

BIRMINGHAM MONEY ADVICE AND GRANTS

(Registered charity number: 1087514)
(Company registration number: 4173542)

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 2006

Langard Lifford Hall Limited
Accountants and Registered Auditors
Lifford Hall Lifford Lane
Kings Norton
Birmingham
B30 3JN

BIRMINGHAM MONEY ADVICE AND GRANTS

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31 MARCH 2006

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The following page does not form part of the statutory accounts

Detailed income and expenditure account	Appendix 1
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BIRMINGHAM MONEY ADVICE AND GRANTS

COMPANY INFORMATION

31 MARCH 2006

NUMBER	4173542
TRUSTEES	Keith Rawlings Derek C Bennett Anthony W Brick Kathy Kirlew Rev Neil W Johnson Clare Barton Douglas G Readings – appointed 05/09/2005 Richard Graves – appointed 03/07/2006
REGISTERED OFFICE	Dolphin House 54 Coventry Road Small Heath Birmingham B10 0RX
AUDITORS	Langard Lifford Hall Limited Accountants and Registered Auditors Lifford Hall Lifford Lane Kings Norton Birmingham B30 3JN
SOLICITOR	Sarah Hayes Somerville House 20-22 Harborne Road Edgbaston Birmingham B15 3AA
BANKERS	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
CHARITY NUMBER	1087514

BIRMINGHAM MONEY ADVICE AND GRANTS

CHAIRMAN'S STATEMENT

31 MARCH 2006

This is my fifth and final report as Chair of B-MAG. I have felt for some time that new blood was needed and I am pleased to be passing the baton to Richard Graves who is active both in business and voluntary organisations and is well connected in Birmingham. B-MAG is already benefiting from his involvement and I am sure that he will help B-MAG to expand its services for the benefit of all its client groups.

In the five years since independence B-MAG has increased its reserves from £30,000 to £125,000 and whilst this a big improvement, it only covers operating costs for three months, and as most of our funding is on an annual basis and frequently only confirmed at the last moment, B-MAG must strive to increase reserves further.

Although B-MAG has achieved much in five years, moving to new offices, installing a modern IT system, assisting two members of staff to qualify as solicitors with two more nearly there and surviving the abrupt ending of core funding by the City. The initiative of which I am most pleased is being the prime mover in setting up and running the Asylum Seekers Destitution Fund. ASDF has raised more than £180,000 since its establishment as a special trust of B-Mag in May 2003 and helped more than 895 individuals. B-MAG is, of course only scratching the surface, but it is giving a little help to some desperate people and for a short while making life a little easier. Asylum seekers are victims of the Government's wish to pander to the prejudices that are inflamed by certain elements of our press that make it very difficult to have a reasonable debate about the problem. I was shocked to read that our Home Secretary had "circumvented High Court injunctions preventing the deportation of five Iraqi asylum seekers by replacing them with five other asylum seekers".

B-MAG has recently approached other voluntary organisations in the City with a view to working more closely together. The discussions are at a very early stage but the initial responses have been very receptive. Most of the voluntary advice sector is under financial pressure and joint working may help.

I have had much pleasure from my term as Chair principally because of the work that B-MAG is doing and being involved with staff and Trustees who are motivated by something other than personal gain. I must say a big thank you to both staff and Trustees for all their efforts in providing the first class service that B-MAG strives to offer.

This is not farewell as I have been asked to take the position of Treasurer and I am very pleased to continue my involvement with B-MAG.



Derek C Bennett
2 October 2006

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT

31 MARCH 2006

The Trustees, who are also Directors of the charity for the purpose of the Companies Act, present their report and the audited financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company, which is a registered charity, charity number 1087514, is the raising and distribution of charitable grants to individuals and providing social work, legal advice and advocacy. It also provides training to others in those same areas. The charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association. The Trustees meet regularly to manage the charity's affairs.

OBJECTIVES AND ACTIVITIES

The full name of the charity is Birmingham Money Advice and Grants, which is abbreviated to B-MAG.

