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Company Number. 4428382

**BIRMINGHAM INTERNATIONAL
STUDENT HOMES**

FINANCIAL STATEMENTS

**FOR THE
YEAR ENDED 31 AUGUST 2007**

J W Hinks
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

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BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2007

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BIRMINGHAM INTERNATIONAL STUDENT HOMES

COMPANY INFORMATION

Directors and Trustees

L H Rumens (Chair)
P J S Johansen (Hon Treasurer)
Dr S E Balmer
R O Dauncey
M W Fisher
C A Osborn

Secretary

M W Fisher

Registered Office

52 Oakfield Road
Selly Oak
Birmingham
B29 7EQ

Auditors

J W Hinks
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Bankers

Lloyds TSB
Central Finance Board

Company Registration Number - 4428382

Charity Registration Number - 1095730

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE DIRECTORS AND TRUSTEES

The Directors (who are also Trustees) present their Annual Report and Financial Statements for the year ended 31 August 2007

The Company is a Company limited by Guarantee and not having a share capital (Registration Number 4428382).

The Company is listed by The Charity Commission in the Central Register of Charities (Registration Number 1095730)

Reference and Administrative Details of the Charity, its Trustees and Advisers

The following served as Directors/Trustees during the year

Dr. S E Balmer
R O Dauncey
M W Fisher
P J S Johansen
C A Osborn
Rev. D J Easton (resigned 31 July 2007)
L H Rumens (appointed 14 December 2006)

One third of the Trustees shall retire and seek re-election at every Annual General Meeting

All Directors of the Company are also Trustees of the Charity and there are no other Trustees.

No Director has any beneficial interest in the Charitable Company All Directors are members of the Company and guarantee to contribute up to £10 in the event of a winding up while he or she is a member or within one year after he or she ceases to be a member

Structure, Governance and Management

Organisation

The Charity is organised so that its Board of Directors/Trustees and Operations Committee meet regularly to manage its affairs and formulate policy The Honorary Treasurer and Residential Managers are responsible for the day-to-day running and financial management of the respective houses.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks that the Charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE DIRECTORS AND TRUSTEES

Reserve Policy

The policy of the Charity is to maintain unrestricted funds, not committed or invested in tangible fixed assets which are the free reserves of the Charity, at a level which equates to approximately three months unrestricted expenditure

This should provide sufficient funds to cover management and administration costs, in addition to protecting the Charity against fluctuations in incoming resources caused by unforeseen vacancies in the residential houses, thereby enabling the Charity to develop all aspects of its activities

Unrestricted funds were maintained at this level throughout the year

Objectives and Activities

The Charity's objectives are to

Promote and provide for the advancement of education and training of students from overseas and the United Kingdom,

Provide or assist in the provision of facilities for recreation and other leisure time occupation, and

Promote the advancement of the Christian religion in the United Kingdom and overseas in connection therewith to provide residential accommodation

The Charity was established to provide and manage accommodation in two residential houses in Birmingham – Wesley International House and Asbury Overseas House

Achievements and Performance

The Board is satisfied that the objectives of the Charity in terms of providing accommodation for international students in Birmingham have been adequately met during the year.

Throughout the year there were around 200 people in residence at any one time, almost all from overseas. The average utilisation of the rooms over the two houses increased slightly from 85% at 86% despite a number of rooms being unavailable to use at different times during the year when they were being refurbished. There was a 3.7% increase in income generated from accommodation charges which helped to partly offset the increased energy and staff costs.

We have continued to upgrade and improve the facilities at both houses using the money that was raised by the Jubilee Appeal. Last year we completed the replacement of the central heating system at Asbury Overseas House and this has made a big difference over the winter months in maintaining a comfortable temperature throughout the building with improved energy efficiency. This year has seen the completion of the upgrading and improving of the bathroom and shower facilities at Wesley International House including the provision of four new en suite single bedroom facilities which have proven to be very popular with residents. Remedial work on the electrical wiring at Wesley International House was also completed to bring the installation up to current certification requirements.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE DIRECTORS AND TRUSTEES

A large amount of general decoration work has also been carried out to study bedrooms and communal facilities at both houses. At Asbury Overseas House the common room, entrance hall and main corridor were refurbished and carpeted. Five study bedrooms and two flats were also refurbished. At Wesley International House sixteen study bedrooms were totally refurbished with new carpets and soft furnishings and the office was redecorated and re-carpeted.

The WiFi network which was installed last year has been very popular with residents and continues to be upgraded to keep pace with the ever changing technology.

