

**BIRMINGHAM CITIZENS ADVICE  
BUREAU SERVICE LIMITED**

(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
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# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements for the year ended 31 March 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019).

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

**Charity number:** 519639  
**Company number:** 02202427

**Authorised & regulated by the Financial Conduct Authority FRN: 617509**

**Registered office:** Gazette Buildings  
 168 Corporation Street  
 Birmingham  
 B4 6TF

**Trustee Directors:** Paul Southon  
 Stuart Crowe  
 Abisola Latunji-Cockbill  
 Jill Lambert  
 Councillor Gareth Moore  
 Elizabeth Alvey  
 Chaitali Desai  
 Liam Brooker  
 Sundeep Gill  
 Lydia Stockdale  
 Lucy Vernall  
 Richard Burden  
 Phil Marris

**Senior Management Team:** Janice Nichols (Chief Executive)  
 Kelly Danks  
 Samantha Catchpole  
 Jane Priest

**Auditors:** Cooper Parry Group Limited  
 Office 401, 4<sup>th</sup> Floor  
 Two Chamberlain Square  
 Birmingham  
 B3 3AX

**Bankers:** Unity Trust Bank Plc  
 9 Brindley Place  
 Birmingham  
 B1 2HB

<b>Solicitors:</b>	DLA Piper UK LLP Victoria Square House Birmingham B2 4DL	Gowling WLG (UK) LLP Two Snowhill Birmingham B4 6WR
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# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Charity (which has the working name of 'Citizens Advice Birmingham (CAB)') was formed as a company limited by guarantee on 3 December 1987 (Company Number: 02202427). The full name of the charity is Birmingham Citizens Advice Bureau Service Limited and was registered with the Charity Commission on 15 December 1987 (Charity Number: 519639). It is governed by its Memorandum and Articles of Association, as last updated on 17 October 2018.

##### **Recruitment and appointment of trustees**

The Charity is governed through a Trustee Board. Trustees who have held office during the year are listed on page 3. The Articles of Association provide for a minimum of three and a maximum of fifteen Trustees.

Trustees are elected to the Board for a maximum period of three AGMs and are appointed by a resolution of its members at an AGM. The Board has powers to co-opt members, provided that on appointment the total number of co-opted trustees does not exceed one third of the total number of trustees. All co-opted trustees must retire by the third AGM after their appointment and may offer themselves for election.

The Trustee Board has two working committees, the Finance and General Purposes Committee with responsibility for financial management and premises and the Human Resources Committee with responsibility for personnel matters, including the setting and monitoring of pay & remuneration of personnel and key management against industry benchmarks, as well as Health and Safety and safeguarding matters. Other task and finish groups are set up to deal with matters such as strategic ICT, or the search for new office accommodation. The Board implements its decisions through an executive management committee that consists of the Chief Executive, who attends Board Meetings, and three operational managers, each with an individual area of responsibility, along with the new business development manager and the finance and facilities manager. The organisation is co-ordinated from its office on Corporation Street, Birmingham.

##### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan, annual budget and recent financial performance of the charity, and the risk register. They also meet key employees and other trustees. Trustees all undertake GDPR and FCA mandated training, they are also provided with annual training and charity updates where these will facilitate the understanding of their role. They are also invited to the full training programme for staff and volunteers and have access to online training via our National Citizens Advice online portal.

##### **Related parties**

Citizens Advice Birmingham (CAB) is a member of The National Association of Citizens Advice Bureaux (Citizens Advice), the national charity (Charity Number: 279057) which sets out a framework for standards of advice and case management and supports local offices with an information system, training and other services.

A representative of Citizens Advice attends some meetings in an advisory, control and regulatory capacity. During the 2021/22 financial year payments were made to Citizens Advice to the value of £10,216 (2020/21: £11,241) in respect of subscriptions, accountancy support, training services, stationery and sundries. Receipts from Citizens Advice for contracts and grant funding totalled £992,151 (2020/21: £985,800).

Trustee Abisola Latunji-Cockbill is an employee of Mills & Reeve LLP. A donation of £1,000 was received from Mills & Reeves LLP in the prior 2020/21 financial year and no donations were received from Mills & Reeve LLP in the current 2021/22 year.

Councillor Gareth Moore is appointed by Birmingham City Council. During the 2021/22 financial year payments were made to Birmingham City Council of £90,878 (2020/21: £92,863) in respect of premises rentals, council taxes and business rates. Receipts from Birmingham City Council for contracts and grant funding in the year totalled £284,000 (2020/21: £389,000). An amount of £50,000 is owed at the year end (2020/21: £50,000) to BCC with regard to the finished LEAS contract.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Background**

The period covered by this report is the second year of the Covid 19 pandemic, although the government's instruction for people to stay at home, to only leave home for key essential reasons and where able to work from home was relaxed over this year. Citizens Advice Birmingham has continued to provide its services mainly by phone, webchat and a limited number of video calls, via a mix of office based and homeworking for staff and volunteers. Some outreach face to face services started up on a very limited basis towards the end of the year, where we were able to be assured of staff and client safety. We expect outreach face to face services to grow more into the new financial year.

##### **Key risks and uncertainties**

Senior managers and trustees undertake an annual review of the business risks for Citizens Advice Birmingham, taking care to record all significant risks in a risk register. This is monitored throughout the year to ensure there has not been any major change to individual risks. Consideration is given to the steps the organisation needs to take to mitigate risk by setting down actions that can be taken to reduce the likelihood and/or the impact of an individual risk taking place. During the year covered by this report the Covid pandemic had already moved from being a risk to being an issue – a matter that was already happening. CAB's risk register and business continuity plans ensured that any significant impacts of the pandemic were mitigated by management actions at an early stage.

The principal risk identified by the annual review of business risks is the uncertainty of future funding. This has been further exacerbated by the Covid-19 crisis, spiralling energy costs and the longer-term impact on the economy of national and global events all of which are likely have a significant impact on the future funding available to Citizens Advice Birmingham. It is not anticipated that the uncertain funding environment will improve in the immediate future. However, Trustees continue to look for new funding streams and opportunities to collaborate with others to develop new projects. Citizens Advice Birmingham carries sufficient reserves to meet the obligations of the organisation in the event that no future funding is secured and takes steps to actively manage creditors to ensure there is a healthy cash flow in the bank.

