

**Company No: 03112321**

**Charity No: 1051023**

**BIRMINGHAM CITY MISSION  
A Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 March 2021**

**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

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**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

**DIRECTORS' REPORT**

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**COMPANY NUMBER**

03112321

**CHARITY NUMBER**

1051023

**DIRECTORS**

O G Nicholds – Chairman  
Rev. S C Carter  
R Chapman  
D J Clark  
Mrs J Harborne MBE  
N James (Appointed 18 October 2021)  
S D Loescher  
Mrs R Mountford  
C A Noble

**COMPANY SECRETARY**

D J Duke

**CHIEF EXECUTIVE**

Wesley R Erpen

**REGISTERED OFFICE**

The Clock Tower  
2 Langdon Street  
Birmingham  
B9 4BP

**BANK**

HSBC UK Bank plc  
130 New Street  
Birmingham  
B2 4JU

**SOLICITORS**

Garner Canning Limited  
11 Aldergate  
Tamworth  
Staffordshire  
B79 7DL

**AUDITOR**

Mazars LLP  
First Floor  
Two Chamberlain Square  
Birmingham  
B3 3AT

## **DIRECTORS' REPORT**

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The Directors, who are also Trustees of the charity for the purposes of the Charities Act, submit their Annual Report and audited Financial Statements, for the year ended 31 March 2021. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) in preparing the Annual Report and Financial Statements of the Charity.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **GOVERNING DOCUMENT**

The Mission is a Charitable Company Limited by Guarantee, registered in England and Wales, operating under Charity number 1051023. 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. In the event of the Company being wound up Members are required to contribute an amount not exceeding £10.

### **RECRUITMENT AND APPOINTMENT OF DIRECTORS**

Under the requirements of the Memorandum and Articles of Association one third of the Directors must 'retire by rotation' each year but may be re-elected by the Members at the Annual General Meeting if they are willing to stand again. Mr S Loescher and Mrs R Mountford being eligible, offer themselves for re-election this year.

As the principal Object of the Charity is to spread the Gospel of Jesus Christ throughout the City of Birmingham, and in pursuance of that Object, to provide relief for the homeless, infirm, sick, aged or needy, it is important that such needs are reflected through the diversity of the Trustee body. To ensure attainment of the Objects, Directors are recruited mainly from those who have previous involvement with, or knowledge of, the Charity and who also have the required skills and experience to enhance the Board.

The Board of Directors are representative of a range of church interests and includes some professional expertise in the areas of finance, law, medicine and pastoral care, and the Directors co-opt additional expertise as and when required.

#### **Director Induction and Training**

Most new Directors are already familiar with the practical work of the Charity, they are invited and encouraged to familiarise themselves with the Charity and the context within which it operates. A detailed information pack is available and given to each new Director and they are further encouraged to spend time, when practical, in specific sections of the Mission. External consultation is engaged when appropriate.

#### **Risk Management & Health and Safety**

The Board is committed to ongoing assessment of the major risks to which the Mission is exposed and are confident that the system of reporting that currently exists will advise them on a regular basis of potential difficulties and enable them to take steps to lessen these risks. The Board consider the major risks to which the Mission is exposed are in three areas:

The underfunding of activities due to a reduction in income. This is managed by having an adequate reserves policy, regular monthly financial reports and reviews of operations being submitted to the Board.

Being able to recruit staff with the necessary skills at the salaries available. This is managed by monthly reporting of staffing issues to the Chief Executive and the Board.

The Health and Safety Policy is under regular review: a sub-committee of the Board monitors safety matters and they and the Safety Officer report to the monthly meeting to keep the Board informed of changes in regulations together with current progress in procedures and risk assessment. Many of our staff work with young people and vulnerable adults. All staff working with these groups have received Disclosure and Barring Service clearance. The Board oversee compliance with our safeguarding policy. Additionally we use the services of specialist advisors as and when required.

The Board has taken out Trustee Indemnity insurance providing cover of £250,000 at a cost of £333.12.

