

Company No: 03112321

Charity No: 1051023

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

CONTENTS

Company Information	3
Directors' Report	4
Auditors' Report	10
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16

DIRECTORS' REPORT

COMPANY NUMBER

03112321

CHARITY NUMBER

1051023

DIRECTORS

O G Nicholds – Chairman

Rev. S C Carter

R Chapman (Resigned 13 November 2021 but remains a member)

D J Clark

Mrs J B Harborne MBE (Resigned 18 July 2022 to take up a staff position)

Rev J A Herbert (Appointed 20 June 2022)

N James (Appointed 18 October 2021)

S D Loescher

Mrs R Mountford

C A Noble

COMPANY SECRETARY

D J Duke (Resigned 30 September 2022)

Mrs J B Harborne MBE (Appointed 1 October 2022)

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

AUDITOR

Mazars LLP

First Floor

Two Chamberlain Square

Birmingham

B3 3AT

DIRECTORS' REPORT

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 2022. 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 O Nicholds and Mr D Clark are due to retire this year by rotation. Mr O Nicholds being eligible, offers himself for re-election this year. Mr D Clark has decided to stand down as a Director at this years Annual General Meeting, but he will remain a member.

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

DIRECTORS' REPORT

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.

The Chief Executive is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. 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. There are 95 regular volunteers who currently assist the Mission, they 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 400 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;

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

Government guidelines regarding Covid-19 have been followed at all times, as a result our operations had to change significantly.

The main Headquarters at the Clock Tower remained open, often 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. During the year most of the activities reopened. The Charity Shop and Resource Centre reopened, initially with restrictions on the number of customers allowed at any one time. The Care Centre is 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 remained 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 centre is now open two days a week for tea, coffee, cake and a chat. The Children's and Youth teams have been working on new ways of linking up with schools and young people. Videos are being produced and meetings can be held online when physical meetings cannot take place.

REPORT ON THE CONSEQUENCES OF THE WAR IN UKRAINE

The impact of the war has already had an impact on the cost of gas and electricity, a number of our contracts are due to expire in the next few months and costs will, undoubtedly increase. As our donors incomes are squeezed generally we expect donations to fall but, on the other hand, expect that there will be increased demand for our services, particularly at the Resource Centre and the Care Centre, we are grateful that we currently have sufficient reserves to help us deal with this situation.

DIRECTORS' REPORT

EVANGELISM

This is our principal activity in seeking to achieve our Objective of preaching the Gospel of the Lord Jesus Christ throughout Birmingham and its environs.

Initially the Covid-19 pandemic meant that our missionaries were not able to engage in any city centre outreach or door to door work in their districts. Social media was used to keep in touch with contacts. Bible studies and Christianity Explored course were done online. When regulations allowed the normal evangelistic activities resumed. To start with open air preaching and personal work in the city missionaries own districts was done, often using a book table as a focus for discussion. One result of the pandemic was that people were more open to talk and take literature. 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 over 2,000 people. Many items of Christian literature were handed out in the city centre. More than 44,000 tracts (in many languages), together with 2,063 scripture portions and 1,102 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 the demand for toys exceeded that of previous years. Despite Covid, churches and individuals sent toys to us, a lot were online purchases. We were taken aback by people's generosity. Thanks to them we had enough toys for each child. We distributed toy parcels to 1,500 families (3,670 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. Many expressed their appreciation for the toys given to their children, one mother was moved to tears as she thanked us.

The Children's Team work with primary school aged children. During the summer 2021 term they were unable to conduct assemblies and take classes in school as visits were discouraged. From the autumn 2021 term visits to schools restarted, occasionally, at short notice, visits were cancelled and were replaced by online assemblies. Special assemblies at Easter and Christmas were delivered by various means. The team delivered, either online or in person, 354 assemblies and 65 lessons in schools. To the delight of everyone involved the February 2022 'Solid Rock' holiday clubs were able to run as normal..

