

REGISTERED COMPANY NUMBER: 04428382 (England and Wales)
REGISTERED CHARITY NUMBER: 1095730

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2017
FOR
BIRMINGHAM INTERNATIONAL STUDENT HOMES
(A COMPANY LIMITED BY GUARANTEE)**



**J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH**

BIRMINGHAM INTERNATIONAL STUDENT HOMES

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FOR THE YEAR ENDED 31 AUGUST 2017**

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BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 August 2017. The Trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Purposes and aims

Birmingham International Student Homes' objectives and aims can be summarised as follows.

1. To promote and provide for the advancement of education and training of students from the United Kingdom and overseas.
2. To promote or assist in the provision of facilities for recreation and other leisure time occupation.
3. To promote the advancement of the Christian faith in the United Kingdom and overseas in connection therewith to provide residential accommodation.

In order to fulfil its objectives and aims Birmingham International Student Homes provides and manages accommodation at two properties located within the City of Birmingham - Wesley International House and Asbury Overseas House.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of the Charity's work continues primarily to be the provision and management of accommodation in order to provide and advance the education and training of students from the United Kingdom and overseas.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

How our activities deliver public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging.

Our main activities and who we try to help are described below. The Charity's activities continue to focus on our ability to provide and advance the education and training of students from the United Kingdom and overseas through the use of the facilities available to the Charity.

A Home Away from Home

This year we have been able to continue the considerable progress recorded in recent years. In spite of the ongoing difficult national and international circumstances, the Charity has met all of its aims set last year. The Board is satisfied that the objectives and aims of the Charity in providing accommodation with the best pastoral support for overseas students in Birmingham have been fully met.

The year has continued to see significant changes in the demand for supported accommodation yet we maintained good levels of occupation throughout the year. A significant contribution to the strength of the occupation levels has come from new and different organisations, other than our traditional university clients, who nevertheless offer educational programmes which develop and extend the horizons of people from overseas. We have also been negotiating with HM Government and Birmingham City Council to be part of a charity consortium with the Birmingham District of the Methodist Church and the national Methodist Church Council to offer accommodation and support to refugee families by piloting a new approach to Community Sponsorship for approved refugees. This long negotiation has now been successfully completed and we wait for our first family in early 2018. We believe that our key differentiating skills in the care and support for people new to our community and culture are well suited to helping people who have to start life again in a new country.

We were delighted with the renewal of our two licences as homes of multiple occupancy for a further five years. We were grateful for the constructive suggestions and complimentary words from Birmingham City Council's surveyor and inspector.

For a number of years we have steadily been able to increase our reserves and this year we decided to release significant sums for vital infrastructure improvements to prepare us for the future. These funds allowed us to significantly upgrade accommodation standards through new kitchens and bathrooms and by creating additional en-suite facilities. Further work will continue in the current year to upgrade our electrical installations and fire precautions and, vitally in the current age, we will make a major step change in the quality of the fast broadband wireless service that is available to every room and apartment. Our reserves remain sufficiently robust to support the work that is planned for the year to come.

For this wider variety of residents, our emphasis remains firmly on our charitable purpose of providing a supportive "Home Away from Home" for people who are out of their own country and culture for the first time, often with limited English skills, and we look forward to the future with continued confidence. Recommendation of our accommodation by previous residents remains the largest way in which current residents come to us. Once settled and living in our houses, it is pleasing to see how quickly residents absorb our ways of life. We jointly celebrate such diverse cultures and languages living in harmony together as they organise themselves socially for a more satisfying life.

Throughout the year around 200 people were in residence at any one time, all coming from overseas to learn particular knowledge and skills that are much needed in their home countries. The spread of people, cultures and faiths was remarkable with a total 300 people in residence from 49 countries. A welcome first was a training doctor from Yemen studying at the new Dental Hospital at Pebble Mill. Such residents have a longer average stay that helps lift the overall occupancy level. It says so much about those people that with all of their diversity they live together so well, giving each other such a wealth of mutual care and support.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

We have sustained the professional strength of the Trustees and Management Board and continued to approach the management of our two buildings more as one cohesive unit. Our dedicated staff is the key catalyst in creating and maintaining such a "Home Away from Home" environment to support our guests.

