

Company Registration No. 01946604 (England and Wales)

THE BIRMINGHAM SETTLEMENT
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(Registered Charity Number 517303)

THE BIRMINGHAM SETTLEMENT

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The Birmingham Settlement

TRUSTEES' REPORT

For the year ended 31 March 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

Reference and Administrative information

Charity registration number: 517303

Company number: 01946604

Trustees

Dr P Brooks	(Chair)
Councillor J L B Cotton	(Birmingham City Council nomination)
Mr Christopher Etheridge	(Elected 20 November 2019)
Mr Matthew Gregson	
Mr M Jayakody	
Ms Zoe Richardson	(Elected 22 July 2020)
Mr George Sabharwal	
Ms M Sharma	

All trustees were elected by members at an Annual General Meeting and served for the full year except where otherwise indicated.

Chief Executive & Company Secretary

Mr M Holcombe

Registered Office

359-361 Witton Road
Aston
Birmingham
B6 6NS

Auditors

Thomas & Young
Carleton House
266-268 Stratford Road
Shirley
Solihull B90 3AD

Bankers

Lloyds Bank plc
114-116 Colmore Row
Birmingham
B3 3BD

Solicitors

Irwin Mitchell
Imperial House
31 Temple Street
Birmingham
B2 5DB

Investment Managers

Index Wealth Management
Index House
35 Little Aston Hall
Sutton Coldfield
B74 3BH

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Structure Governance and Management

Governing document

The Birmingham Settlement was established in 1899 and registered as a charity under the Charities Act 1960.

Today, Birmingham Settlement is a charitable company limited by guarantee; incorporated on 11 September 1985, having no share capital and granted charitable status on 21 March 1986. It was established under its Memorandum of Association which set out the objectives and powers of the charitable company and is governed under its Memorandum and Articles of Association.

Recruitment and Appointment of Board of Trustees

The trustees of the charity are also directors for the purposes of company law and referred to collectively as the Board of Trustees and individually as trustees through this report.

The Board of Trustees consists of up to twelve elected, three co-opted and two representative trustees. Elected trustees are elected at the Annual General Meeting for a term of three years, one third of elected trustees resigning each year and being eligible for re-election for a maximum of two terms after which a break of at least one year is required before standing again. The Board may co-opt up to three trustees to serve for a period defined by the Board up to a maximum three-year term and for a maximum of two terms. Birmingham City Council has the right to appoint two representative trustees. Co-opted and representative trustees carry the same duties and responsibilities as elected trustees.

Trustees seek to recruit new members to the Board from the communities it serves and from people with skills the Board considers appropriate and in the best interests of the charity. Recruitment is through membership, by word of mouth, partners, via service delivery experience and member nomination/election. Potential trustees are approached with a view to observing Board meetings and learning about the charity before formally joining via co-option or election at the Annual General Meeting.

During the year under review one new trustee was appointed.

Trustees' Induction and Training

The charity aims for its Board to include representatives of the communities it serves and those with relevant skills and knowledge required to effectively manage the legal duties and obligations required of trustees.

Potential/new trustees are interviewed by existing trustees, normally the chair and one other, who explain the workings of the charity and its management. They are also taken on a conducted tour of the activities of the Settlement by one or more senior staff members. Each new trustee is introduced to members of staff and provided with information including copies of the charity's Memorandum and Articles of Association, its latest annual accounts and other information deemed appropriate.

Governance

During the year under review the Board of Trustees continued to review its policies, processes and working practices.

Risk Management

The charity maintains a risk register identifying risks to which the charity could be exposed. The risk register is reviewed on a regular basis and is a standing agenda item at Board meetings; impact and likelihood is discussed with management with actions planned to minimise identified risks. Actions are recorded in the register for ongoing review and action.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Organisational Structure

The charity is governed by its Board of Trustees which is responsible for formulating strategies and policies including the approval of budgets and annual accounts. Some tasks are covered by a committee structure made up of trustees and members of staff. Committees oversee various activities of the charity and exercise other powers delegated to them by the Board. Committees have their own terms of reference and report to the Board. The Board of Trustees will continue to review the suitability of the committee structure to ensure it meets the organisation needs and those of its stakeholders.

Trustees have delegated day to day control of the charity's operations to the Chief Executive, Martin Holcombe, assisted by a team of managers.

Objectives of the charity

In shaping the charity's objectives and in planning any future activities the trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit. In particular, they have considered how planned activities will contribute to the aims and objectives set.

The principal aims of the charity continue to be:

- a) the relief of poverty, distress and hardship;
- b) the furtherance of health;
- c) the advancement of education and vocation training;
- d) the promotion of social rehabilitation and resettlement;
- e) the promotion of the physical, intellectual, social and moral welfare of the community; and
- f) the provision of recreational facilities in the interest of social welfare.

During the year under review the charity continued to combat disadvantage and discrimination and to foster change and innovation by providing independent services to help empower local communities and individuals.

Strategic Objectives

During 2019, the Settlement's Board and Staff teams undertook a review of the charity's strategic objectives with the aim of updating and simplifying to ensure the charity is correctly focused as we look to build and develop our asset base over the next 3 – 5 years.

