

Company number: 07412677

Living Well Consortium Limited
(Formerly Birmingham Mental Health Consortium Limited)

Report and financial statements
For the year ended 31 March 2020



**Living Well Consortium Limited
(formerly Birmingham Mental Health Consortium)**

For the year ended 31 March 2020

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**Living Well Consortium Limited
(formerly Birmingham Mental Health Consortium)**

For the year ended 31 March 2020

Reference and administrative information

Status	The organisation, formerly Birmingham Mental Health Consortium Limited, is a Company limited by guarantee, incorporated on 19 October 2010.
Company number	07412677
Country of registration	England & Wales
Registered office	23 Moseley Road Birmingham B12 0HJ
Operational address	27 Moseley Road Birmingham B12 0HJ
Directors	A Dautovic R S Hadley M T Hogg L K Masiane (appointed 22 July 2019) L D McKiernan R P Owtrim (appointed 22 July 2019)
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB
Solicitors	Hempsons Solicitors 100 Wood Street London EC2V 7AN
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL

**Living Well Consortium Limited
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For the year ended 31 March 2020

Directors' annual report

Directors' annual report

The directors present their report and the audited financial statements for the year ended 31 March 2020.

The directors who served during the year and up to the date of approval of this report were as follows:

A Dautovic
R S Hadley
M T Hogg
L K Masiane (appointed 22 July 2019)
L D McKiernan
R P Owttrim (appointed 22 July 2019)

The directors have no interest in the Company it being limited by guarantee.

Principal activity

The principal activity of the Company is that of health activities, including services to improve people's mental health and wellbeing.

Responsibilities of the directors

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law and regulations). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards 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 assume that the Company will continue in operation

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the directors confirms to the best of his or her knowledge that there is no information relevant to the audit of which the auditor is unaware. Each of the directors also confirms that

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Directors' annual report

he/ she has taken all necessary steps to ensure that he/ she is aware of all relevant audit information and that this information has been communicated to the auditor.

Auditor

Sayer Vincent LLP was appointed as the Company's auditor during the previous year and has expressed its willingness to continue in that capacity.

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

Approved by the directors on 19 October 2020 and signed on their behalf by

M Hogg

Chair

**Living Well Consortium Limited
(formerly Birmingham Mental Health Consortium)**

For the year ended 31 March 2020

Independent auditor's report

To the members of Living Well Consortium

Opinion

We have audited the financial statements of Living Well Consortium Limited, *formerly Birmingham Mental Health Consortium Limited*, ('the Company') for the year ended 31 March 2020 which comprise the statement of income and retained earnings, balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 31 March 2020 and of its result 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 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

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

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

Other information

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

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Independent auditor's report

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The financial information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 or returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; 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 directors' annual report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities statement set out in the directors' annual report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

As part of a of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

**Living Well Consortium Limited
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For the year ended 31 March 2020

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Fleur Holden
Senior Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL
9 November 2020

Living Well Consortium Limited
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For the year ended 31 March 2020

Statement of income and retained earnings

	Note	2020 Total £	2019 Total £
Turnover	2	3,404,445	2,708,597
Cost of Sales		(2,722,927)	(2,164,060)
		<hr/>	<hr/>
Gross surplus		681,518	544,537
Administrative expenses		(707,539)	(377,145)
		<hr/>	<hr/>
(Deficit)/surplus on ordinary activities before interest and taxation	3	(26,021)	167,392
Interest receivable and similar income		662	1,278
		<hr/>	<hr/>
(Deficit)/surplus on ordinary activities before taxation		(25,359)	168,670
Taxation on profits on ordinary activities		-	-
		<hr/>	<hr/>
Total comprehensive (expenditure)/income		(25,359)	168,670
		<hr/>	<hr/>
Retained earnings			
Accumulated surplus at start of year		614,997	796,327
Total comprehensive (expenditure)/income for the year		(25,359)	168,670
Distribution under gift aid to parent charity		(177,877)	(350,000)
		<hr/>	<hr/>
Accumulated surplus at end of year		411,761	614,997
		<hr/>	<hr/>

**Living Well Consortium Limited
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**Balance sheet
Company number 07412677**

	Note	£	2020 £	£	2019 £
Fixed assets:					
Property, plant and equipment	6		17,787		10,498
			<u>17,787</u>		<u>10,498</u>
Current assets:					
Debtors	7	914,709		514,282	
Cash at bank and in hand		<u>66,008</u>		<u>505,625</u>	
		980,717		1,019,907	
Creditors:					
Amounts falling due within one year	8	<u>586,743</u>		<u>415,408</u>	
Net current assets			<u>393,974</u>		604,499
Total assets less current liabilities			<u>411,761</u>		614,997
Net assets			<u>411,761</u>		<u>614,997</u>
Reserves					
Retained earnings			<u>411,761</u>		614,997
Total reserves			<u>411,761</u>		<u>614,997</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 19 October 2020 and signed on behalf of the Board of Directors:

M Hogg
Chair

**Living Well Consortium Limited
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For the year ended 31 March 2020

Notes to the financial statements

1 Accounting policies

a) Statutory information

Living Well Consortium Limited is a Company limited by guarantee and incorporated in England and Wales.

