3112321

BIRMINGHAM CITY MISSION
A company limited by guarantee

FINANCIAL STATEMENTS

13

YEAR ENDED 31 MARCH 2002



BIRMINGHAM CITY MISSION
A company limited by guarantee

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COMPANY INFORMATION
31 MARCH 2002

COMPANY NUMBER:	3112321
CHARITY NUMBER:	1051023
DIRECTORS:	Mrs E M Burrows R Chapman J R Lanchbury G McIntyre Mrs R Mountford R F Price S.C. Carter S.D. Loescher O.G. Nicholds
COMPANY SECRETARY:	A Cutler
REGISTERED OFFICE:	75 Watery Lane Middleway Bordesley Birmingham B9 4HN
BANK:	HSBC Bank plc PO Box 66 33 Bennetts Hill Birmingham B2 5RJ
SOLICITORS:	Garner Canning & Co 301-303 Chester Road Castle Bromwich Birmingham B36 0JG
AUDITORS:	Mazars The Broadway Dudley West Midlands DY1 4PY

BIRMINGHAM CITY MISSION
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DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 2002.

REVIEW OF THE OPERATIONS AND FUTURE DEVELOPMENTS

The principal object of the company is to promote the spread of the gospel of Jesus Christ throughout the City of Birmingham. In the pursuance of this object the company also provides relief for infirm, sick, aged or needy individuals and families within the area by various means, including the provision of lodgings and temporary accommodation of all kinds.

The company, a registered charity operating under charity number 1051023, was incorporated on 10 October 1995 and on 1 April 1996 took over the assets, liabilities and financial activities of Birmingham City Mission, a charity operating under charity number 258209.

The deficit for the year of £40,202 was disappointing and in stark contrast to last year's surplus but thankfully we were able to carry forward some of that surplus to fund the current year's operations without any cut back on essential services. These figures do however highlight the continuing need for an increase in regular monthly donations.

It is the policy of the Board to maintain freely available reserves at a minimum level which would enable the Mission to operate in all areas for approximately 6 months. Freely available reserves are Funds which are unrestricted, undesignated and not invested in fixed assets. That level of funding was achieved throughout the year.

We continue to seek suitable premises, bearing in mind the Mission's work in the City, to relocate Head Office and eliminate the rent burden.

The Health and Safety Policy is under regular review and the appointment of a Safety Officer has kept the Board informed of changes in regulations and the current progress in procedures and risk assessment. We continue to use the services of specialist advisors as and when required.

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

Three new Board members were appointed during the year and have already made valuable contributions in bringing fresh thinking to our assessment of various areas as policy legislation continues to change. Rev. Ken Mullis retired during the year and we would express our deep appreciation of his long service to the work of the Mission and wish him a long and happy retirement.

The Board would again take this opportunity to pay tribute to the Executive Director Wesley Erpen and the staff for their hard work and commitment during the year and to express our great appreciation and thanks to all the Volunteers without whom the work of the Mission would be very much less effective.

FIXED ASSETS

Details of changes in fixed assets are given in note 5 to the financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors set out below have held office during the whole of the period from 1 April 2001 to the date of this report, unless otherwise stated.

Mrs E M Burrows	
R Chapman	
J R Lanchbury	
G McIntyre	
Mrs R Mountford	
K R Mullis	(retired 18/03/02)
R F Price	
S.C. Carter	(appointed 29/09/01)
S.D. Loescher	(appointed 29/09/01)
O.G. Nicholds	(appointed 29/09/01)

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:

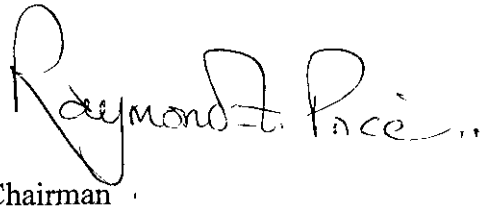
* select suitable accounting policies and then apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
* prepare the financial statements 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.