Our strategic objectives were split into four key areas:

- Financial resilience
- Wellbeing
- Developing People
- Sustainable Organisation

1. Financial resilience

We have a long history of delivering and developing money advice services. Many of the areas where we work score heavily on the indices of deprivation for all sorts of reasons. Part of our mission is to create opportunity and choice and to put it bluntly, if people are worried about bills, rent arrears, buying school uniforms, or simply putting food on the table, they are not in a position to focus on building opportunity and so choice for either themselves or their community. By providing timely and professional money advice services, we are able to give practical advice and support to alleviate at least some of the pressure and stresses on those struggling to manage. Whether its debt management plans, benefit claims, grant applications, budgeting skills – our money advice services can be a starting point in creating the right environment for people to move on with their lives.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

2. Wellbeing

Although the title 'wellbeing' in the context we think of today is relatively new, as with money advice, we have a long history of providing wellbeing services. Whether through arts, sports, dance, healthy eating or similar services; the promotion of wellbeing is key to ensuring that people are physically and mentally in a position to take advantage of presenting opportunities and so live happy, healthier lives. We have therefore adopted the Five Ways to Wellbeing Principles and added our own sixth principle – be safe! Therefore, our wellbeing principles are:

- Connect
- Be active
- Take notice – be mindful
- Keep learning
- Give to others
- Be safe

3. Developing people

Following on, if our people and communities are financially stable and feeling happier and healthier, they are in a better position to learn and achieve including training, employment and greater community involvement – building voice to influence the services and environments around them. Whether that be setting up community groups, starting a micro-business or simply attending forums and taking part in discussion about their area. However, our people often need further support to help them develop the confidence and skills to actually do those things and with that in mind, as well as regular job club and IT training, we are also developing more grassroots training to equip people with the skills they need to make a difference. We are now OCN accredited and delivering a range of 'starter' courses from mental health awareness to professional boundaries, from first aid to setting up a community group. Our training sits under the banner of Birmingham Training Unit (BTU), which evolved from Birmingham Tribunal Unit, which merged with the Settlement in 2014.

4. Sustainable organisation

To meet the above objectives we need to have the resources and financial backing in place to make it happen and as such, our fourth strategic objective is to make sure the Settlement is viable and sustainable long-term. We are all aware that reductions in public spending have had a significant impact on the sector as a whole and that includes the Settlement. We have to be robust, enterprising and SMART in the way we do things – we have to be fleet of foot and adaptable to survive in difficult and challenging environments. While we will always want to be involved in statutory funding where we can influence and illicit change, we also want work more closely with others – in particular trusts and foundations who share our vision and where we already have a number of positive partnerships on which to build. We also want and need to grow earned income and we have a number of ways of doing that including asset development. Ideally, we are aiming to achieve a 3-way split between statutory, donated, and earned income, which we believe will give the voice, partnerships and security we need to move forwards.

Coronavirus (Covid-19)

In the winter of 2019/20, Covid-19 took a hold in the UK and from March 2020 pushed us all into lockdown. The impact on our communities and organisation was hugely damaging in so many ways. While our 3 charity shops and office bases closed to the public from mid-March, our IT and general infrastructure held up well. While we were able to organise ourselves and adapt quickly and effectively in some service areas, in other areas, particularly face-to-face support, delivery of much needed advice and support at a time of great fear and uncertainty simply stopped.

Pre-Covid-19 our money advice and community teams already delivered advice and support on an outreach basis in the communities where we work. Therefore, our frontline staff already had laptops, mobiles and remote access to our systems meaning our people were able to work from home and continue to deliver advice and support by phone, email and web-chat from the outset. However, many of our clients and service users face multiple barriers to accessing the support they need including language, mental health, abuse, crime and straightforward poverty; and for those clients and service users, the withdrawal of face-to-face advice and engagement activities, which is our norm, the impact has been truly devastating. In addition, while the move to more digital delivery platforms has benefited many and ensured continuity, it has also highlighted the huge issue of digital poverty which affects many of our clients and service users, those most vulnerable, disproportionately. Digital poverty is a growing issue that needs urgent addressing.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

As well as impacting our core delivery work, Covid-19 has also affected the development of our asset base – something we had been building towards for several years. While the pandemic may have impacted asset development in terms of timescales, it has also confirmed the urgent need to create sustainable places and spaces where individuals and communities can safely access the support and services they need for personal and wider wellbeing. We therefore remain committed and even more determined to continue to invest for the long term including the development of our buildings and wider facilities as flexible and adaptable delivery venues for the 'new norm'.

However, and taking the above point into consideration, we need to acknowledge a further uncomfortable outcome from the pandemic for the Settlement and sector as a whole which is the negative impact Covid-19 has had on the stock markets. We receive a significant number of grants from trusts and foundations who distribute income generated from endowments invested in those markets – that income has been hit hard by the fall in dividends and values which will inevitably mean there is less to distribute to charities like ours. In addition, there has been a shift in the focus of funding to address some of the immediate issues Covid-19 has created meaning there is likely to be less funding for 'normal' activities in the short and medium term. This is likely to have an impact on the funding we receive from those sources and something we need to be aware of moving forwards.

