

Company No: 03112321

Charity No: 1051023

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

Financial Statements

Year ended 31 March 2023

BIRMINGHAM CITY MISSION
A Company Limited by Guarantee

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DIRECTORS' REPORT

COMPANY NUMBER

03112321

CHARITY NUMBER

1051023

DIRECTORS

O G Nicholds – Chairman
Rev. S C Carter
D J Clark (Resigned 12 November 2022)
Chereta Edmeade (Appointed 19 September 2022)
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 (Resigned 25 September 2023)
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

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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 2023. 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 Carter and Mr A Noble are due to retire this year by rotation, offer both themselves for re-election this year. Mr D Clark decided to stand down as a Director at this year's 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, Health and safety, 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.

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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. 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 148 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 CONSEQUENCES OF THE WAR IN UKRAINE

The impact of the war continues to have an impact on the cost of gas and electricity, and other overheads due to the increase of supplier's costs. As our donors' incomes are squeezed generally, donations have fallen as suspected but, on the other hand, as expected there has been 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.

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.

Many people have heard the gospel through the continuation of our open air and door to door evangelism. We have distributed lots of literature. Staff have been encouraged to see a few of their contracts going to church. Our bookstall also generated several good conversations. 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 and had meaningful conversations with over 2,200 people. Many items of Christian literature were handed out in the city centre. More than 49,000 tracts (in many languages), together with over 3,000 scripture portions and 1,179 Christian booklets were distributed.

We worked alongside Castle Vale Baptist Church for our Easter outreach. Some contacts attended the Easter Sunday service.

In the last week of July and first week in August 2022 Birmingham held the Commonwealth games. We offered training for church and group leaders. We worked at different event venues – Birmingham University, the city centre, Smethwick, Smithfield, Alexandra Stadium, and Edgbaston Cricket Ground. We distributed thousands of tracts, shared the gospel with huge numbers of people and gave away hundreds of New Testaments.

In July 2022 our City Centre outreach partnered with Open Air Mission. This joint outreach has been an annual event for many years. The preaching of the Gospel; we distributed tracts in many languages.

Our annual 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 was huge, churches and individuals sent toys to us, a lot were

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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 (3,750 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. During the first two weeks of January, our missionaries revisited families who had received toys.

The Children's Team work with primary school aged children. School assemblies remain our priority and the team were able to deliver over 400 assemblies. The stories included Mary and Martha (Listening and Learning), Elisha and the widows oil (God's provision, and linked to the harvest theme) and David and Goliath (Courage). 26 Special assemblies at Easter and Christmas were delivered by various means. The team delivered, either online or in person, 392 assemblies and 86 lessons in schools which continue to be reviewed and updated as the Birmingham RE syllabus has been updated. We continue to aim to cover the main Christian festivals of harvest, Christmas and Easter. 6 'Solid Rock' holiday clubs both in Summer 22 and February 23 were able to run as normal and ran smoothly with 200 children attending.

The Youth Team work with secondary school aged young people. During the year the team conducted 207 regular assemblies and 79 lessons. 61 club's sessions. They also conducted 24 Assemblies for Easter, 16 Easter lessons. Christmas assemblies and lessons were conducted in over 30 secondary schools. Delivering 86 Assemblies, 18 lessons and 6 club sessions. Over 650 pupils attended the new-look classroom based GSUS Live which was run at 4 schools over 2 weeks. Fulfil is held in each of the school terms, the first event in July 2022. Subsequent events included the youth camp for a week from July into August 22

The Charity Shop in Kingstanding, which includes the bookshop 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. We continue to develop our work in care homes gaining access to 6 care homes and looking to increase that number moving forward to deliver monthly services to residents.

The services of the Resource Centre and Basics for Life food bank are in great demand and has increased due to the cost-of-living crisis. 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 over 2,540 food parcels and over 1,200 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 continues to provide support to homeless and other needy people and has been open throughout the year. At the start of the year clients were not allowed into the building, food was served through the shutter doors on Monday to Thursday afternoons. In September an open day was hosted at the care centre and attended by many organisations, plus individuals with an interest in BCM's work. Later in September the care centre re opened and clients were welcomed back into the building which has proved to be very successful, 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. February saw the introduction of the following activities: Christianity Explored; Ukelele group; Arts and Crafts group. Although there are low numbers, each one of these activities continues each week.

