

**BIRMINGHAM CITIZENS
ADVICE BUREAU SERVICE
LIMITED**

REPORT AND FINANCIAL STATEMENTS

31 March 2008

**Company No. 2202427
Charity No. 519639**

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

TRUSTEES' REPORT

31 March 2008

The trustees who are the directors of the charitable company present their report and the audited financial statements for the year ended 31 March 2008.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number: 519639

Company number: 2202427

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

Trustee Directors: I Churcher (resigned 12 December 2007)
L Clark
S Clarke
S Davies
J Orchard
S J Wolley (resigned 12 December 2007)
K Bibi (resigned 16 July 2007)
J Lambert (appointed 13 February 2008)
R J Lawrence (appointed 13 February 2008)
E Clough (appointed 20 June 2007)
M Brain (appointed 19 September 2007)
P Wagg (appointed 20 June 2007)
R Houlston (appointed 16 January 2008)

Company Secretary: S Clarke

Senior management team: Y Davies
M Felton
T McDonnell
J Farnham
A Limbert

Auditors: Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers: Unity Trust Bank Plc
9 Brindley Place
4 Oozells Square
Birmingham
B1 2HB

Solicitors: Anthony Collins
St Philip's Gate
5 Waterloo Street
Birmingham
B2 5PG

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

TRUSTEES' REPORT

31 March 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was formed as a company limited by guarantee on 3rd December 1987 (Company Number: 2202427). The full name of the charity is Birmingham Citizens Advice Bureau Service Ltd and was registered with the Charity Commission on 15th December 1987 (Charity Number: 519639). It is governed by its Memorandum and Articles of Association.

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 1, the Articles of Association provide for a minimum of six and a maximum of twelve Trustees.

Trustees are elected to the Board for a three year period and are appointed by a resolution of its members at an AGM. The Board has powers to co-opt members who shall retire at the following AGM and may offer themselves for re-election.

Birmingham City Council is entitled to appoint up to two representatives to the Board, either as voting or non-voting members as a condition of the grants provided. In addition, the National Citizens Advice appoints a representative who attends the Board as a non-voting member.

The Trustee Board has two working committees, the Finance Committee with responsibility for Financial Management, Systems and Information Technology and the Personnel Committee with responsibility for Personnel matters and 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 Managers, each with an individual responsibility for different sectors of the city as well as some corporate functions such as finance, personnel and volunteer recruitment.

The organisation is co-ordinated from the District Office in Gazette Buildings, 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 encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

Related parties

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

A representative of Citizens Advice attends bureau meetings in an advisory, control and regularity capacity, during the 2007/08 financial year payments were made to Citizens Advice to the value of £19,347 in respect of subscriptions, training services, stationery and sundries.

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

TRUSTEES' REPORT

31 March 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Factors

The Trustee Board have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to these risks.

Trustees

The trustees who have served during the year can be seen on the Directors and Officers page 1.

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

Birmingham Citizen's Advice Bureau (BCAB) 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.

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 local bureau 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 volunteer 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.
- 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

31 March 2008

ACHIEVEMENTS AND PERFORMANCE

During the year, Birmingham Citizens Advice Bureau (BCAB) provided advice to clients from bureau located in the City Centre, Handsworth, Kingstanding, Northfield and Tyseley. In addition, advice was provided from a wide range of locations including:

- Various Health Units within primary and secondary care locations across Birmingham;
- Mental Health facilities;
- Consumer Advice Centre;
- County Court Welfare Office.

During the 2007/08 BCAB delivered a financial surplus of £173,755 (detailed below), staff and volunteers delivered high quality advice to 103,232 community enquiries and 6,114 health enquiries. BCAB advised clients on debt issues with an accumulated debt of £64,818,523 and continued to provide Legal Aid advice via a number of contracts operated on behalf of the Legal Services Commission.