Finally, in this section, we must also acknowledge the commitment and tireless efforts of our staff team and wider supporter base who have, and continue to commit to the Settlements' objectives and values, supporting those most marginalised or at risk throughout the pandemic. The review of activities below reflects our work and position mainly pre-Covid-19, but we have added relevant information and comment where we feel it is necessary.

Review of activities

Once again, this year has been a busy and productive year for the Settlement, the infographic below summaries our main activities with the titled sections following give more detail with examples / feedback from our clients.



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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Children & Young People:

Our 'RISE' Youth Programme is now a well-established and key element of our core offer, delivered mainly from our Aston Centre. RISE provided a range of activities in direct response to the challenging circumstances facing young people in the immediate and surrounding areas including high crime rates, low aspiration, peer pressure and a lack of recreational opportunities. Delivering a twice weekly Youth Club, one to one mentoring to 'at risk' young people, detached street work, constructive workshops and after school clubs, RISE continued to steer young people in a positive direction; away from crime and negative behaviour and towards a more positive mind-set where they could start to map their future to realise their potential.

Typically, 40 to 50 local young people attended our open access youth club sessions in Aston making use of the facilities and resources on site, which included games consoles, games tables, boxercise, and board games. Their attendance in itself reduced their vulnerability to negative influences, which in turn decreased their likelihood of using drugs and alcohol, joining gangs, or failing in school. Further, while at the club they were also able to explore and discuss the issues that affect them with peers and staff – guidance from positive role models to find constructive responses and solutions to those issues.

During the autumn/winter months we undertook detached work with greater focus in the Aston area which allowed us to engage with a further 260 young people. That engagement took the form of walking the streets, 'canvassing' young people to draw them into the activities we deliver. Some we encountered on more than one occasion and while Covid-19 has hindered progress, we are confident that we have the right 'offer' to further build relationships to bring more young people on board.

As part of our offer and engagement work, we included young people directly in decision-making asking them to complete short surveys to involve and gauge opinion on the types of activities they would like to see and do. As a result, we hosted a number of trips during the year to venues such as WM Safari Park, Drayton Manor Theme Park, Go Carting, Cinema, Laser Quest, Mountain Biking, Sailing and Bush Craft, which helped us maintain attendance and build relationships. Another project was working in partnership with the Aston Villa Foundation where targeted young people who had expressed a lack of aspiration relating in part to the use of recreational drugs were able to access the Aston Villa indoor football pitch to work with a FA qualified coach – the result included feedback highlighting improved health awareness and self-esteem.

All the young people who attended activities were offered the opportunity of additional one-to-one mentoring with a qualified youth worker to address any issues or concerns they may have had, or to provide guidance with goals and aspirations. During the year, 13 young people received intensive support to build confidence and resilience to deal with issues including problems at the family home, unemployment, personal safety, aggressive behaviour and unhealthy relationships. In addition, young people took part in a series of workshops delivered by Birmingham Training Unit (BTU) focusing on safety and live issues e.g. Psychedelic Drugs Awareness to raise awareness of and dangers of mind-altering drugs such as LSD, 'Spice' and MDMA.

In late 2019, after several years' discussion we finally reached agreement with Birmingham City Council for the return of the Settlement owned 610 Youth Centre in Kingstanding, which has been leased to the council since 1971. As part of our preparation we began engagement work with young people in that area, including mixed sports activities with young people from Aston. This has promoted understanding between young people from different wards, built community cohesion and is working to break down post-code conflicts and barriers that exist. The return to the Settlement of the 610 Youth Centre in Kingstanding in 2020 will further that work as we look forwards.

In the first half of the year, we also undertook detached work from the Kitts Green Hub in the east of the city but as we look to develop and focus on our 'owned' assets, we took the difficult decision to pull out of Kitts Green and delivery wound down in the second half of the year. However, as part of that process we have had positive discussions with funders and Welcome Change CIC who will be taking over the hub in 2020 as we leave, so ensuring continuity in the delivery of community services – a positive outcome.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Stay Learn & Play:

Stay, Learn & Play is a free service delivered for parents with children under five who live locally in Aston and the surrounding areas, Aston is in Ladywood which has one of the highest levels of child poverty in the UK and during the year the sessions supported 393 families in total. It is a valuable resource for the local community in preventing children in this age bracket from missing their early year's development. Taking place three times a week in fully equipped facilities, Stay, Learn and Play provides a social learning space for children who do not have a nursery place and can often be isolated at home. The sessions comprise of structured yet informal activities including creative and messy play, reading, writing, singing and outdoor play. Our holistic approach combines fun with early year's development and supports children's English language skills, while encouraging social skills such as sharing and encouraging the children to express themselves.

In addition to providing a safe space for children to play and learn, the sessions have become a valuable resource for the wider family network. With an informal and relaxed setting, parents and grandparents have found the sessions a place to socialise and share experiences, so forming a valuable support network for them. Families are also able to practice their English language skills so encouraging use in everyday life allowing them to feel more connected and integrated with their local community. For example, the application for pre-school or school can be complicated and daunting; however, through Stay, Learn and Play, we are able to support parents to apply or prepare to visit their child's school or potential schools and discuss any worries they may have once their child starts school. Importantly, parents and families are also able to access our wider services such as money and debt advice, health and wellbeing activities as part of our 'Active in Aston project', or employment support.