Other key risks are associated with the loss of experienced staff from, or the inability to successfully recruit to, key roles within the workforce. To mitigate this risk, the organisation undertakes succession planning by ensuring that skills are shared and roles are developed in the team to cover key posts when necessary. Training and further development is offered where this can help to develop necessary skills. Where we have been unable to appoint to advisor roles, we are increasingly 'growing our own' by appointing to trainee positions. We would like to seek funding to develop trainee caseworker roles in the future.

Trustees take seriously the potential risks around information and data, and Information Assurance is another key risk detailed in the organisation's risk register. Staff and volunteers are regularly reminded of their responsibilities around the storage and handling of data as well as undertaking annual GDPR refresher training. Citizens Advice Birmingham has further mitigated these risks by investing in its ICT estate and moving its data onto secure cloud storage and installing additional verification checks for anyone accessing data. CAB will soon be Cyber Essentials compliant.

##### **Trustees**

The trustees who have served during the year can be seen on page 3. None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

##### **Pay and remuneration of senior staff**

Levels of salary for senior staff and key management personnel are reviewed annually and the Board operates a HR Committee which meets to discuss staffing concerns during the year before reporting back to the Board. Salary levels are regularly benchmarked against comparable organisations.

##### **Fundraising activities**

The Charity had no significant fundraising activities and costs in the year but raised funds from voluntary donations received from regular donors as well as donations received from clients as well as organisations that are supporting our work.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **OBJECTIVES AND ACTIVITIES**

Citizens Advice Birmingham (CAB) has twin aims:

- Provision of information, advice and advocacy to the people of Birmingham; and
- Influence the development of social policy to tackle injustice, reduce poverty and social exclusion.

This free, confidential and impartial advice service is provided to the standards set by national Citizens Advice so that clients can understand their rights and responsibilities and thus enable them to make informed choices about important aspects of their lives

#### **Policies**

The policy that has been adopted to achieve the above objective is to follow the guidelines set down by the national Citizens Advice and includes the operation of offices and outreach services within the geographical area.

The trustees achieve their aims by:-

- a) Obtaining a local diversity of volunteers and training them;
- b) Sustaining and assisting charitable services by providing teams of managerial, administrative and specialist staff;
- c) Raising income by negotiating funding agreements with various bodies, and obtaining donations and income from other sources;
- d) Incurring expenditure, acquiring assets, entering into leases and other transactions such that the service can operate to a high standard in an efficient manner; and
- e) Controlling financial operations on a year-by-year basis by the appropriate use of a Business Development Plan and an Annual Budget.

The charity also operates Health & Safety and Equal Opportunities policies for the benefit of all coming into contact with the organisation.

#### **HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT**

During a normal year, Citizens Advice Birmingham would provide advice to clients across Birmingham from locations including:-

- The local office located in the City Centre;
- Various Health Units within primary and secondary care locations across Birmingham;
- Hospitals across Birmingham;
- Job Centres, libraries, community centres, and
- County Court Welfare Office.

Citizens Advice Birmingham provides information and advice on a wide range of issues to those living or working in the Birmingham area. We provide public benefit through our services which are free, confidential, independent and impartial to anyone using them. Below we set out in more detail how we have provided these services over the last year.

The Board of Trustees has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 4 of the Charities Act 2011.

#### **ACHIEVEMENTS AND PERFORMANCE**

During 2021/22, Citizens Advice Birmingham delivered high quality, targeted free advice to 17,788 clients with over 102,000 issues. This is a decrease of 4,816 clients on the number of clients seen in 2020/21 and is due mainly to there being fewer volunteers providing support on our generalist telephone advice line for much of the year. In addition to this the complexity of the situations faced by many clients took much longer for our advisors to assist with.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

During 2021/22 all advice was delivered on the telephone due to the pandemic; 5,640 clients were assisted by the core generalist service and we helped these clients with 31,294 separate enquiries, an average of 5.5 matters per client assisted – a strong indication that people's problems are becoming more complex than ever. The Help to Claim service assisted 3,019 clients who, in previous years, would have been assisted with means tested benefit enquiries via the core service.

Citizens Advice Birmingham's work resulted in income gains for our clients of £20,396,927 in 2021/22. In the last year the Debt Team have dealt with £7,364,760 worth of debt, 32% of which was priority debt and the remaining 68% non-priority debt. In 2021/22, outcomes for debts written off, which included Debt Relief Orders and write offs, totalled £1,479,882.82. Over the same period, repayments negotiated, which included Debt Management Plans on clients' behalf and token offer payments, totalled £2,878,465.04. During the year our County Court Welfare Office dealt with £669,799 worth of mortgage arrears and £880,696 of rent arrears. 83% of the clients we represented in court were able to avoid repossession.

Citizens Advice Birmingham regularly seeks feedback on our performance from clients. Overall, the vast majority of our clients rated their experience of our service as positive or very positive, 87% of clients felt the service had helped them find a way forward with their problems and 89% were positive or very positive about recommending our service to others. Among those clients who accessed our services via our mental health team, 83% said they felt less worried about their finances following our advice and 98% said our advice had helped to reduce their stress and anxiety. 99% of clients who were supported by our Macmillan team told us that they were satisfied or very satisfied with the service they received, 88% had seen an improvement in their finances and, for 85%, our assistance had helped to reduce their stress or anxiety. Of the clients assisted by our Wellbeing team 90% were satisfied or very satisfied, and 92% would recommend this service, 66% of clients said they felt less stressed and 54% less likely to visit GP as an outcome of the Wellbeing team's support.

The above could not have been achieved without the hard work and dedication of our staff and volunteers. Although during the year the number of volunteers able to provide help to clients has been significantly reduced due to the Covid requirements to stay at home. A small group of volunteers has been helping with telephone appointments with clients, but the vast majority of the work undertaken has been by paid staff.

The Trustee Board thanks all the staff and volunteers for their hard work and dedication for keeping services going from their homes over the last year, without the flexibility and commitment of staff the achievements of the last year would not have been so high.

We continue to work in partnership with other agencies including other local Citizens Advice. By keeping in touch with developments within local Citizens Advice from around the country we have been able to share experiences, lessons learned and new ways of doing things. Citizens Advice Birmingham's debt team continues to work closely with Birmingham City Council's Council Tax Team. Together we have been trying to ensure clients have early access to information and advice regarding their council tax liabilities. The intention is to help clients avoid building up council tax arrears that, in the past, have resulted in court action for recovery. We continue to work with other Birmingham based advice and support organisations to provide the best services we can to the citizens of Birmingham.