The Youth Team work with secondary school aged young people. During the year the team conducted a combination of physical and virtual events, conducting 87 regular assemblies and 81 lessons. 65 lunch time clubs were held in 2 schools. They also produced videos for Easter and Harvest. At Christmas 35 physical and 20 virtual assemblies were held and 35 lessons taken. Over 850 pupils attended the GSUS Live mobile classroom when topics such as, forgiveness, fear and rejection were looked at from a Biblical perspective and discussed. Fulfil is held in each of the school terms, the first event in July 2021, was videoed and posted online, 80 households viewed it on the night and 100's later on YouTube. Subsequent events were held in person and were also shown live online. In the absence of the summer youth camp in Snowdonia last year, an event 'Youth Unlocked' was held over three days for 20 young people. They experienced 3 days of activities and Christian input. The Youth Camp, in Snowdonia, returned in August 2022.

The Charity Shop in Kingstanding, which includes the bookshop, reopened in April 2021 following Government guidelines. It continues to be a good means of engaging with the community practically. Staff and volunteers talk and pray with many giving support to those who are in need. Good News papers and tracts, in many languages, were given out. The Book shop continues to serve customers and churches near and far with book stalls, Christian books, Bible notes and Bibles.

CARE

ElderLink in Acocks Green is there to try and minister to some of the needs of the elderly in that area. The pandemic has changed the ministry on many levels. The Lunch Clubs closed due to the age and vulnerability of many of the clients. Home visits became phone calls and letters. Easter and Christmas were marked by distributing some hampers, donated by a local primary school and some gift bags. From September 2021 members of the team have been able to gain access to 5 care homes to deliver monthly services to residents. At the same time, after planning and implementing the appropriate Health and Safety measures, the centre was re-opened to the elderly for tea, coffee and cake clubs. It is an opportunity for them to meet and have a chat.

The services of the Resource Centre and Basics for Life food bank are in great demand and are likely to increase due to the cost of living crisis. Food, clothing and furniture are provided for many needy people. Some are asylum

DIRECTORS' REPORT

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 over 2,600 food parcels and over 1,500 changes of clothing. In conjunction with agencies working with the homeless, we have given out many additional items of 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 and has been open throughout the year. As clients were not allowed into the building, food was served through the shutter doors on Monday to Thursday afternoons. This has proved to be very successful with between 40 and 50 guests, the vast majority of which are male, attending each day and being served with food. In addition many items of clothing, shoes and toiletries are provided. Staff and volunteers have a constant 'listening ear', being sensitive to the physical, practical and spiritual needs of the guests. For those interested in the Christian faith Bible studies are periodically held.

FINANCIAL REVIEW

We are pleased to report that a small surplus was recorded for the year. There was another encouraging increase in donations but legacy income was substantially down on the previous year. Trading income doubled as the shop and Resource Centre returned to more normal opening hours.

For those staff placed on furlough, we were again able to access government funding through the Government Job Retention Scheme.

We continue to keep a close watch on our overheads to try and keep them to a minimum without it affecting the help and support we give to those who are in need. We are working to increase our donor base to raise 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

The reserves policy was reviewed in July 2022. In the light of the potential squeeze on donor income and the increase in the rate of inflation, the policy was revised. It is now 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 six months, £500,000. Freely available reserves are funds which are unrestricted and not invested in fixed assets. The Mission had unrestricted reserves of £1,492,085, including Designated Funds of £500,000 and those represented by fixed assets £430,124 leaving free reserves of £561,961 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 continued with the decision not to return to serving meals for large numbers of people for the time being. Instead, our ElderLink department has been

DIRECTORS' REPORT

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 have also been successful in developing the new strategy of delivering Christian Services in local Care Homes. During this coming year the aim is increase the number of care homes visited from five to ten.

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.

As we indicated in last year's report, the Mission is going through a phase of reshaping its leadership as a number of senior leaders retire. Our new Finance Administrator has now settled into his role with the support of our existing Finance Administrator who will be reducing his hours to two days a week. Special thanks must be given to Pat Lambon, our Office Manager, who has retired after forty-two years of faithful service for the Mission. Since August she has been training up our new Office Manager. Our Human Resources Manager also retired after thirteen years at the end of September and his replacement started in the middle of the same month.