Ageing Well

Our older adults programme remained a valuable service in supporting local residents to stay active and independent. Our base in Aston is an area that has one of Birmingham's highest loneliness indicators. It has a high proportion of people aged 65+ with life-limiting, long-term health problems with more than 75% of older people living in poverty. With increasing pressures on adult social care, these challenges can have a negative impact on older adults. The programme delivered over the past year was designed with this in mind, taking a preventative approach to prevent crisis and to promote wellbeing and independence. For many of our older adults the programme has become an important part of their weekly routine.

The Community Wellbeing Club funded by Comic Relief was just one example of how engagement grew from strength to strength over the period, giving us the added opportunity of being able to work collaboratively with a variety of groups to enable fun, interactive activities. We continued to focus on delivering a range of low-level social activities to keep older adults fit and healthy whilst maintaining development of mid to high-level engagement using various platforms such as the Health & Wellbeing Ageing Well Forums and our own Ageing Well Times newsletter as a driver to engage.

After securing funding from Birmingham City Council as part of their 'Prevention and Communities' programme to support older adults living in Birmingham to live healthy and independent lives, we appointed an Ageing Well Support Caseworker in January 2020. This allowed us to reach and support residents that are more isolated or those with more complex social needs.

Promoting financial resilience amongst older adults was also a big part of our work, ensuring individuals were able to access specialist money advice support for debt and benefits queries, and maximising income. For older adults, this can be important as they adjust to changes in financial circumstances, enabling financial capability. Skill development through workshops has also provided individuals with the skills and knowledge they need to take control of their financial circumstances.

Throughout the year, we engaged 837 individuals who attended a variety of activities, including one off events such as trips. Data from surveys during the final quarter of the year reveal that 85% of citizens commented that being involved in such things as forums provided a platform for their voices to be heard; 100% said services allowed them to connect with other cultures; 78% said they were happy with promotional methods used. 64% of citizens said they felt more able

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

to live independently in their own home, 85% also said they felt less isolated and more able to connect to their neighbourhood.

As part of our training and development programme, we collaborated to deliver 15 workshops over the year attended by 158 individuals. Each was designed to raise awareness, encourage debate on such topics as 'Five Ways to Save a Life', Fire Safety, Mindfulness, Theatre Skills, Personal Safety, Mental Health, Addiction, and Model Trains, to name a few.

Community Action

The Active in Aston programme funded by The National Lottery Community Fund has allowed us to engage with 1,500 individuals across all groups. The past 12 months proved to be an exciting and busy time for the Community Action Team in supporting delivery of this project. In the past year, our engagement approach led to participation in activities such as trips and other one off events, light support programmes to improve skill sets, physical health & wellbeing, intense 1:1 support and mentoring of volunteers.

The facilitation of forums remains a key aspect of our work and as with our Ageing Well, Men's and other user forums, our "Health and Wellbeing Forum" has attracted up to twenty individuals per session. It continues to grow steadily with members using it as tool to talk about issues, and share experiences/feelings. During weekly sessions many issues are discussed alongside fun activities such as therapeutic colouring, chess and dominoes. A variety of organisations attend the forum to deliver talks and answer questions on health topics such as Kidney Disease, Organ Donation, Dementia and Stroke Awareness.

Through our forums we have managed to capture the thoughts and ideas of service users who attend the centre, which has helped to shape delivery and enabled us to identify those individuals with particular strengths with which we can build on and mentor to become more involved in supporting and delivering activities. Throughout the year we have worked with 17 individuals who are now actively involved as trained volunteers supporting delivery.

We are immensely proud of the rapport we have built with service users and the range of activities delivered throughout the year. Below are some comments from those we have helped:

Employability & Skills Building (accessed by 410 individuals)

- JF was referred by her friend and joined the Settlement at the end of last year for employment support. She had last worked some 10 years ago as a Chef but being a single parent had to give up her job to look after her children. Having a passion for cooking she always wanted to return to employment in catering & hospitality but had little confidence in herself due to her long-term unemployment and did not know where to start.*

She attended a series of employability workshops where our employment and skills adviser supported her to compile a CV that highlighted her key skills and experience; to develop her job searching skills and to build her confidence for interviews. Also during the process, it was identified that she needed to refresh her Food & Hygiene certificate and her advisor was able to refer her to a Food & Hygiene training course where she gained a qualification which opened up opportunities to apply to work within her desired sector. Following our support, she was offered an interview for a role in a hotel where she secured a position as a Chef. She now feels stable and comfortable that she has a job that can support her family as well as continue to develop her passion for cooking.

Women's Programme (Women of Witton) (accessed by 344 women)

- Ms P was isolated after leaving her job as an Abuse Helpline Worker; the role caused high levels of emotional stress that were exacerbating existing mental health issues. Ms P was lacking self-confidence and self-esteem and had become hesitant in talking to people. She wanted a job in retail that she believed would be less emotionally draining and better for her mental health and wellbeing; but her applications were unsuccessful. She also wanted to get out of the house, socialise, make new friends and join stimulating activities to build her confidence and reduce her isolation.*

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Ms P was referred to our Women of Witton (WOW) programme and started attending weekly activities to build her confidence e.g. coffee and conversation, information talks, craft workshops. She then began attending our employability workshops for help with her CV and job applications. By attending these sessions Ms P gained valuable information about volunteering opportunities including the Settlement's charity shops where she was able to get the retail experience she so desperately needed.