FINANCIAL REVIEW

We report that a deficit of £203,979 was recorded for the year as a result of increased overheads and reduction in donations and legacies. Trading income increased at the shop and Resource Centre.

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.

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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 £1,280,417, including Designated Funds of £500,000 and those represented by fixed assets £448,435 leaving free reserves of £331,982 to meet the requirement.

PLANS FOR FUTURE PERIODS

The Youth and Childrens team are now visiting over 140 schools across the city delivering acts of collective worship and lessons. The youth team will slightly alter the format of their three-times a year youth event called 'Fulfil' to make it more informative and challenging for the young people attending. The Childrens team will hold weekend camps for the primary aged children.

Our Elderlink department will continue to develop their new approach to reaching the elderly of our city by visiting Care Homes and conducting Services. They will aim to increase the number of Homes they visit to ten by next summer. Extra volunteers will be recruited to expand their 'Visiting Service' to the elderly who are house bound. The annexe continues to be valuable space for operating our 'ToyLink' project for some four months of the year and when we organize our annual 'Sleepout' event. We will continue to explore the possibility of developing the building to deliver the best outcomes of the Mission. We will also improve the basement area by installing extra lighting and decorating the walls so that it will be able to be used as extra storage space for our Christmas activities and the Resource Centre.

It has been a year of transition for the Mission as five new Managers are now in position, they have settled into their new roles enabling the Mission to run smoothly.

We now have two churches which want to partner with the Mission in employing a City Missionary and others making enquires. The one is Bethel Church in Blackheath, and the other is Castle Vale Baptist Church. We have advertised the two vacancies and we hope to have people in post as soon as possible.

Our Care Centre receives up to 80 homeless each day and they enjoy a good sit-down meal, friendship, and signposting to other agencies, we will be employing an assistant Manager to help develop the services at the Centre and to provide support for those who suffer from mental health issues. We will also consider whether we move back to setting up an accommodation unit for the homeless.

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 2022 and an increase



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of 5.0% was agreed to take effect from April 2022. They were further reviewed in March 2023 and an increase of 5.0% was agreed to take effect from April 2023.

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 2022 to the date of this report, unless otherwise stated.

O G Nicholds
Rev S C Carter
D J Clark (Resigned 12th November 2022 remains a member)
Chereta Edmeade (Appointed 19th September 2022)
Mrs J Harborne MBE (Resigned 18 July 2022 to take up a staff position)
Rev J A Herbert (Appointed 20 June 2022)
N James (Resigned 25 September 2023)
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.

AUDITOR

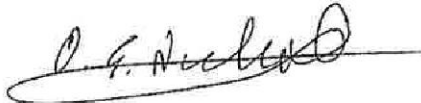
Mazars LLP were Auditors during the year and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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DIRECTORS' REPORT

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 16 October 2023
and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'O G Nicholds', is written over a horizontal line.

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 2023 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 2023 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.

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

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
- 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, tax legislation,

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

safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as The Charities Statement of Recommended Practice and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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.

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

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

David Hoose (Oct 30, 2023 15:28 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

Oct 30, 2023

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an income and expenditure account)
Year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
INCOME					
Donations and Legacies	2	442,755	348,217	790,972	971,602
Charitable Activities	3	-	18,686	18,686	2,397
Trading Activities	4	185,688	-	185,688	177,001
Other Income	5	24,002	-	24,002	16,621
Investment Income		13,608	-	13,608	424
Profit on sale of Fixed Asset		3,333	-	3,333	-
TOTAL INCOME		669,386	366,903	1,036,289	1,168,045
EXPENDITURE					
Cost of Raising Funds	6	24,208	-	24,208	23,792
Charitable Activities	7	856,846	359,214	1,216,060	1,120,408
TOTAL EXPENDITURE		881,054	359,214	1,240,268	1,144,200
NET INCOME/(EXPENDITURE)	8	(211,668)	7,689	(203,979)	23,845
Fund Balances at Beginning of Year		1,492,085	349,223	1,841,308	1,817,463
FUND BALANCES AT END OF YEAR	14a/b	1,280,417	356,912	1,637,329	1,841,308