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

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities shows total income for the year ended 31 August 2017 of £492,464 (2016 - £513,556) and total expenditure of £508,459 (2016 - £457,584), thereby decreasing by £15,995 (2016 - increasing by £55,972) the Charity's total funds as at 31 August 2017 to £456,314 (2016 - £472,309).

During the year ended 31 August 2017 there was an overall surplus of income over expenditure before property costs of £122,688 (2016 - £105,394). Expenditure on property costs during the year ended 31 August 2017 totalled £138,683 (2016 - £49,422) of which £52,071 (2016 - £19,134) of property improvements were capitalised as fixed assets with the balance of £86,612 (2016 - £30,288) expensed as property repairs and maintenance.

There has been a net cash outflow during the year ended 31 August 2017 of £39,873 (2016 - net cash inflow totalling £73,222) and at the year end the charity had £350,989 (2016 - £390,862) of cash balances available to meet its day-to-day operational requirements.

The total funds retained in the balance sheet as at 31 August 2017 amounted to £456,314 (2016 - £472,309).

Reserves policy

The reserves 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 level of unrestricted funds 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 managed by the Charity, thereby enabling the Charity to develop all aspects of its activities.

Going concern

No matters have come to the attention of the Trustees which might suggest that the Charity will not be able to maintain its current activities for the foreseeable future. The Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

FUTURE PLANS

Our challenges in the future are significant but remain little changed. Our prime purpose is the support of people from overseas who are here to develop themselves and gain vital knowledge to take back to their own countries. These people of all cultures and faiths come together in friendship to live and work together whilst they are here in Birmingham. Their support of each other is vital to our purpose.

We will continue to invest in our accommodation in keeping with the demand for rising standards and to reduce our environmental footprint.

The Trustees will actively seek to broaden our client base within our prime purpose of caring for the stranger in our midst and are seeking to help government initiatives to support refugees from overseas who are in such significant need. With the Methodist Church we expect shortly to manage a pilot scheme to be the first private sponsors of refugees in this country. We believe that our key differentiating skills in the care and support for people new to our community and culture are well suited helping people who have to start life again.

We hear with concern political arguments about immigration and the move to make the entry of overseas students more difficult again. It is not easy to convince our guests how much we want to help and support them when media and political statements are so hostile to them. We will continue to seek out relationships with other organisations which might increase the scale of our activity and attract investment in our cause.

We will continue to invest in staff development to strengthen the work that we undertake to support our guests. Through this, we will improve how we fulfil our major strength in our commitment to care and support. In short, we will do all we can to continue to offer a "Home Away from Home" for all nations, all cultures and all creeds who seek to come to the Midlands to improve themselves and others.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Birmingham International Student Homes is a company limited by guarantee (registered number 04428382) which was incorporated on 30 April 2002 and achieved charitable status on 31 January 2003 (registered number 1095730).

The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

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

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

No Member has any beneficial interest in the Charitable Company and Members are required to contribute an amount not exceeding £10 in the event of the Company being wound up or within one year after they have ceased to be a Member.

Recruitment and appointment of new trustees

As set out in the Charity's Articles of Association, at every subsequent Annual General Meeting following the Charity's first Annual General Meeting one-third of the Trustees are subject to retirement by rotation.

If the Charity does not fill the vacancy at the meeting at which the Trustee retires by rotation, the retiring Trustee shall, if willing to act, be deemed to have been re-appointed.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Charity is organised so that its Board of Trustees and management 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 Charity.

Induction and training of new trustees

New Trustees undergo an orientation day to brief them on legal obligations under charity law, the Charity's decision-making processes and the recent financial performance of the Charity. During the induction day new Trustees meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

Key management remuneration

In the Trustees' opinion, the key management personnel of the Charity responsible for the direction, control, running and operation of the Charity on a day-to-day basis consists of the Board of Trustees and the Residential Managers.

Key management personnel - Trustees

All Trustees give of their time freely and no trustee received remuneration during the year.

Details of Trustees' expenses and related party transactions are disclosed in notes 9 and 17 to the financial statements.