B-MAG charitable purposes are:

- (a) The relief of poverty by the provision of welfare and legal advice services and advocacy;
- (b) The advancement of education by the training of others in the giving of debt, welfare and other related advice.
- (c) Such other charitable purposes as may from time to time be determined.

B-MAG is a free, independent, confidential and impartial advice agency. It is a member of Advice UK, a network of independent advice centres. It provides legal and social work services to individuals and communities in financial hardship. This is done by:

- (1) Obtaining charitable grants from charities and trusts on behalf of families in need.
- (2) Community care advice.
- (3) Welfare benefits and debt advice.
- (4) Administration of the B-MAG Asylum Seekers Destitution Fund registered by a deed of trust with the Charity Commission.
- (5) Provision of training in welfare advice services.
- (6) Developing new areas of advice services that benefit the poor, vulnerable and destitute.

It provides a service across the region of the West Midlands and specifically in the City of Birmingham and continues to provide training in welfare, debt, community care and charity law.

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

B-MAG relieves poverty by providing assistance to individual clients and households. This increases clients' incomes, facilitates clients' potential for increasing income by joining the labour market and assists clients with managing personal debt difficulties.

In cases of destitute asylum seekers and clients unable to access from any statutory welfare provision, funds are raised from internal trusts or by making applications to other charitable trusts. These grants are then provided to individuals to alleviate assessed need.

The charity works:

- To provide a social work and legal advice service to individuals and communities in financial need.
- To deliver four principal areas of anti-poverty services, which are:
 - grants from charities and trusts to families and individuals in need;
 - debt advice in connection with personal debt;
 - welfare benefits to provide a service of expert advice in welfare benefits law;
 - community care to provide social work and legal input into the provision of health and social care services.

The charity aims to achieve its objectives by:

1. Increasing the range of B-MAG legal advice categories.
2. Developing B-MAG staff to create an increasingly lawyer-led advice service.
3. Ensuring the continuing good governance and secure financial base for the charity's principal activities.
4. Obtaining grants from charities and trusts on behalf of families in need.
5. Providing specialist-level debt advice, sometimes called money advice. A licence from the Office of Fair Trading is held to offer this service. Assisting clients with negotiating with their creditors and providing court representation if necessary.
6. Being a specialist-legal provider of welfare benefits advice. Offering advice and assistance, with all welfare benefit problems, however simple or complex. Providing, in appropriate cases, legal representation to bring cases before the Social Security Commissioners, High Court or the Court of Appeal.
7. Being a specialist-level provider of community care advice. This area of advice work is about services provided by the NHS and Social Services departments. The charity provides a range of services to users of home help, services with children, destitute asylum-seekers, vulnerable adults, hospital discharge, disability assessments of need etc. In cases where appropriate, it provides help in court cases for clients to obtain their legal entitlements.

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

THE B-MAG CHARITABLE GRANT-MAKING POLICIES:

The trustees have established and approved B-MAG's grant-making policies. The potential beneficiaries of B-MAG's charitable grants-making activities are effectively the poor of Birmingham.

A B-MAG caseworker receiving a referral for a charitable grant is expected in the first instance to explore statutory alternatives. The caseworker explains to clients the reason for doing so. Charity law requires that statutory alternatives are considered. The caseworker establishes a need for the item requested.

- The caseworker assesses the financial circumstances of the client to establish financial hardship.
- The caseworker assists the client in securing a charitable grant from the options available, which are a grant (a) from an external charitable trust, (b) from B-MAG internal special and trust funds, (c) from block funding provided by an external charitable trust fund administered by B-MAG on behalf of the original trust.
- The B-MAG charitable grants service provides details to those funders requesting such a service to be provided to their client groups. The caseworker then refers the matter to the B-MAG grants committee for a decision. The decision of the B-MAG's grants committee is then communicated to the client.