#### **Organisational Structure**

The Board currently consists of 8 members who usually meet monthly and are responsible for the strategic direction and policy of the charity. The Company Secretary, who is also the HR Manager, the Chief Executive and the Finance Administrator also attend the Board meetings but have no voting rights. A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive along with the Finance Administrator who is also deputy CEO.



**BIRMINGHAM CITY MISSION**  
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**DIRECTORS' REPORT**

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The Chief Executive is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met and the Finance Administrator oversees matters to do with maintenance of buildings etc. as well as the normal finance matters.

**VOLUNTEERS**

Without our volunteers the Charity would not be able to function effectively. The 240 volunteers who currently assist the Mission serve in many different capacities and their time involvement ranges from a few hours per month to 3 days per week. Seasonal projects, especially at Christmas, attract up to an additional 300 extra volunteers. The volunteers are an invaluable asset and the Board and the Executives would take this opportunity to express their grateful appreciation for all that they do.

**OBJECTIVES**

The Company's Objects are:

- to preach the Gospel of the Lord Jesus Christ throughout the City of Birmingham and its environs;
- in pursuance of this, to provide relief, by various means, for the infirm, sick, aged and needy individuals and families within the area;
- to provide lodgings and temporary accommodation.

**ACHIEVEMENTS AND PERFORMANCE**

The main areas of charitable activity are evangelism and care and a summary of the achievements in these activities is set out below. The Directors are satisfied that these achievements clearly demonstrate that the Charity has throughout the year fulfilled its responsibility to meet the requirement of providing a Public Benefit and has thereby complied with its duty to have due regard to the guidance published by the Charity Commission.

**REPORT ON THE IMPACT OF COVID-19**

From the middle of March 2020, when the Government announced that the country would be going into lockdown, our operations have had to change significantly.

The main Headquarters at the Clock Tower remained open on a skeleton staff to keep the Admin and Finance operations going and the remaining staff, where possible, were furloughed under the Government Job Retention Scheme. Since then most of the activities have reopened, following Government guidelines. The Charity Shop and Resource Centre have reopened, with restrictions on the number of customers allowed at any one time. The Care Centre is now open on four afternoons each week, serving food and drinks from the loading bay and providing support to the clients when appropriate. The ElderLink Lunch Club has had to remain closed due to the nature of their work and the client group involved, however, clients were regularly contacted by telephone and support was given where possible. The Childrens and Youth teams have been working on new ways of linking up with schools and young people. Videos are being produced and meetings are held online with a few restarting in the classroom.

**EVANGELISM**

This is our principal activity in seeking to achieve our Objective of preaching the Gospel of the Lord Jesus Christ throughout Birmingham and we continue to seek more resources to enable us to reach out further into the city and its surrounding area.

The Covid-19 pandemic meant that our missionaries were not able to engage in any door to door work in their districts. We thank God though for giving us the opportunity to preach the gospel in Birmingham again during the past year to people from all walks of life. In the open air we have spent a considerable time discussing the basic truths about Christianity and the Lord Jesus Christ.

We held open-air meetings whenever we could and had meaningful conversations with around 950 people. Many items of Christian literature were handed out in the city centre. More than 16,000 tracts (in many languages), together with 269 scripture portions and 467 Christian booklets were distributed.

Our Christmas ToyLink project relies on the support of many volunteers and donors to help us to supply toys to needy children. Last Christmas we were overwhelmed with the generosity of so many wanting to donate gifts or money to buy a gift to help those going through hard times. We distributed toy parcels to 1,227 families (3,983

## **DIRECTORS' REPORT**

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children). Land Rover sent us some Range Rovers (plus drivers) and individual volunteers used their own vehicles to deliver parcels across the city, with BCM staff carrying out the bulk of the deliveries.