In summary, whilst the operating environment continues to be difficult, demand is increasing and need is ever more complex, Citizens Advice Birmingham has tried to ensure our services continue to reach as many people as possible who need our help with the resources available to us.

#### **REVIEW OF FINANCIAL POSITION**

During the 2021/22 financial year CAB delivered a financial deficit of £38,940 (2020/21: surplus of £137,566). This deficit arose primarily due to spending over £50k to upgrade the Charity's IT equipment, software, decommission servers and migrate to Cloud working. Income overall slightly decreased by 3.2% to £1,855,253 compared to £1,916,532 in 2020/21, while over the same period expenditure increased by 6.5% to £1,894,193 from £1,778,966 in 2020/21, due mainly to the one-off increased IT spend and some salaries costs.

Expenditure on fixed assets capitalised during the year amounted to £NIL (2020/21: £NIL), in congruence with our capitalisation policy. Fixed assets are used for charitable purposes and enable staff and volunteers to provide an optimum service to the public.

There is an end of year restricted fund balance of £28,510 (2020/21: £18,322). This is mainly accounted for by £19,139 left for the BCC Mental Health project and £5,906 for The Henry Smith project. The funds are expected to be spent by March 2023.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **Restrictions and Investment Powers**

The Memorandum of Association authorises the charity to receive income by way of grants, donations, gifts and legacies provided that it does not undertake any permanent trading activities in raising funds for its primary objectives. The Memorandum of Association authorises investment of surplus monies not immediately required, subject only to conditions and consents imposed by law.

#### **Reserves Policy**

The Trustee Board reviews and updates its reserves policy annually to ensure its compliance with Charity Commission best practice. This requires reserves to be available to cover future contingencies and liabilities. The Reserves Policy requires at least three months' expenditure to be held as unrestricted designated funds, equating to £449,001 at budgeted 2022/23 expenditure levels. The Charity also has a designated fund of £225,000 for tangible fixed assets (investments) and a further £250,000 for other designated funds, the breakdown of which can be seen in Note 20 on page 27. The unrestricted and undesignated general free reserves at 31 March 2022 was £81,485 (2021: £89,335) after designating reserves of £944,001 (2021: £985,279). Restricted reserves at the end of the year amount to £28,510 (2021: £18,322).

#### **Going Concern**

The Charity reported a significant cash outflow of £35,743 for the year and the Charity expects to make an outflow in 2022/23. Whilst the year ending 31 March 2022 continued to be affected by Covid-19, including working with very limited opening hours and face-to-face access, the affect on our project work was minimal from a financial point of view overall other than on one Court project. Whilst still not providing full face to face services, we are still providing telephone support to those needing our support/advice and have increased our capacity to deliver services in this way.

After making further appropriate enquiries, together with our reserves and expenditure control, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the twelve months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### **Political Donations**

No donations of monies or donated goods were made to any political parties or political campaigns in the year (2020/21: £NIL).

#### **FUTURE PLANS**

Over the period of this report the country was emerging from lockdown under the Covid-19 emergency requirements. But at the time of writing this report Citizens Advice Birmingham is slowly returning to working in the community providing outreach face to face appointment, and most staff and volunteers are attending the office at least once a week, but a large part of our services continues to be provided via telephone and webchat by staff and volunteers working from home.

Trustees take seriously their duty of care to our staff and volunteers and continue to ensure that safe systems of work are in place, including against Covid transmission, as we gradually return to face-to-face service delivery. Home working has enabled CAB to continue to provide services to the people of Birmingham and all the time maintaining our high quality standards as required by the national Citizens Advice. For the time being staff and volunteers are being permitted to provide some of their activity from home where it is feasible to do so. It is not anticipated that there will be a full scale return to the office, and unlikely that face to face advice can be accommodated in the interview spaces available in the office as it is impossible to make them Covid safe.

Several service review workshops held in June and July 2021 enabled staff, trustees, and volunteers to reflect on their experiences of the new ways of working under Covid restrictions. The lessons learned from the feedback will be used to inform how services are designed and delivered in future. Certainly, more clients were receptive to accessing services via phone than might have previously been anticipated. Some had taken up the offer of video calls, but this was less popular than a phone service. It is also acknowledged that some clients have not been able to access services so easily where it was not possible to see an advisor face to face. Citizens Advice Birmingham working with other organisations in the city intends to address these needs, particularly where it has been detrimental to parts of the community, but further funding will need to be sourced to address this unmet need.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **FUTURE PLANS (continued)**

In the new financial year trustees intend to review expenditure in the context of the challenging funding environment and again consideration will be given to accommodation costs and how best to provide services in the city. Increasingly face to face services are being provided in community outreach venues as a requirement of key funding contracts. This may remove the need for CAB's offices to provide client access and this may influence premises decisions in the future.

Trustees will continue to maintain firm controls on expenditure and will seek in the future to only provide services that, as far as possible, are fully funded or make a significant contribution to overheads. Demand for advice continues to outstrip the funded levels of service and this is expected to increase over the next year as the impact of energy price rises and spiralling household costs impact people across the country. The Senior Management Team will continue to review how to provide more from within our existing resources. We will also continue to seek further resources to expand our phone and digital services, particularly for paid staff to undertake this role following the success of using paid staff to answer the telephone advice line during the pandemic.

Funding continues to be short term and uncertain and is likely to remain so for some years to come, which makes longer term planning difficult. The Trustee Board recognises this, and Citizens Advice Birmingham has begun to diversify its search for other funding opportunities and is already working with other local Citizens Advice and other partners to consider cost-sharing options where feasible. We continue to work with local Citizens Advice in the West Midlands region to seek out opportunities to collaborate on projects where possible.

The priorities laid out below cover a wide range of challenges and opportunities in the next year and beyond:

- Continue to provide the people of Birmingham with high quality and accessible services;
- Take steps to set our finances onto a more sustainable footing by continuing to seek new funding opportunities, having a more diverse funding base and managing our costs;
- Have the appropriate infrastructure, including IT, to provide high quality services to our customers and ensure efficient management of the organisation;
- Further develop our telephone and digital offer to ensure we reach as many clients as possible within our limited resources;
- Raise the profile of Citizens Advice Birmingham with clients, funders and third parties;
- Continue to review and learn from our experiences over the Covid restrictions and the post-Covid period to develop future ways of working that best meet the needs and preferences of clients wherever possible;
- Use our data to analyse and research issues to campaign for the benefit of our clients and the wider community;
- Explore collaborative working with other local Citizens Advice, particularly in the West Midlands region, in other Core Cities and with other third sector agencies;
- Utilise reserves in line with policy.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES'/DIRECTORS' REPORT**

### **For the year ended 31 March 2022**

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and apply them consistently.
- b. observe the methods and principles in the Charities SORP.
- c. make judgements and estimates that are reasonable and prudent.
- d. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

#### **Auditors**

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office for the ensuing year.