Ms P says that coming to WOW improved her mental health and wellbeing considerably; she got involved in activity programmes, met new people and made new friends who now act as a support network; "I have become more sociable and confident because I have met lots of new people and made friends. I feel much more stimulated as I have joined in with lots of interesting activities and feel much more supported than I would be if I was stuck at home looking at the four walls."

Men's programme (accessed by 30 men)

- "I started coming to the Settlement after seeing a Tai Chi flyer. I was intrigued and thought it might complement the exercise I was already taking. I chose to do something new that I did not know much about, as well as being good for my general fitness. I then got into the boxercise, which again is something different which I had never done. A completely new experience and something more physically challenging, although I find the tai chi challenging in a different way. They complement each other and I thoroughly enjoy both of them. I have noticed an improvement in my fitness since I have been coming and you do get a buzz from the exercise. Some younger people have been coming which is good, it is good that we are working out alongside each other and it is nice to know I can keep pace with some of the younger people too. I have been to the chess & dominoes club a few times too, which is convenient for me after the boxercise. I have just enjoyed having a friendly game of dominoes and just chatting with people. The trip to Edgbaston Cricket Ground was fabulous as well; it was nice to meet one or two people I had not met before."*
- "Coming to the centre helps my general fitness, tai chi is a workout for the mind because you have to concentrate and work on your coordination. I have found myself doing tai chi in the supermarket in the queue waiting for the checkout when I am standing for a while. I start thinking unconsciously about aligning my shoulders and hips. My job in the past was standing up for long periods and I think that caused a back problem. I have been able to manage this ever since, but the Tai chi makes me more aware of my posture and how to go about solving it. It helps with the various aches, pains, and stiffness you get when you get older. My flexibility and general mobility has improved tremendously. I try to do something every day of the week to keep active. It is great to try something new, which I find fascinating."*
- "The centre provides opportunities that I probably would not have pursued had I been left to my own devices. I would not have dreamt of going to a martial arts class at a local leisure centre. I would never have considered that unless the opportunity had been presented in this kind of context, this atmosphere. I think it's the environment which you have created here which is so inclusive and so friendly and welcoming, which is more attractive than going to a class at a gym for example – which is less personable and friendly, where people come and go and there is no interaction, which I would find more intimidating."*

Birmingham Training Unit (BTU)

BTU's annual awareness and skills training programme is a well-established part of our core offer to service users, volunteers, staff and the wider voluntary and community sector in Birmingham. Our training services are wide reaching and in 2019/20, through targeting, BTU's training programme and awareness building workshops supported the personal development of 163 individuals offering a range of courses ranging from 'How To Launch A Campaign' to understanding 'Homelessness, Drugs and Addiction'. Money advisers were also involved in the delivery of benefit and money management workshops to community groups and residents to build their financial skills, knowledge and confidence. BTU courses encourage individuals to take action on the issues affecting them and their neighbourhoods. Feedback on courses and workshops was very positive, with some comments below:

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TRUSTEES' REPORT (CONTINUED)

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- Mental Health Awareness – *'A very wide ranging and potentially difficult subject, but the course covered everything in a sensitive and insightful way'.*
- Assertiveness – *'The trainer was motivational and engaging, makes learning enjoyable'.*
- Introduction to Debt Advice – *'Very good course delivered well by the trainer who was very professional, but approachable if you didn't understand something'.*

During the year our Open College Network application (OCN) was also approved allowing us to become an OCN approved centre to deliver 'accredited' training which is something we will be progressing in 2020/21.

Money Advice:

Free money advice continues to be a valuable and essential service and the ongoing high demand for our support demonstrates this. Our experienced and skilled Money Advice Team sees clients five days a week, delivering services from our main Aston Centre, plus a range of outreach locations in the south and west of the City and via six prisons across the region. Our work has demonstrably helped improve the lives and opportunities of individuals, families and benefitted communities we work with.

We have continued to see large numbers of people needing our help with debt and welfare benefits advice. In particular, our face-to-face service which gives immediate support to our clients; many of whom are experiencing considerable barriers accessing the help they need including language, health, literacy, access to IT or simply fear and embarrassment; all these points can lead to a break down in understanding of the urgency required in dealing with certain matters. There may be dire consequences from not being able to access funds to buy food or failing to pay rent, which, if not managed, could result in eviction and homelessness. We also see a significant and growing number of clients presenting with complex mental health issues requiring additional skills and commitment from our team to support them over a longer period. We still see many people hit by the transition to Universal Credit or new claimants experiencing issues with their applications, for example where claimants whose previously received benefits have simply stopped as they transition to UC leaving clients in receipt of no income for weeks at a time. We are regularly successfully challenging UC decisions, supporting clients with applications for payment advances, making applications to charities, and helping clients to access food banks during gaps or changes to their situations.