ACHIEVEMENTS AND PERFORMANCE

A major achievement of B-MAG's community legal advice services over the year has been the steady expansion geographically of its services. The community care service has been extended as a sub-regional service providing legal advice to the vulnerable, poor and destitute in Birmingham, Sandwell, Dudley, Walsall and Wolverhampton. The community care team has made local links with referral agencies. These links have been developed alongside the emerging links with organisations that support refugees and asylum seekers. This has helped B-MAG to meet its anti-poverty objective of reaching out to assist the poorest communities.

B-MAG advice points can now be found across Birmingham in Sparkbrook at the Bangladesh Centre, Welsh House Farm in Quinton, Bartley Green and Druids Heath. The Chief Executive has continued to seek new funding sources and it is anticipated that in the next year the geographic reach of B-MAG advice points in the City of Birmingham will be increased further.

B-MAG continues to be a specialist contract provider of the Legal Help Scheme. One disappointment in the year was the failure to deliver fully the solicitor-level contracts with the Legal Services Commission. B-MAG delivered 92% of the total contracts. The reasons for this were various. Extensive extra leave was taken as paternity and maternity leave. Another factor was the investment B-MAG made to meeting other objectives such as solicitor training. These objectives of internal staff development did

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

divert from the main aim of meeting Legal Services Commission contract targets during the year.

B-MAG is able to report a success in meeting other targets of B-MAG funders. These include the National Probation Service and the Bangladeshi Legal Information Resource Project funded by the Big Lottery Fund. Likewise, other sources of funding, involving service-level agreements, were all delivered satisfactorily.

The trustees record their thanks to the B-MAG caseworkers for their tremendous efforts throughout the year.

The trustees of B-MAG continue to support the strategic development of the caseworker services. The South West Advice Project (funded by Sure Start South West Birmingham, SRB5 and Harborne Parish Lands Charitable Trust) continues to meet its targets for the year. It is the final year of SRB5 funding and for the project to continue to provide advice in Quinton and Bartley Green replacement for SRB5 funding is sought.

ASYLUM SEEKERS DESTITUTION FUND

B-MAG's Asylum Seekers Destitution Fund was established in 2003 to assist asylum seekers in and around Birmingham who are destitute and homeless, usually because their support and accommodation from the National Asylum Support Service (NASS) have been terminated.

Grants from the Fund continue to be made by a panel currently made up of representatives from: -

- B-MAG
- ASIRT (Asylum Support and Immigration Resource Team)
- British Red Cross (West Midlands)
- Refugee Council
- Restore (Birmingham Churches Supporting Asylum Seekers and Refugees)
- ARROW (Action for Relief of Refugees from Overseas in Wolverhampton)

all of which are also represented on the Fund's Steering Group.

Up to 23 August 2006 a total of £150,174 had been raised for disbursement to destitute asylum seekers from individuals, faith groups, grant-making trusts, collections and benefits and from B-MAG's own charitable funds.

None of this money has been used for administrative costs, which have been covered by B-MAG from its general funds assisted by financial contributions from Birmingham Asian Resource Centre, the Midland Refugee Council (now sadly defunct), the Refugee Council and Birmingham City Council's Asylum Team. All of the fundraising for the Fund has been carried out by volunteers.

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

Since commencement of making grants in July 2003, £135,316 has been disbursed to destitute clients.

The Fund is still not able to help with accommodation costs – though most destitute asylum seekers are also homeless and are generally excluded from statutory provision for the homeless. However, B-MAG is now working with its partner-organisations to provide some emergency accommodation in Birmingham for homeless and vulnerable female asylum-seekers.

VOLUNTEERS AND STUDENTS

The charity continues to receive assistance from volunteers and student placements.

Volunteers provide the charity with flexibility to deliver services direct to specific client groups. The trustees record their gratitude to all volunteers who have assisted B-MAG in its work.

Student placements from both social work and law are able to gain valuable experience at B-MAG. For some student placements in both social work and law some influence over their professional career to provide not-for-profit professional services as they have observed during their time at B-MAG. The trustees record their thanks to the University of Central England and the University of Birmingham who respectively provide student placements to B-MAG.

