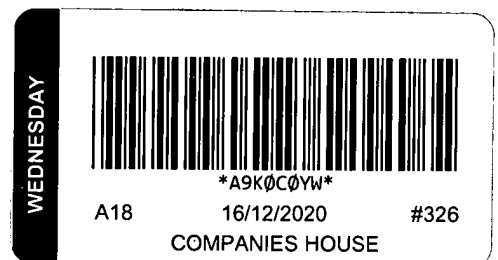


REGISTERED COMPANY NUMBER: 04428382 (England and Wales)  
REGISTERED CHARITY NUMBER: 1095730

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 AUGUST 2020  
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**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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## **BIRMINGHAM INTERNATIONAL STUDENT HOMES**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2020. 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 from 1 January 2019).

#### **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 2020

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#### STRATEGIC REPORT

##### 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

In common with many other charities and companies, this year has been difficult and was impacted strongly by the Coronavirus pandemic. Healthy reserves built over years of prudent management have supported the business during a major downturn of activity and sufficient liquid funds exist to continue our care and support of students and other people from overseas to develop their skills.

In spite of the uncertain national and international situation, 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 met as far as governmental constraints in the UK and overseas have allowed.

The year started well. Demand for accommodation, whilst slightly off the peak of the previous year, remained strong and the Board had sufficient confidence to continue with its major project of investing in the conversion of the stable block at Wesley International House.

First signs of difficulty started in early 2020 with a reduction in demand for rooms, especially from people from China who are significant users of our facilities. Because of the dramatic spread of the virus in other countries, people were not able to come to the UK in the new year to commence their studies. By February 2020 it was clear that the Coronavirus pandemic would arrive in the UK and residents started to return home while they were able to and other students decided not to join their new post-graduate courses. In March 2020 the UK government introduced a national lockdown and the local universities decided to close their on-campus facilities. Very quickly those who could return home did so, some leaving their belongings for when they could return. We were left with about half of the normal number of residents – too many to close one house and a long way from financial break even.

In the short term the position was alleviated by government support through its furlough scheme. Most staff, with the exception of our General Manager and his Deputy who attended both houses every day, were put on furlough for their safety and to protect those guests remaining in residence from external infection. There was a major exercise in sourcing the provision of PPE and new safety procedures for residents were introduced. Residents were specifically asked to clean their own rooms and they also helped to keep the common areas clean. It was pleasing to see such a positive and caring response from them – a true sign of how much they embrace our philosophy of creating a "Home Away from Home".

It soon became clear that the situation would not be short-lived and to preserve financial reserves the investment in the stable block was suspended indefinitely, and then to be reviewed when the situation normalised. This project had reached a convenient point of being completely ready for tender before it was stopped. However with no date for the completion of this project, the Board decided to expend the costs incurred to date so that no costs were capitalised or carried forward.

## BIRMINGHAM INTERNATIONAL STUDENT HOMES

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

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#### STRATEGIC REPORT

##### Achievement and performance

###### *Charitable activities -continued*

Given the uncertain condition of our traditional student market and the long disruption in university education, the Board has taken prompt action to save costs and has begun a strategic review of the market. Among these actions we have:-

- moved the General Manager to a part time position;
- undertaken a review of staffing needs with planned reductions when the initial government furlough scheme came to an end in November;
- created a new position of a marketing manager to increase the number of people recommending our services and to seek new opportunities to fulfil our charitable purpose;
- commenced a joint study with the Aston University Business School to review the Charity's future business strategy; and,
- stopped all unnecessary expenditure.

In such momentous circumstances we were still able to continue to provide a supportive "*Home Away from Home*" for people who are out of their own country and culture, often for the first time and some with limited English skills. The spread of people, cultures and faiths is remarkable with 173 adult plus 18 children in residence from 35 countries during the year. Recommendation of our accommodation by previous residents and by other university students remains the most significant way in which new residents come to us. Once settled and living in our houses, it is pleasing to see how quickly residents absorb our way of life. We jointly celebrate such diverse cultures and languages living in harmony together as they organise themselves socially for a satisfying life experience.

We have sustained the professional strength of the Trustees and Management Board and continued to approach the management of our two buildings as one cohesive unit. We are fortunate to have recruited a new Trustee and Chairman, Andrew Steel, who has a long record of success managing a local manufacturing business. This appointment is part of the succession plan for the retirement of the current Chair, Lawrie Rumens, who stepped down in October 2020. The Board wishes to record its appreciation to Lawrie Rumens for the 13 years of service that he has given to the Company. Under his leadership, the Company has been transformed by continually trading profitably and investing wisely to secure its future.