A further £7,900 was received during the year into the Jubilee Appeal Fund with a number of local churches continuing to have fund raising events to support our activities. We also received a £5,000 legacy from the estate of Irene Booth and have agreed that this will be put towards the refurbishment of the kitchen at Wesley International House in the coming year.

The Directors and Trustees wish to record their appreciation to all the staff and supporters of Birmingham International Student Homes for their continuing hard work and dedication and we look forward with confidence towards the future.

Financial Review

The Statement of Financial Activities shows an income for the year of £374,384 and expenditure of £380,110, thereby reducing by £5,726 the total funds at 31 August 2007 to £203,448.

There was an overall surplus in income over expenditure before property costs of £50,211. Expenditure on property costs totalled £110,058 of which £54,121 of property improvements were capitalised as fixed assets and the balance of £55,936 was expensed as property repairs and maintenance. £51,000 of the property improvements were financed by the Jubilee Appeal Fund.

The total funds retained in the balance sheet are £203,448 with adequate liquid reserves being available to meet the day to day operations of the Charity and to provide a suitable level of security against unexpected repairs or costs that might arise.

Plans for Future Periods

The Charity has made good progress in carrying out the essential repairs that were identified in the quinquennial inspection at Wesley International House. The renewal and upgrading of the electrical wiring has had to be phased over several years because of the disruption that this work causes to the occupancy of rooms.

There is a rolling program of work at Asbury Overseas House to improve the bathroom facilities in some flats, to replace windows with modern double glazed units, and to carry out stonework repairs to mullions.

The WiFi computer network, which was installed last year at both houses, is going to be upgraded to provide greater capacity and improved access for residents.

Both houses have benefited from redecoration and re-carpeting to the study bedrooms, flats and public areas. This work will continue over the next few years until all of the accommodation has been refreshed to a comfortable modern standard.

The Directors are satisfied that the properties can be maintained in a satisfactory condition for the foreseeable future.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE DIRECTORS AND TRUSTEES

Trustees Responsibilities in Relation to the Financial Statements

The Trustees are required by law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and of its surplus or deficit for that period. In preparing those accounts, the Trustees are required to

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent.
- c) follow applicable accounting standards subject to any material departures disclosed and explained in the accounts
- d) prepare the accounts on a going concern basis unless it is appropriate to assume 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 Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the 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

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors J W Hinks have indicated their willingness to accept re-appointment under Section 385 of the Companies Act 1985.

Small Companies Exemptions

The financial statements and Directors and Trustee's Report have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



Dr S E Balmer
Director

6 December 2007

BIRMINGHAM INTERNATIONAL STUDENT HOMES

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BIRMINGHAM INTERNATIONAL STUDENT HOMES

We have audited the financial statements of Birmingham International Student Homes for the year ended 31 August 2007, which comprise the Statement of Financial Activities, Balance Sheet, and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Charity Trustees' 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 Charity Trustees' those matters we are required to state to them in an auditors' 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 Company and the Charity Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of Birmingham International Student Homes for the purposes of company law) are responsible for the preparation of the Directors and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK and Ireland).

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 if, in our opinion, the information given in the Directors' and Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charity 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 is not disclosed.

We read the Directors' and Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BIRMINGHAM INTERNATIONAL STUDENT HOMES

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 charity's affairs as at 31 August 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

J W Hinks
Chartered Accountants and Registered Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH



6 December 2007

BIRMINGHAM INTERNATIONAL STUDENT HOMES

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 AUGUST 2007

	Notes	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
INCOME AND EXPENDITURE						
Incoming Resources						
Incoming resources from generated funds						
Voluntary income						
Donations	2	5,659	-	7,900	13,559	55,768
Investment income	3	3,197	-	3,334	6,531	5,657
Incoming resources from charitable activities						
Accommodation charges		353,544	-	-	353,544	340,906
Shed rental income		750	-	-	750	-
Total Incoming Resources		363,150	-	11,234	374,384	402,331
RESOURCES EXPENDED						
Charitable activities						
Accommodation expenditure	6	300,158	-	49	300,207	319,710
Governance costs	6	79,608	-	295	79,903	57,521
Total Resources Expended		379,766	-	344	380,110	377,231
Net incoming resources / (resources expended) before transfers	4	(16,616)	-	10,890	(5,726)	25,100
Transfers between funds		51,000	-	(51,000)	-	-
Net incoming resources / (resources expended)		34,384	-	(40,110)	(5,726)	25,100
Total funds at 31 August 2006		136,264	-	72,910	209,174	184,074
Total funds at 31 August 2007		170,648	-	32,800	203,448	209,174

Income and Expenditure Account

As the Statement of Financial Activities is equivalent to an Income and Expenditure Account and complies with Financial Reporting Standard Number 3 "Reporting Financial Performance", a separate Income and Expenditure Account has not been prepared

The notes on pages 9 to 14 form part of these financial statements.