The local schools and communities with whom B-MAG works also provides short-term work experience placements. The trustees welcome the links with local schools established in this way.

FINANCIAL REVIEW

- (1) The trustees are mindful that they manage considerable investments for the charity. The trustees have now appointed investment brokers and a subcommittee of the trustees will make investment decisions. The subcommittee will be led by the treasurer of the trustee body. The main objective is to ensure a steady return on investments in real terms. To date the level of income from trust funds investment has significantly exceeded what is available in a simple interest-bearing bank account.
- (2) The trustees continue to support and monitor the maintenance of reserves. Stated reserves policy remains that the trustees would aim to hold up to six months' operating costs. This has been met.

The final audited accounts for the year show a small deficit of £22,607. The trustees are mindful that such a deficit should be managed appropriately. The future management accounts and forecasts will look at reducing administration costs towards a balanced budget.

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

PLANS FOR THE FUTURE

The trustees are aware that the Legal Services Commission, which funds our solicitor-level services, is currently planning a major upheaval of its funding strategy. This will impact on the charity. Specifically, the Legal Services Commission aims to change how B-MAG and other advice agencies are funded.

The trustees will aim to ensure that B-MAG can meet the new funding arrangement from the Legal Services Commission, and in particular to prepare B-MAG services in readiness for the operation of Community Legal Advice Centres (CLAC). The trustees are mindful that such preparation will necessarily include increased partnership and collaboration with other charities similar to B-MAG. In the next year trustees will advance plans for closer working with the aim of meeting the requirements of a CLAC.

The trustees are committed to the development of B-MAG as a specialist provider of legal services across the West Midlands and that B-MAG should be an employer of solicitors working in the not-for-profit sector. The trustees recognise that the employment of professionally qualified staff will impact on the resource and funding requirements of the charity. The trustees will in the next year examine the basis for ensuring that financial resources are in place to employ solicitors.

The trustees are mindful that B-MAG as a charity needs to ensure its funding structure is sound, the objective being to avoid dependency on a single large funder. To this end the trustees will aim to increase funding from sources other than the Legal Services Commission where possible. The trustees will explore income-generating activities such as training and development services. The trustees will consider how income from investment strategies can be properly deployed to aid the continuing development of B-MAG's services.

The trustees will develop a five-year strategic plan, known as the B-MAG work plan. The plan will cover the period 2006–2011. The plan will identify the strategic objectives of the charity over the next five years. The plan will be adopted during the coming year.

FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS

The charity does receive funds from other charitable trusts to distribute to specific beneficiaries. These funds are reported in the accounts as part of the B-MAG special and trust funds disclosed with the "Grant Making Restricted Funds". The trustees of B-MAG meet their responsibility to originating external trusts by providing reports as requested by the originating trusts.

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

FUNDING SOURCES

A major risk to the charity is that almost all of its funding comes from public funding streams. A large amount of funding is dependent on Government policy in respect to the funding of advice work and related activities. The specific sources of funding are identified in the B-MAG audited accounts. Main funders include the Legal Services Commission, the Probation Service, individual donors, trust funds, housing associations and national programs such as Supporting People and Sure Start. The main risk to B-MAG is that any of these service-level agreements with a range of public and arms-length public organisations can come to an end abruptly. This may happen at the change of public policy or due to public finance restrictions. The trustees are aware of B-MAG's historic dependency on such funds and continue to explore new funding processes.

1. The trustees are identifying a variety of funding sources
2. The trustees seek to identify where possible funding available from non-government and specifically corporate sources
3. The trustees seek through their investment strategy to increase income from sources that may in turn provide greater flexibility for developing income through service delivery
4. The trustees seek to ensure that B-MAG has adequate reserves to sustain any funding termination in the short to medium term. This allows B-MAG to move away from any short-term loss of income and plan changes as needed in the interests of the beneficiaries of the charity

TRUSTEES

The Trustees/Directors of the charity who served during the year were: -

K Rawlings
D C Bennett
A W Brick
K Kirlew
Rev N W Johnson
D Readings – appointed 05/09/2005
R Graves – appointed 03/07/2006

The Management Committee has the power to appoint additional Directors and Trustees. The following also served as a Trustee by participation in the Management Committee: -

C Barton

BIRMINGHAM MONEY ADVICE AND GRANTS

TRUSTEES' REPORT (continued)

31 MARCH 2006

COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the Trustees. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member.