Our dedicated staff, many with long experience, are the key catalyst in creating and maintaining such a "*Home Away from Home*" environment to support our guests. The Directors/Trustees wish to record their appreciation to all the staff and supporters of the 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 2020 of £510,450 (2019 - £573,796) and total expenditure of £549,285 (2019 - £525,520), thereby reducing by £38,835 (2019 - increasing by £48,276) the Charity's total funds as at 31 August 2020 to £492,599 (2019 - £531,434).

During the year ended 31 August 2020 there was an overall surplus of income over expenditure before property costs of £28,042 (2019 - surplus £125,125). Expenditure on property costs during the year ended 31 August 2020 totalled £66,877 (2019 - £76,849) of which £14,897 (2019 - £35,272) of property improvements were capitalised as fixed assets with the balance of £51,980 (2019 - £41,577) expensed as property repairs and maintenance.

There has been a net cash outflow during the year ended 31 August 2020 of £59,231 (2019 - net cash inflow totalling £29,034) and at the year end the Charity had £344,193 (2019 - £403,424) of cash balances available to meet its day-to-day operational requirements.

The total funds retained in the balance sheet as at 31 August 2020 amounted to £492,599 (2019 - £531,434).

## **BIRMINGHAM INTERNATIONAL STUDENT HOMES**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **STRATEGIC REPORT**

##### **Financial review - continued**

###### *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*

The Coronavirus pandemic has significantly reduced occupancy levels at both houses and it is not known when they will return to more normal levels. This situation will materially reduce the Company's income in the coming year and it is likely to trade at a significant loss.

A most reasonable expected worst case forecast has been produced and been adopted for budget purposes in the coming year and this indicates that a deficit will be incurred in the year ending 31 August 2021. However, the Company has significant free unrestricted reserves and cash balances to fund the anticipated worst case deficit. Consequently, the Trustees are of the opinion that the Company will 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.

##### **Future plans**

Our challenges in the future are significant. The world of university study has had to change beyond recognition very rapidly and it is not clear how much of that short term change will remain in the long term. 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 traditionally 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 now have to consider how best we support these people as a charity in very changed circumstances and the Board is currently engaged with the new Chair in determining how best to serve our prime purpose of caring for the stranger in our midst and what new ways of achieving that support are required.

We will continue to invest in staff development to strengthen the work that we undertake to support our guests and equip ourselves for a new future. 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 the lot of others back home.

#### **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.

## **BIRMINGHAM INTERNATIONAL STUDENT HOMES**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

##### **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.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the notes to the financial statements.

##### **Organisational structure**

The Charity is organised so that its Board of Trustees meet regularly to manage its affairs and formulate policy.

The Chairman, Honorary Treasurer and Managers are responsible for the day-to-day running and financial management of the Charity.

During the year ended 31 August 2020 the Charity has continued to adhere to the Charity Governance Code for Smaller Charities using the Code's seven key principles as a tool to support the continuous improvement of good governance.

##### **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 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 10 and 18 to the financial statements.

##### Key management personnel - Managers

The pay of the Charity's senior staff is reviewed annually and normally increased based upon the position of the Charity's finances and the cost of living in general.

##### **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.

## **BIRMINGHAM INTERNATIONAL STUDENT HOMES**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **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

#### **Trustees**

Andrew J Steel  
Lawrie H Rumens  
Peter J S Johansen MBE  
Rev Stuart J Burgess CBE  
Robert O Dauncey  
Malcolm Evans  
Jayne Gilbert  
Carolyn M Humpherson

Chair  
Former Chair  
Honorary Treasurer

Appointed 2 July 2020  
Resigned 8 October 2020

**General Manager**  
Paul Edgerton

**Company Secretary**  
Carolyn M Humpherson

**Senior Statutory Auditor**  
James Cruse ACA, FCCA, BSc (Econ) Hons

#### **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 2020

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#### 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

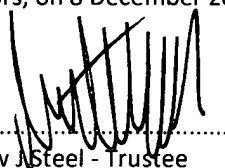
- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### 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 relating to small companies.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 8 December 2020 and signed on the Board's behalf by:



.....  
Andrew Steel - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BIRMINGHAM INTERNATIONAL STUDENT HOMES  
(REGISTERED NUMBER: 04428382)**