The Childrens Team were unable to conduct assemblies and take classes in school as visits were discouraged. Autumn and Christmas assemblies were made available using Microsoft Teams or Zoom. The Bible story was filmed and a member of the Childrens Team introduced the theme and prayed. In January, with schools still being closed, video links were sent to schools to a 'Spring Assembly' for children to access at home and an Easter assembly link was sent for use in the classroom. For the October 'Solid Rock' holiday club a craft pack was prepared, which included a Christian book, and was delivered by volunteers from the usual host church to those who had signed up to it. In February a craft bag was produced together with 2 short videos. It has been encouraging that out of 128 schools that we previously had contact with before Covid, 98 have received materials from us.

The Youth Team work with secondary school aged young people. Following their return from furlough in September the team produced a Harvest/Well Being assembly. This included subjects such as, asking for help and being calm amid crisis. There was also a version for youth leaders and parents/carers to play to their young people.

The termly 'Fulfil' events were all videoed and posted online; they received good viewing figures from many different parts of the country and even some from overseas.

A video of a Christmas assembly was produced and an RE lesson, there was also a Christmas video for Church youth groups. A GCSE RE lesson video on Christian beliefs and practices was used by more than 25 schools.

The early part of 2021 was spent producing an Easter 'Hope' assembly and three short videos with the Easter themes of Palm Sunday, the cross and the resurrection, for use in RE lessons.

The summer youth camp in Snowdonia takes place most years but we were unable to run it in 2020. In 2021 it is planned to run an event 'Youth Unlocked' for three days of activities and Christian input.

The Charity Shop in Kingstanding, which includes the bookshop, has been open, following Government guidelines, when allowed. It continues to be a good means of engaging with the community practically and spiritually and of supporting people in need.

## **CARE**

The work of Elderlink in Acocks Green is there to try to meet some of the needs of the elderly in that area. Unfortunately the Lunch Clubs had to close due to the age and vulnerability of many of the clients. The staff, when not furloughed, and volunteers kept in touch with clients by telephone and by writing to them. Some clients, who had special birthdays or had practical needs, were visited. Christmas bags with various items inside were delivered personally.

The services of the Resource Centre and Basics for Life food bank are in great demand. Food, clothing and furniture are provided for many needy people. Some are asylum seekers, and in helping them in their need we offer a welcome to the city, as we seek to express the love of Jesus in a practical way. During the year we have given out approaching 3,150 food parcels, many items of free clothing and furniture 'starter packs' for people moving into their own accommodation.

The Care Centre seeks to provide support to homeless and other needy people. The centre closed for the first lockdown, reopening in June. As clients were not allowed into the building, food was served through the shutter doors Monday to Thursday afternoons. This has proved to be very successful with between 30 – 50 clients being served each day. There have also been good conversations and it has been easier to help with support needs as more agencies are available to contact during the daytime. For those interested in the Christian faith, a Bible study started inside the building in November, unfortunately this had to stop when the Government guidelines changed, but it has since restarted.

## **FINANCIAL REVIEW**

During the year, the financial situation has again improved on the previous year. It has been encouraging to see another increase in donations. We are also grateful to all who remembered to include us in their will as we saw an increase in legacy income on the previous year. Due to the Covid pandemic our shop and Resource Centre had to close to customers for a large part of the year with a subsequent decrease in sales.

The Government Job Retention Scheme was a great help to us as we were able to retain all of our staff, placing many of them on furlough, instead of having to make them redundant.

## **DIRECTORS' REPORT**

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We continue to seek additional income from supporters and trusts, etc. through various fundraising schemes. We are thankful that we have sufficient reserves to enable us to continue full operations while we seek more funding sources.

The Board remain confident that the action taken so far, and in process, will enable the Mission to continue its work well into the future. They continue to monitor the situation and progress of the measures in place each month with a detailed review of the financial situation taking place at the half year.

### **Principal Funding Sources**

Donations, gifts and legacies are our main funding sources and we are most appreciative of the continued and indeed increased support of so many individuals, churches, trusts, charities and companies.

All fundraising is done 'in house'. Professional fundraisers or commercial participators are not used. We seek to adhere to the guidelines issued by the Fundraising Regulator. We have not received any complaints about our fundraising methods.