We have been approached by a number of churches regarding providing help with their local ministries. We will be advertising for a new City Missionary to work in partnership with Castle Vale Baptist Church who will share in the cost of this worker. We hope to have this role filled by the beginning of 2023.

Our Care Centre staff continued to serve food to around fifty homeless people each day it is open, from the loading bay but in September they opened their doors and restarted offering food from inside the building. During the coming year we will seek to develop our services to our homeless clients by creating partnerships with organisations and churches to deliver training in essential life-skills.

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 2021 and an increase of 3.5% was agreed to take effect from April 2021. They were further reviewed in March 2022 and an increase of 5.0% was agreed to take effect from April 2022.

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 2021 to the date of this report, unless otherwise stated.

O G Nicholds

Rev S C Carter

D J Clark

R Chapman (Resigned 13 November 2021)

Mrs J Harborne MBE (Resigned 18 July 2022 to take up a staff position)

Rev J A Herbert (Appointed 20 June 2022)

N James (Appointed 18 October 2021)

S D Loescher

Mrs R Mountford

C A Noble

DIRECTORS' REPORT

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.

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 24 October 2022
and signed on their behalf by:



O G Nicholds
Chairman

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

Opinion

We have audited the financial statements of Birmingham City Mission (the 'charity') for the year ended 31st March 2022 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 2022 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:

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

- 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
- 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.

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

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:

- 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. 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.


[David Hoose \(Nov 11, 2022 17:43 GMT\)](#)

David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham B3 3AX

Nov 11, 2022

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an income and expenditure account)
Year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
INCOME					
Donations and Legacies	2	673,760	297,842	971,602	1,024,729
Charitable Activities	3	-	2,397	2,397	-
Trading Activities	4	177,001	-	177,001	88,497
Other Income	5	16,621	-	16,621	181,668
Investment Income		424	-	424	680
TOTAL INCOME		867,806	300,239	1,168,045	1,295,574
EXPENDITURE					
Cost of Raising Funds	6	23,792	-	23,792	21,785
Charitable Activities	7	791,536	328,872	1,120,408	996,049
TOTAL EXPENDITURE		815,328	328,872	1,144,200	1,017,834
NET INCOME/(EXPENDITURE)	8	52,478	(28,633)	23,845	277,740
Fund Balances at Beginning of Year		1,439,607	377,856	1,817,463	1,539,723
FUND BALANCES AT END OF YEAR	14a/b	1,492,085	349,223	1,841,308	1,817,463

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.

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

BALANCE SHEET
At 31 March 2022

	Notes	2022	2021
		£	£
FIXED ASSETS	10	767,730	800,737
CURRENT ASSETS			
Stocks	11	6,330	8,732
Debtors and prepayments	12	55,814	74,163
Bank and cash balances		1,039,329	964,234
		<u>1,101,473</u>	<u>1,047,129</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(27,895)</u>	<u>(30,403)</u>
NET CURRENT ASSETS		<u>1,073,578</u>	<u>1,016,726</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,841,308</u>	<u>1,817,463</u>
TOTAL NET ASSETS		<u><u>1,841,308</u></u>	<u><u>1,817,463</u></u>
FUNDS			
Unrestricted General funds	14a	1,492,085	1,439,607
Restricted funds	14b	349,223	377,856
		<u>1,841,308</u>	<u>1,817,463</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 24 October 2022
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 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	16a	74,671	302,414
Cash flows from investing activities:			
Interest from investments		424	680
Purchase of tangible fixed assets		-	(9,694)
		<hr/>	<hr/>
Increase in cash and cash equivalents in the year		75,095	293,400
Cash and cash equivalents at the beginning of the year		964,234	670,834
		<hr/>	<hr/>
Total cash and cash equivalents at the end of the year		<u>1,039,329</u>	<u>964,234</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

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 2022

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

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations	635,477	147,110	782,587	709,799
Gifts in Kind	-	150,732	150,732	121,703
Legacies	38,283	-	38,283	193,227
	<u>673,760</u>	<u>297,842</u>	<u>971,602</u>	<u>1,024,729</u>