The Settlement has a broad suite of services and the Money Advice team works co-operatively and interactively with our other projects as part of our holistic approach – people rarely have single issues and often need a range of responses to improve their situations. While money advice and support often brings clients through our doors that is often just the first step to engaging in the wider activities we provide such as Ageing Well, Job Club or Stay Learn and Play. Therefore we not only help with resolving debt issues and helping to maximise income, but for many, we can help to set them on a path that ultimately improves their mental health, wellbeing, and their ability to re-engage with their peers and community. In addition to one-to-one debt and benefit advice, we also deliver a range of financial literacy training courses and workshops to clients and front-line staff dealing with debt and benefit issues from high level to introductory basic understanding, and will be growing this area once more in the coming year.

Despite high demand for our services, quality remains paramount and our professional team of advisers receive continual ongoing training and development in line with Advice Quality Standard, Institute of Money Advisers and similar quality mark assessments. Our work is constantly monitored and reviewed, and we are delighted to say we achieved a 93% approval rating from the Money & Pensions Service DAPA scheme, which is amongst the highest in the country.

In terms of numbers, our Money Advice Team supported more than 3,685 people over the past year. Of the £12.6 million worth of debt presented by clients, we have been successful in getting more than £4.6 million either written off or rescheduled, enabling more affordable repayments. Through our support with benefit applications and challenges to negative benefit decisions, we have helped to increase household incomes by over £1.34 million giving clients the ability to manage their finances better. We continued to support clients facing eviction from their homes helping more than 717 people to negotiate repayment of rent arrears, setting up sustainable payment plans acceptable to both

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tenants and landlords. We helped clients access Universal Credit to which they were entitled preventing arrears, eviction notices, and potential homelessness.

Through our work in prisons and the indispensable role in supporting people to work through financial difficulties (which remains the biggest cause of re-offending), we have recognised the need for greater support pre-sentencing, for those on probation and for those on licence. This year we dealt with 1,119 clients from prisons presenting nearly £6 million of debt. Our support extends to both the National Probation Service (NPS) and Staffs. & West Midlands Community Rehabilitation Company (CRC) with a free and impartial telephone debt advice service. We believe earlier and easier access to our services will enable callers to better understand their rights and responsibilities and the consequences of non-payment to creditors.

In summary for money advice, the year under review has been an extremely busy year and produced many great outcomes for our clients. We have had many great success stories, evidencing the importance of our work and the difference we have made in improving the lives of people who have approached us for support. Some examples of the differences we have made for clients are given below:

- *Mr A, 52, needed advice on Benefits and Debt issues. He was vulnerable with complex health issues (mobility problems/ care needs/ mental health problems), and was claiming only means-tested benefits. We found he was being harassed and intimidated by bailiffs under instruction to recover £3,362 for council tax arrears which were more than a decade old. Due to Mr A's vulnerabilities, we stopped the bailiffs' actions to give him time to deal with his debts. A complaint was also made to the council for maladministration which resulted in the debt being written off. We went on to assist with benefit advice and addressed all other debts with consideration to his health and associated needs. His wellbeing is improved and he is now fully in control of his finances and his life.*
- *Ms D, single parent with seven dependent children, 42, an EU national with limited English came to us in distress and needing help with benefit claims after her abusive partner had left her and her children. Her claim for full benefits for herself and the children had been delayed because she had to pass the Habitual Residence Test. Her ex-partner meanwhile continued to claim benefits that were going into his account which she could not access. This left her with no money to feed herself and her children or to pay for gas and electricity. We initially assisted her to access vouchers for food and fuel through Local Welfare Provision; and made an award ourselves through The Handsworth Charity for further vouchers to buy food, toiletries, gas and electric top-ups while we started to support her to claim the correct benefits in her own right.*

Due to the contact she made with the Settlement and her improved confidence knowing that we were going to support her, she started to attend other Settlement activities which had a positive impact on her self-esteem and mental health. She now has the correct benefit payments being made direct to her to support her and her children.

- *Mr T, 45, was referred by HMP Oakwood's Resettlement Team for advice on his tax debt. He believed he had fallen behind on paying his tax and submitting his annual returns so creating further charges and penalties. When Mr T met our adviser he was reluctant to provide information or engage because he was under the impression we would not be able to help. He felt stressed about his situation and thought he had no hope in getting the help and support he needed without paying for it. He had been self-employed in the construction industry and had paid an accountant to keep his finances in order including filing his tax returns at the end of each tax year. However, this had not been done for the years 2016 - 2019 resulting in £2,818 in underpaid tax. He had also received a tax rebate of £1,598 of which £795 was an overpayment. He stated the main reason for offending was being unable to secure a job since a previous sentence and he was struggling to survive. He had been on Welfare Benefits and was unaware he was still registered as self-employed with HMRC. HMRC therefore continued to issue tax returns, fines and penalties for non-compliance.*

We ended his self-employed status removing the need to file returns from that date. We appealed the outstanding fines and charges on his behalf and due to the circumstances HMRC agreed to write off all fines and penalties – he even had a credit created. On his release, he was debt-free and confident to go back into employment.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