### **Investment Policy**

The cash reserves are held to meet our Reserves policy and funds have been designated towards the possible redevelopment of the property at the rear of The Clock Tower, known as the Annex, in Garrison Street. Consequently investment has been curtailed for the present.

### **RESERVES POLICY**

It remains the policy of the Board to maintain freely available reserves at a minimum level, which would enable the General Fund of the Mission to operate for approximately three months, £300,000. Freely available reserves are funds which are unrestricted and not invested in fixed assets. The Mission had unrestricted reserves of £1,439,607, including Designated Funds of £500,000 and those represented by fixed assets £440,670 leaving free reserves of £529,340 to meet the requirement.

### **PLANS FOR FUTURE PERIODS**

We are pleased that schools are once again inviting our Youth and Children's teams in to deliver face-to-face acts of 'Collective Worship' and to run after school's clubs. We intend to continue to develop and use the skills that were gained during lockdown by producing online materials for situations where that is still more appropriate.

As the elderly are probably the most vulnerable group in our society, we have made the decision not to return to serving meals for large numbers of people for the time being. Instead, our ElderLink department is experimenting by inviting small numbers to our Eric Holt Centre for refreshments and something simple to eat during which time a short devotional service is delivered. They are also developing a new ministry of going into local homes for the elderly and running devotional services for the residents.

The Annex continues to be a valuable space for operating our 'ToyLink' project for some four months of the year, and when we organise our annual 'SleepOut' event. We will continue explore the possibility of developing this building to deliver the best outcomes for the Mission.

We are aware that the next two years will be very important in the life the Mission as some of our key senior staff will likely retire. We have appointed a new Finance Administrator who will join our staff in November, and he will be eased into his role by our present Finance Administrator who will remain in post until he is fully trained.

Our Care Centre staff have continued to serve food, to around fifty homeless people each day it is open, from the loading bay. In the coming months we plan to return to inviting guests back inside the building and opening for a longer period of time. This will be subject to whether the spread of the coronavirus has ceased to be so virulent.

Last year we installed a much faster internet connection into the Clock Tower enabling us to communicate with staff working from home much more easily, and helping us to increase our online presence. We plan to build on the success of last year and in the coming months increase further our social media presence.

We are preparing to host the European Association of City Missions conference in Birmingham during the autumn of 2022. Although we do not know what the Covid factor will be, we will likely be having one hundred delegates arriving from all over Europe.

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**STAFF**

The Board takes this opportunity to pay tribute to the Chief Executive, Wesley Erpen, and all of the Mission Staff, for their hard work. Their continuing efforts and commitment to the Mission are very much appreciated. The Key Management Personnel, who make up the Senior Management Team, are the Chief Executive, Finance Administrator, Human Resources Manager, Evangelism Co-ordinator and Office Manager. Staff salaries were reviewed in March 2020 and an increase of 50pence per hour was agreed to take effect from April 2020. They were further reviewed in March 2021 and an increase of 3.5% was agreed to take effect from April 2021.

**FIXED ASSETS**

Details of changes in fixed assets are given in note 10 to the financial statements.

**DIRECTORS**

The Directors set out below have held office during the whole of the period from 1 April 2020 to the date of this report, unless otherwise stated.

O G Nicholds  
Rev S C Carter  
D J Clark  
R Chapman  
Mrs J Harborne MBE  
N James (Appointed 18 October 2021)  
S D Loescher  
Mrs R Mountford  
C A Noble

**RESPONSIBILITIES OF THE DIRECTORS**

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its income and expenditure for that period. In preparing those financial statements, the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with recommended practice. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

In accordance with Company Law, as the Charity's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the Charity's Auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

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**DIRECTORS' REPORT**

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**EFFECT OF THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION**

The Directors have not seen any visible impact on the business of the Charity following the withdrawal of the United Kingdom from the European Union.

**AUDITOR**

Mazars LLP were Auditors during the year and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

These accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Directors on 18 October 2021  
and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'O G Nicholds', with a long horizontal flourish extending to the right.