AUDITORS

Langard Lifford Hall Limited have agreed to offer themselves for re-appointment as auditors of the company.

SMALL COMPANY PROVISION

This report has been prepared in accordance with the special provision for small companies under Part VII of the Companies Act 1985.

Dolphin House
54 Coventry Road
Small Heath
Birmingham
B10 ORX

On behalf of the Board

Allan Norman

Allan P Norman
Secretary

2 October 2006

BIRMINGHAM MONEY ADVICE AND GRANTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

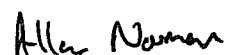
31 MARCH 2006

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Allan P Norman
Secretary

2 October 2006

BIRMINGHAM MONEY ADVICE AND GRANTS

AUDITORS' REPORT

31 MARCH 2006

**Independent Auditors' report to the members of
Birmingham Money Advice and Grants**

We have audited the financial statements on pages 13 to 21 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 15.

Respective responsibilities of Trustees and auditors

As described on page 11, the charity's Trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed. We read the Trustees' Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2006 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Langard Lifford Hall Limited

**Langard Lifford Hall Limited
Accountants and Registered Auditors
Lifford Hall, Lifford Lane, Kings Norton
Birmingham, B30 3JN**

2 October 2006

BIRMINGHAM MONEY ADVICE AND GRANTS

STATEMENT OF FINANCIAL ACTIVITY

YEAR ENDED 31 MARCH 2006

INCOMING RESOURCES

		Operational	Grant		
	Note	Unrestricted	Restricted	Making	Total
		Funds	Funds	Restricted	Funds
		£	£	Funds	2006
				£	2005
				£	£
Incoming resources from generated funds:					
Investment income		7,600	-	6,318	13,918
					6,226
Incoming resources from charitable activities:					
Operational grants	3	302,385	165,474	-	467,859
Grant making grants		-	-	111,176	111,176
Exceptional one-off grants					67,824
Birmingham City Council		-	-	-	-
Other incoming resources		2,257	-	-	60,000
					2,257
					7,060
Total incoming resources		312,242	165,474	117,494	595,210
					621,075

RESOURCES EXPENDED

Direct charitable expenditure					
Operational costs	4	257,235	167,143	-	424,378
Donations & Grants		-	-	125,350	125,350
Governance costs	5	68,039	-	50	68,089
					58,726
Total resources expended		325,274	167,143	125,400	617,817
					539,252
Net surplus / (deficit) in funds		(13,032)	(1,669)	(7,906)	(22,607)
Re-allocation of funds		(1,669)	1,669	-	-
Transfer of restricted funds		-	-	-	39,985
Transfer from BVSC		-	-	-	232,810
Funds at 1 April 2005		140,294	-	260,860	401,154
					46,536
Funds at 31 March 2006		125,593	-	252,954	378,547
					401,154