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**Opinion**

We have audited the financial statements of Birmingham International Student Homes (the 'Charitable Company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2020 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BIRMINGHAM INTERNATIONAL STUDENT HOMES  
(REGISTERED NUMBER: 04428382)**

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

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

- the information given in the 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.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BIRMINGHAM INTERNATIONAL STUDENT HOMES  
(REGISTERED NUMBER: 04428382)**

---

*J E Cruse*

James Cruse ACA, FCCA, BSc (Econ) Hons - (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: 8 December 2020

*AS1  
8/12/20*

**BIRMINGHAM INTERNATIONAL STUDENT HOMES**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds	Restricted fund	2020 Total funds	2019 Total funds
	Note	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	3,100	-	3,100	107
<b>Charitable activities</b>					
Accommodation charges	4	461,515	-	461,515	568,607
Investment income	3	2,195	-	2,195	2,082
Other income	5	43,640	-	43,640	3,000
<b>Total</b>		<b>510,450</b>	<b>-</b>	<b>510,450</b>	<b>573,796</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Accommodation expenditure	6	549,285	-	549,285	525,520
<b>NET (EXPENDITURE) /INCOME</b>		<b>(38,835)</b>	<b>-</b>	<b>(38,835)</b>	<b>48,276</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>531,434</b>	<b>-</b>	<b>531,434</b>	<b>483,158</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>492,599</b>	<b>-</b>	<b>492,599</b>	<b>531,434</b>

*APJ*  
*8/10/20*

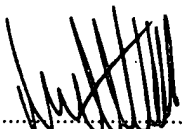
**BIRMINGHAM INTERNATIONAL STUDENT HOMES (REGISTERED NUMBER: 04428382)**

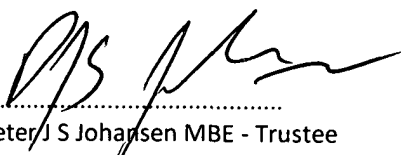
**BALANCE SHEET  
AT 31 AUGUST 2020**

		Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
	Note				
<b>FIXED ASSETS</b>					
Tangible assets	13	139,831	-	139,831	150,669
<b>CURRENT ASSETS</b>					
Debtors	14	35,773	-	35,773	21,703
Cash at bank and in hand		<u>344,193</u>	<u>-</u>	<u>344,193</u>	<u>403,424</u>
		379,966	-	379,966	425,127
<b>CREDITORS</b>					
Amounts falling due within one year	15	(27,198)	-	(27,198)	(44,362)
<b>NET CURRENT ASSETS</b>		<u>352,768</u>	<u>-</u>	<u>352,768</u>	<u>380,765</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>492,599</u>	<u>-</u>	<u>492,599</u>	<u>531,434</u>
<b>NET ASSETS</b>		<u>492,599</u>	<u>-</u>	<u>492,599</u>	<u>531,434</u>
<b>FUNDS</b>	16				
Unrestricted funds				492,599	531,434
Restricted funds				-	-
<b>TOTAL FUNDS</b>				<u>492,599</u>	<u>531,434</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 8 December 2020 and were signed on its behalf by:

  
.....  
Andrew J Steel - Trustee

  
.....  
Peter J S Johansen MBE - Trustee

PSJ  
8/12/20

# BIRMINGHAM INTERNATIONAL STUDENT HOMES

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Cash (used by)/generated from operations	1	<u>(46,529)</u>	<u>62,224</u>
<b>Net cash (used in) /provided by operating activities</b>		<u>(46,529)</u>	<u>62,224</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(14,897)</u>	<u>(35,272)</u>
Interest received		<u>2,195</u>	<u>2,082</u>
<b>Net cash(used in) / provided by investing activities</b>		<u>(12,702)</u>	<u>(33,190)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(59,231)</u>	<u>29,034</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>403,424</u>	<u>374,390</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>344,193</u></u>	<u><u>403,424</u></u>

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NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(38,835)	48,276
Adjustments for:		
Depreciation charges	25,735	25,435
Interest received	(2,195)	(2,082)
(Increase)/decrease in debtors	(14,070)	8,540
Decrease in creditors	(17,164)	(17,945)
Net cash (used in) / provided by operating activities	<u>(46,529)</u>	<u>62,224</u>

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**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 2019)", 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.

**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.

**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

Depreciation on tangible fixed assets is not charged in the year of acquisition but in the subsequent year.

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.