O G Nicholds  
Chairman

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITY MISSION**

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### **Opinion**

We have audited the financial statements of Birmingham City Mission (the 'charity') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 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 charity's affairs as at 31st March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charity 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 the group's and the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees 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 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITY MISSION**

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- the Trustees' 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 group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 and proper 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of 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 charity'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 charity 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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation, fraud and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITY MISSION**

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- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Use of the audit report**

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

*Ian Holder*

Ian Holder (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham B3 3AX

Nov 23, 2021



**BIRMINGHAM CITY MISSION**  
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**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an income and expenditure account)**  
**Year ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
<b>INCOME</b>					
Donations and Legacies	2	742,504	282,225	1,024,729	773,834
Charitable Activities	3	-	-	-	20,537
Trading Activities	4	88,497	-	88,497	156,344
Other Income	5	181,668	-	181,668	6,530
Investment Income		680	-	680	3,927
Profit on Sale of Fixed Assets		-	-	-	130,066
<b>TOTAL INCOME</b>		<b>1,013,349</b>	<b>282,225</b>	<b>1,295,574</b>	<b>1,091,238</b>
<b>EXPENDITURE</b>					
Cost of Raising Funds	6	21,785	-	21,785	31,656
Charitable Activities	7	710,215	285,834	996,049	1,025,723
<b>TOTAL EXPENDITURE</b>		<b>732,000</b>	<b>285,834</b>	<b>1,017,834</b>	<b>1,057,379</b>
<b>NET INCOME/(EXPENDITURE)</b>	8	<b>281,349</b>	<b>(3,609)</b>	<b>277,740</b>	<b>33,859</b>
Fund Balances at Beginning of Year		1,158,258	381,465	1,539,723	1,505,864
<b>FUND BALANCES AT END OF YEAR</b>	14a/b	<b>1,439,607</b>	<b>377,856</b>	<b>1,817,463</b>	<b>1,539,723</b>

The company has no recognised gains or losses other than the net movement in funds for the year.

None of the company's activities were acquired or discontinued during the above two financial years.

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**BALANCE SHEET**  
**At 31 March 2021**

	Notes	2021	209
		£	£
<b>FIXED ASSETS</b>	10	800,737	823,157
<b>CURRENT ASSETS</b>			
Stocks	11	8,732	8,947
Debtors and prepayments	12	74,163	57,884
Bank and cash balances		964,234	670,834
		<u>1,047,129</u>	<u>737,665</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(30,403)</u>	<u>(21,099)</u>
<b>NET CURRENT ASSETS</b>		<u>1,016,726</u>	<u>716,566</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,817,463</u>	<u>1,539,723</u>
<b>TOTAL NET ASSETS</b>		<u><u>1,817,463</u></u>	<u><u>1,539,723</u></u>
<b>FUNDS</b>			
Unrestricted General funds	14a	1,439,607	1,158,258
Restricted funds	14b	377,856	381,465
		<u>1,817,463</u>	<u>1,539,723</u>

These accounts are prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board of Directors on 18 October 2021  
and signed on its behalf



O G Nicholds  
Chairman  
Company Number: 03112321

**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

**STATEMENT OF CASH FLOWS**  
**Year ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	16(a)	302,414	(73,304)
<b>Cash flows from investing activities:</b>			
Interest from investments		680	3,927
Purchase of tangible fixed assets		(9,694)	(31,165)
Sale of tangible fixed assets		-	308,220
		<hr/>	<hr/>
<b>Increase in cash and cash equivalents in the year</b>		293,400	207,678
Cash and cash equivalents at the beginning of the year		670,834	463,156
		<hr/>	<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		<u>964,234</u>	<u>670,834</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements are prepared under the historical cost convention in accordance with the requirements of the financial reporting standard applicable in the UK and Republic of Ireland (FRS102)(effective 1 January 2015 – (Charities SORP FRS102)), the financial accounting reporting standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Birmingham City Mission meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Preparation of the accounts on a going concern basis**

The accounts have been prepared on a going concern basis based on the reserves held and budgets prepared.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that there are no critical accounting policies where judgements or estimations are necessarily applied in the financial statements.

