

**BIRMINGHAM CITIZENS ADVICE  
BUREAU SERVICE LIMITED**

(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

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# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## TRUSTEES' REPORT

For the year ended 31 March 2019

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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 2019.

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 2015).

### 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:** Linden Thomas  
Jill Lambert  
Elizabeth Alvey  
Paul Southon  
Councillor Gareth Moore  
Sunny Vashisht  
Abisola Latunji-Cockbill  
Suneet Chavda (appointed on 19/09/18)  
Chaitali Desai (appointed on 17/10/18)  
Liam Brooker (appointed on 17/10/18)  
Tracie Pearce (appointed on 17/10/18)  
Sundeep Gill (appointed on 13/02/19)  
Neil Warner (resigned on 17/10/18)  
Stephen Morrison (resigned on 17/10/18)  
Andrew Leigh (resigned on 17/10/18)  
Councillor Victoria Quinn (resigned on 09/08/18)

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

**Auditors:** BDO LLP  
35 Calthorpe Road  
Birmingham  
West Midlands  
B15 1TS

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

**Solicitors:** DLA Piper UK LLP  
Victoria Square House  
Birmingham  
B2 4DL

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES' REPORT**

### **For the year ended 31 March 2019**

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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. The Board implements its decisions through an executive management committee that consists of a Chief Executive, who attends Board Meetings, and three operational Managers, each with an individual area of responsibility, along with the IT and Finance officers.

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 and recent financial performance of the charity. They also meet key employees and other trustees. Trustees are provided with annual training and charity updates where these will facilitate the understanding of their role and are also provided 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 2018/19 financial year payments were made to Citizens Advice to the value of £13,976 (2017/18: £16,138) in respect of subscriptions, accountancy support, training services, stationery and sundries. Receipts from Citizens Advice for contracts and grant funding totalled £527,009 (2017/18: £495,172).

Trustee N Warner is an employee of Gateley LLP. During the 2018/19 financial year, a donation was received from Gateley LLP of £10,353 (2017/18: £NIL).

Trustee Abisola Latunji-Cockbill is an employee of Mills & Reeve LLP. During the 2018/19 financial year, a donation was received from Mills & Reeve LLP of £1,000 (2017/18: £NIL).

Councillors Gareth Moore and Victoria Quinn are appointed by Birmingham City Council. During the 2018/19 financial year payments were made to Birmingham City Council of £113,429 (2017/18: £125,292) in respect of premises rentals, council taxes and business rates. Receipts from Birmingham City Council for contracts and grant funding in the year totalled £521,352 (2017/18: £473,636). An amount of £50,000 is owed at the year end (2017/18: £50,000) to BCC with regard to the LEAS contract.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES' REPORT**

**For the year ended 31 March 2019**

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

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

Senior managers and trustees undertake an annual review of 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 the individual risks. Consideration is given to the steps the organisation needs to take to mitigate the risk by setting down actions that can be taken to reduce the likelihood and/or the impact of a risk taking place.

The principal risk identified by this process is the uncertainty of future funding for Citizens Advice Birmingham. 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 be 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 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 develop the 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**

The trustees who have served during the year can be seen on page 3.

None of the trustees has 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.

### **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.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES' REPORT**

**For the year ended 31 March 2019**

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

During the year, Citizens Advice Birmingham (CAB) provided 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; 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 have had due regard to the Charity Commission guidance on public benefit and have complied with the duty in section 4 of the Charities Act 2011.

### **ACHIEVEMENTS AND PERFORMANCE**

During the year 2018/19, Citizens Advice Birmingham delivered high quality, targeted free advice to 31,663 clients. This is an increase of 5,205 clients assisted compared with the number of clients seen in 2017/18. This is largely due to an increase in the number of clients in our core generalist services, where paid staff and volunteers assisted a total of 20,313 clients. Approximately Sixty three per cent of the clients assisted (12,716 people) accessed the service via our Telephone Advice Line, with the remaining 37% (7,597 people) assisted in person. Of the clients assisted in person, 2,483 were seen at the Salfley Advice Centre and 5,114 at our City Centre offices. Despite closing our drop-in service, as a first point of contact, at our city centre offices in October 2017 we continue to assist a significant number of people who require emergency help such as food bank vouchers or who are vulnerable and need face-to-face support.

We continue to provide our services at a number of outreach locations across the city, this ensures we are providing services in the community, which are often easier for clients to access or feel more at ease in using. CAB staff teams have provided advice to clients from a range of outlets including:

- Our Debt team see clients in libraries and Job Centres across the city as well as a presence at the magistrates' court. They also attend HMP Birmingham to assist prisoners with debt matters.
- Our County Court Welfare Office provide a duty scheme to anyone who is attending court for an eviction or repossession order;
- Our Macmillan team have provided support to people with cancer and their families at 16 outreach sessions each week across six hospitals, three hospices and three Citizens Advice locations in Birmingham and Solihull.
- Our Mental Health team provide benefits advice to clients in community based mental health outlets; and
- Our Wellbeing team are able to offer face-to-face appointments at GP practices and health clinics, providing generalist advice on a range of topics to patients referred by their practice.

Citizens Advice Birmingham's work resulted in income gains for our clients of £11,703,007 in 2018/19. In the last year the Debt Team have dealt with £14,112,810 worth of debt, 69% of this was priority debt and the remaining 31% non-priority. In 2018/19, outcomes for debts written off, which includes Debt Relief Orders (DRO) and write offs totalled £2,800,581. Over the same period, repayments negotiated which includes Debt Management Plans (DMP), on clients' behalf and token offer payments totalled £321,268.