Key management personnel - Residential Managers

The pay of the Charity's staff is reviewed annually and normally increased based upon the position of the Charity's finances and the cost of living in general. The Charity ensures that all staff are paid at rates above both the Living Wage set by the Living Wage Foundation and the UK statutory national minimum wage.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04428382 (England and Wales)

Registered Charity number

1095730

Registered office

52 Oakfield Road
Selly Oak
Birmingham
B29 7EQ

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

L H Rumens	Chair
P J S Johansen	Honorary Treasurer
K D Allen	
Rev S J Burgess	
R O Dauncey	
M Evans	
M W Fisher	
Ms J Gilbert	

Removed 14 December 2017

On 14 December 2017 the Board was informed that K D Allen, who had accepted an appointment as a Director and Trustee of Birmingham International Student Homes on 14 May 2014, was disqualified from being a Director under Section 5 of the Company Disqualification Act 1986 for a period of three years from 5 February 2013.

The Board took immediate action and removed K D Allen as a Director and Trustee of Birmingham International Student Homes on 14 December 2017.

General Manager

Paul Edgerton

Company Secretary

M W Fisher

Senior Statutory Auditor

Peter Smith ACA

Auditors

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

Bankers

Lloyds Bank plc
University of Birmingham Branch
142 Edgbaston Park Road
Birmingham
B15 2TY

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

BIRMINGHAM INTERNATIONAL STUDENT HOMES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

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 preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 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 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.

In so far as the Trustees are aware:


- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 16 January 2018 and signed on its behalf by:



.....
L H Rumens - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BIRMINGHAM INTERNATIONAL STUDENT HOMES

Opinion

We have audited the financial statements of Birmingham International Student Homes (the 'Charitable Company') for the year ended 31 August 2017 on pages ten to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors 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 that are 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 relating 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BIRMINGHAM INTERNATIONAL STUDENT HOMES - CONTINUED**

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Trustees' 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, 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 determine 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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



Peter Smith ACA (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

Date: 16 January 2018

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1	105	106	105
Charitable activities	4				
Accommodation charges		491,241	-	491,241	511,975
Investment income	3	1,099	18	1,117	1,476
Total		492,341	123	492,464	513,556
EXPENDITURE ON					
Charitable activities	5				
Accommodation expenditure		508,382	77	508,459	457,584
NET INCOME/(EXPENDITURE)		(16,041)	46	(15,995)	55,972
RECONCILIATION OF FUNDS					
Total funds brought forward		466,561	5,748	472,309	416,337
TOTAL FUNDS CARRIED FORWARD		450,520	5,794	456,314	472,309

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BIRMINGHAM INTERNATIONAL STUDENT HOMES (REGISTERED NUMBER: 04428382)

**BALANCE SHEET
AT 31 AUGUST 2017**

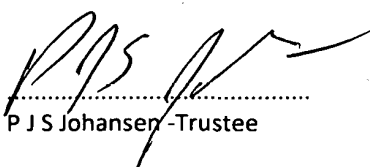
	Note	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	12	153,994	-	153,994	130,250
CURRENT ASSETS					
Debtors	13	27,510	-	27,510	9,118
Cash at bank and in hand		<u>345,195</u>	<u>5,794</u>	<u>350,989</u>	<u>390,862</u>
		372,705	5,794	378,499	399,980
CREDITORS					
Amounts falling due within one year	14	(76,179)	-	(76,179)	(57,921)
NET CURRENT ASSETS		<u>296,526</u>	<u>5,794</u>	<u>302,320</u>	<u>342,059</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>450,520</u>	<u>5,794</u>	<u>456,314</u>	<u>472,309</u>
NET ASSETS		<u>450,520</u>	<u>5,794</u>	<u>456,314</u>	<u>472,309</u>
FUNDS	15				
Unrestricted funds				450,520	466,561
Restricted funds				<u>5,794</u>	<u>5,748</u>
TOTAL FUNDS				<u>456,314</u>	<u>472,309</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 16 January 2018 and were signed on its behalf by:



L H Rumens -Trustee



P J S Johansen -Trustee

The notes form part of these financial statements

BIRMINGHAM INTERNATIONAL STUDENT HOMES**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>11,081</u>	<u>90,880</u>
Net cash provided by (used in) operating activities		<u>11,081</u>	<u>90,880</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(52,071)	(19,134)
Interest received		<u>1,117</u>	<u>1,476</u>
Net cash provided by (used in) investing activities		<u>(50,954)</u>	<u>(17,658)</u>
Change in cash and cash equivalents in the reporting period		<u>(39,873)</u>	<u>73,222</u>
Cash and cash equivalents at the beginning of the reporting period		<u>390,862</u>	<u>317,640</u>
Cash and cash equivalents at the end of the reporting period		<u>350,989</u>	<u>390,862</u>

The notes form part of these financial statements

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(15,995)	55,972
Adjustments for:		
Depreciation charges	28,327	32,811
Interest received	(1,117)	(1,476)
(Increase)/decrease in debtors	(18,392)	19,324
Increase/(decrease) in creditors	<u>18,258</u>	<u>(15,751)</u>
Net cash provided by (used in) operating activities	<u>11,081</u>	<u>90,880</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

General information

Birmingham International Student Homes is a Charity incorporated in England and Wales. The address of the Charity's registered office is 52 Oakfield Road, Selly Oak, Birmingham, B29 7EQ.