**Incoming resources**

Incoming resources represent donations, gifts and legacies; income from charity shops and literature sales; grants for revenue expenditure. All income is recognised when receivable and includes any tax recoverable.

**Gifts in kind**

Gifts in kind are included in the accounts at an estimate of the fair value to the charity at the date of the gift.

**Tangible fixed assets**

Items of a capital nature costing over £750 are considered for inclusion in fixed assets. All fixed assets are shown at cost value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Leasehold land and property	over the length of the lease	
Motor vehicles	25%	per annum
Equipment and fittings	33%	per annum

Freehold property is shown at historical cost and the buildings are depreciated at 2% per annum. Land is not depreciated.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and consists of goods for resale only.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

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**Fund accounting**

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Mission. These are funds which have not been designated for any other purposes.

General funds are those funds which are not designated or restricted for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Mission for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

Costs of Raising Funds are all costs attributable to generating income for the charity.

Costs of Charitable Activities comprise all expenditure identified as incurred in the pursuit of the charitable objects of the charity.

**Apportionment of costs**

Costs which cannot be directly attributed to activities represented by restricted funds are charged against unrestricted income.

Support costs are apportioned between the charity's activities on the basis of salary costs.

**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.

**2. DONATIONS AND LEGACIES**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Donations	549,277	160,522	709,799	593,613
Gifts in Kind	-	121,703	121,703	101,429
Legacies	193,227	-	193,227	78,792
	<u>742,504</u>	<u>282,225</u>	<u>1,024,729</u>	<u>773,834</u>

**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2021</b>	2020
	£	£
<b>Restricted funds</b>		
Elderlink Lunch Club	-	14,861
Youth Work	-	5,676
	<u>-</u>	<u>20,537</u>

**4. INCOMING RESOURCES FROM TRADING ACTIVITIES**

	<b>2021</b>	2020
	£	£
<b>Unrestricted funds</b>		
Resource Centre, Shop and other income	84,897	152,744
Rent receivable	3,600	3,600
	<u>88,497</u>	<u>156,344</u>

**5. OTHER INCOME**

	<b>2021</b>	2020
	£	£
<b>Unrestricted funds</b>		
H M Revenue & Customs Job Retention Scheme Grant	170,318	-
Birmingham City Council Business Grant	10,000	-
Other Income	1,350	6,530
	<u>181,668</u>	<u>6,530</u>

**6. COST OF RAISING FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>
	£	£	2021	2020
			£	£
Staff costs	8,823	-	8,823	16,002
Postage	6,290	-	6,290	5,564
Printing, stationery and other costs	6,672	-	6,672	10,090
	<u>21,785</u>	<u>-</u>	<u>21,785</u>	<u>31,656</u>

**BIRMINGHAM CITY MISSION**  
A Company Limited by Guarantee

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2021

**7. CHARITABLE ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
The provision of care	97,270	143,089	240,359	199,629
Evangelism	390,306	135,048	525,354	602,055
Shop and Resource Centre	222,639	7,697	230,336	224,039
	<u>710,215</u>	<u>285,834</u>	<u>966,049</u>	<u>1,025,723</u>

Support costs that cannot be directly allocated have been apportioned on the basis of staff costs. The support costs that are included in the above amounts are as follows:

	Care £	Evangelism £	Shop & RC £	Total 2021 £	Total 2020 £
Employees	26,898	90,005	34,978	151,881	165,088
Premises	5,297	17,724	6,888	29,909	43,106
Office expenditure	3,855	12,899	5,013	21,767	23,948
Irrecoverable VAT	1,715	5,737	2,230	9,682	16,522
Depreciation	2,864	9,584	3,725	16,173	6,304
Professional & Legal fees	1,594	5,333	2,073	9,000	12,350
Bank charges	420	1,406	546	2,372	1,595
	<u>42,643</u>	<u>142,688</u>	<u>55,453</u>	<u>240,784</u>	<u>268,913</u>