The Trustees' report was approved by the board, authorised for issue on 13 July 2022, and signed on its behalf by,

DocuSigned by:

*Paul Southon*

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**Paul Southon**

Chair

19 August 2022

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

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### **Opinion**

We have audited the financial statements of Birmingham Citizens Advice Bureau Service Limited (the 'charitable company') for the year ended 31 March 2022 which comprise of the statement of financial activities, balance sheet, cash flow statement 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 charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 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 trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED (CONT.)**

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### **Opinions on 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 report of the trustees (incorporating the directors' report) 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 the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Report of the Trustees 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 10, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED (CONT.)**

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### **Auditor's responsibilities for the audit of the financial statements (cont.)**

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charitable Company and how the Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charitable Company's control environment and how the Charitable Company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

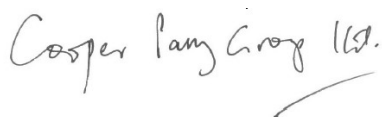
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

### **Use of our report**

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



Glen Bott FCA  
Senior Statutory Auditor  
for and on behalf of:

### **Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 31 August 2022

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Including income and expenditure account)  
**For the year ended 31 March 2022**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>
<b>Income from:</b>							
Donations and legacies	2	2,935	-	2,935	8,497	-	8,497
Charitable activities	3	737,412	1,085,198	1,822,610	822,880	1,065,385	1,888,265
Activities for generating funds	4	8,648	7,532	16,180	6,368	-	6,368
Investments	5	13,528	-	13,528	13,402	-	13,402
<b>Total income</b>		<b>762,523</b>	<b>1,092,730</b>	<b>1,855,253</b>	<b>851,147</b>	<b>1,065,385</b>	<b>1,916,532</b>
<b>Expenditure on:</b>							
Charitable activities	6,7	827,551	1,059,756	1,887,307	756,173	1,020,406	1,776,579
Other expenditure	8	1,129	5,757	6,886	2,387	-	2,387
<b>Total expenditure</b>		<b>828,680</b>	<b>1,065,513</b>	<b>1,894,193</b>	<b>758,560</b>	<b>1,020,406</b>	<b>1,778,966</b>
<b>Net income/(expenditure) before transfer</b>		<b>(66,157)</b>	<b>27,217</b>	<b>(38,940)</b>	<b>92,587</b>	<b>44,979</b>	<b>137,566</b>
<b>Transfers between funds</b>	20,21	<b>17,029</b>	<b>(17,029)</b>	<b>-</b>	<b>40,430</b>	<b>(40,430)</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(49,128)</b>	<b>10,188</b>	<b>(38,940)</b>	<b>133,017</b>	<b>4,549</b>	<b>137,566</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 01 April 2021		1,074,614	18,322	1,092,936	941,597	13,773	955,370
<b>Total funds carried forward at 31 March 2022</b>		<b>1,025,486</b>	<b>28,510</b>	<b>1,053,996</b>	<b>1,074,614</b>	<b>18,322</b>	<b>1,092,936</b>

The statement of financial activities includes all gains and losses in the current and comparative year. All income and expenditure derive from continuing activities.

The notes on pages 17 to 32 form part of these financial statements.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## BALANCE SHEET

### As at 31 March 2022

		2022		2021	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14	-	-	-	-
Investments	14	225,000		225,000	
			<u>225,000</u>		<u>225,000</u>
<b>Current assets</b>					
Debtors	15	208,549		192,757	
Cash at bank and in hand	26	963,432		999,175	
		<u>1,171,981</u>		<u>1,191,932</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(262,985)		(243,996)	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>908,996</u>		<u>947,936</u>
<b>Total assets less current liabilities</b>			<u>1,133,996</u>		<u>1,172,936</u>
<b>Provisions for liabilities</b>	19		(80,000)		(80,000)
			<u></u>		<u></u>
<b>Total net assets</b>			<u>1,053,996</u>		<u>1,092,936</u>
<b>Funds of the charity</b>					
Unrestricted funds:	20				
General funds		81,485		89,335	
Designated Revaluation reserve		53,557		53,557	
Other Designated funds		890,444		931,722	
			<u>1,025,486</u>		<u>1,074,614</u>
Restricted funds	21		<u>28,510</u>		<u>18,322</u>
<b>Total charity funds</b>	22		<u>1,053,996</u>		<u>1,092,936</u>

The financial statements for registered Company number 02202427, have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities. The accounts were approved by the Board, authorised for issue on 13 July 2022, and signed on its behalf by,

DocuSigned by:

*Paul Southon*  
2A237A353E5F487...

**Paul Southon**

Chair  
19 August 2022

The notes on pages 17 to 32 form part of these financial statements.

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**CASH FLOW STATEMENT**  
**For the year ended 31 March 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	25	<b>(49,271)</b>	225,500
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments	5	<b>13,528</b>	13,402
<b>Net cash provided by investing activities</b>		<b>13,528</b>	13,402
Increase / (decrease) in cash and cash equivalents in the reporting period		<b>(35,743)</b>	238,902
Cash and cash equivalents at the beginning of the reporting period		<b>999,175</b>	760,273
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<b>963,432</b>	999,175

The notes on pages 17 to 32 form part of these financial statements.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **Charitable Company Information**

Birmingham Citizens Advice Bureau Service Limited is a private limited charitable company, limited by guarantee, by not having share capital incorporated and domiciled in England & Wales. The registered office is Gazette Building, 168 Corporation Street, Birmingham, B4 6TF and the company registration number is: 02202427.

## **1 Accounting Policies**

### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Birmingham Citizens Advice Bureau Service Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling and rounded to the nearest £1.

### **1.2 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **1.3 Income**

All income is included in the statement of financial activities when the charity is entitled to the funds and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from government and other grants, where related to performance and specific deliverables, are accounted for when it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated services and facilities are included at the value to the charity where this can be quantified and is material. The value of services provided by volunteers has not been included in these accounts.