**OPERATING LEASES**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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**

	2020	2019
	£	£
Donations	<u>3,100</u>	<u>107</u>

**3. INVESTMENT INCOME**

	2020	2019
	£	£
Deposit account interest	<u>2,195</u>	<u>2,082</u>

# BIRMINGHAM INTERNATIONAL STUDENT HOMES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 4. INCOME FROM CHARITABLE ACTIVITIES

	2020 Charitable activities £	2019 Charitable activities £
Accommodation charges	448,845	553,370
Service charges	<u>12,670</u>	<u>15,237</u>
	<u>461,515</u>	<u>568,607</u>

### 5. OTHER INCOME

	2020 Charitable activities £	2019 Charitable activities £
Job Retention Grant	39,640	-
Employment Allowance	<u>4,000</u>	<u>3,000</u>
	<u>43,640</u>	<u>3,000</u>

### 6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Accommodation expenditure	399,369	149,916	549,285
	<u>          </u>	<u>          </u>	<u>          </u>

### 7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff wages	140,415	135,308
Social security	8,009	7,752
Pensions	10,120	10,213
Rates and water	32,614	30,892
Insurance	20,720	20,271
Light and heat	64,175	57,223
Newspapers and sundries	2,256	3,345
Laundry	5,496	5,496
Cleaning	5,545	5,296
Equipment replacements and repairs	9,140	17,594
Property maintenance and repairs	51,980	41,577
Wi-Fi network charges	23,164	33,478
Depreciation	<u>25,735</u>	<u>25,435</u>
	<u>399,369</u>	<u>393,880</u>

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# BIRMINGHAM INTERNATIONAL STUDENT HOMES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 8. SUPPORT COSTS

	Support costs	Governance costs	Totals
	£	£	£
Accommodation expenditure	<u>137,961</u>	<u>11,955</u>	<u>149,916</u>

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

#### Support costs

	2020	2019
	£	£
Salary costs	103,410	96,605
Social security	9,794	9,595
Pensions and life assurance	11,257	9,738
Computer, postage, telephone, courses, stationery and advertising	<u>13,500</u>	<u>8,362</u>
	<u>137,961</u>	<u>124,300</u>

#### Governance costs

	2020	2019
	£	£
Auditors' remuneration	4,000	4,000
Auditors' remuneration for non-audit work	2,225	3,150
Legal and professional fees	<u>5,730</u>	<u>190</u>
	<u>11,955</u>	<u>7,340</u>

### 9. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Audit fee	4,000	4,000
Accountancy charges	2,225	3,150
Depreciation - owned assets	<u>25,735</u>	<u>25,435</u>

### 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

#### TRUSTEES' EXPENSES

There were no Trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

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**BIRMINGHAM INTERNATIONAL STUDENT HOMES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**11. STAFF COSTS**

	2020 £	2019 £
Wages and salaries	243,825	231,913
Social security costs	17,804	17,347
Other pension costs and life assurance	21,376	19,950
	<u>283,005</u>	<u>269,210</u>

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

	2020	2019
Wardens and staff	<u>16</u>	<u>17</u>

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

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	102	5	107
<b>Charitable activities</b>			
Accommodation charges	568,607	-	568,607
Investment income	2,077	5	2,082
Other Income	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<b>Total</b>	573,786	10	573,796
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Accommodation expenditure	<u>519,703</u>	<u>5,817</u>	<u>525,520</u>
<b>Total</b>	<u>519,703</u>	<u>5,817</u>	<u>525,520</u>
<b>NET INCOME/(EXPENDITURE)</b>	54,083	(5,807)	48,276
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	477,351	5,807	483,158
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>531,434</u>	<u>-</u>	<u>531,434</u>

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**BIRMINGHAM INTERNATIONAL STUDENT HOMES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**13. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 September 2019	439,867	50,880	490,747
Additions	<u>14,897</u>	<u>-</u>	<u>14,897</u>
At 31 August 2020	<u>454,764</u>	<u>50,880</u>	<u>505,644</u>
<b>DEPRECIATION</b>			
At 1 September 2019	289,828	50,250	340,078
Charge for year	<u>25,174</u>	<u>561</u>	<u>25,735</u>
At 31 August 2020	<u>315,002</u>	<u>50,811</u>	<u>365,813</u>
<b>NET BOOK VALUE</b>			
At 31 August 2020	<u>139,762</u>	<u>69</u>	<u>139,831</u>
At 31 August 2019	<u>150,039</u>	<u>630</u>	<u>150,669</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.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	2,828	8,282
VAT	1,024	811
Prepayments	<u>31,921</u>	<u>12,610</u>
	<u>35,773</u>	<u>21,703</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	5,072	14,515
Social security and other taxes	-	93
Deferred income	7,494	19,679
Accrued expenses	<u>14,632</u>	<u>10,075</u>
	<u>27,198</u>	<u>44,362</u>