**8. NET INCOME/EXPENDITURE FOR THE YEAR**

This is stated after charging:

	2021 £'000	2020 £'000
Operating leases – equipment	4	5
Depreciation	32	35
Auditors remuneration – Audit fees	9	9

**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**9. STAFF COSTS**

	2021 £	2020
<b>Staff costs:</b>		
Wages and salaries	618,749	596,687
Social security costs	39,577	33,937
Pension Contributions	7,617	5,852
	<u>665,943</u>	<u>636,476</u>

	2021 Average	2021 FTE	2020 Average	2020 FTE
<b>Average monthly number of employees:</b>				
Evangelism	30	23	31	24
Other	9	6	10	7
	<u>39</u>	<u>29</u>	<u>41</u>	<u>31</u>

No employee was paid remuneration amounting to more than £40,000 in either year. The Key Management Personnel are the Chief Executive, Finance Administrator, Company Secretary (who is also the Human Resources Manager), Evangelism Co-ordinator and Office Manager. They make up the Senior Management Team and their combined salaries (including any benefits in kind) are £143,006 (2020 £145,528)

Directors received no remuneration in either year and were not reimbursed for expenses.



**BIRMINGHAM CITY MISSION**  
**A Company Limited by Guarantee**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**10. FIXED ASSETS**

	<b>Freehold property £</b>	<b>Leasehold land &amp; property £</b>	<b>Motor vehicles £</b>	<b>Equipment &amp; fittings £</b>	<b>Total £</b>
<b>COST</b>					
At 1 April 2020	807,644	131,846	41,891	125,405	1,106,786
Additions	-	-	-	9,694	9,694
<b>At 31 March 2021</b>	<u>807,644</u>	<u>131,846</u>	<u>41,891</u>	<u>135,099</u>	<u>1,116,480</u>
<b>DEPRECIATION</b>					
At 1 April 2020	78,721	61,984	25,824	117,100	283,629
Charge for the year	14,044	6,115	5,074	6,881	32,114
<b>At 31 March 2021</b>	<u>92,765</u>	<u>68,099</u>	<u>30,898</u>	<u>123,981</u>	<u>315,743</u>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2021</b>	<u>714,879</u>	<u>63,747</u>	<u>10,993</u>	<u>11,118</u>	<u>800,737</u>
At 31 March 2020	<u>728,923</u>	<u>69,862</u>	<u>16,067</u>	<u>8,305</u>	<u>823,157</u>

**Leasehold land and property comprise:**

	<b>2021 Cost £</b>	<b>2020 Cost £</b>
The 66 year lease (which commenced on 29 September 1965) on the premises at Washington Street and subsequent refurbishment	131,846	131,846
Less Depreciation	(68,099)	(61,984)
<b>Net book value</b>	<u>63,747</u>	<u>69,862</u>

**11. STOCKS**

	<b>2021 £</b>	<b>2020 £</b>
Goods for resale	8,732	8,947
	<u>8,732</u>	<u>8,947</u>

**BIRMINGHAM CITY MISSION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**12. DEBTORS**

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
<b>Due within one year:</b>		
VAT recoverable	1,147	500
Prepayments	7,985	4,078
Income tax on Gift Aid	43,703	39,931
Trade debtors	21,328	13,375
	<u>74,163</u>	<u>57,884</u>

**13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Trade creditors	10,628	1,990
Taxation and social security costs	8,959	8,763
Accruals	10,816	10,346
	<u>30,403</u>	<u>21,099</u>

**14a. UNRESTRICTED FUNDS**

Unrestricted funds include £500,000 which the Directors have designated to the possible redevelopment of the building at the rear of The Clock Tower, commonly known as 'The Annex'.