Citizens Advice Birmingham regularly seeks feedback on our performance from clients. Overall 87% of our clients rated their experience of our service as positive or very positive, 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, 79% said they felt less worried about their finances following our advice and 91% said the advice had helped to reduce their stress and anxiety. Responses from clients who were supported by our Macmillan team told us that 97% were satisfied or very satisfied with the service they received, 77% felt less worried about their finances and for 85%, our assistance had helped to reduce their stress or anxiety.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## TRUSTEES' REPORT

For the year ended 31 March 2019

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### ACHIEVEMENTS AND PERFORMANCE (continued)

The above could not have been achieved without the hard work and dedication of staff and volunteers. The Trustee Board and Senior Management Team recognise the tremendous contribution made by the charity's volunteers without which 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. We have had 40 regularly active volunteers over the year, who between them contributed 480 hours per week equating to 13 FTE staff. Over the year, we have had 86 people involved in volunteering with us 33 of whom have moved into work and five have moved into education or training.

We continue to work in partnership with other agencies including Birmingham City Council. As part of our Legal Entitlement Advice Services contract with Birmingham City Council, Citizens Advice Birmingham runs the former Saltley Neighbourhood Office as an advice centre. The service is staffed by CAB and city council staff and has proved very successful providing a face to face local service to people in that area of the city. Citizens Advice Birmingham continues to host two neighbourhood advice officers from Birmingham City Council in the CAB city centre office. This partnership working has been beneficial for clients, as it has enabled CAB staff to have easier access to council information for clients, thus avoiding lengthy phone calls.

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.

In summary, whilst the operating environment continues to get more difficult, and with ever growing demand, Citizens Advice Birmingham has tried to ensure our services continue to reach as many people as possible who need our help. We have done this by providing more outreach services, collaborating with partner agencies where this benefits our clients and by expanding our telephone offer so that people who have difficulty attending our office have access to the advice they need when they need it.

### REVIEW OF FINANCIAL POSITION

During the 2018/19 financial year CAB delivered a financial deficit of £14,832 (2017/18: surplus of £6,505). This deficit arose primarily from the retrospective reduction in funding for one of our projects, which meant we had to pay for a larger team whilst being funded for a smaller one. The team was finally reduced in December 2018 and we do not expect such an issue going forwards. Income overall slightly increased by 0.2% to £1,807,159 compared to £1,803,288 in 2017/18, while over the same period expenditure increased by 4.4% to £1,875,548 from £1,796,783 in 2017/18, due to more staff employed to fulfil extra work commitments.

Expenditure on fixed assets capitalised during the year amounted to £NIL (2017/18: £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 £31,375 (2017/18: £11,989). This is accounted for by £24,308 left for the BCC Mental Health project, which is expected to be fully spent by March 2020 and the rest for The Henry Smith Charity Volunteers project, expected to be fully spent by September 2019 when the project is due to finish.

#### 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. During the year, property worth £171,433 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 investment property was then revalued to £225,000 in order to comply with keeping investments at fair value. The valuation was conducted by Charlotte Fullard MRICS of Lambert Smith Hampton on 20 November 2018.

#### 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 funds, equating to £471,046 at budgeted 2019/20 expenditure levels. The unrestricted general free reserves at 31 March 2019 was £38,304 (2018: £45,622) after designating reserves of £854,029 (2018: £880,929) including the Reserves Policy funds. Restricted reserves at the end of the year amount to £31,375 (2018: £11,989).

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES' REPORT**

**For the year ended 31 March 2019**

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### **Going Concern**

The Charity reported a cash inflow of £5,828 for the year despite the surplus due to higher debtor amounts at year-end and expects to make a similar inflow in 2019/20 also. After making further appropriate enquiries, 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 (2017/18: £NIL).

### **FUTURE PLANS**

Our main priority over the next year will be the relocation of Citizens Advice Birmingham's main offices. As the current lease on CAB's city centre premises ends in 2019, we are seeking to secure new accommodation that better meets our needs for the future. Options for what will be needed are going to be dependent upon what services Citizens Advice Birmingham will deliver in future. However, we will continue to develop delivery of our services via outreach in the community, telephone and webchat, where this best meets the clients' needs. We hope to find premises that enable us to work flexibly and utilise less space than we do currently, without compromising on the quality of our delivery. Trustees regard the requirement to seek new premises as a potential opportunity to reduce the organisation's overheads and to seek to become a more financially sustainable organisation in the medium to long term.

Trustees will continue to maintain firm controls on expenditure and seek to only provide services in future that, as far as possible, are fully funded. Demand for advice continues to outstrip the funded levels of service and the senior management team continuously review how to provide more from within our existing resources. The intention to seek to help more people via the telephone or online will extend the organisation's reach and capacity to help as many people as possible.

We continue to work with other local Citizens Advice in the West Midlands region and to seek out opportunities to collaborate on projects where possible.

Funding continues to be short term and uncertain, which makes longer term planning difficult. However, the Trustee Board has recognised 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.

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

- Provide the people of Birmingham with high quality and accessible services;
- Take steps to set our finances onto a sustainable footing by continuing to seek new funding opportunities, having a more diverse funding base and to manage our costs;
- Have the appropriate infrastructure, including IT and premises, to provide high quality services to our customers and ensuring efficient management of the organisation;
- Further develop the telephone and digital offer to ensure we reach as many clients as possible with our limited resources;
- Raise the profile of Citizens Advice Birmingham with clients, funders and third parties;
- Continue to develop new ways of working including homeworking, co-location with partners and further outreach;
- 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 and in other Core Cities, and with other third sector agencies; and
- Utilise reserves in line with policy.



# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **TRUSTEES' REPORT**

**For the year ended 31 March 2019**

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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 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 then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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.

### **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**

Moore Stephens LLP merged with BDO LLP during the year and were appointed to conduct the audit this year and have indicated their willingness to continue in office for the ensuing year.

The Trustees' report was approved by the board, authorised for issue on 24 June 2019, and signed on its behalf by,



**Linden Thomas**  
Chair

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

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

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### **~~Independent Auditor's Report to the Members of Birmingham Citizens Advice Bureau Service Limited~~**

#### **Opinion**

We have audited the financial statements of Birmingham Citizens Advice Bureau Service Limited ("the Charitable Company") for the year ended 31 March 2019, which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 2019 and of its incoming resources and application of resources 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 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 related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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**

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### **Independent Auditor's Report to the Members of Birmingham Citizens Advice Bureau Service Limited (cont.)**

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

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in 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 the 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 Strategic report or the Trustee's 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 Directors' 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 directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, 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 determines 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

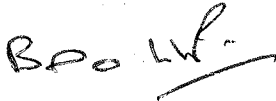
**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM**  
**CITIZENS ADVICE BUREAU SERVICE LIMITED**

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**Independent Auditor's Report to the Members of Birmingham Citizens Advice Bureau Service Limited (cont.)**

**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.



Nicholas Simkins (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

35 Calthorpe Road

Edgbaston

Birmingham

B15 1TS

Date:



BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES

(Including income and expenditure account)

For the year ended 31 March 2019

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ |
|---|------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| <b>Income from:</b>                                     |      |                            |                          |                    |                            |                          |                    |
| Donations and legacies                                  | 2    | 14,099                     | 105                      | 14,204             | 3,866                      | 61                       | 3,927              |
| Charitable activities                                   | 3    | 1,060,592                  | 717,436                  | 1,778,028          | 997,577                    | 795,234                  | 1,792,811          |
| Activities for generating funds                         | 4    | 7,025                      | -                        | 7,025              | 5,707                      | -                        | 5,707              |
| Investments   | 5    | 7,902                      | -                        | 7,902              | 843                        | -                        | 843                |
| <b>Total income</b>                                     |      | <b>1,089,618</b>           | <b>717,541</b>           | <b>1,807,159</b>   | <b>1,007,993</b>           | <b>795,295</b>           | <b>1,803,288</b>   |
| <b>Expenditure on:</b>                                  |      |                            |                          |                    |                            |                          |                    |
| Raising funds   | 6    | -                          | -                        | -                  | 100                        | -                        | 100                |
| Charitable activities                                   | 7,8  | 1,011,787                  | 862,480                  | 1,874,267          | 989,127                    | 807,556                  | 1,796,683          |
| Other expenditure                                       |      | 1,281                      | -                        | 1,281              | -                          | -                        | -                  |
| <b>Total expenditure</b>                                |      | <b>1,013,068</b>           | <b>862,480</b>           | <b>1,875,548</b>   | <b>989,227</b>             | <b>807,556</b>           | <b>1,796,783</b>   |
| <b>Net income/(expenditure)<br/>before transfer</b>     |      | <b>76,550</b>              | <b>(144,939)</b>         | <b>(68,389)</b>    | <b>18,766</b>              | <b>(12,261)</b>          | <b>6,505</b>       |
| <b>Transfers between funds</b>                          |      | <b>(164,325)</b>           | <b>164,325</b>           | <b>-</b>           | <b>8,444</b>               | <b>(8,444)</b>           | <b>-</b>           |
| <b>Other recognised gains/(losses):</b>                 |      |                            |                          |                    |                            |                          |                    |
| Gain on revaluation of fixed assets                     |      | 53,557                     | -                        | 53,557             | -                          | -                        | -                  |
| <b>Net movement in funds</b>                            |      | <b>(34,218)</b>            | <b>19,386</b>            | <b>(14,832)</b>    | <b>27,210</b>              | <b>(20,705)</b>          | <b>6,505</b>       |
| <b>Reconciliation of funds:</b>                         |      |                            |                          |                    |                            |                          |                    |
| Total funds brought<br>forward at 01 April 2018         |      | 926,551                    | 11,989                   | 938,540            | 899,341                    | 32,694                   | 932,035            |
| <b>Total funds carried<br/>forward at 31 March 2019</b> |      | <b>892,333</b>             | <b>31,375</b>            | <b>923,708</b>     | <b>926,551</b>             | <b>11,989</b>            | <b>938,540</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 16 to 29 form part of these financial statements.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## BALANCE SHEET