### **1.4 Interest receivable**

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

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **1 Accounting Policies (continued)**

##### **1.5 Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. Expenditure on raising funds; comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. The primary functional activity of the charity is the giving of free and confidential advice to the public. It includes both costs that can be allocated directly to this activity and those costs of an indirect nature necessary to support them.

Support costs include all those overhead costs of office and bureau accommodation, utility services, and other services and costs, which are in support of the activity. They also include those costs not associated with the other two headings and includes costs of meeting the constitutional and statutory requirements of the charity, the audit fees and costs linked to the strategic management of the charity. They have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. staff costs by time spent and other costs by estimated usage.

##### **1.6 Operating leases**

The charity classifies the lease of property and printing and telecommunications equipment as operating leases; the title to the property and equipment remains with the lessor and the equipment is replaced every six years whilst the economic life of such equipment is normally ten years. Rental charges are charged on a straight line basis over the term of the lease.

##### **1.7 Taxation**

The charitable company, being a registered charity with minimal trading income, has been granted exemption from tax under Section 505 of the Income and Corporation Taxes Act 1988. No provision for taxation has therefore been made in these accounts.

##### **1.8 Tangible fixed assets and depreciation**

All assets individually costing more than £5,000 are capitalised.

Tangible fixed assets other than freehold land are stated at cost less depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Equipment	20% on the straight line method
Furniture	20% on the straight line method

##### **1.9 Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised as income or expenditure.

##### **1.10 Debtors**

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

##### **1.11 Cash at bank and in hand**

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

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **1 Accounting Policies (continued)**

##### **1.12 Creditors and provisions**

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

##### **1.13 Pensions and retirement benefits**

The charity operates a defined contribution scheme. The amount charged to the statement of financial activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **1.14 Financial instruments**

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Investment property - The trustees have evaluated the value of the property at the year end. They have based their valuation on a valuation carried out by Charlotte Fullard MRICS on 20 November 2018.

The directors consider that there are no significant areas of key judgement or estimation uncertainty other than those identified in the accounting policies above.

##### **1.16 Going concern**

The Charity reported a significant cash outflow of £35,743 for the year and the Charity expects to make an outflow in 2022/23. Whilst the year ending 31 March 2022 continued to be affected by Covid-19, including working with very limited opening hours and face-to-face access, the affect on our project work was minimal from a financial point of view overall other than on one Court project. Whilst still not providing full face to face services, we are still providing telephone support to those needing our support/advice and have increased our capacity to deliver services in this way.

After making further appropriate enquiries, together with our reserves and expenditure control, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the twelve months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Donations and gifts	2,935	-	2,935	8,497
	<u>2,935</u>	<u>-</u>	<u>2,935</u>	<u>8,497</u>

#### 3 Income from charitable activities

Grants and contract income receivable for charitable activity – advice and information	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
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##### General Advice:

Birmingham CC - Advice Service	210,000	-	210,000	315,000
Birmingham & Solihull CCG	-	131,232	131,232	131,230
Universal Support – Help to Claim	-	488,190	488,190	482,170
The Henry Smith Charity	-	35,625	35,625	-
BEIS Funding	-	-	-	16,666
Access to Justice Foundation	-	-	-	32,537
Other grants	-	21,407	21,407	8,660
	<u>210,000</u>	<u>676,454</u>	<u>886,454</u>	<u>986,263</u>

##### Debt Advice:

Money Advice Service: Face-to-Face Debt Advice	493,232	-	493,232	503,630
Community Law Partnership (CLP)	26,376	-	26,376	-
Other grants	7,804	-	7,804	-
	<u>527,412</u>	<u>-</u>	<u>527,412</u>	<u>503,630</u>

##### Benefit Advice:

Birmingham CC - Mental Health	-	74,000	74,000	74,000
Macmillan Cancer Support	-	334,744	334,744	324,372
	<u>-</u>	<u>408,744</u>	<u>408,744</u>	<u>398,372</u>

<b>Total income from charitable activities</b>	<u><b>737,412</b></u>	<u><b>1,085,198</b></u>	<u><b>1,822,610</b></u>	<u><b>1,888,265</b></u>
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# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **4 Activities for generating funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Solar panels & cashback scheme	<b>1,896</b>	-	<b>1,896</b>	2,887
Windrush compensation scheme	<b>2,925</b>	-	<b>2,925</b>	899
Other income	<b>3,827</b>	<b>7,532</b>	<b>11,359</b>	2,582
	<b>8,648</b>	<b>7,532</b>	<b>16,180</b>	6,368

#### **5 Investments**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Interest received	<b>528</b>	-	<b>528</b>	402
Investment property rental income	<b>13,000</b>	-	<b>13,000</b>	13,000
	<b>13,528</b>	-	<b>13,528</b>	13,402

#### **6 Expenditure on charitable activities by fund**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
General Advice	<b>272,010</b>	<b>645,294</b>	<b>917,304</b>	896,099
Debt Advice	<b>555,541</b>	-	<b>555,541</b>	504,874
Benefits Advice	-	<b>414,462</b>	<b>414,462</b>	375,606
	<b>827,551</b>	<b>1,059,756</b>	<b>1,887,307</b>	1,776,579

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 7 Analysis of expenditure on charitable activities

	Basis of Allocation	General Advice £	Debt Advice £	Benefits Advice £	Total 2022 £	Total 2021 £
<b>Direct costs:</b>						
Salaries and wages	Direct	615,753	433,155	318,953	1,367,861	1,326,402
Staff and volunteers	Direct	2,922	100	717	3,739	3,073
Office costs	Direct	16,986	1,257	246	18,489	41,751
Premises costs	Direct	-	-	-	-	1,500
Other costs	Direct	70,652	62	-	70,714	4,867
		<u>706,313</u>	<u>434,574</u>	<u>319,916</u>	<u>1,460,803</u>	<u>1,377,593</u>
<b>Support costs:</b>						
Salaries wages	Staff/Hrs	50,580	29,786	23,798	104,164	148,706
Staff and volunteers	Staff/Hrs	485	270	216	971	1,299
Office costs	Staff/Hrs	95,801	54,333	41,544	191,678	144,216
Premises costs	Staff/Hrs	53,208	29,575	22,796	105,579	97,200
Governance costs	Staff/Hrs	10,917	6,384	5,170	22,471	6,540
Other costs	Staff/Hrs	-	619	1,022	1,641	1,025
		<u>210,991</u>	<u>120,967</u>	<u>94,546</u>	<u>426,504</u>	<u>398,986</u>
<b>Total expenditure on charitable activities</b>						
		<u>917,304</u>	<u>555,541</u>	<u>414,462</u>	<u>1,887,307</u>	<u>1,776,579</u>