AUDITORS

On 1st September 2002 our auditors, Mazars Neville Russell, changed their name to Mazars. They have signified their willingness to continue in office and a resolution proposing their re-appointment will be proposed at the forthcoming annual general meeting.

Approved by the directors on 16 September 2002
and signed on their behalf by:



Chairman

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BIRMINGHAM CITY MISSION

We have audited the financial statements of Birmingham City Mission for the year ended 31 March 2002 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MAZARS Mazars
CHARTERED ACCOUNTANTS
and Registered Auditors
The Broadway
Dudley
West Midlands
DY1 4PY

16 September 2002

BIRMINGHAM CITY MISSION
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2002 £	Total funds 2001 £
INCOMING RESOURCES					
Donations and gifts		244,564	124,532	369,096	454,354
Legacies		106,149	-	106,149	346,110
Grants	2	-	21,500	21,500	21,500
Board and lodgings		-	550,311	550,311	550,156
Supported housing management grant		-	57,473	57,473	56,346
Charity shop income		48,878	-	48,878	47,957
Literature sales		16,868	-	16,868	15,756
Interest receivable		14,062	-	14,062	8,809
Rent receivable		860	-	860	1,980
Miscellaneous income		2,349	5,240	7,589	5,604
TOTAL INCOMING RESOURCES		433,730	759,056	1,192,786	1,508,572
RESOURCES EXPENDED					
Expenditure on the charity's objectives	3	324,659	716,024	1,040,683	952,885
Management and administration	4	119,344	72,961	192,305	155,787
TOTAL RESOURCES EXPENDED		444,003	788,985	1,232,988	1,108,672
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		(10,273)	(29,929)	(40,202)	399,900
Net movement in funds before transfer		(10,273)	(29,929)	(40,202)	399,900
Transfer between funds		82,915	(82,915)	-	-
Net movement in funds after transfer		72,642	(112,844)	(40,202)	399,900
Fund balances at the beginning of year		564,515	360,766	925,281	525,381
FUND BALANCES AT END OF YEAR	10/11	637,157	247,922	885,079	925,281

The company's income and expenditure all relate to continuing operations.

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

BIRMINGHAM CITY MISSION
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BALANCE SHEET AT 31 MARCH 2002

	Notes	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS	5		441,188		457,852
CURRENT ASSETS					
Stocks	6	22,194		18,652	
Debtors and prepayments	7	171,384		171,297	
Bank and cash balances		336,185		367,545	
		529,763		557,494	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(58,652)		(54,633)	
NET CURRENT ASSETS			471,111		502,861
TOTAL ASSETS LESS CURRENT LIABILITIES			912,299		960,713
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	9		(27,220)		(35,432)
TOTAL NET ASSETS			885,079		925,281
FUNDS					
Unrestricted	10/11		637,157		564,515
Restricted	10/11		247,922		360,766
			885,079		925,281

Approved by the board of directors on 16 September 2002
and signed on its behalf

Raymond T. Price

.....
Chairman

BIRMINGHAM CITY MISSION
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2002 £	2001 £	2001 £
NET CASH FLOW FROM OPERATING ACTIVITIES	12(a)		(30,162)		377,291
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		14,506		1,253	
Interest paid		(3,428)		(3,927)	
			11,078		(2,674)
CAPITAL EXPENDITURE					
Purchase of tangible fixed assets		(10,531)		(10,867)	
Sale of tangible fixed assets		-		526	
			(10,531)		(10,341)
NET CASH FLOW BEFORE FINANCING			(29,615)		364,276
FINANCING					
Mortgage payments	12(b)	(8,212)		(7,975)	
			(8,212)		(7,975)
INCREASE/(DECREASE) IN CASH	12(b)		(37,827)		356,301

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

1 ACCOUNTING POLICIES

Basis of accounting:

The financial statements are prepared under the historical cost convention (modified to include the revaluation of land and buildings), in accordance with the requirements of the Statement of Recommended Practice - Accounting by Charities.

Income:

Income represents donations, gifts and legacies; amounts charged to hostel occupants in respect of accommodation provided; 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 valued at an estimate of market value at the date of the gift.