As at 31 March 2019

|  | Note | 2019             |                  | 2018             |                  |
|--|------|------------------|------------------|------------------|------------------|
|  |      | £                | £                | £                | £                |
| <b>Fixed assets</b>                            |      |                  |                  |                  |                  |
| Tangible assets                                | 14   | 7,983            |                  | 232,888          |                  |
| Investments                                    | 14   | 225,000          |                  | -                |                  |
|  |      |                  | <u>232,983</u>   |                  | <u>232,888</u>   |
| <b>Current assets</b>                          |      |                  |                  |                  |                  |
| Debtors  | 15   | 229,032          |                  | 195,459          |                  |
| Cash at bank and in hand                       | 26   | 815,416          |                  | 809,588          |                  |
|  |      | <u>1,044,448</u> |                  | <u>1,005,047</u> |                  |
| <b>Liabilities</b>                             |      |                  |                  |                  |                  |
| Creditors: amounts falling due within one year | 16   | (273,723)        |                  | (219,395)        |                  |
|  |      |                  | <u>770,725</u>   |                  | <u>785,652</u>   |
| <b>Net current assets</b>                      |      |                  | <u>770,725</u>   |                  | <u>785,652</u>   |
| <b>Total assets less current liabilities</b>   |      |                  | <u>1,003,708</u> |                  | <u>1,018,540</u> |
| <b>Provisions for liabilities</b>              | 19   |                  | (80,000)         |                  | (80,000)         |
|  |      |                  | <u>923,708</u>   |                  | <u>938,540</u>   |
| <b>Total net assets</b>                        |      |                  | <u>923,708</u>   |                  | <u>938,540</u>   |
| <b>Funds of the charity</b>                    |      |                  |                  |                  |                  |
| Unrestricted funds                             | 20   |                  | 892,333          |                  | 926,551          |
| Restricted funds                               | 21   |                  | 31,375           |                  | 11,989           |
|  |      |                  | <u>923,708</u>   |                  | <u>938,540</u>   |
| <b>Total charity funds</b>                     | 22   |                  | <u>923,708</u>   |                  | <u>938,540</u>   |

The financial statements 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 24 June 2019, and signed on its behalf by,



**Linden Thomas**  
Chair

The notes on pages 16 to 29 form part of these financial statements.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## CASH FLOW STATEMENT

For the year ended 31 March 2019

|   | Note | 2019<br>£      | 2018<br>£       |
|---|------|----------------|-----------------|
| <b>Cash flows from operating activities:</b>                                  |      |                |                 |
| Net cash provided by operating activities                                     | 25   | 3,411          | (32,986)        |
| <b>Cash flows from investing activities:</b>                                  |      |                |                 |
| Interest income   | 5    | 2,417          | 843             |
| <b>Net cash provided by investing activities</b>                              |      | <b>2,417</b>   | <b>843</b>      |
| Increase / (decrease) in cash and cash equivalents<br>in the reporting period |      | <b>5,828</b>   | <b>(32,143)</b> |
| Cash and cash equivalents at the beginning of the<br>reporting period         |      | <b>809,588</b> | <b>841,731</b>  |
| <b>Cash and cash equivalents at the end of the<br/>reporting period</b>       | 26   | <b>815,416</b> | <b>809,588</b>  |

The notes on pages 16 to 29 form part of these financial statements.

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2019**

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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 2015) - (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 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 2019

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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 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:

|                        |  |
|------------------------|--|
| Freehold property      | 2% on the straight-line method-commencing year after acquisition |
| Leasehold improvements | over the length of the lease                                     |
| 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 2019

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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 revalued the property to fair value 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.

#### 2 Donations and legacies

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations and gifts | 14,099                     | 105                      | 14,204             | 3,927              |

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 3 Income from charitable activities

| <b>Grants and contract income receivable for charitable activity – advice and information</b> | <b>Unrestricted Funds<br/>£</b> | <b>Restricted Funds<br/>£</b> | <b>Total<br/>2019<br/>£</b> | <b>Total<br/>2018<br/>£</b> |
|---|---------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>General Advice:</b>  |                                 |                               |                             |                             |
| Birmingham CC LEAS  | 447,397                         | -                             | 447,397                     | 399,706                     |
| Birmingham CCGs   | -                               | 131,255                       | 131,255                     | 302,328                     |
| The Henry Smith Charity   | -                               | 45,000                        | 45,000                      | 45,000                      |
| BSL   | -                               | 2,000                         | 2,000                       | 8,662                       |
| Universal Support   | -                               | 31,587                        | 31,587                      | -                           |
| Other grants  | 5,645                           | -                             | 5,645                       | 7,000                       |
|   | <u>453,042</u>                  | <u>209,842</u>                | <u>662,884</u>              | <u>762,696</u>              |
| <b>Debt Advice:</b>   |                                 |                               |                             |                             |
| Money Advice Service: Face-to-Face Debt Advice  | 494,096                         | -                             | 494,096                     | 485,426                     |
| Severn Trent Trust Fund (STTF)  | -                               | 63,320                        | 63,320                      | 62,193                      |
| Community Law Partnership (CLP)   | 112,168                         | -                             | 112,168                     | 107,362                     |
| Other grants  | 1,286                           | -                             | 1,286                       | 1,083                       |
|   | <u>607,550</u>                  | <u>63,320</u>                 | <u>670,870</u>              | <u>656,064</u>              |
| <b>Benefit Advice:</b>  |                                 |                               |                             |                             |
| Birmingham CC (Mental Health & Palliative Care)   | -                               | 73,930                        | 73,930                      | 73,930                      |
| Macmillan Cancer Support  | -                               | 370,344                       | 370,344                     | 300,121                     |
|   | <u>-</u>                        | <u>444,274</u>                | <u>444,274</u>              | <u>374,051</u>              |
| <b>Total income from charitable activities</b>  | <u><u>1,060,592</u></u>         | <u><u>717,436</u></u>         | <u><u>1,778,028</u></u>     | <u><u>1,792,811</u></u>     |

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**4 Activities for generating funds**

|                                | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Room hire                      | 5,000                      | -                        | 5,000              | 4,163              |
| Solar panels & cashback scheme | 2,025                      | -                        | 2,025              | 1,544              |
|                                | <u>7,025</u>               | <u>-</u>                 | <u>7,025</u>       | <u>5,707</u>       |

**5 Investments**

|                                   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|-----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest received                 | 2,417                      | -                        | 2,417              | 843                |
| Investment property rental income | 5,485                      | -                        | 5,485              | -                  |
|                                   | <u>7,902</u>               | <u>-</u>                 | <u>7,902</u>       | <u>843</u>         |