BCAB achievements during the 2007/08 financial year include;

- Secured new sources of funding including income from Community Justice, Cadbury Trust.
- Managed the transition to the new Legal Services Commission contracts involving significant changes to working practices.
- Improve performance and delivery of services across a range of contracts
- Passed a national Citizen Advice audit.
- Developed a Community Justice Scheme to ensure BCAB assists clients identified through the Court system.
- Increased the average number of volunteers within the service
- Extended Opening Hours for the service to improve access to advice for clients.
- Installed a new Finance System.
- Consolidated the service delivery out of fewer locations.
- Produced an updated Business Development Plan covering the 2007-2012 years.
- Reviewed and updated a number of policies within the organisation including staff supervision, staff appraisal, child protection and financial reserves.
- Improved social policy pursuit on a local and national level.

The Trustee Board recognises the hard work and dedication of volunteers, staff and the management team which has helped deliver these achievements. In particular, the charity is grateful for the efforts of its volunteers who are an essential part of service delivery. It is estimated that over 58,240 volunteer hours were provided during the year covering a range of work including administration, social policy work, giving advice and Trustees work.

In summary, the focus of organisation this year has been to improve access to the service and improve the quality of advice to clients whilst maintaining a robust financial performance.

REVIEW OF FINANCIAL POSITION

During the 2007/08 financial year BCAB delivered a financial surplus of £173,755, this follows a surplus of £93,187 in the 2006/07. This surplus shows the organisation continues its financial recovery following the £132,507 deficit realised in 2005/06. Income increased by 10% to £2,459,553 compared to £2,175,611 (2006/07) whilst over the same period expenditure increased from £2,285,798 (2007/08) from £2,082,424 (2006/07).

Capital expenditure on fixed assets during the year amounted to £nil. Fixed assets are used for charitable purposes and enable staff and volunteers to provide an optimum service to the public.

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

TRUSTEES' REPORT

31 March 2008

REVIEW OF FINANCIAL POSITION (continued)

Restrictions and Investment Powers

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

Reserves Policy

In 2007/08 the Trustee Board reviewed and updated its reserves policy to ensure its compliance with National Citizens Advice requirements and Charity Commission best practice. This requires reserves to be available to cover future contingencies and liabilities should the organisation cease to exist. The Reserve Policy requires three months expenditure to be held in unrestricted funds, this would equate to approximately £600,000 at current expenditure levels. The actual unrestricted reserves at 31st March 2008 was £276,956, up from £185,164 at 31st March 2007, this includes designated funds of £27,947. Despite this improvement, the undesignated, unrestricted funds include tangible fixed assets which could not be realised in the usual course of operations, therefore the charity still has some way to go to achieve the objectives of its approved policy.

Asset cover for funds

Note 14 sets out an analysis of the assets attributable to the various funds and Note 13 sets out a description of the restricted funds.

FUTURE PLANS

These targets summarise some of the challenges BCAB face in the next year and beyond. The Trustee Board needs to be particularly vigilant over service performance to ensure that any claw backs from any under performance are minimised, other challenges the service faces include continuing to work to deliver the requirements of the new LSC contract. The Trustee Board need to ensure that annual funding contracts are renewed for the new financial year, many contracts are reviewed on an annual basis, the absence of long term funding agreements makes it difficult for BCAB to make long term financial plans. In particular BCAB needs to find ways to maintain and improve service delivery at a time when demands for the charities service are increasing due to the worsening conditions in the economy

The Trustee Board is aware of the changing nature of contracting for some advice services including the trend towards awarding larger contracts, and is seeking to work more closely with other West Midlands CABs in future to address these challenges.

- Implementing a "fast track" for Volunteer recruitment and training.
- Continuing to attract new sources of funding to diversify and expand the funding base.
- Raising the profile of BCAB with clients, funders and third parties.
- Relaunch the Telephone Advice System.
- Examine ways of improvement the recruitment and retention of staff.
- Consolidate existing funding streams via longer agreements and contracts with funders.
- Improve the bureau environment and premises for staff and clients.
- Invest in staff training.
- Increase financial reserves in line with organisation policy.

The 2008/09 Annual Budget has been set to continue to deliver a financial surplus, this will enable the organisation to continue to rebuild its financial reserves and ensure time and energy can be focused on improvement of the service for clients in Birmingham.

**BIRMINGHAM CITIZENS ADVICE BUREAU
SERVICE LIMITED
TRUSTEES' REPORT
31 March 2008**

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.