Depreciation:

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful lives at the rates shown in note 5. No depreciation is charged on freehold land.

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 material costs only.

Fund accounting:

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

2 GRANTS

	2002 £	2001 £
Received from Birmingham City Council:		
Main programme - woman's hostel running costs	10,000	10,000
Main programme - men's hostel running costs	11,500	10,000
Other	-	1,500
	21,500	21,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

3	EXPENDITURE ON THE CHARITY'S OBJECTIVES:	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
	The provision of care	177,011	716,024	893,035	777,047
	Evangelism	147,648	-	147,648	175,838
		324,659	716,024	1,040,683	952,885

4	MANAGEMENT AND ADMINISTRATION	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
	Salaries	101,717	3,771	105,488	93,142
	Office costs	49,803	17,915	67,718	47,250
	Bank charges	3,236	3,006	6,242	6,163
	Mortgage interest	3,428	-	3,428	3,927
	Legal and professional fees	3,935	269	4,204	805
	Audit fee	2,725	2,500	5,225	4,500
	Inter-funds recharge	(45,500)	45,500	-	-
		119,344	72,961	192,305	155,787

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

5	**FIXED ASSETS**	Freehold property £	Leasehold land & property £	Motor vehicles £	Equipment & fittings £	Total £
	COST AND VALUATION					
	At 1 April 2001	423,350	37,656	52,343	224,052	737,401
	Additions	-	-	-	10,531	10,531
	At 31 March 2002	423,350	37,656	52,343	234,583	747,932
	DEPRECIATION					
	At 1 April 2001	11,817	15,320	32,818	219,594	279,549
	Charge for the year	5,967	3,830	9,556	7,842	27,195
	At 31 March 2002	17,784	19,150	42,374	227,436	306,744
	NET BOOK VALUE					
	At 31 March 2001	411,533	22,336	19,525	4,458	457,852
	At 31 March 2002	405,566	18,506	9,969	7,147	441,188
	Depreciation rates	2%	Over remaining period of lease	25%	33%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

5 FIXED ASSETS (Continued)	2002 Cost/ Valuation £	2001 Cost/ Valuation £
Freehold property comprises:		
1 Isbourne Way	76,100	76,100
The Eric Holt Centre	100,800	100,800
Pamela House	203,200	203,200
22 Frances Road	43,250	43,250
	423,250	423,350

The freehold properties were revalued as at 31 March 2000 on an open market basis by Messrs Cross and Wilkin, Chartered Surveyors, of Solihull, resulting in the following surpluses:

	No.1 Isbourne Way £	The Eric Holt Centre £	Pamela House £	22 Frances Road £	Total £
Valuation	76,100	100,800	203,200	43,250	423,350
Cost	60,700	29,331	33,907	34,500	158,438
Surplus	15,400	71,469	169,293	8,750	264,912

Leasehold land and property comprises:

The 66 year lease (which commenced on 29 September 1965) on the premises at Washington Street and subsequent refurbishment	37,656	37,656

During the coming year, the company may be moving its administration function to new premises. The directors consider that no costs will arise which might necessitate adjustment to the accounts for the year ended 31 March 2002.

Motor vehicles comprise:

Convoy R797AOE	10,485	10,485
Mercedes Minibus J386 MLK	12,995	12,995
Leyland DAF minibus J899 SOC	8,500	8,500
Vauxhall Astra Estate M172 JOK	6,000	6,000
Ford Escort van M592 KFP	5,618	5,618
Leyland double decker bus ORA 446W	8,745	8,745
	52,343	52,343

Equipment & fittings comprise:

Furnishings and domestic equipment in the hostels	152,810	152,810
Office equipment and furnishings	72,417	66,348
Computer equipment	9,356	4,894
	234,583	224,052

		2002 £	2001 £
6	**STOCKS**		
	Goods for resale and hire	15,839	13,568
	Consumables	6,355	5,084
		22,194	18,652
7	**DEBTORS**		
	Due within one year:		
	Pre-paid re grant to Trident HA	12,000	12,000
	VAT recoverable	2,087	-
	Prepayments and accrued income	35,308	20,097
	Income tax on covenants	37,239	42,450
		86,634	74,547
	Due after one year:		
	Pre-paid re grant to Trident HA	84,750	96,750
	TOTAL DEBTORS	171,384	171,297