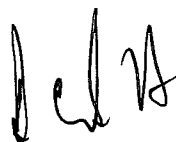
BIRMINGHAM MONEY ADVICE AND GRANTS

BALANCE SHEET AS AT 31 MARCH 2006

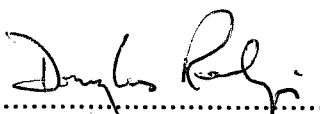
		2006		2005	
		£	£	£	£
<u>FIXED ASSETS</u>	Note				
Tangible assets	8		5,378		25,446
Investments	9		67,246		67,246
			<u>72,624</u>		<u>92,692</u>
<u>CURRENT ASSETS</u>					
Debtors	10	67,204		62,917	
Cash at bank and in hand		327,807		310,677	
			<u>395,011</u>		<u>373,594</u>
Creditors: amounts falling due within one year	11	(89,088)		(64,732)	
			<u>305,923</u>		<u>308,862</u>
Deferred capital grant			378,547		401,554
			-		400
Total assets less current liabilities			<u><u>378,547</u></u>		<u><u>401,154</u></u>
<u>RESERVES</u>					
The funds of the charity:					
Restricted funds: held for the purpose of making grants	13		252,954		260,860
Funds available for the general use of the Trustees:					
Unrestricted income funds					
General funds			125,593		140,294
			<u>378,547</u>		<u>401,154</u>
Total funds			<u><u>378,547</u></u>		<u><u>401,154</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and with the Financial Reporting Standards for Smaller Entities (effective January 2005).

The financial statements on page 13 to 20 were approved by the Board of Trustees on 2 October 2006 and signed on its behalf by:



.....
Derek Bennett
Chair



.....
Douglas Readings
Director

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" of 2005 and applicable accounting standards.

The company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The company has taken advantage of the exemption from preparing a cash flow statement on the grounds that it qualifies as a small company under the Companies Act 1985.

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 charity and which have not been designated for other purposes.

Restricted funds are restricted to the use that the monies were received for.

Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amounts can be quantified with reasonable accuracy.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computers and equipment	50% p.a. straight line basis
Fixtures and fittings	20% p.a. straight line basis

Pension

The company operates a defined personal pension scheme for the benefit any of its staff who wish to join. The assets of the scheme are administered and held independently from that of the company. Costs are charged to the SOFA when they become payable.

Investment

Investments are included in the accounts at cost (or transfer value) increases / decreases in the value of the investments are not taken into account until they are sold.

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

2	<u>(DEFICIT) / SURPLUS IN FUNDS</u>	2006	2005
		£	£
	(Deficit) / surplus in funds is stated after charging:		
	Depreciation – owned assets	20,068	19,164
	Deferred capital grant	(400)	(400)
	Auditors' remuneration	2,400	2,450
		<u>20,068</u>	<u>19,164</u>

3 **INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

<u>Operation Grants</u>	Unrestricted	Operational Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	2006	2005
			£	£
Birmingham City Council	27,268	-	27,268	60,049
West Midlands Probation Board	-	53,668	53,668	52,257
Maxi Project	-	25,000	25,000	25,708
Community Fund	-	60,165	60,165	57,442
Legal Services Commission	187,344	-	187,344	163,403
Legal Services Commission – Solicitors' training	-	15,450	15,450	25,650
Training & Development	-	11,191	11,191	-
Severn Trent	26,664	-	26,664	33,330
Supporting People	29,539	-	29,539	31,810
SWAP	19,761	-	19,761	9,593
Other income	11,809	-	11,809	20,723
	<u>302,385</u>	<u>165,474</u>	<u>467,859</u>	<u>479,965</u>

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

4 DIRECT CHARITABLE EXPENDITURE

<u>Operational Costs</u>	Operational		Grant	Total 2006	Total 2005
	Unrestricted Funds	Restricted Funds	Restricted Funds		
	£	£	£	£	£
Telephone, fax and internet	447	2,531	-	2,978	5,164
Stationery and office expenses	5,332	4,362	-	9,694	11,583
Postage	2,076	2,076	-	4,152	4,238
VAT recovered	(3,142)	-	-	(3,142)	(5,516)
Travel expenses	-	2,332	-	2,332	1,058
Sundry expenses	2,074	-	-	2,074	1,862
Auditors' remuneration	600	600	-	1,200	1,225
Professional charges	-	1,979	-	1,979	3,253
Salaries	205,479	124,815	-	330,294	304,387
Social security	20,657	10,863	-	31,520	28,809
Pensions	9,281	4,472	-	13,753	11,933
Rent and rates	7,076	5,789	-	12,865	24,948
Depreciation	5,388	5,388	-	10,776	4,272
Deferred capital grant	(400)	-	-	(400)	(400)
Repairs and renewals	547	447	-	994	149
Computer costs	1,820	1,489	-	3,309	1,738
	<u>257,235</u>	<u>167,143</u>	<u>-</u>	<u>424,378</u>	<u>398,703</u>