**14b. RESTRICTED FUNDS**

	<b>Care Centre £</b>	<b>New Head- quarters £</b>	<b>Other* £</b>	<b>Total £</b>
<b>Balances at 31 March 2020</b>	18,414	343,832	19,219	381,465
Income	64,343	-	217,882	282,225
Expenditure	(70,458)	(1,129)	(214,247)	(285,834)
<b>Balances at 31 March 2021</b>	<u>12,299</u>	<u>342,703</u>	<u>22,854</u>	<u>377,856</u>

\*Included in the figure of £22,854 are £10,787 for the Basics for Life food bank, £6,802 for the ToyLink Project and £5,065 relating to the purchase of fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Tangible fixed assets	440,670	360,067	800,737
Current assets	1,029,340	17,789	1,047,129
Current liabilities	(30,403)	-	(30,403)
<b>Total net assets</b>	<b>1,439,607</b>	<b>377,856</b>	<b>1,817,463</b>

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>2021 £</b>	<b>2020 £</b>
<b>(a) Reconciliation of net deficit to net cash outflow from operating activities</b>		
Surplus/(Deficit) for the year	277,740	(96,207)
Gifts-in-kind	(121,703)	(101,429)
Direct use of gifts-in-kind	121,703	101,429
Depreciation charges	32,114	30,949
Interest receivable	(680)	(3,927)
(Increase) in debtors	(16,279)	(5,788)
Decrease in stocks	215	1,887
Increase/(Decrease) in creditors	9,304	(218)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>302,414</b>	<b>(73,304)</b>
<b>(b) Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year	293,400	207,678
<b>Movement in net funds in the year</b>	<b>293,400</b>	<b>207,678</b>
Net funds brought forward	670,834	463,156
<b>Net funds carried forward</b>	<b>964,234</b>	<b>670,834</b>
<b>(c) Analysis of net funds</b>		
Cash at bank and in hand	964,234	670,834
	<b>964,234</b>	<b>670,834</b>
<b>17. CAPITAL COMMITMENTS</b>		
	<b>2021 £</b>	<b>2020 £</b>
Capital expenditure contracted for but not provided for in the financial statements	Nil	Nil

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

**18. OTHER FINANCIAL COMMITMENTS**

At 31 March 2021, the company was committed to making the following payments under non-cancellable operating leases:-

	<b>Land and Buildings</b>	<b>Other</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Operating leases which expire:</b>				
Within 1 year	27,615	4,005	31,620	31,620
Within 2 to 5 years	40,563	599	41,162	67,680
After 5 years	40,500	-	40,500	49,500
	<u>108,678</u>	<u>4,604</u>	<u>113,282</u>	<u>148,800</u>

Operating lease expenses of £31,620 (2020 £33,970) were incurred in the financial year.

**19. POST BALANCE SHEET EVENTS**

During the year ending 31 March 2022, legal ownership of certain properties, which are currently administered by the company, may pass to the company. They will be reflected in the accounts at the market value on date of transfer.

**20. RELATED PARTY TRANSACTIONS**

One Director is connected to an employee of the charity. Staff remuneration and all staff issues are dealt with by the Board collectively.

**21. PENSION COMMITMENTS**

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £7,617 (2020 £5,852).

**BIRMINGHAM CITY MISSION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

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**INCOME AND EXPENDITURE ACCOUNT**

**Year ended 31 March 2020**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds 2020 £</b>
<b>INCOME</b>			
Donations and Legacies	505,765	268,069	773,834
Charitable Activities	-	20,537	20,537
Trading Activities	156,344	-	156,344
Other income	4,510	2,020	6,530
Investments	3,927	-	3,927
Profit on Sale of Fixed Assets	130,066	-	130,066
<b>TOTAL INCOME</b>	<b>800,612</b>	<b>290,626</b>	<b>1,091,238</b>
<b>EXPENDITURE</b>			
Cost of raising funds	31,656	-	31,656
Charitable activities	721,761	303,962	1,025,723
<b>TOTAL EXPENDITURE</b>	<b>753,417</b>	<b>303,962</b>	<b>1,057,379</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>47,195</b>	<b>(13,336)</b>	<b>33,859</b>
Fund balances at beginning of year	1,111,063	394,801	1,505,864
<b>FUND BALANCES AT END OF YEAR</b>	<b>1,158,258</b>	<b>381,465</b>	<b>1,539,723</b>