#### 8 Other expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Investment property expenditure	1,129	-	1,129	2,387
CEO Forum	-	5,757	5,757	-
	<u>1,129</u>	<u>5,757</u>	<u>6,886</u>	<u>2,387</u>

#### 9 Net incoming resources for the year

	2022 £	2021 £
This is stated after charging		
Operating leases - land and buildings	85,257	81,455
Auditor's remuneration:		
- Audit	8,340	7,200
Depreciation and Impairment Charges	-	-
	<u>          </u>	<u>          </u>

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 10 Trustees

During the current or previous year no remuneration or benefits for services as a director/trustee have been paid or were payable, directly or indirectly, out of the funds of the charity to any trustee or to any person known to be connected with them.

Reimbursement of travel and incidental expenses to the trustees came to £Nil during the year to 31 March 2022 (2020/21: £Nil).

Trustees' indemnity insurance paid by the charity during the year totalled £60 (2020/21: £60) and expenses related to costs of Trustees' meetings including the AGM totalled £Nil (2020/21: £Nil).

#### 11 Employees

	<b>2022 FTE Number</b>	<b>2021 FTE Number</b>	<b>2022 Head Count</b>	<b>2021 Head Count</b>
<b>Number of employees</b>				
The average number of employees, analysed by function was:				
Advice workers and support staff	<b>46</b>	46	<b>49</b>	52
Key management personnel	<b>4</b>	4	<b>4</b>	4
	<b>50</b>	50	<b>53</b>	56
<b>Employment costs</b>			<b>2022 £</b>	<b>2021 £</b>
Wages and salaries			<b>1,294,122</b>	1,304,221
Social security costs			<b>116,182</b>	111,636
Pensions costs			<b>61,721</b>	59,251
			<b>1,472,025</b>	1,475,108

No employee received remuneration amounting to more than £60,000 in the period (2020/21: NIL)

The key management personnel of the Charity comprise the Chief Executive Officer and three operational managers. The total employee benefits of the key management personnel of the Charity were £178,703 (2020/21: £179,471).

During the current or previous year no remuneration or benefits for services as a director/trustee have been paid or were payable, directly or indirectly, out of the funds of the charity to any trustee or any person known to be connected with them.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

## 12 Pensions

There is a defined contribution pension scheme for employees. The basis for allocating the employer expense between activities is based on the salary cost of staff working on that activity. From July 2014 and again in July 2017 and July 2021, the CAB automatically enrolled eligible jobholders into a qualifying scheme in accordance with pensions legislation. The assets of the scheme are held separately from those of the company in an independently administered fund. The fund is a Group Personal Pension Scheme with Standard Life. The pension cost charge for the year represents contributions payable by the charitable company to the fund and amounted to £61,721 (2020/21: £59,251). The cost of the pension is allocated to each individual project within which an employee works. At the year-end £9,578 was owed to the pension scheme (2020/21: £18,676).

## 13 Volunteers

The Trustee Board and Senior Management Team recognise the tremendous contribution made by our volunteers without whom the service could not operate. The rigorous training required to achieve the standards set by the service means not all potential volunteers complete the course but, those that do, work at all levels of the organisation from reception and administration to generalist advice and benefits advice work. This year the number of volunteers able to provide help to clients has been significantly reduced due to the Covid requirements to stay at home. A small group of volunteers has been helping with telephone appointments with clients, but the vast majority of the work undertaken has been by paid staff.

14 Fixed Assets	Investment			
	Properties	Equipment	Furniture	Total
	£	£	£	£
<b>Cost</b>				
At 31 March 2021	225,000	32,550	10,589	268,139
At 31 March 2022	225,000	32,550	10,589	268,139
<b>Depreciation</b>				
At 1 April 2021	-	32,550	10,589	43,139
At 31 March 2022	-	32,550	10,589	43,139
<b>Net book value</b>				
At 31 March 2022	225,000	-	-	225,000
At 31 March 2021	225,000	-	-	225,000

The property at Tyseley was transferred from freehold property to investment property, after the property stopped being used as an office and became tenanted on 19 December 2018. The carrying value of the freehold property was transferred at this date. The investment property was revalued by the trustees to its fair value based on a valuation carried out on 20 November 2018 by Charlotte Fullard MRICS of Lambert Smith and Hampton which resulted in an increase in value of £53,557. The trustees do not believe the fair value to have changed significantly since that valuation.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

15 Debtors	2022 £	2021 £
Grants receivable	112,413	138,286
Prepayments	34,101	29,972
Accrued income	59,802	22,577
Other debtors	2,233	1,922
	<u>208,549</u>	<u>192,757</u>

16 Creditors: amounts falling due within one year	2022 £	2021 £
Trade creditors	42,455	36,765
Social security costs	31,569	27,915
Pensions	9,578	18,676
Accruals	50,029	67,430
Deferred income	79,354	93,185
Other creditors	50,000	25
	<u>262,985</u>	<u>243,996</u>

#### 17 Deferred income

Deferred income comprises of income received for the following projects for which performance is expected in the following year; totalling £79,354 in 2022 (2021: £93,185):

	BCC LEAS £	Mental Health £	Universal Support £	Others £
Balance as at 01 April 2021	50,000	18,500	14,935	9,750
Amount released to income earned	-	(18,500)	(14,935)	(9,750)
Amount deferred in year	-	-	7,729	21,625
	<u>50,000</u>	<u>-</u>	<u>7,729</u>	<u>21,625</u>