5 GOVERNANCE COSTS

	Operational		Grant	Total 2006	Total 2005
	Unrestricted Funds	Restricted Funds	Restricted Funds		
	£	£	£	£	£
Insurance	6,421	-	-	6,421	6,159
Subscriptions	4,484	-	-	4,484	2,841
Training staff and journals	4,575	-	-	4,575	7,432
Auditors' remuneration	1,200	-	-	1,200	1,225
Professional charges	4,230	-	-	4,230	3,005
Salaries	16,992	-	-	16,992	16,770
Social security	1,611	-	-	1,611	1,782
Pensions	656	-	-	656	1,406
Employee settlements	18,521	-	-	18,521	2,336
Advertising	-	-	-	-	881
Depreciation	9,292	-	-	9,292	14,892
Bank charges	54	-	50	104	142
Interest on overdue tax	3	-	-	3	(145)
	<u>68,039</u>	<u>-</u>	<u>50</u>	<u>68,089</u>	<u>58,726</u>

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

6 TRUSTEES

The Trustees have received no remuneration during the year.

7 <u>STAFF COSTS</u>	2006	2005
	£	£
The aggregate payroll costs were: -		
Salaries	347,286	321,157
Social security costs	33,131	30,591
Pension costs	14,409	13,339
	<u>394,826</u>	<u>365,087</u>

The average number of staff employed was 18 (2005 : 18) equivalent full time positions. No employee received emoluments in excess of £50,000.

8 TANGIBLE FIXED ASSETS

Cost	Computers £	Fixtures and Fittings £	Total £
At 1 April 2005 and 31 March 2006	39,413	9,220	48,633
Depreciation			
At 1 April 2005	21,189	1,998	23,187
Charge for the year	18,224	1,844	20,068
31 March 2006	<u>39,413</u>	<u>3,842</u>	<u>43,255</u>
Net book amount			
31 March 2006	<u>-</u>	<u>5,378</u>	<u>5,378</u>
31 March 2005	<u>18,224</u>	<u>7,222</u>	<u>25,446</u>

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

9 INVESTMENT

Investments consist of UK quoted listed investments. These were received from Birmingham Voluntary Services Council (BVSC) during the year ended 31 March 2005 who had been holding funds on behalf of B-Mag. These funds are for the making of grants, at the discretion of the Trustees to the poor, needy or destitute.

Investments are included at their transfer value of £67,246.

The current market value of the investments amounts to £92,804 (2005 - £67,246).

10 DEBTORS

	2006	2005
	£	£
Amounts falling due within one year:		
Trade debtors	6,250	7,855
Prepayments and accrued interest	9,411	3,519
Amounts due from BVSC	51,543	51,543
	<hr/>	<hr/>
	67,204	62,917
	<hr/> <hr/>	<hr/> <hr/>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	2,646	11,768
Solicitors' account balance	6,777	1,295
Social security and other taxes	17,998	15,204
Deferred income	55,267	17,062
Accruals	6,400	19,403
	<hr/>	<hr/>
	89,088	64,732
	<hr/> <hr/>	<hr/> <hr/>

The deferred income represents the unexpired period of three grants at the year end. LSC Outreach Advice Pilots £30,250, Community Fund £10,556 and Supporting People £2,461. There is a provision of £12,000 which represent the Income Clawback of the Legal Services Commission for not obtaining the necessary service level agreement.

BIRMINGHAM MONEY ADVICE AND GRANTS

NOTES ON FINANCIAL STATEMENTS

31 MARCH 2006

12 GIFTS IN KIND

The financial statements do not include the value of gifts received in kind. The charity relies upon help from numerous volunteers without which the charity would be unable to operate. The contribution from these volunteers cannot be readily quantified, but the Trustees would like to thank everyone for their contribution.