The registered office address and principal place of business is 23 Moseley Road, Birmingham, B12 0HJ.

b) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’) and the Companies Act 2006. The financial statements are prepared on the historical cost basis.

c) Estimates and judgements

In applying the financial reporting framework, the directors 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

d) Going concern

The directors consider that there are no material uncertainties about the Company’s ability to continue as a going concern. The key sources of income have not been significantly negatively impacted during the COVID-19 Coronavirus outbreak, and there are reasonably secure income sources into the next reporting year such as new contract opportunities which the Company has been able to take advantage of.

e) Income

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

f) Interest receivable

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

g) Operating leases

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

h) Property, plant and equipment

Items of equipment are capitalised where the purchase price exceeds £500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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Notes to the financial statements

Depreciation is calculated to write down the cost less estimated residual value of all equipment over their expected useful lives using a straight-line method. The useful lives applicable are:

- Computer equipment 3 years
- Furniture and fixtures 3 years

i) Debtors

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

j) Creditors and provisions

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

k) Financial instruments

The Company 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.

l) 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.

2 Turnover

Turnover is attributable to the principal activity of the Company.

3 Profit before tax is stated after charging/ (crediting):

	2020	2019
	£	£
Auditor's remuneration (excluding VAT):		
Audit	9,500	8,000
Other services	875	2,000
Depreciation	5,697	12,163
Interest receivable	(662)	(1,278)
Operating lease rentals:		
Other	17,550	17,940

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For the year ended 31 March 2020

Notes to the financial statements

4 Directors' and employees' costs and emoluments

No emoluments are paid to any director.

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	332,664	123,040
Social security costs	25,383	16,438
Pension costs	5,626	1,999
	<u>363,673</u>	<u>141,477</u>

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

	2020	2019
	Number	Number
Administration	13	7
Management	2	
	<u>15</u>	<u>7</u>

5 Taxation

	2020	2019
	£	£
UK corporation tax at 19% (2018/19: 19%)	-	-
Tax on results of ordinary activities	<u>-</u>	<u>-</u>

Any profits are paid to the parent entity by way of a distribution under gift aid and a corresponding tax credit is recorded at the point of the distribution, therefore there is no liability to corporation tax in either the current or prior financial year.

**Living Well Consortium Limited
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For the year ended 31 March 2020

Notes to the financial statements

6 Property, plant and equipment

	Computer equipment	Furniture and Fixtures	Total
	£	£	£
Cost			
At the start of the year	29,677	3,503	33,180
Additions in the year	11,102	1,884	12,986
Disposals in the year	(10,829)	-	(10,829)
At the end of the year	<u>29,950</u>	<u>5,387</u>	<u>35,337</u>
Depreciation			
At the start of the year	22,330	352	22,682
Charge for the year	4,306	1,391	5,697
Disposals in the year	(10,829)	-	(10,829)
At the end of the year	<u>15,807</u>	<u>1,743</u>	<u>17,550</u>
Net book value			
At the start of the year	7,347	3,151	10,498
At the end of the year	<u><u>14,143</u></u>	<u><u>3,644</u></u>	<u><u>17,787</u></u>

7 Debtors

	2020	2019
	£	£
Trade debtors	899,035	471,466
Prepayments	14,301	13,151
Other debtors	1,373	29,665
	<u>914,709</u>	<u>514,282</u>

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For the year ended 31 March 2020

Notes to the financial statements

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	463,849	340,973
Taxation and social security	53,344	12,677
Accruals	60,904	46,020
Deferred income	8,646	15,738
	<u>586,743</u>	<u>415,408</u>

9 Related party transactions

Related party transactions are all carried out at arms' length.

The Company has taken advantage of the exemptions not to disclose any transactions with its parent undertaking conferred by FRS 102 on the grounds that the Company's results are included in the consolidated results of the parent undertaking.

Richard Hadley, a director of Living Well Consortium Limited, provided consultancy support during the financial year totalling £2,200, of which £nil related to expenses (2018/19: £3,610 of which £200 related to expenses).

Martin Hogg, a director of Living Well Consortium Limited, is CEO of Citizen Coaching, a Company which provided labour to fulfil IAPT, FTB and Worcester Triage contracts during the financial year; the amount charged by that Company for these services during the 2019/20 financial year was £337,674.