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

18	Financial instruments	2022 £	2021 £
	<b>Financial assets</b>		
	Financial assets measured at fair value through profit & loss:		
	- Cash at bank and in hand	963,432	999,175
	Financial assets that are debt instruments measured at amortised cost:		
	- Grants receivable	112,413	138,286
	- Accrued income	59,802	22,577
		<u>1,135,647</u>	<u>1,160,038</u>
	<b>Financial liabilities</b>		
	Financial liabilities measured at amortised cost:		
	- Trade creditors	42,455	36,765
	- Taxation and social security costs	31,569	27,915
	- Pensions	9,578	18,676
	- Accruals	50,029	67,430
	- Other creditors	50,000	25
		<u>183,631</u>	<u>150,811</u>
19	Provisions for liabilities	2022 £	2021 £
	Dilapidations on leased premises	80,000	80,000
	The dilapidations cost is payable as follows:		
	Within one year	80,000	80,000
	Between one and two years	-	-
	Between two and five years	-	-
	After five years	-	-
		<u>80,000</u>	<u>80,000</u>
	<b>Movement in provisions</b>	2022 £	2021 £
	Dilapidations provision brought forward	80,000	80,000
	Increase/(decrease) in the year	-	-
	<b>Provision carried forward</b>	<u>80,000</u>	<u>80,000</u>

An increase in the dilapidations provision was made in 2016/17 after a dilapidations review was undertaken on 08.05.17 by Pollie Jelfs MRICS of Fusion Building Consultancy Limited. The expenditure would occur whenever the current lease at Gazette Buildings ends – and this could be at anytime with 6 months' notice from 30 September 2022 onwards.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 20 Unrestricted funds

	Balance at 01 April 2021 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 March 2022 £
General funds	89,335	762,523	(778,680)	8,307	<b>81,485</b>
Designated funds: Reserves policy	460,279	-	-	(11,278)	<b>449,001</b>
Designated funds: Redundancies fund	150,000	-	-	-	<b>150,000</b>
Designated funds: Investment property	225,000	-	-	-	<b>225,000</b>
Designated funds: Properties improvements	100,000	-	-	-	<b>100,000</b>
Designated funds: IT improvements	50,000	-	(50,000)	20,000	<b>20,000</b>
<b>Total Unrestricted funds</b>	<b>1,074,614</b>	<b>762,523</b>	<b>(828,680)</b>	<b>17,029</b>	<b>1,025,486</b>

There is a designated fund of £225,000 for the investment property at Tyseley (2020/21: £225,000) as this amount is not readily available to spend on the charitable objects of the Charity. The freehold property was transferred to investment property once it was tenanted on 19 December 2018. A further £449,001 is designated as per the reserves policy of 3 months' budgeted operating costs (2020/21: £460,279), £150,000 for a redundancies fund for all staff (2020/21: £150,000), £100,000 set aside for expected property improvements within the next two years on properties the Charity owns or leases (2020/21: £100,000) and £20,000 set aside for IT costs for equipment renewals (2020/21: £50,000).

#### Prior year comparative

	Balance at 01 April 2020 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 March 2021 £
General funds	31,159	851,147	(758,560)	(34,411)	89,335
Designated funds: Reserves policy	485,438	-	-	(25,159)	460,279
Designated funds: Redundancies fund	150,000	-	-	-	150,000
Designated funds: Investment property	225,000	-	-	-	225,000
Designated funds: Properties improvements	50,000	-	-	50,000	100,000
Designated funds: IT improvements	-	-	-	50,000	50,000
<b>Total Unrestricted funds</b>	<b>941,597</b>	<b>851,147</b>	<b>(758,560)</b>	<b>40,430</b>	<b>1,074,614</b>

There is a designated fund of £225,000 for the investment property at Tyseley (2019/20: £225,000) as this amount is not readily available to spend on the charitable objects of the Charity. The freehold property was transferred to investment property once it was tenanted on 19 December 2020. A further £460,279 is designated as per the reserves policy of 3 months' budgeted operating costs (2019/20: £485,438), £150,000 for a redundancies fund for all staff (2019/20: £150,000), £100,000 set aside for expected property improvements within the next two years on properties the Charity owns or leases (2019/20: £50,000) and £50,000 set aside for IT costs expected for a server migration to the Cloud in 2021-22 (2019/20: £Nil).

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of grants received for specific purposes:

	Balance at 01 April 2021 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 March 2022 £
Birmingham CC - Mental Health	18,322	74,000	(73,183)	-	<b>19,139</b>
Birmingham & Solihull CCG	-	131,232	(107,669)	(23,563)*	-
Macmillan Cancer Support	-	334,744	(341,278)	6,534	-
The Henry Smith Charity	-	35,625	(29,719)	-	<b>5,906</b>
Universal Support – Help to Claim	-	488,190	(488,190)	-	-
CEO Forum	-	7,532	(5,757)	-	<b>1,775</b>
Other	-	21,407	(19,717)	-	<b>1,690</b>
<b>Total</b>	<b>18,322</b>	<b>1,092,730</b>	<b>(1,065,513)</b>	<b>(17,029)</b>	<b>28,510</b>

- \*Funds transferred into unrestricted funds from restricted funds represent a paying back of funds transferred into these restricted fund projects from prior years where funding was less than expenditure.

#### Prior year comparative

	Balance at 01 April 2020 £	Incoming resources £	Resources expended £	Transfer Between Funds £	Balance at 31 March 2021 £
Birmingham CC - Mental Health	13,773	74,000	(69,451)	-	18,322
Birmingham & Solihull CCG	-	131,230	(108,565)	(22,665)*	-
Macmillan Cancer Support	-	324,372	(306,155)	(18,217)*	-
Community Justice Fund	-	32,537	(32,537)	-	-
BEIS Funding	-	16,666	(17,118)	452	-
Universal Support – Help to Claim	-	482,170	(482,170)	-	-
Other	-	4,410	(4,410)	-	-
<b>Total</b>	<b>13,773</b>	<b>1,065,385</b>	<b>(1,020,406)</b>	<b>(40,430)</b>	<b>18,322</b>

- \*Funds transferred into unrestricted funds from restricted funds represent a paying back of funds transferred into these restricted fund projects from prior years where funding was less than expenditure.

#### Restricted Project Descriptions

##### Birmingham City Council (BCC) - Mental Health

This project provides specialist welfare benefits advice to clients. Appointments are usually offered at three outreach community mental health sites across Birmingham and referrals are received from the Community Mental Health Teams based at those outreaches. Due to the Covid pandemic we suspended attendance at the outreaches and moved from face-to-face appointments to telephone and video calls in March 2020. Appointments are still predominantly telephone based, although we started to offer face to face appointments at one outreach venue from December 2021, with a caseworker attending every other week. We are planning on extending outreach sessions through 2022. The funding for this contract has been extended to 30<sup>th</sup> September 2023.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **Restricted funds (continued)**

#### **Restricted Project Descriptions**

##### **Birmingham & Solihull Clinical Commissioning Group (CCG)**

The purpose of this service is to provide a generalist advice to patients of 32 GP surgeries within the Birmingham and Solihull Clinical Commissioning Group (CCG). Referrals to the services are via members of the Primary Health Care Team and client via self-referral. The aim of the service is for patients to be supported and advised on their non-clinical issues that may be impacting their health and wellbeing thus freeing practice staff time to focus on clinical issues. This contract has been extended till end of March 2023.