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 2023

	Notes	2023	2022
		£	£
FIXED ASSETS	10	768,645	767,730
CURRENT ASSETS			
Stocks	11	3,768	6,330
Debtors and prepayments	12	66,547	55,814
Bank and cash balances		824,166	1,039,329
		<u>894,481</u>	<u>1,101,473</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(25,795)</u>	<u>(27,895)</u>
NET CURRENT ASSETS		<u>868,686</u>	<u>1,073,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,637,331</u>	<u>1,841,308</u>
TOTAL NET ASSETS		<u><u>1,637,331</u></u>	<u><u>1,841,308</u></u>
FUNDS			
Unrestricted General funds	14a	1,280,417	1,492,085
Restricted funds	14b	356,914	349,223
		<u>1,637,331</u>	<u>1,841,308</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 16 October 2023
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 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	16a	(199,276)	74,671
Cash flows from investing activities:			
Interest from investments		13,608	424
Purchase of tangible fixed assets		(29,495)	-
		<hr/>	<hr/>
Decrease in cash and cash equivalents in the year		(215,163)	75,095
Cash and cash equivalents at the beginning of the year		1,039,329	964,234
		<hr/>	<hr/>
Total cash and cash equivalents at the end of the year		824,166	1,039,329
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

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.

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

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 2023 £	Total 2022 £
Donations	425,090	173,221	598,311	782,587
Gifts in Kind	-	174,996	174,996	150,732
Legacies	17,665	-	17,665	38,283
	<u>442,755</u>	<u>348,217</u>	<u>790,972</u>	<u>971,602</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Restricted funds		
Youth Work	18,686	2,397
	<u>18,686</u>	<u>2,397</u>

4. INCOMING RESOURCES FROM TRADING ACTIVITIES

	2023 £	2022 £
Unrestricted funds		
Resource Centre, Shop and other income	179,088	173,241
Rent receivable	6,600	3,760
	<u>185,688</u>	<u>177,001</u>

5. OTHER INCOME

	2023 £	2022 £
Unrestricted funds		
H M Revenue & Customs Job Retention Scheme Grant	-	13,617
Other Income	24,002	3,004
	<u>24,002</u>	<u>16,621</u>

6. COST OF RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Staff costs	10,158	-	10,158	9,399
Postage	7,776	-	7,776	6,545
Printing, stationery and other costs	6,274	-	6,274	7,848
	<u>24,208</u>	<u>-</u>	<u>24,208</u>	<u>23,792</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
The provision of care	171,273	74,615	245,888	223,182
Evangelism	423,472	199,930	623,402	572,341
Shop and Resource Centre	262,101	84,669	346,770	324,885
	<u>856,846</u>	<u>359,214</u>	<u>1,216,060</u>	<u>1,120,408</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 2023 £	Total 2022 £
Employees	40,368	120,585	48,155	209,108	166,514
Premises	7,212	21,544	8,603	37,359	61,077
Office expenditure	7,404	22,118	8,833	38,355	32,895
Irrecoverable VAT	3,782	11,299	4,512	19,593	16,392
Depreciation	2,043	6,102	2,437	10,582	8,377
Professional & Legal fees	4,687	14,002	5,592	24,281	9,655
Bank charges	420	1,255	501	2,176	2,427
	<u>65,916</u>	<u>196,905</u>	<u>78,633</u>	<u>341,454</u>	<u>297,337</u>

8. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

	2023 £'000	2022 £'000
Operating leases – equipment	6	4
Depreciation	29	33
Auditors remuneration – Audit fees	11	10

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

9. STAFF COSTS

	2023 £	2022
Staff costs:		
Wages and salaries	642,694	625,463
Social security costs	44,804	41,727
Pension Contributions	9,270	7,489
Non-Contractural Settlement	10,500	-
	<u>707,268</u>	<u>674,679</u>

	2023 Average	2023 FTE	2022 Average	2022 FTE
Average monthly number of employees:				
Evangelism	29	21	30	23
Other	10	7	9	6
	<u>39</u>	<u>28</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 £173,626 (2022 £156,577)

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

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

10. FIXED ASSETS

	Freehold property £	Leasehold land & property £	Motor vehicles £	Equipment & fittings £	Total £
COST					
At 1 April 2022	807,644	131,846	41,891	135,099	1,116,480
Addition	-	-	29,495	-	29,495
Disposals	-	-	(21,596)	-	(21,596)
At 31 March 2023	807,644	131,846	49,790	135,099	1,124,379
DEPRECIATION					
At 1 April 2022	106,810	74,214	35,972	131,754	348,750
Charge for the year	14,047	6,115	5,073	3,342	28,580
Adjustment for disposal	-	-	(21,596)	-	(21,596)
At 31 March 2023	120,857	80,329	19,449	135,099	355,734
NET BOOK VALUE					
At 31 March 2023	686,787	51,517	30,341	Nil	768,645
At 31 March 2022	700,834	57,632	5,919	3,345	767,730