The Mission has entered into an agreement with Trident Housing Association for the use of their Washington Court premises. The initial period of the occupation is for fifteen years from 1 July 1995. As part of the agreement, the Mission made a grant of £180,000 to Trident. Under the terms of the agreement, a proportion of the grant is repayable, in the event of the Mission vacating the premises within the specified initial period, equivalent to the ratio of the unexpired term to the total term.

The grant is, therefore, being written off over the period of the initial agreement.

		2002 £	2001 £
8	**CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**		
	Bank overdrafts	6,467	-
	Abbey National mortgages	8,000	8,000
	Trade creditors	17,504	11,712
	Taxation and social security costs	11,805	15,332
	Accruals	14,876	24,158
		58,652	54,633

9 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	2002 £	2001 £
Abbey National mortgage loans	27,220	35,432
	27,220	35,432

The mortgage loans are secured by first charges over 1 Isbourne Way, Bordesley, Birmingham and 22 Frances Road, Handsworth, Birmingham.

10 (a) RESTRICTED FUNDS

	Basics Bank Project £	Log cabin £	Care division £	New Headquarters £	Bus project £	Elder-Link £	Total £
Balances at 1 April 2001	-	1,414	239,845	109,536	-	9,971	360,766
Net movement in year	(7,221)	(1,414)	(19,683)	27,441	(2,643)	(26,409)	(29,919)
Transfer	7,221	-	(109217)	-	2,643	16,438	(82,915)
Balance at 31 March 2002	-	-	110,945	136,977	-	-	247,922

10 (b) UNRESTRICTED FUNDS

Unrestricted funds include £150,000 that the trustees have designated for the purchase of a new headquarters.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total Funds
Tangible fixed assets	4,191	436,997	441,188
Current assets	271,173	258,590	529,763
Current liabilities	(27,442)	(31,210)	(58,652)
Long term creditors	-	(27,220)	(27,220)
Total Net Assets	247,922	637,157	885,079

12 NOTES TO CASH FLOW STATEMENT

		2002 £	2001 £
(a)	Reconciliation of net deficit/surplus to net cash inflow from operating activities		
	Surplus/(deficit) for the year	(40,202)	399,900
	Gifts in kind	(28,012)	(28,633)
	Direct use of gifts-in-kind	28,012	28,633
	Depreciation charges	27,195	23,684
	Loss on disposal of fixed assets	-	474
	Interest receivable	(14,062)	(8,809)
	Interest paid	3,428	3,927
	(Increase)/decrease in debtors	(531)	25,932
	Increase in stocks	(3,542)	(2,077)
	Decrease in creditors	(2,448)	(13,876)
	Net cash (outflow)/inflow from operating activities	(30,162)	377,291
(b)	Reconciliation of net cash flow to movement in net debt		
	Increase/(Decrease) in cash in the year	(37,827)	356,301
	Cash outflow from mortgage payments	8,212	7,975
	Movement in net debt in the year	29,615	364,276
	Net debt brought forward	324,113	(40,163)
	Net funds/(debt) carried forward	294,498	324,113
(c)	Analysis of net debt		
	Cash at bank and in hand	336,185	367,545
	Bank overdrafts	(6467)	-
	Abbey National mortgage	(35,220)	(43,432)
		294,498	324,113

13 OTHER FINANCIAL COMMITMENTS

At 31 March 2002, the company was committed to making the following payments under non-cancellable operating leases in the period ending 31 March 2003:-

Operating leases which expire:	Land and buildings £	Other £	Total £
Within 1 year	-	1,699	1,699
Within 2 to 5 years	13,000	6,271	19,271
After 5 years	9,000	-	9,000
	22,000	7,970	29,970

14 POST BALANCE SHEET EVENTS

During the year ending 31 March 2003, 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.