- *Mr G, 20, vulnerable, suffering with epilepsy and with learning disabilities who served a 3-month custodial sentence in HMP Young Offenders Institute Brinsford (when he met our adviser he had a large scar on his face due to a fall during an epileptic fit two nights before). Prior to custody, he was claiming benefits but when he entered custody all his benefits stopped. As he was in prison he was no longer entitled to Employment & Support Allowance (ESA) or Personal Independence Payment (PIP). Because ESA stopped, his Housing Benefit (HB) also stopped so creating rent arrears. Due to the length of his sentence he was not entitled to HB and was repeatedly told by his landlord that it was in his best interest to terminate the tenancy which caused a great deal of distress and anxiety.*

The landlord then chose to proceed with legal action to evict Mr G. A court possession hearing was set and our adviser attended along with Mr G and stopped the eviction. He then supported Mr G to claim and re-instate his benefit entitlements and to agree a repayment plan for his rent arrears as a deduction from his ESA. The applications were successful and Mr G's rent is now covered by HB with a repayment plan in place for the arrears. When he was released from custody he returned safely to his accommodation.

- *Mr L, 76, vulnerable resident at a retirement home referred by his niece. Mr L suffered a stroke in May 2018 and remained in hospital until July 2018; he moved into a retirement home following discharge. Mr L's only family was his niece who worked full time and had her own family responsibilities. Mr L's speech was impacted following his stroke making it difficult for him to communicate with others. Mr L also suffers from heart disease and was diagnosed with prostate cancer in June 2019.*

Mr L's income was through Pension Credit together with Disability Living Allowances at enhanced rate. Mr L approached us through his niece in November 2019 for help with rent arrears of £1,903 owed to the retirement home. Although a Housing Benefit (HB) claim was initially made by Mr L, the claim had not been submitted on time and the retirement home was pressuring Mr L to clear the arrears. Mr L had also received a HB overpayment notification of £969 in relation to his previous tenancy which had not ended on time resulting in the overpayment.

Our adviser requested backdated HB on the grounds of Mr L's earlier intention to claim when he moved into the retirement home. Our adviser highlighted Mr L's vulnerabilities and explained the reasons why his tenancy had not ended on time – because he was in hospital and thereafter bed-ridden, and lacked the support and help he needed to sort his claim. We requested dual HB due to exceptional circumstances or failing that, we requested the overpayment be written off based on Mr L's age and health vulnerabilities.

Both issues had impacted on Mr L's overall health, particularly his mental well-being and he became quite aggressive due to his frustration with the system and feeling the situation was not his fault. We were successful with the back-date to his tenancy commencement at the retirement home and a HB underpayment was subsequently created which cleared Mr L's rent arrears. Birmingham City Council's benefit services also agreed to write off the debt based on Mr L's vulnerabilities and Mr L is now debt free.

- *Ms R, 54, vulnerable with mobility issues, visual impairment and breast cancer. Ms R is a local authority tenant in receipt of Employment Support Allowance, Personal Independence Payment, Housing Benefit and Council Tax Support. Ms R has no savings or assets and came to the centre struggling with bills and a loan that she had fallen behind on. Ms R stated that in the past she had always maintained her bills, but her breast cancer had returned and due to the stress and focus on her treatment, she had failed to maintain her finances. She was in arrears with water, gas and electric bills, and loan repayments and was at a point where she could no longer bring those bills up to date. Ms R was worried that if she set up a payment plan it would put too much pressure on her financially and she may not be able to keep up to date with her present bills and so fall into further debt. Ms R's circumstances were impacting her physical and mental health and wellbeing as she was constantly stressed and anxious about her financial situation.*

Following our intervention and with consideration of Ms R's health conditions, the loan company agreed to write off the debt, the water company wrote off 75% of the outstanding balance and we arranged a payment plan on the remainder, and the gas and electric company agreed to write off the debt. Ms R's total debt was reduced from £5,819 to £249 to be repaid over a manageable timeframe. Ms R is immensely relieved and is in a much better position to concentrate on her treatment.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Aston Centre:

The Aston Centre is the Settlement's main base and head office. The Centre aims to build social capital by addressing the health, training, economic and social aspirations of people affected by social exclusion. The Settlement manages and coordinates activities to ensure the needs of local communities are met, delivering services itself, in partnership with others, and by making space for other groups to deliver complementary services.

Many of the services and activities mentioned above are delivered from the Aston Centre and support individuals from all walks of life. Services include money advice, employment and training advice, children and young people services, family support, older people services, a free cyber-suite providing access to IT and internet along with training, organisation development and capacity building support including the development and support of co-design and co-production to maximize and target resources. The Aston Centre also offers room hire and accommodated office space.

During the year footfall through the Aston Centre was in excess of 18,000 with more than 1,300 activity sessions delivered.

Shops:

Our three charity shops (Sutton Coldfield, Boldmere and Wylde Green) performed reasonably well this year although their financial contribution remains a concern and we continue to monitor closely. However, it must be borne in mind that financial contribution is not the only consideration with the shops; the opportunities and support they give to volunteers is another significant factor. The shops have a strong and committed staff team who provide an outlet and support for many vulnerable, older and isolated people, plus those looking to improve employment prospects through retail experience as volunteers. We will continue to monitor performance including how we link core services to the shops.