**6 Expenditure on raising funds**

|                    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Fundraising events | -                          | -                        | -                  | 100                |
|                    | <u>-</u>                   | <u>-</u>                 | <u>-</u>           | <u>100</u>         |

**7 Expenditure on charitable activities by fund**

|                 | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| General Advice  | 450,708                    | 313,401                  | 764,109            | 782,077            |
| Debt Advice     | 561,079                    | 82,266                   | 643,345            | 624,675            |
| Benefits Advice | -                          | 466,813                  | 466,813            | 389,931            |
|                 | <u>1,011,787</u>           | <u>862,480</u>           | <u>1,874,267</u>   | <u>1,796,683</u>   |

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 8 Analysis of expenditure on charitable activities

|   | Basis of Allocation | General Advice<br>£   | Debt Advice<br>£      | Benefits Advice<br>£  | Total 2019<br>£         | Total 2018<br>£         |
|---|---------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| <b>Direct costs:</b>                              |                     |                       |                       |                       |                         |                         |
| Salaries and wages                                | Direct              | 398,410               | 431,085               | 317,017               | 1,146,512               | 1,089,278               |
| Staff and volunteers                              | Direct              | 10,546                | 1,415                 | 1,649                 | 13,610                  | 12,776                  |
| Office costs                                      | Direct              | 16,035                | 6,161                 | 5,595                 | 27,791                  | 12,202                  |
| Premises costs                                    | Direct              | 31,054                | -                     | -                     | 31,054                  | -                       |
| Other costs                                       | Direct              | 120,295               | 4,865                 | 4,832                 | 129,992                 | 165,583                 |
|   |                     | <u>576,340</u>        | <u>443,526</u>        | <u>329,093</u>        | <u>1,348,959</u>        | <u>1,279,839</u>        |
| <b>Support costs:</b>                             |                     |                       |                       |                       |                         |                         |
| Salaries wages                                    | Staff/Hrs           | 41,590                | 44,362                | 30,581                | 116,533                 | 117,144                 |
| Staff and volunteers                              | Staff/Hrs           | 5,922                 | 6,257                 | 4,333                 | 16,512                  | 6,666                   |
| Office costs                                      | Staff/Hrs           | 62,416                | 66,736                | 45,796                | 174,948                 | 174,520                 |
| Premises costs                                    | Staff/Hrs           | 67,788                | 72,182                | 49,925                | 189,895                 | 181,767                 |
| Governance costs                                  | Staff/Hrs           | 9,976                 | 10,201                | 7,027                 | 27,204                  | 23,455                  |
| Other costs                                       | Staff/Hrs           | 77                    | 81                    | 58                    | 216                     | 13,292                  |
|   |                     | <u>187,769</u>        | <u>199,819</u>        | <u>137,720</u>        | <u>525,308</u>          | <u>516,844</u>          |
| <b>Total expenditure on charitable activities</b> |                     | <u><u>764,109</u></u> | <u><u>643,345</u></u> | <u><u>466,813</u></u> | <u><u>1,874,267</u></u> | <u><u>1,796,683</u></u> |

### 9 Net incoming resources for the year

This is stated after charging

|                                       | 2019<br>£ | 2018<br>£ |
|---------------------------------------|-----------|-----------|
| Operating leases - land and buildings | 90,204    | 90,204    |
| Operating leases - other              | 13,823    | 45,025    |
| Auditor's remuneration:               |           |           |
| - Audit                               | 8,000     | 7,800     |
| - Other financial services            | -         | -         |
| Depreciation and Impairment Charges   | 53,462    | 55,562    |

### 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 £113 during the year, paid to one trustee, to 31 March 2019 (2017/18: £81 paid to one trustee).

Trustees' indemnity insurance paid by the charity during the year totalled £60 (2017/18: £52) and expenses related to costs of Trustees' meetings including the AGM totalled £897 (2017/18: £1,210).

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

| 11 | Employees  | 2019<br>FTE<br>Number | 2018<br>FTE<br>Number | 2019<br>Head<br>Count | 2018<br>Head<br>Count |
|----|--|-----------------------|-----------------------|-----------------------|-----------------------|
|    | <b>Number of employees</b>                                 |                       |                       |                       |                       |
|    | The average number of employees, analysed by function was: |                       |                       |                       |                       |
|    | Advice workers and support staff                           | 41                    | 40                    | 46                    | 46                    |
|    | Key management personnel                                   | 4                     | 4                     | 4                     | 4                     |
|    |  | <u>45</u>             | <u>44</u>             | <u>50</u>             | <u>50</u>             |
|    | <b>Employment costs</b>                                    |                       |                       | 2019<br>£             | 2018<br>£             |
|    | Wages and salaries   |                       |                       | 1,125,120             | 1,072,818             |
|    | Social security costs                                      |                       |                       | 93,766                | 90,435                |
|    | Pensions costs   |                       |                       | 44,159                | 43,170                |
|    |  |                       |                       | <u>1,263,045</u>      | <u>1,206,423</u>      |

No employee received remuneration amounting to more than £60,000 in the period (2017/18: 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 £154,526 (2017/18: £155,517).

Due to changes to our CCG Wellbeing and debt projects, one employee was made redundant and one employee took voluntary redundancy in the year (2017/18: None). The total cost of the redundancy payments amounted to £9,291 (2017/18: £NIL). The policy of the charity is to recognise redundancy payments in full when they become due and charged to Support costs unless there is provision for it in the funds of the project within which the relevant employee worked.

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.