Louise McKiernan, a director of Living Well Consortium Limited and a Trustee of Living Well UK, is CEO of Disability Resource Centre (DRC), a Company which provided labour to fulfil IAPT and FTB contracts during the financial year; the amount charged by that Company for these services during the 2019/20 financial year was £7,050.

Aftab Rahman, (a Trustee of LWUK) is also associated with Legacy West Midlands, which received funding from LWUK during the financial year; the total amount received by Legacy from LWUK during the year was £4,400.

Lovemore Masiane, a director of Living Well Consortium Limited and a Trustee of Living Well UK, is associated with Our Roots, a Company which provided premises and services including labour to fulfil IAPT, FTB, LTC and Worcester Triage contracts during the financial year; the amount charged by that Company for these services during the 2019/20 financial year was £1,276,764.

Amra Dautovic, a director of Living Well Consortium Limited, is also managing director of MyTime, linked to Richmond Partnership, a Company which provided services including labour to fulfil IAPT and FTB contracts during the financial year; the amount charged by that Company for these services during the 2019/20 financial year was £198,239.

Ronald Patrick Owtrim, who became a director of Living Well Consortium Limited during the year is also a director of Health Exchange Limited (HEX) (Company number 6445689). HEX provided telephony and webhosting support, petty cash advances, consultancy support, and labour to fulfil IAPT, FTB and Worcester Triage contracts; the amount charged by that Company for these services during the 2019/20 financial year was £544,869 (2018/19: £697,436)

**Living Well Consortium Limited
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Notes to the financial statements

Graham Beaumont was a director of Living Well Consortium Limited during the previous financial year and is also a director of Initiative for Social Entrepreneurs (ISE) CIC. Living Well Consortium's operating office lease is with ISE CIC; the rent charged for the 2019/20 financial year was £17,550 excluding VAT (2018/19: £17,940). Graham Beaumont is also a director and secretary of Knowledge Plus Consultancy Limited which provided executive support to Living Well Consortium Limited; the amount charged by that Company for the 2019/20 financial year was £25,800 (2018/19: £28,285).

There were no balances due to or from the above individuals at the balance sheet date.

10 Operating lease commitments

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

	Property 2020 £	Property 2019 £
Less than one year	23,948	17,940
One to five years	-	-
	<u>23,948</u>	<u>17,940</u>

11 Ultimate controlling party

The Company's ultimate parent undertaking and controlling party is Living Well UK, a registered Charitable Incorporated Organisation (registered number 1179472). Copies of the consolidated financial statements are available from the Charity Commission.

Living Well Consortium

For the year ended 31 March 2020

Detailed income and expenditure account

	2020 £	2020 £	2019 £	2019 £
Sales: contract income				
Forward Thinking Birmingham		1,812,000		1,483,220
IAPT KPI4		867,620		880,569
IAPT LTC		73,473		-
Forward Thinking Birmingham MTR		-		2,061
Mental Health Treatment		-		80,150
Health Education England		149,775		-
Worcester Triage Model		477,577		224,207
Other Income		24,000		38,390
		<u>3,404,445</u>		<u>2,708,597</u>
Cost of sales: Consortium member delivery costs				
Forward Thinking Birmingham	1,316,527		1,128,415	
IAPT KPI4	613,091		596,604	
IAPT Trainee	92,152		-	
IAPT LTC Training	7,486		-	
IAPT LTC	66,931		-	
Health Education England IAPT Training	79,186		-	
Forward Thinking Birmingham MTR	95,550		126,800	
IAPT MTR	44,388		-	
Mental Health Treatment	-		83,863	
Worcester Triage Model	407,616		228,378	
		<u>2,722,927</u>		<u>2,164,060</u>
Gross surplus		681,518		544,537
Other income				
Deposit account interest		662		1,278
		<u>682,180</u>		<u>545,815</u>
Expenditure:				
Wages	332,664		131,935	
Social security	25,383		16,438	
Employer's pension costs	5,626		1,999	
Training	64,027		12,607	
Travelling and subsistence	8,071		4,638	
Entertainment	1,148		329	
Rent	51,076		31,778	
Repairs and renewals	5,959		293	
Printing and stationery	10,188		5,282	
Advertising, PR and marketing	17,827		4,844	
IT and computer expenses	45,558		55,204	
Licenses and insurance	5,270		2,958	
Consultancy fees	62,542		43,400	
Professional fees	22,512		30,289	
Audit fees	9,500		12,000	
Accountancy	-		9,299	
Sundry expenses	34,491		2,134	
Depreciation: furniture and fixtures	1,391		-	166
Depreciation: computer equipment	4,306		11,884	
		<u>707,539</u>		<u>377,145</u>
Net (deficit)/ surplus		<u>(25,359)</u>		<u>168,670</u>