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Restricted funds		
Youth Work	2,397	-
	<u>2,397</u>	<u>-</u>

4. INCOMING RESOURCES FROM TRADING ACTIVITIES

	2022	2021
	£	£
Unrestricted funds		
Resource Centre, Shop and other income	173,241	84,897
Rent receivable	3,760	3,600
	<u>177,001</u>	<u>88,497</u>

5. OTHER INCOME

	2022	2021
	£	£
Unrestricted funds		
H M Revenue & Customs Job Retention Scheme Grant	13,617	170,318
Birmingham City Council Business Grant	-	10,000
Other Income	3,004	1,350
	<u>16,621</u>	<u>181,668</u>

6. COST OF RAISING FUNDS

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2022	2021
			£	£
Staff costs	9,399	-	9,399	8,823
Postage	6,545	-	6,545	6,290
Printing, stationery and other costs	7,848	-	7,848	6,672
	<u>23,792</u>	<u>-</u>	<u>23,792</u>	<u>21,785</u>

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
The provision of care	131,080	92,102	223,182	240,359
Evangelism	414,699	157,642	572,341	525,354
Shop and Resource Centre	245,757	79,128	324,885	230,336
	<u>791,536</u>	<u>328,872</u>	<u>1,120,408</u>	<u>996,049</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 2022 £	Total 2021 £
Employees	32,145	96,023	38,346	166,514	151,881
Premises	11,791	35,221	14,065	61,077	29,909
Office expenditure	6,350	18,969	7,576	32,895	21,767
Irrecoverable VAT	3,164	9,453	3,775	16,392	9,682
Depreciation	1,617	4,831	1,929	8,377	16,173
Professional & Legal fees	1,864	5,568	2,223	9,655	9,000
Bank charges	469	1,399	559	2,427	2,372
	<u>57,400</u>	<u>171,464</u>	<u>68,473</u>	<u>297,337</u>	<u>240,784</u>

8. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

	2022 £'000	2021 £'000
Operating leases – equipment	4	4
Depreciation	33	32
Auditors remuneration – Audit fees	10	9

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

9. STAFF COSTS

	2022 £	2021
Staff costs:		
Wages and salaries	625,463	618,749
Social security costs	41,727	39,577
Pension Contributions	7,489	7,617
	<u>674,679</u>	<u>665,943</u>

	2022 Average	2022 FTE	2021 Average	2021 FTE
Average monthly number of employees:				
Evangelism	30	23	30	23
Other	9	6	9	6
	<u>39</u>	<u>29</u>	<u>39</u>	<u>29</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 £156,577 (2021 £143,006)

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 2022

10. FIXED ASSETS

	Freehold property £	Leasehold land & property £	Motor vehicles £	Equipment & fittings £	Total £
COST					
At 1 April 2021	807,644	131,846	41,891	135,099	1,116,480
At 31 March 2022	<u>807,644</u>	<u>131,846</u>	<u>41,891</u>	<u>135,099</u>	<u>1,116,480</u>
DEPRECIATION					
At 1 April 2021	92,765	68,099	30,898	123,981	315,743
Charge for the year	14,045	6,115	5,074	7,773	33,007
At 31 March 2022	<u>106,810</u>	<u>74,214</u>	<u>35,972</u>	<u>131,754</u>	<u>348,750</u>
NET BOOK VALUE					
At 31 March 2022	<u>700,834</u>	<u>57,632</u>	<u>5,919</u>	<u>3,345</u>	<u>767,730</u>
At 31 March 2021	<u>714,879</u>	<u>63,747</u>	<u>10,993</u>	<u>11,118</u>	<u>800,737</u>

Leasehold land and property comprise:

	2022 Cost £	2021 Cost £
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	<u>(74,214)</u>	<u>(68,099)</u>
Net book value	<u>57,632</u>	<u>63,747</u>

11. STOCKS

	2022 £	2021 £
Goods for resale	6,330	8,732
	<u>6,330</u>	<u>8,732</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