## 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, 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 £44,159 (2017/18: £43,170). The cost of the pension is allocated to each individual project within which an employee works. At the year-end £7,296 was owed to the pension scheme (2017/18: £6,473).

## 13 Volunteers

The above could not have been achieved without the hard work and dedication of staff and volunteers. The Trustee Board and Senior Management Team recognise the tremendous contribution made by the charity's volunteers without which 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, administration, generalist advice and benefits advice work. We have had 40 regularly active volunteers over the year, who between them contributed 480 hours per week equating to 13 FTE staff. Over the year, we have had 86 people involved in volunteering with us 33 of whom have moved into work and five have moved into education or training.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

| 14 | Fixed Assets            | Investment<br>Property<br>£ | Freehold<br>Properties<br>£ | Leasehold<br>Improvements<br>£ | Equipment<br>£ | Furniture<br>£ | Total<br>£ |
|----|-------------------------|-----------------------------|-----------------------------|--------------------------------|----------------|----------------|------------|
|    | <b>Cost</b>             |                             |                             |                                |                |                |            |
|    | At 31 March 2018        | -                           | 383,223                     | 207,323                        | 54,484         | 12,534         | 657,564    |
|    | Disposals               | -                           | -                           | -                              | (21,934)       | (1,945)        | (23,879)   |
|    | Transfers               | 171,443                     | (383,223)                   | -                              | -              | -              | (211,780)  |
|    | Revaluation in the year | 53,557                      | -                           | -                              | -              | -              | 53,557     |
|    | At 31 March 2019        | 225,000                     | -                           | 207,323                        | 32,550         | 10,589         | 475,462    |
|    | <b>Depreciation</b>     |                             |                             |                                |                |                |            |
|    | At 1 April 2018         | -                           | 206,216                     | 151,442                        | 54,484         | 12,534         | 424,676    |
|    | Charge for the year     | -                           | 5,564                       | 47,898                         | -              | -              | 53,462     |
|    | Disposals               | -                           | -                           | -                              | (21,934)       | (1,945)        | (23,879)   |
|    | Transfers               | -                           | (211,780)                   | -                              | -              | -              | (211,780)  |
|    | At 31 March 2019        | -                           | -                           | 199,340                        | 32,550         | 10,589         | 242,479    |
|    | <b>Net book value</b>   |                             |                             |                                |                |                |            |
|    | At 31 March 2019        | 225,000                     | -                           | 7,983                          | -              | -              | 232,983    |
|    | At 31 March 2018        | -                           | 177,007                     | 55,881                         | -              | -              | 232,888    |

During the year 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 has been revalued by the trustees at the reporting date 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.

| 15 | Debtors   | 2019<br>£ | 2018<br>£ |
|----|---|-----------|-----------|
|    | Grants receivable                                     | 180,488   | 136,703   |
|    | Prepayments   | 24,582    | 34,254    |
|    | Accrued income  | 23,962    | 24,502    |
|    |   | 229,032   | 195,459   |
| 16 | <b>Creditors: amounts falling due within one year</b> | 2019<br>£ | 2018<br>£ |
|    | Trade creditors                                       | 76,276    | 66,969    |
|    | Social security costs                                 | 24,222    | 25,898    |
|    | Pensions  | 7,296     | 6,473     |
|    | Accruals  | 46,615    | 45,050    |
|    | Deferred income                                       | 84,500    | 75,005    |
|    | Other creditors                                       | 34,814    | -         |
|    |   | 273,723   | 219,395   |

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**17 Deferred income**

Deferred income comprises of income received for the following projects for which performance is expected in the following year; totalling £84,500 in 2019 (2018: 75,005):

|                                    | BCC LEAS<br>£ | BSL<br>£     | Henry Smith<br>£ | Others<br>£  |
|------------------------------------|---------------|--------------|------------------|--------------|
| Balance as at 01 April 2018        | 50,000        | -            | 18,750           | 6,255        |
| Amount released to income earned   | -             | -            | (18,750)         | (6,255)      |
| Amount deferred in year            | -             | 6,000        | 18,750           | 9,750        |
| <b>Balance as at 31 March 2019</b> | <b>50,000</b> | <b>6,000</b> | <b>18,750</b>    | <b>9,750</b> |

**18 Financial instruments**

|  | 2019<br>£        | 2018<br>£      |
|--|------------------|----------------|
| <b>Financial assets</b>  |                  |                |
| Financial assets measured at fair value through profit & loss:         |                  |                |
| - Cash at bank and in hand   | 815,416          | 809,588        |
| Financial assets that are debt instruments measured at amortised cost: |                  |                |
| - Grants receivable  | 180,488          | 136,703        |
| - Accrued income   | 23,962           | 24,502         |
|  | <b>1,019,866</b> | <b>970,793</b> |
| <b>Financial liabilities</b>   |                  |                |
| Financial liabilities measured at amortised cost:                      |                  |                |
| - Trade creditors  | 76,276           | 66,969         |
| - Taxation and social security costs                                   | 24,222           | 25,898         |
| - Pensions   | 7,296            | 6,473          |
| - Accruals   | 46,615           | 45,050         |
| - Other creditors  | 34,814           | -              |
|  | <b>189,223</b>   | <b>144,390</b> |

**19 Provisions for liabilities**

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Dilapidations on leased premises                | 80,000        | 80,000        |
| The dilapidations cost is repayable as follows: |               |               |
| Within one year                                 | 80,000        | -             |
| Between one and two years                       | -             | 80,000        |
| Between two and five years                      | -             | -             |
| After five years                                | -             | -             |
|   | <b>80,000</b> | <b>80,000</b> |



# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 19 Provisions for liabilities (cont.)

| Movement in provisions                  | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Dilapidations provision brought forward | 80,000        | 80,000        |
| Increase/(decrease) in the year         | -             | -             |
| <b>Provision carried forward</b>        | <b>80,000</b> | <b>80,000</b> |

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 is expected to occur during the 2019/20 financial year when the current lease at Gazette Buildings comes to an end.