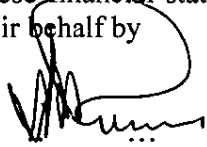
BIRMINGHAM INTERNATIONAL STUDENT HOMES


BALANCE SHEET 31 AUGUST 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible fixed assets	7	<u>139,535</u>	<u>99,558</u>
Current assets			
Stocks		1,145	1,333
Debtors and prepayments	8	18,457	5,827
Central Finance Board - Deposit account		55,877	100,727
Lloyds TSB – Current account		56,402	26,904
Cash in hand		<u>500</u>	<u>450</u>
		132,381	135,241
Creditors - amounts falling due within one year	9	<u>68,468</u>	<u>25,625</u>
Net current assets		<u>63,913</u>	<u>109,616</u>
Total assets less current liabilities		<u>203,448</u>	<u>209,174</u>
Represented by:			
FUNDS	10		
Unrestricted funds - General		170,648	136,264
Unrestricted funds - Designated		-	-
Restricted funds - Redevelopment Scheme		<u>32,800</u>	<u>72,910</u>
Total funds		<u>203,448</u>	<u>209,174</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the Directors on 6 December 2007 and signed on their behalf by


L H Rumens
Chair


P J S Johnansen
Hon. Treasurer

The notes on pages 9 to 14 form part of these financial statements.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

1. Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

The statement of financial activities (SOFA) and balance sheet represent the financial statements of the charity.

b) Company Status

The Charity is a Company limited by Guarantee. The members of the Company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

c) Fund Accounting

The following types of funds are maintained:

General funds are retained to the extent that they are considered necessary to ensure that adequate funds are retained to cover further expenditure of both a capital nature and those revenue costs that may not be covered by incoming resources.

Designated funds are set aside by the Trustees towards future Health and Safety and other essential property repairs necessary at the two residential houses.

Restricted funds are funds which are to be used in accordance with any specific restriction imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of any restricted fund is set out in the notes to the financial statements.

d) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

e) Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Staff costs have been allocated based on an estimate of the time spent by each member of staff working in each of these areas.

Management and administration costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

f) Pension Costs

Contributions have been made to two personal pension policies during the year and the pension charge represents the amounts payable by the Company to the fund in the year. The assets of the schemes are held separately from those of the Company in independently administered funds.

g) Gifts in Kind

The Trustees recognise that several parties have donated their time and resources in respect of assisting the operations of the residential homes, but are unable to estimate a monetary value for their assistance.

h) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less depreciation or in cases where fixed assets have been donated, at valuation at the time of acquisition. Depreciation has been provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life at the following rate:

Property improvements	- 10% per annum
Furniture and equipment	- 20% per annum

i) Stocks

Consumable stocks are valued at the lower of cost and net realisable value.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

2 Donations

	Unrestricted funds 31 August 2007 £	Restricted funds 31 August 2007 £	Total funds 31 August 2007 £	Total funds 31 August 2006 £
Appeal fund	-	7,900	7,900	54,929
Irene Booth Gift	5,000	-	5,000	-
Others under £200	<u>659</u>	<u>-</u>	<u>659</u>	<u>839</u>
	<u>5,659</u>	<u>7,900</u>	<u>13,559</u>	<u>55,768</u>

3. Investment income

	2007 £	2006 £
Interest receivable	<u>6,531</u>	<u>5,657</u>

4. Net incoming resources / (resources expended) before transfers

	2007 £	2006 £
This is stated after charging		
Depreciation of owned assets	14,144	10,007
Auditors remuneration	1,900	1,800
Charity professional liability insurance	<u>1,124</u>	<u>777</u>

5 Staff costs

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	157,331	139,143
Social security costs	8,964	5,581
Pension costs	<u>5,753</u>	<u>4,717</u>
	<u>172,048</u>	<u>149,441</u>
Average number of persons employed during the year	2007 Number	2006 Number
Wardens and staff	<u>20</u>	<u>19</u>

None of the Directors/Trustees received any remuneration or reimbursement of expenses during the year