12. DEBTORS

	2022	2021
	£	£
Due within one year:		
VAT recoverable	2,089	1,147
Prepayments	7,377	7,985
Income tax on Gift Aid	41,923	43,703
Trade debtors	4,425	21,328
	<u>55,814</u>	<u>74,163</u>

13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	7,048	10,628
Taxation and social security costs	9,570	8,959
Accruals	11,277	10,816
	<u>27,895</u>	<u>30,403</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

	Care Centre £	New Head- quarters £	Other* £	Total £
Balances at 31 March 2021	12,299	342,703	22,854	377,856
Income	61,297	-	300,239	361,536
Expenditure	(67,412)	(11,281)	(311,476)	(390,169)
Balances at 31 March 2022	<u>6,184</u>	<u>331,422</u>	<u>11,617</u>	<u>349,223</u>

*Included in the figure of £11,617 are £10,223 for the Basics for Life food bank and £1,394 for Youth Projects

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	430,124	337,606	767,730
Current assets	1,089,856	11,617	1,101,473
Current liabilities	(27,895)	-	(27,895)
Total net assets	<u>1,492,085</u>	<u>349,223</u>	<u>1,841,308</u>

16. NOTES TO THE STATEMENT OF CASH FLOWS

	2022 £	2021 £
(a) Reconciliation of net deficit to net cash outflow from operating activities		
Surplus for the year	23,845	277,740
Gifts-in-kind	(150,732)	(121,703)
Direct use of gifts-in-kind	150,732	121,703
Depreciation charges	33,007	32,114
Interest receivable	(424)	(680)
Decrease/(Increase) in debtors	18,349	(16,279)
Decrease in stocks	2,402	215
(Decrease)/Increase in creditors	(2,508)	9,304
Net cash inflow/(outflow) from operating activities	<u>74,671</u>	<u>302,414</u>
(b) Reconciliation of net cash flow to movement in net funds		
Increase in cash in the year	<u>75,095</u>	<u>293,400</u>
Movement in net funds in the year	75,095	293,400
Net funds brought forward	<u>964,234</u>	<u>670,834</u>
Net funds carried forward	<u>1,039,329</u>	<u>964,234</u>
(c) Analysis of net funds		
Cash at bank and in hand	<u>1,039,329</u>	<u>964,234</u>
	<u>1,039,329</u>	<u>964,234</u>

17. CAPITAL COMMITMENTS

	2022 £	2021 £
Capital expenditure contracted for but not provided for in the financial statements	<u>Nil</u>	<u>Nil</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

18. OTHER FINANCIAL COMMITMENTS

At 31 March 2022, the company was committed to making the following payments under non-cancellable operating leases:-

	Land and Buildings £	Other £	Total 2022 £	Total 2021 £
Operating leases which expire:				
Within 1 year	27,250	1,417	28,667	31,620
Within 2 to 5 years	118,125	-	118,125	41,162
After 5 years	31,500	-	31,500	40,500
	<u>176,875</u>	<u>1,417</u>	<u>178,292</u>	<u>113,282</u>

Operating lease expenses of £ 31,255 (2021 £31,620) were incurred in the financial year.

19. POST BALANCE SHEET EVENTS

During the year ending 31 March 2023, 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 £7,489 (2021 £7,617).

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
INCOME			
Donations and Legacies	742,504	282,225	1,024,729
Charitable Activities	-	-	-
Trading Activities	88,497	-	88,497
Other income	181,668	-	181,668
Investments	680	-	680
TOTAL INCOME	<u>1,013,349</u>	<u>282,225</u>	<u>1,295,574</u>
EXPENDITURE			
Cost of raising funds	21,785	-	21,785
Charitable activities	710,215	285,834	996,049
TOTAL EXPENDITURE	<u>732,000</u>	<u>285,834</u>	<u>1,017,834</u>
NET INCOME/(EXPENDITURE)	281,349	(3,609)	277,740
Fund balances at beginning of year	1,158,258	381,465	1,539,723
FUND BALANCES AT END OF YEAR	<u><u>1,439,607</u></u>	<u><u>377,856</u></u>	<u><u>1,817,463</u></u>