### 20 Unrestricted funds

|  | Balance at<br>01 April<br>2018<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfer<br>Between<br>Funds<br>£ | Balance at<br>31 March<br>2019<br>£ |
|--|-------------------------------------|----------------------------|----------------------------|-----------------------------------|-------------------------------------|
| General funds                            | 45,622                              | 1,089,618                  | 959,606                    | (137,330)                         | 38,304                              |
| Designated funds: Leasehold improvements | 55,881                              | -                          | 47,898                     | -                                 | 7,983                               |
| Designated funds: Freehold buildings     | 177,007                             | -                          | 5,564                      | (171,443)                         | -                                   |
| Designated funds: Investment property    | -                                   | 53,557                     | -                          | 171,443                           | 225,000                             |
| Designated funds: New accommodation      | 200,000                             | -                          | -                          | (50,000)                          | 150,000                             |
| Designated funds: Reserves policy        | 448,041                             | -                          | -                          | 23,005                            | 471,046                             |
| <b>Total Unrestricted funds</b>          | <b>926,551</b>                      | <b>1,143,175</b>           | <b>1,013,068</b>           | <b>(164,325)</b>                  | <b>892,333</b>                      |

A designated fund of £7,983 has been set up for the leasehold improvements at Gazette Buildings (2017/18:£55,881) and the investment property at Tyseley for £225,000 (2017/18: £Nil) as these amounts are 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.

### 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<br>01 April<br>2018<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfer<br>Between<br>Funds<br>£ | Balance at<br>31 March<br>2019<br>£ |
|-----------------------------|-------------------------------------|----------------------------|----------------------------|-----------------------------------|-------------------------------------|
| Birmingham CC Mental Health | 8,130                               | 73,955                     | 57,777                     | -                                 | 24,308                              |
| Birmingham CCGs             | -                                   | 131,255                    | 219,969                    | 88,714                            | -                                   |
| Severn Trent Trust Fund     | -                                   | 63,320                     | 82,225                     | 18,905                            | -                                   |
| Macmillan                   | -                                   | 370,384                    | 409,036                    | 38,652                            | -                                   |
| BSL                         | -                                   | 2,000                      | 20,054                     | 18,054                            | -                                   |
| The Henry Smith Charity     | 3,859                               | 45,000                     | 41,792                     | -                                 | 7,067                               |
| Universal Support           | -                                   | 31,587                     | 31,587                     | -                                 | -                                   |
| Other                       | -                                   | 40                         | 40                         | -                                 | -                                   |
| <b>Total</b>                | <b>11,989</b>                       | <b>717,541</b>             | <b>862,480</b>             | <b>164,325</b>                    | <b>31,375</b>                       |

# **BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2019**

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#### **Project Descriptions**

##### **Birmingham Clinical Commissioning Groups (CCGs)**

The object of the scheme is to provide a generalist advice service to patients within two of Birmingham's Clinical Commissioning Groups (CCGs): Birmingham Cross City and Birmingham South Central. Referrals to the services are via GPs members of the Primary Health Care Team and via self-referral. The aim of the service is for patients to be supported and advised on their non-clinical issues in a familiar environment, whilst freeing practice staff time to focus on clinical issues. This contract has been extended to March 2019.

##### **Severn Trent Trust Fund**

Has granted funds for a fifth year extension to the original three year project to deliver debt advice to Severn Trent Water customers. CAB is delivering this service, with funding ending in March 2020.

##### **Birmingham City Council (BCC) – LEAS**

A three year contract commencing April 2016. Working in partnership with Spitfire Advice Services and Birmingham Settlement as the GBAS LEAS partners, we are contracted as a partnership to assist 8,550 people per year with 21,375 benefits, debt and employment enquiries; achieving 1,920 advice outcomes achieved per year. Services will be delivered across four advice hubs via telephone and digital channels, with CAB delivering a face to face service from Gazette building and the former customer service centre in Saltley.

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

This is for provision of specialist welfare benefit advice to clients. Appointments are offered at three outreach community mental health sites, with emphasis on clients with specific health problems namely mental health. Referrals are received from CPNs, psychiatrists and social workers. The Mental Health contract has been extended to March 2019.

##### **Community Law Partnership (CLP)**

Delivered in partnership within the Birmingham Housing Court Duty Possession Scheme, which is managed by Community Law Partnership. We represent clients at Birmingham County Court for rent and mortgage possession proceedings or when they attend court to request that a warrant for their eviction is suspended. An ongoing contract paid on a case-by-case basis.

##### **Money and Pensions Service: Face to Face Debt Advice**

Citizens Advice has contracted with Birmingham CAB to provide debt advice through the Money and Pensions Service. The aim of the project is to provide free, independent, impartial Money Advice to all those who seek our assistance in a safe, non-discriminatory environment. The Money Advice contract is funded until the end of March 2020.

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

The project is currently delivered out of four hospitals; Good Hope, Heartlands, City Road and the Queen Elizabeth. The project provides help and assistance to those people affected by cancer directly or through the illness of a family member in relation to benefits advice. This contract ended at the end of June 2017.

