1,034)	-	23,219
ERDF Catalysts Enterprises Grant	5,988	-	(255)	-	5,733
The Rowlands Trust	2,100	-	-	-	2,100
Eveson Charitable Trust	-	10,000	(5,505)	-	4,495
MIND Charity (Say well programme)	-	1,992	(1,992)	-	-
Edward and Dorothy Cadbury Trust	-	2,000	-	-	2,000
Prince's Charities	-	3,000	-	-	3,000
Roger and Douglas Trust	-	3,000	-	-	3,000
GJW Turner Trust	-	3,000	-	-	3,000
GB & HH Taylor 1984	-	1,000	-	-	1,000
The Grimmitt Trust	-	2,000	-	-	2,000
Radcliffe Trust Grant	-	5,000	-	-	5,000
Warwick Masonic Trust	-	1,000	-	-	1,000
The Rowlands Trust	-	2,000	-	-	2,000
National Lottery Fund	-	9,448	-	-	9,448
Football Foundation	-	1,000	(1,000)	-	-
Allison Hillman Charitable Trust	-	1,000	-	-	1,000
William A. Cadbury Trust	-	15,000	-	-	15,000
Resonance Grant	-	34,000	-	-	34,000
Other Small Restricted Grants	852	-	(852)	-	-
<b>Total restricted funds</b>	<b>33,193</b>	<b>94,440</b>	<b>(10,638)</b>	<b>-</b>	<b>116,995</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Tangible Fixed Assets Funds	197,375	-	(32,298)	738	165,815
Future Investment for Social Enterprises	10,000	-	-	-	10,000
Premises Improvement Fund	10,000	-	-	-	10,000
<b>Total designated funds</b>	<b>217,375</b>	<b>-</b>	<b>(32,298)</b>	<b>738</b>	<b>185,815</b>
<b>General funds</b>	<b>339,609</b>	<b>816,835</b>	<b>(991,399)</b>	<b>(738)</b>	<b>164,306</b>
<b>Total unrestricted funds</b>	<b>556,984</b>	<b>816,835</b>	<b>(1,023,697)</b>	<b>-</b>	<b>350,121</b>
<b>Total funds at 31 March 2022</b>	<b>590,177</b>	<b>911,275</b>	<b>(1,034,335)</b>	<b>-</b>	<b>467,115</b>

## 20a Purposes of restricted funds

Freehold Property: Funding received from The Big Lottery Fund for improvement to the reception area of the Digbeth premises. Depreciation will be charged to this fund.

ERDF Catalyst Enterprise Grant: This grant was matched funded and assisted us to fund capital items and some salary for Production Assembly Services social enterprise.

The Rowlands Trust: The funds were donated towards a new heating system for Better Assembly Services.

The Allison Hillman Charitable trust, The Rowlands trust, CB & HH Taylor 194, and Edward & Dorothy Cadbury Trust: These funds were donated towards a counselling service for service users in Better Assembly Services.

William A. Cadbury Trust: The funds were donated towards a wellbeing centre for service users in Better Assembly Services.

The Grimmitt Trust and Eveson Charitable Trust: The funds were donated towards hiring a support coordinator for the service users. The post was filled in August 2021.

The National Lottery Fund, Radcliffe Trust Grant and Roger & Douglas Trust: The funds were donated to fund a therapeutic carpentry programme at the Woodcraft Centre, located within Better Assembly Services.

Prince's Charities: Money towards the costs of the therapeutic work and training programme in Better Assembly Services.

MIND Charity (Stay Well Programme): The funds were donated towards the stay well programme.

Resonance Grant: Money specifically for the business development of Express Signs.

The Foundation for Social Investment's Enterprise Development Programme: The funds were towards the business development of Express Signs.

Birmingham City Council: This grant was towards the funding of Development Worker salary cost in Better Assembly Services.

Notes to the financial statements

For the year ended 31 March 2023

20b Purpose of designated funds

Tangible Fixed Assets fund: This fund represents the net book value of fixed assets purchased through general funds. Depreciation will be charged against this fund.

Subsequent to the year end, Future Investment for Social Enterprise and Premises Improvement funds totalling £20k, have been reallocated to General fund.

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £	2022 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(149,597)</b>	<b>(123,062)</b>
Depreciation charges	21,809	33,588
Bank interest	(46)	(84)
Decrease in stocks	-	753
Increase/(Decrease) in debtors	144,425	(116,816)
Increase/(Decrease) in creditors – excluding bank loan	5,669	(58,714)
<b>Net cash provided by / (used in) operating activities</b>	<b>22,259</b>	<b>(264,335)</b>

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows:

	Equipment	
	2023 £	2022 £
Less than one year	11,069	8,977
One to five years	21,498	5,961
	<b>32,566</b>	<b>14,938</b>

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.