Leasehold land and property comprise:

	2023 Cost £	2022 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	(80,329)	(74,214)
Net book value	51,517	57,632

11. STOCKS

	2023 £	2022 £
Goods for resale	3,768	6,330
	3,768	6,330

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

12. DEBTORS

	2023 £	2022 £
Due within one year:		
VAT recoverable	10,994	2,089
Prepayments	6,247	7,377
Income tax on Gift Aid	38,881	41,923
Trade debtors	10,425	4,425
	<u>66,547</u>	<u>55,814</u>

13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	3,185	7,048
Taxation and social security costs	8,989	9,570
Accruals	13,621	11,277
	<u>25,795</u>	<u>27,895</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

	Fixed Assets £	Care Centre £	Other* £	Total £
Balances at 31 March 2022	331,422	6,184	11,617	349,223
Income	23,502	45,329	298,072	366,903
Expenditure	(11,280)	(51,445)	(296,489)	(359,214)
Balances at 31 March 2023	<u>343,644</u>	<u>68</u>	<u>13,200</u>	<u>356,912</u>

*The balance of £13,200 is for the Basics for Life food bank.

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	448,435	343,712	792,147
Current assets	857,777	13,200	870,977
Current liabilities	(25,795)	-	(25,795)
Total net assets	<u>1,280,417</u>	<u>356,912</u>	<u>1,637,329</u>

16. NOTES TO THE STATEMENT OF CASH FLOWS

	2023 £	2022 £
(a) Reconciliation of net deficit to net cash outflow from operating activities		
Deficit for the year	(203,979)	23,845
Gifts-in-kind	(174,996)	(150,732)
Direct use of gifts-in-kind	174,996	150,732
Depreciation charges	28,582	33,007
Interest receivable	(13,608)	(424)
Increase/(Decrease) in debtors	(10,733)	(18,349)
Decrease in stocks	2,562	2,402
(Decrease) in creditors	(2,100)	(2,508)
Net cash inflow/(outflow) from operating activities	<u>(199,276)</u>	<u>74,671</u>
(b) Reconciliation of net cash flow to movement in net funds		
Decrease in cash in the year	<u>(215,163)</u>	<u>75,095</u>
Movement in net funds in the year	(215,163)	75,095
Net funds brought forward	1,039,329	964,234
Net funds carried forward	<u>824,166</u>	<u>1,039,329</u>
(c) Analysis of net funds		
Cash at bank and in hand	<u>824,166</u>	<u>1,039,329</u>
	<u>824,166</u>	<u>1,039,329</u>
17. CAPITAL COMMITMENTS		
	2023 £	2022 £
Capital expenditure contracted for but not provided for in the financial statements	<u>Nil</u>	<u>Nil</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

18. OTHER FINANCIAL COMMITMENTS

At 31 March 2023, the company was committed to making the following payments under non-cancellable operating leases:-

	Land and Buildings £	Other £	Total 2023 £	Total 2022 £
Operating leases which expire:				
Within 1 year	31,00	6,022	37,022	28,667
Within 2 to 5 years	113,000	-	113,000	118,125
After 5 years	22,500	-	22,500	31,500
	<u>166,500</u>	<u>6,022</u>	<u>172,522</u>	<u>178,292</u>

Operating lease expenses of £ 29,192 (2022 £31,255) 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 £1,893.23 (2022 £1,463.70).

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2023

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2022

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
INCOME			
Donations and Legacies	673,760	297,842	971,602
Charitable Activities	-	2,397	2,397
Trading Activities	177,001	-	177,001
Other income	16,621	-	16,621
Investments	424	-	424
TOTAL INCOME	<u>867,806</u>	<u>300,239</u>	<u>1,168,045</u>
EXPENDITURE			
Cost of raising funds	23,792	-	23,792
Charitable activities	791,536	328,872	1,120,408
TOTAL EXPENDITURE	<u>815,328</u>	<u>328,872</u>	<u>1,144,200</u>
NET INCOME/(EXPENDITURE)	52,478	(28,633)	23,845
Fund balances at beginning of year	1,439,607	377,856	1,817,463
FUND BALANCES AT END OF YEAR	<u>1,492,085</u>	<u>349,223</u>	<u>1,841,308</u>