From 01 July 2017, we have a new contract with Macmillan to provide a welfare rights service for people affected by cancer in Birmingham and Solihull who are struggling to cope with the financial impact of the disease. It is a five-day service primarily delivered in acute settings. Referrals to the service are via clinical nurse teams, consultants, multi-disciplinary teams and other health and social care professionals and clients can also self-refer. This funding ends in December 2019.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

### Project Descriptions (cont.)

#### The Henry Smith Charity - Senior Benefits Practitioner/Volunteer Development Officer

In October 2016, our application for a further three years funding from the Henry Smith Charity was successful. The post funded by this stream has been updated to reflect the changing needs of the organisation, with the focus moving beyond welfare benefits alone, to a more holistic approach to clients' needs; and away from specialist support to paid staff to the support of volunteers.

The post holder is now responsible for the recruitment, training and development of volunteers to deliver high quality advice in welfare benefits and related enquiries including employment, housing, financial capability, relationship and immigration.

#### Barrier Busting Deaf/BSL advice project (Big Lottery through Citizens Advice nationally)

A two year project which commenced in October 2015 to recruit and train a Deaf/BSL adviser to deliver advice to Deaf clients for 20 hours per week. Funding for this project ended in September 2017. Citizens Advice (national) have not applied for continuation funding for this work. It is continuing due to its importance for our clients but paid from reserves.

### 22 Analysis of net assets between funds

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>£     |
|--|----------------------------|--------------------------|----------------|
| Fund balances at 31 March 2019 are represented by: |                            |                          |                |
| Tangible fixed assets                              | 7,983                      | -                        | 7,983          |
| Investment property                                | 225,000                    | -                        | 225,000        |
| Net current assets                                 | 739,350                    | 31,375                   | 770,725        |
| Provisions   | (80,000)                   | -                        | (80,000)       |
|  | <u>892,333</u>             | <u>31,375</u>            | <u>923,708</u> |
|  |                            |                          |                |
|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>£     |
| Fund balances at 31 March 2018 are represented by: |                            |                          |                |
| Tangible fixed assets                              | 232,888                    | -                        | 232,888        |
| Net current assets                                 | 773,663                    | 11,989                   | 785,652        |
| Provisions   | (80,000)                   | -                        | (80,000)       |
|  | <u>926,551</u>             | <u>11,989</u>            | <u>938,540</u> |

**BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**23 Commitments under operating leases**

**As lessee:**

As at 31 March 2019, the company had commitments under non-cancellable operating leases as follows:

|                           | Land and buildings |        | Other  |        |
|---------------------------|--------------------|--------|--------|--------|
|                           | 2019               | 2018   | 2019   | 2018   |
|                           | £                  | £      | £      | £      |
| Within one year           | 37,938             | 91,051 | 13,823 | 42,294 |
| Between one and two years | -                  | 15,175 | -      | 13,823 |

**As lessor:**

As at 31 March 2019, the company had commitments owed to it under non-cancellable operating leases as follows:

|                           | Land and buildings |      |
|---------------------------|--------------------|------|
|                           | 2019               | 2018 |
|                           | £                  | £    |
| Within one year           | 13,000             | -    |
| Between one and two years | 8,667              | -    |

**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 2018/19 financial year payments were made to Citizens Advice to the value of £13,976 (2017/18: £16,138) in respect of subscriptions, accountancy support, training services, stationery and sundries. Receipts from Citizens Advice for contracts and grant funding totalled £527,009 (2017/18: £495,172).

Trustee N Warner is an employee of Gateley LLP. During the 2018/19 financial year, a donation was made to us by Gateley LLP of £10,353 (2017/18: £NIL).

Trustee Abisola Latunji-Cockbill is an employee of Mills & Reeve LLP. During the 2018/19 financial year, a donation was received from Mills & Reeve LLP of £1,000 (2017/18: £NIL).

Councillors Gareth Moore and Victoria Quinn are appointed by Birmingham City Council. During the 2018/19 financial year payments were made to Birmingham City Council of £113,429 (2017/18: £125,292) in respect of premises rentals, council taxes and business rates. Receipts from Birmingham City Council for contracts and grant funding in the year totalled £521,352 (2017/18: £473,636). An amount of £50,000 is owed at the year end (2017/18: £50,000) to BCC with regard to the LEAS contract.

# BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

|           |   |                |                 |
|-----------|---|----------------|-----------------|
| <b>25</b> | <b>Reconciliation of cash flows from operating activities</b> | <b>2019</b>    | <b>2018</b>     |
|           |   | <b>£</b>       | <b>£</b>        |
|           | Net income / (expenditure) for the reporting period           | (68,389)       | 6,505           |
|           | Add: Depreciation charge                                      | 53,462         | 55,562          |
|           | Less: Interest income   | (2,417)        | (843)           |
|           | (Increase) / decrease in debtors                              | (33,573)       | (83,030)        |
|           | Increase / (decrease) in creditors and provisions             | 54,328         | (11,180)        |
|           |   | <hr/>          | <hr/>           |
|           | <b>Net cash provided by operating activities</b>              | <b>3,411</b>   | <b>(32,986)</b> |
|           |   | <hr/>          | <hr/>           |
| <b>26</b> | <b>Analysis of cash and cash equivalents</b>                  | <b>2019</b>    | <b>2018</b>     |
|           |   | <b>£</b>       | <b>£</b>        |
|           | Cash at bank and in hand                                      | 815,416        | 809,588         |
|           |   | <hr/>          | <hr/>           |
|           | <b>Total cash and cash equivalents</b>                        | <b>815,416</b> | <b>809,588</b>  |
|           |   | <hr/>          | <hr/>           |

### 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 has 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.