Accounting convention

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "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 United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention and are presented in sterling which is the functional currency of the Charity, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements are the first financial statements of Birmingham International Student Homes prepared in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The date of transition to FRS 102 was 1 September 2016. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

COMPANY STATUS

The Charity is a Company limited by guarantee. The members of the Charity are the Trustees named in the Report of the Trustees. 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.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

INCOME

All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Fees charged for services provided by the Charity such as accommodation charges and service charges are recognised as the services are being performed. Income received in advance of the service being performed is deferred.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the Charity's right to receive payment is established.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES - continued

EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

It is categorised under the following headings.

- o Expenditure on charitable activities.
- o Other expenditure representing those items not falling into the above categories.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities and include office costs, governance costs and other administrative costs.

TANGIBLE FIXED ASSETS

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 annual rates calculated to write off the cost, less the estimated residual value, of each asset over its estimated useful life at the following rates.

Improvements to property	- 10% on cost
Fixtures and fittings	- 20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

TAXATION

The Charity is exempt from corporation tax on its charitable activities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

EMPLOYEE BENEFITS

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the Charity in independently administered funds.

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

Designated funds comprise unrestricted funds that have been set aside 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 charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	<u>106</u>	<u>105</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

3. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>1,117</u>	<u>1,476</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2017	2016
	Charitable activities	Charitable activities
	£	£
Accommodation charges	478,414	499,640
Service charges	<u>12,827</u>	<u>12,335</u>
	<u>491,241</u>	<u>511,975</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Accommodation expenditure	<u>386,868</u>	<u>121,591</u>	<u>508,459</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017	2016
	£	£
Staff costs	137,955	131,866
Rates and water	28,196	30,703
Insurance	18,560	17,867
Light and heat	55,633	53,955
Newspapers and sundries	5,952	9,068
Laundry	6,840	5,288
Cleaning	4,306	4,948
Equipment replacements and repairs	14,487	22,276
Property maintenance and repairs	86,612	30,289
Depreciation	<u>28,327</u>	<u>32,811</u>
	<u>386,868</u>	<u>339,071</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

7. SUPPORT COSTS

	Support costs	Governance costs	Totals
	£	£	£
Accommodation expenditure	<u>112,201</u>	<u>9,390</u>	<u>121,591</u>

Support costs, included in the above, are as follows:

Support costs

	2017	2016
	£	£
Wages	88,403	89,154
Social security	6,040	7,560
Pensions	8,814	8,607
Computer, postage, telephone, courses, stationery and advertising	<u>8,944</u>	<u>6,338</u>
	<u>112,201</u>	<u>111,659</u>

Governance costs

	2017	2016
	£	£
Auditors' remuneration	4,000	4,000
Auditors' remuneration for non audit work	3,210	2,854
Legal and professional fees	<u>2,180</u>	<u>-</u>
	<u>9,390</u>	<u>6,854</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017****8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Audit fee	4,000	4,000
Accountancy charges	3,210	2,854
Depreciation - owned assets	<u>28,327</u>	<u>32,812</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the period ended 31 August 2016.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the period ended 31 August 2016.

10. STAFF COSTS

	2017	2016
	£	£
Wages	210,396	206,850
Social security	12,078	13,097
Pensions	18,738	17,240
	<u>241,212</u>	<u>237,187</u>

The average monthly number of employees during the year was as follows:

	2017	2016
	<u>14</u>	<u>14</u>
Wardens and staff		

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	105	105
Charitable activities			
Accommodation charges	511,975	-	511,975
Investment income	<u>1,450</u>	<u>26</u>	<u>1,476</u>
Total	<u>513,425</u>	<u>131</u>	<u>513,556</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