No employee earned over £60,000 during the year

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

6 RESOURCES EXPENDED

Accommodation expenditure

	Unrestricted funds 31 August 2007 £	Restricted funds 31 August 2007 £	Total funds 31 August 2007 £	Total funds 31 August 2006 £
Staff costs, NI and pension	115,158	-	115,158	104,871
Rates and water	30,682	-	30,682	31,089
Insurance	15,533	-	15,533	15,226
Heat and light	34,049	-	34,049	32,991
Laundry	7,787	-	7,787	7,368
Cleaning	9,592	-	9,592	9,228
Equipment replacements and repairs	11,455	-	11,455	14,591
Property maintenance and repairs	55,936	-	55,936	71,635
Professional	1,304	42	1,346	18,722
Newspapers	1,439	-	1,439	1,720
Sundries	3,079	7	3,086	2,262
Depreciation	<u>14,144</u>	<u>-</u>	<u>14,144</u>	<u>10,007</u>
TOTAL	<u>300,158</u>	<u>49</u>	<u>300,207</u>	<u>319,710</u>

Governance costs

	Unrestricted funds 31 August 2007 £	Restricted funds 31 August 2007 £	Total funds 31 August 2007 £	Total funds 31 August 2006 £
Warden costs, NI and pension	56,890	-	56,890	44,570
Computer, postage, telephone and courses	13,490	295	13,785	9,651
Audit and accountancy	<u>9,228</u>	<u>-</u>	<u>9,228</u>	<u>3,300</u>
TOTAL	<u>79,608</u>	<u>295</u>	<u>79,903</u>	<u>57,521</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

7 Tangible Fixed Assets

	Property Improvements £	Furniture & Equipment £	Total 2007 £	Total 2006 £
Cost/valuation				
As at 1 September 2006	102,637	19,404	122,041	48,909
Additions	<u>54,121</u>	<u>-</u>	<u>54,121</u>	<u>73,132</u>
As at 31 August 2007	<u>156,758</u>	<u>19,404</u>	<u>176,162</u>	<u>122,041</u>
Depreciation				
As at 1 September 2006	6,960	15,523	22,483	12,476
Charge for year	<u>10,263</u>	<u>3,881</u>	<u>14,144</u>	<u>10,007</u>
As at 31 August 2007	<u>17,223</u>	<u>19,404</u>	<u>36,627</u>	<u>22,483</u>
Net book value				
As at 31 August 2007	<u>139,535</u>	<u>-</u>	<u>139,535</u>	<u>99,558</u>

The Birmingham Methodist District Trustees for Wesley House and The Methodist Council for Asbury House ratified management agreements authorising Birmingham International Student Homes to be responsible for all aspects of the properties, except final ownership

8 Debtors and Prepayments

	2007 £	2006 £
Trade debtors	1,268	760
Other debtors	1,188	-
Taxes and social security	10,502	1,047
Prepayments	<u>5,499</u>	<u>4,020</u>
	<u>18,457</u>	<u>5,827</u>

All the above amounts are due within one year

9. Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	41,824	-
Room deposits	18,817	16,267
Rents in advance	-	2,932
Taxes and social security	-	13
Accruals	<u>7,827</u>	<u>6,413</u>
	<u>68,468</u>	<u>25,625</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2007

10 Funds

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
Funds at 1 September 2006	136,264	-	72,910	209,174	184,074
Net incoming/(outgoing) resources for year	(16,616)	-	10,890	(5,726)	25,100
Transfer between funds	<u>51,000</u>	<u>-</u>	<u>(51,000)</u>	<u>-</u>	<u>-</u>
Funds at 31 August 2007	<u>170,648</u>	<u>-</u>	<u>32,800</u>	<u>203,448</u>	<u>209,174</u>

The Unrestricted Designated Fund balance represents monies set aside by the Trustees towards future Health and Safety and other essential property repairs necessary at the two residential houses

The Restricted Fund balance represents monies received for the Redevelopment Scheme Appeal

Analysis of Net Assets Between Funds

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
Tangible fixed assets	139,535	-	-	139,535	99,558
Current assets	99,581	-	32,800	132,381	135,241
Current liabilities	<u>(68,468)</u>	<u>-</u>	<u>-</u>	<u>(68,468)</u>	<u>(25,625)</u>
Total Net Assets	<u>170,648</u>	<u>-</u>	<u>32,800</u>	<u>203,448</u>	<u>209,174</u>

11. Related Parties

There were no related party transactions during the year.

12. Control

The company is controlled by the Directors/Trustees.