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**BIRMINGHAM INTERNATIONAL STUDENT HOMES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**16. MOVEMENT IN FUNDS**

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General Fund - Asbury Overseas House	236,820	(14,882)	221,938
General Fund - Wesley International House	164,614	(23,953)	140,661
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>
	531,434	(38,835)	492,599
<b>Restricted funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	-	-	-
<b>TOTAL FUNDS</b>	<u>531,434</u>	<u>(38,835)</u>	<u>492,599</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund - Asbury Overseas House	293,745	(308,627)	(14,882)
General Fund - Wesley International House	<u>216,705</u>	<u>(240,658)</u>	<u>(23,953)</u>
	510,450	(549,285)	(38,835)
<b>Restricted funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	-	-	-
<b>TOTAL FUNDS</b>	<u>510,450</u>	<u>(549,285)</u>	<u>(38,835)</u>



**BIRMINGHAM INTERNATIONAL STUDENT HOMES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**16. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
<b>Unrestricted Funds</b>			
General Fund - Asbury Overseas House	187,330	49,490	236,820
General Fund - Wesley International House	160,021	4,593	164,614
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>
	477,351	54,083	531,434
<b>Restricted Funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	5,807	(5,807)	-
<b>TOTAL FUNDS</b>	<u>483,158</u>	<u>48,276</u>	<u>531,434</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund - Asbury Overseas House	335,336	(285,846)	49,490
General Fund - Wesley International House	<u>238,450</u>	<u>(233,857)</u>	<u>4,593</u>
	573,786	(519,703)	54,083
<b>Restricted funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	10	(5,817)	(5,807)
<b>TOTAL FUNDS</b>	<u>573,796</u>	<u>(525,520)</u>	<u>48,276</u>

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# BIRMINGHAM INTERNATIONAL STUDENT HOMES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General Fund - Asbury Overseas House	187,330	34,608	221,938
General Fund - Wesley International House	160,021	(19,360)	140,661
Designated Fund - Asbury Overseas House Maintenance Reserve Fund	60,000	-	60,000
Designated Fund - Wesley International House Maintenance Reserve Fund	70,000	-	70,000
<b>Restricted funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	5,807	(5,807)	-
<b>TOTAL FUNDS</b>	<u>483,158</u>	<u>9,441</u>	<u>492,599</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund - Asbury Overseas House	629,081	(594,473)	34,608
General Fund - Wesley International House	455,155	(474,515)	(19,360)
	<u>1,084,236</u>	<u>(1,068,988)</u>	<u>15,248</u>
<b>Restricted funds</b>			
Jubilee Redevelopment Scheme Appeal Fund	10	(5,817)	(5,807)
<b>TOTAL FUNDS</b>	<u>1,084,246</u>	<u>(1,074,805)</u>	<u>9,441</u>

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## BIRMINGHAM INTERNATIONAL STUDENT HOMES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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## BIRMINGHAM INTERNATIONAL STUDENT HOMES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 16. MOVEMENT IN FUNDS - continued

##### **Purpose of funds**

##### Unrestricted - 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.

This fund was fully expended as at 31 August 2019.

#### 17. 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 £31,600 (2019 - £31,614).

The total contributions for the year amounted to £21,376 (2019 - £19,950).

#### 18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020.

#### 19. EVENTS AFTER THE REPORTING PERIOD

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon Birmingham International Student Homes being able to continue to operate and come to terms with the significant impact of the Coronavirus pandemic. At the present time there are many unknown variables which makes forecasting the future results and impact on the charity challenging.

Coronavirus represents a significant event both during and since the end of the financial period. The impact of this and the countermeasures being taken to suppress it are considered to be non-adjusting post year end events and therefore have not been taken into account in preparing the Balance Sheet as at 31 August 2020. Asset values continue to be subject to increased volatility due to the increased uncertainties. These factors will all impact the value of investments but a more precise estimate of the impact on asset values cannot be determined.

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows.

	2020	2019
	£	£
Within one year	22,775	22,775
Between two and five years	26,571	49,346
In more than five years	-	-
	<u>49,346</u>	<u>72,121</u>

**21. ULTIMATE CONTROLLING PARTY**

The Charity is controlled by the Board of Trustees.