	Unrestricted funds £	Restricted fund £	Total funds £
EXPENDITURE ON			
Charitable activities			
Accommodation expenditure	<u>457,550</u>	<u>34</u>	<u>457,584</u>
Total	<u>457,550</u>	<u>34</u>	<u>457,584</u>
NET INCOME/(EXPENDITURE)	55,875	97	55,972
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>410,686</u>	<u>5,651</u>	<u>416,337</u>
TOTAL FUNDS CARRIED FORWARD	<u>466,561</u>	<u>5,748</u>	<u>472,309</u>

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 September 2016	<u>341,091</u>	<u>50,880</u>	<u>391,971</u>
Additions	<u>52,071</u>	<u>-</u>	<u>52,071</u>
At 31 August 2017	<u>393,162</u>	<u>50,880</u>	<u>444,042</u>
DEPRECIATION			
At 1 September 2016	<u>215,323</u>	<u>46,398</u>	<u>261,721</u>
Charge for year	<u>26,793</u>	<u>1,534</u>	<u>28,327</u>
At 31 August 2017	<u>242,116</u>	<u>47,932</u>	<u>290,048</u>
NET BOOK VALUE			
At 31 August 2017	<u>151,046</u>	<u>2,948</u>	<u>153,994</u>
At 31 August 2016	<u>125,768</u>	<u>4,482</u>	<u>130,250</u>

The Birmingham Methodist District Trustees for Wesley International House and the Methodist Council for Asbury Overseas House have ratified management agreements authorising Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of both properties managed by the Charity except final ownership.

BIRMINGHAM INTERNATIONAL STUDENT HOMES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	5,432	6,435
Prepayments	<u>22,078</u>	<u>2,683</u>
	<u>27,510</u>	<u>9,118</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	24,719	4,526
VAT	1,347	1,534
Deferred income	33,083	37,121
Accrued expenses	<u>17,030</u>	<u>14,740</u>
	<u>76,179</u>	<u>57,921</u>

15. MOVEMENT IN FUNDS

	At 1.9.16	Net movement in funds	At 31.8.17
	£	£	£
Unrestricted funds			
General Fund - Asbury Overseas House	171,530	1,139	172,669
General Fund - Wesley International House	165,031	(17,180)	147,851
Designated Fund - Asbury Overseas House Maintenance Reserve Fund	60,000	-	60,000
Designated Fund - Wesley International House Maintenance Reserve Fund	<u>70,000</u>	<u>-</u>	<u>70,000</u>
	466,561	(16,041)	450,520
Restricted funds			
Jubilee Redevelopment Scheme Appeal Fund	5,748	46	5,794
TOTAL FUNDS	<u>472,309</u>	<u>(15,995)</u>	<u>456,314</u>

BIRMINGHAM INTERNATIONAL STUDENT HOMES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017****15. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund - Asbury Overseas House	286,635	(285,496)	1,139
General Fund - Wesley International House	205,706	(222,886)	(17,180)
	492,341	(508,382)	(16,041)
Restricted funds			
Jubilee Redevelopment Scheme Appeal Fund	123	(77)	46
TOTAL FUNDS	492,464	(508,459)	(15,995)

Purpose of fundsUnrestricted - General Fund

The General Fund represents the free funds of the Charity that are not designated for particular purposes.

Designated - Asbury Overseas House Maintenance Reserve Fund

This fund represents an amount set aside as a contingency to cover the costs of property maintenance and repairs charges incurred by the Charity concerning Asbury Overseas House.

Designated - Wesley International House Maintenance Reserve Fund

This fund represents an amount set aside as a contingency to cover the costs of property maintenance and repairs charges incurred by the Charity concerning Wesley International House.

Restricted - Jubilee Redevelopment Scheme Appeal Fund

This fund represents monies received by the Charity on behalf of the Charity's Redevelopment Scheme Appeal. Monies from this fund are to be used to help the Charity to continue to upgrade and improve facilities at Wesley International House and Asbury Overseas House.

16. PENSION COMMITMENTS

The Charity contributes to the individual pension plans of certain employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. If the Charity were to withdraw from this fund then it could become liable for its share of any deficit in the fund calculated on a statutory buy-out basis. This contingent liability is currently estimated to be up to a maximum of £37,358 (2016 - £33,477).

The total contributions for the year amounted to £18,738 (2016 - £17,240).

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

18. ULTIMATE CONTROLLING PARTY

The Charity is controlled by the Board of Trustees.