##### **Macmillan Cancer Support**

This project usually offers appointments at 15 outreach sessions each week. These were delivered out of six hospitals, 3 hospices and 2 CA locations across Birmingham and Solihull. Due to the Covid pandemic we were unable to attend our outreach locations or offer face to face appointments for clients from March 2020 and moved to offering telephone appointments and video calls. We reintroduced some face-to-face appointments from October 2021 and have started to offer outreach sessions again. The project provides welfare benefits advice to people affected by cancer. Referrals into the service are via clinical nurse teams, consultants, and other health and social care professionals. Clients can also self-refer through our dedicated Macmillan helpline. The funding from Macmillan Cancer Support has been extended to 31st December 2024.

##### **Universal Support**

Citizens Advice nationally has contracted with Citizens Advice Birmingham to assist 7,020 people to make a new claim for Universal Credit, from assessment of eligibility for the benefit up to receipt of their first payment. The service includes staffing the national Help to Claim telephone helpline, via which clients are assessed for eligibility for Universal Credit, and for the level of support they require to make the claim; and providing practical support where required by clients to submit the claim. This service is funded until March 2023.

##### **The Henry Smith Charity**

We receive funding from The Henry Smith Charity to support a team of six volunteers to deliver specialist welfare benefits and financial capability advice to Birmingham residents via telephone/video and in-person appointments. The contract began in July 2022 and is funded for three years.

##### **CEO Forum**

Citizens Advice Birmingham holds funds for a national network of local Citizens Advice (LCA) who meet weekly online for peer to peer support, but also meet periodically face to face at events. Funds are derived from fees from local Citizens Advice for the face to face events and from sponsorship from companies which work with LCAs. Funds are then used to pay the costs of future meetings.

##### **Community Justice Fund**

This funding was to assist with the costs associated with the Covid 19 pandemic, including Covid signage, cleaning materials, six months' salary costs for 0.5 advice supervisor amongst other costs.

##### **BEIS Funding**

This government funding was given to national Citizens Advice, via the Department of Business, Energy and Industrial Strategy (BEIS), to increase the availability of advice services to people impacted by the Covid 19 pandemic and used for various IT related costs to allow advice work to continue during the lockdowns.

##### **Other restricted funds**

These funds relate to client grants received by the charity from other charities and trusts and held on trust for clients until they can be passed onto them.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 22 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Investment property	225,000	-	225,000
Net current assets	880,486	28,510	908,996
Provisions	(80,000)	-	(80,000)
	<u>1,025,486</u>	<u>28,510</u>	<u>1,053,996</u>
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Investment property	225,000	-	225,000
Net current assets	929,614	18,322	947,936
Provisions	(80,000)	-	(80,000)
	<u>1,074,614</u>	<u>18,322</u>	<u>1,092,936</u>

#### 23 Commitments under operating leases

##### As lessee:

As at 31 March 2022, the company had commitments under non-cancellable operating leases as follows:

	Land and buildings 2022 £	2021 £	Other 2022 £	2021 £
Within one year	87,257	36,070	-	-
Between one and two years	-	-	-	-
	<u>87,257</u>	<u>36,070</u>	<u>-</u>	<u>-</u>

##### As lessor:

As at 31 March 2022, the company had commitments owed to it under non-cancellable operating leases as follows:

	Land and buildings 2022 £	2021 £
Within one year	2,875	2,875
Between one and two years	-	-
	<u>2,875</u>	<u>2,875</u>

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2022

#### 24 Related parties

Citizens Advice Birmingham (CAB) is a member of The National Association of Citizens Advice Bureaux (Citizens Advice), the national charity (Charity Number: 279057) which sets out a framework for standards of advice and case management and supports local offices with an information system, training and other services.

A representative of Citizens Advice attends some meetings in an advisory, control and regulatory capacity. During the 2021/22 financial year payments were made to Citizens Advice to the value of £10,216 (2020/21: £11,241) in respect of subscriptions, accountancy support, training services, stationery and sundries. Receipts from Citizens Advice for contracts and grant funding totalled £992,151 (2020/21: £985,800).

Trustee Abisola Latunji-Cockbill is an employee of Mills & Reeve LLP. A donation of £1,000 was received from Mills & Reeves LLP in the prior 2020/21 financial year and no donations were received from Mills & Reeve LLP in the current 2021/22 year.

Councillor Gareth Moore is appointed by Birmingham City Council. During the 2021/22 financial year payments were made to Birmingham City Council of £90,878 (2020/21: £92,863) in respect of premises rentals, council taxes and business rates. Receipts from Birmingham City Council for contracts and grant funding in the year totalled £284,000 (2020/21: £389,000). An amount of £50,000 is owed at the year end (2020/21: £50,000) to BCC with regard to the finished LEAS contract.

25 Reconciliation of cash flows from operating activities	2022 £	2021 £
Net income / (expenditure) for the reporting period	(38,940)	137,566
Add: Depreciation charge	-	-
Less: Dividends, interest and rents from investments	(13,528)	(13,402)
(Increase) / decrease in debtors	(15,792)	76,852
Increase / (decrease) in creditors and provisions	18,989	24,484
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>(49,271)</b>	<b>225,500</b>
	<hr/>	<hr/>

26 Analysis of cash and cash equivalents	2022 £	2021 £
Cash at bank and in hand	963,432	999,175
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>963,432</b>	<b>999,175</b>
	<hr/>	<hr/>

#### 26A Analysis of changes in net debt

	At start of year £	Cashflows in year £	At end of year £
Cash	999,175	(35,743)	963,432
	<hr/>	<hr/>	<hr/>
	999,175	(35,743)	963,432
	<hr/>	<hr/>	<hr/>

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

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#### **27 Members liability**

The Charity (which has the working name of 'Citizens Advice Birmingham (CAB)') was formed as a company limited by guarantee on 3 December 1987 (Company Number: 02202427). The full name of the charity is Birmingham Citizens Advice Bureau Service Limited and was registered with the Charity Commission on 15 December 1987 (Charity Number: 519639).

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.