13 ANALYSIS OF RESTRICTED FUNDS

	£
Held for the purpose of making grants:	
B-Mag Trustee Fund for relief of poverty	196,951
Asylum Seekers Destitution Fund	
- Bank	13,533
- Cash	1,325
Funds from third party sources	41,145
	<hr/>
	252,954
	<hr/> <hr/>

REPRESENTED BY:

	£
Cash at bank and in hand	134,165
Investments	67,246
Debtors	51,543
	<hr/>
	252,954
	<hr/> <hr/>

14 RISK

The Trustees recognise that when operations began in November 2001, the charity had no reserves. The Trustees now operate a reserves policy aimed at meeting the Statement of Recommended Practice for charities. The results for the year show the importance of that policy and steps are being taken to ensure funding is obtained to meet the ongoing commitments of the charity. In the strategic development plan for the charity, the strengths, weaknesses, opportunities and threats are monitored on a regular basis and reviewed annually.

BMAG ASYLUM SEEKERS DESTITUTION FUND

FOR THE YEAR ENDED 31 MARCH 2006

BMAG Asylum Seekers Destitution Fund is a subsidiary charity of Birmingham Money and Grants.

It is governed by a Declaration of Trust dated 6 May 2003 as amended by a directive made 21 November 2003.

The objectives of the fund are to provide assistance in cash and/or in kind towards meeting the needs of destitute people who have made a claim for asylum in the United Kingdom under the 1951 Geneva Convention.

The funds are included in restricted funds, details in Note 13 of the main charity accounts. Bank and cash balances of a similar amount are included in the cash at bank and in hand as stated at the main charity's balance sheet.

STATEMENT OF FINANCIAL ACTIVITY

FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
<u>INCOMING RESOURCES</u>		
Grants and donations	70,740	38,649
<u>RESOURCES EXPENDED</u>		
Grants paid out	57,690	43,135
Net incoming resources	13,050	(4,486)
Funds at 1 April 2005	1,808	6,294
Funds at 31 March 2006	14,858	1,808

BIRMINGHAM MONEY ADVICE AND GRANTS**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2006**

	2006	2005
	£	£
Income		
Birmingham City Council	27,268	120,049
West Midlands Probation Board	53,668	52,257
Maxi Project	25,000	25,708
Community Fund	60,165	57,442
SWAP	19,761	9,593
Legal Services Commission	187,344	163,403
Legal Services Commission – Solicitors' Training	15,450	25,650
Training and Development	11,191	-
Severn Trent	26,664	33,330
Supporting People	29,539	31,810
Other Income	11,809	20,723
Transfer re Special Trusts	2,257	7,060
Bank Interest	12,312	5,805
Donations and Grants	111,176	67,824
Dividends	1,606	421
	<hr/>	<hr/>
	595,210	621,075
Less Overheads		
Donations and grants given	118,761	81,823
Salaries	347,286	321,157
Social security	33,131	30,591
Pension contributions	14,409	13,339
Employee settlements	18,521	2,336
Travelling expenses	2,332	1,058
Staff training	4,575	7,432
Rent and rates	12,865	24,948
Insurance	6,421	6,159
Subscriptions	4,484	2,841
Telephone charges	2,978	5,164
Printing, postage and stationery	13,846	15,821
Advertising	-	881
Repairs, maintenance and refurbishment costs	994	149
Computer costs	3,309	1,738
Sundry expenses	2,074	1,862
Bank charges	104	142
Legal and professional fees	12,798	6,258
Auditors' remuneration	2,400	2,450
Depreciation	20,068	19,164
Value Added Tax recovered	(3,142)	(5,516)
Deferred capital grant	(400)	(400)
Interest on overdue tax	3	(145)
	<hr/>	<hr/>
	617,817	539,252
Net (deficit) / surplus for the year	<hr/> <hr/>	<hr/> <hr/>
	(22,607)	81,823