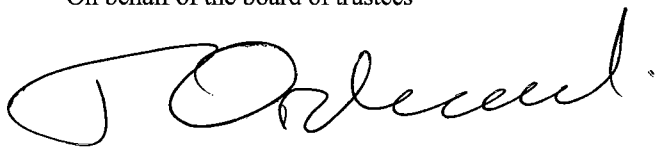
Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

OTHER

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

On behalf of the board of trustees



J Orchard
Chair

16 July 2008

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

31 March 2008

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;
- 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 1985. 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.

**BIRMINGHAM CITIZENS ADVICE BUREAU
SERVICE LIMITED
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
BIRMINGHAM CITIZENS ADVICE BUREAU LIMITED**

We have audited the financial statements on page 9 to 21.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Birmingham Citizens Advice Bureau Service Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Trustees'/Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees'/Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

4 August 2008

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES Including income and expenditure account For the year ended 31 March 2008

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2008 £ | Total 2007 £ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income: | | | | | |
| - Donations | 1 | 999 | - | 999 | 8,290 |
| Activities for generating funds | | | | | |
| - Investment income | 2 | 4,549 | - | 4,549 | 4,771 |
| Incoming resources from charitable activities: | | | | | |
| - Grants and contracts | 3 | 538,167 | 1,915,838 | 2,454,005 | 2,162,550 |
| Total incoming resources | | <u>543,715</u> | <u>1,915,838</u> | <u>2,459,553</u> | <u>2,175,611</u> |
| Resources expended | | | | | |
| Cost of generating funds | | | | | |
| Costs of generating voluntary income | | 539 | - | 539 | 40,567 |
| Charitable activities | | 442,850 | 1,835,252 | 2,278,102 | 2,008,085 |
| Governance costs | | 1,742 | 5,415 | 7,157 | 33,772 |
| Total resources expended | 4 | <u>445,131</u> | <u>1,840,667</u> | <u>2,285,798</u> | <u>2,082,424</u> |
| Net incoming resources before transfers | | 98,584 | 75,171 | 173,755 | 93,187 |
| Transfers between funds | 12 | (6,792) | 6,792 | - | - |
| Net movement in funds | | 91,792 | 81,963 | 173,755 | 93,187 |
| Reconciliation of funds | | | | | |
| Fund balances brought forward at 1 April 2007 | | 185,164 | 66,621 | 251,785 | 158,598 |
| Fund balances carried forward at 31 March 2008 | | <u>276,956</u> | <u>148,584</u> | <u>425,540</u> | <u>251,785</u> |

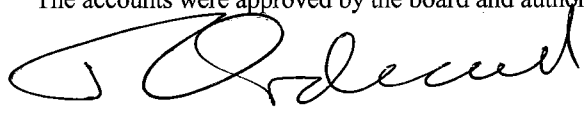
The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

BIRMINGHAM CITIZENS ADVICE BUREAU
SERVICE LIMITED
BALANCE SHEET
At 31 March 2008

| | Note | 2008 | | 2007 | |
|--|------|----------------|----------------|---------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 291,440 | | 326,961 |
| Current assets | | | | | |
| Debtors | 9 | 53,946 | | 88,842 | |
| Cash at bank and in hand | | 304,838 | | 11,111 | |
| | | <u>358,784</u> | | <u>99,953</u> | |
| Creditors: amounts falling due within one year | 10 | (137,783) | | (76,174) | |
| Net current assets | | | <u>221,001</u> | | <u>23,779</u> |
| Total assets less current liabilities | | | <u>512,441</u> | | <u>350,740</u> |
| Creditors: amounts falling due after more than one year | 11 | | (86,901) | | (98,955) |
| Net assets | | | <u>425,540</u> | | <u>251,785</u> |
| Income funds | | | | | |
| Restricted funds | 12 | | 148,584 | | 66,621 |
| Unrestricted funds | | | | | |
| - designated | 13 | | 27,947 | | 64,590 |
| - other charitable funds | | | 249,009 | | 120,574 |
| | | | <u>425,540</u> | | <u>251,785</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The accounts were approved by the board and authorised for issue on 16 July 2008 and signed on its behalf by.



J Orchard
Chair