Financial Review

Income for the year before the revaluation of investments amounted to £1,415,339 (2019: £1,117,635). Notable changes from the previous year related to increased donations and support from trusts and foundations and increased contract income, in particular for money advice. In addition, and reflecting the increased income our staff team grew to 39 (2019: 31) leading to higher recharges to cover the costs of additional office space needed to house the team i.e. using more rooms, that increase is shown under investment income.

Expenditure for the year amounted to £1,381,767 (2019: £1,086,495). The main changes on spend on the previous year related to Advice and Advocacy – in particular money advice as our services grew, with additional spend also applying to Community Action in line with changes to grants and contracts. In addition, we spent more on fundraising and publicity as we look to develop our asset bases and broaden our delivery. Other changes were minimal.

The Settlement finished the year with an unrestricted deficit of £60,476 and a restricted surplus of £69,328, giving an overall surplus before revaluation of investments of £8,852 (2019: surplus £31,140). Bearing in mind the increased income and subsequent service delivery, a small surplus that was well within our original budget for the year was acceptable.

However, the impact of Covid-19 on the financial markets towards the end of March 2020, which is where our endowed and contingency funds are invested was painful, with just over £300,000 being wiped off their value in just a couple of weeks. As things stand at the time of writing both funds have recovered to a 'reasonable' degree and that is likely to reflect in next years' accounts but we must not take anything for granted. We are fortunate that our careful planning and financial stewardship in recent years has helped us build the reserves we have; but we also need to acknowledge that we are in a period of significant change. We are committed to developing our assets and in particular, the playing field at Selwyn Road and the 610 Youth and Community Centre in Kingstanding, both will need significant investment and that investment needs to be managed with care.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Principal funding sources:

In addition to investment income, income comes from three principal separate sources:

- Grants and contracts from local, national, quasi government bodies and partner agencies;
- Donations and grants from charitable trusts and foundations; and
- Income generated by the Settlement charity shops

Trustees recognize and appreciate the growing importance of grants and the huge contribution charitable trusts and foundations make to the work of the Settlement. The Settlement is registered with the Fundraising Regulator to ensure that it meets and complies with the standards laid down by the FRSB,

Volunteers

During the year under review the charity continued to benefit from the services provided by approximately 80 regular volunteers and a further 40 occasional volunteers who can be called upon to provide services to support the charity. The main areas of volunteer activity are related to the 3 charity shops, office administration, job club, ESOL and IT training. Volunteers join the charity primarily to prepare and train themselves for ultimate paid employment or because of their genuine interest and commitment to the work of the Settlement. The trustees are deeply grateful for the commitment and dedication shown by volunteers.

All trustees provide their contribution to the welfare of the Settlement on a voluntary and unpaid basis.

Reserves Policy

Trustees consider that in the current uncertain economic climate for the sector, and with the need for continued diligence and restructuring that the Settlement should aim to hold as free reserves a level equivalent to six months outgoing resources plus an estimate of the current liability for redundancy pay on existing staff. Budgeted expenditure for 2020/21 is in the region of £1,400,000 and therefore the targeted level of free reserves is in the region of £750,000. Given the number of projects and their diverse sources of funding, the trustees consider that in normal circumstances this level of reserves would enable the charity to arrange an orderly reduction in activities in the event of a major loss of funding. However, with significant investment needed to develop the Settlement's asset base as detailed below, the trustees have decided to classify £700,000 of the unrestricted funds carried forward as a 'contingency' reserve.

Following on from the above, the Settlement has a developing asset base which will require investment to build enterprise and generate sustainable income for the charity long term. The Settlement also has a number of pilot projects which are funded or part funded by contracts, grants and/or charitable foundations and trusts; in particular work around developing people, financial capability and literacy, and work with children and young people which requires further investment. Trustees acknowledge this will take time and require significant investment and have therefore decided to designate an amount of £200,000 as 'transition funds' to support the Settlement's long term development in these areas.

Investments

During the year under review, the endowed capital of the charitable company, held by Birmingham Settlement Properties continued to be invested in funds which hold a wide range of equities and bonds. These funds adopt a passive approach to investment, holding equities for the long term and not buying or selling for short-term gains. Funds are held in a fund of short term bonds and in four funds which invest in established blue chip and developing companies both in the major markets worldwide and those of developing countries respectively. The investments will be rebalanced periodically to maintain the agreed ratios. As mentioned earlier, in March 2020 the markets took a huge hit as Covid-19 spread and in the year under review the value of these investments decreased by 25%. This meant growth on the original investment in July 2010 fell from an equivalent 75% at the end of 2019, to 39% at the end of the 2020 financial year, a drop of some £161k giving an end of year value of £623k.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Part of the surplus cash which forms the day-to-day working capital of the charitable company is held in a fund which invests in the same way as the endowed capital. This has been classified as a fixed asset investment, but is readily realisable if required. In the year under review the value of this investment has been hit in the same way as our endowed fund and also decreased by 25%. This meant growth on the original investment fell from an equivalent 35% at the end of 2019 to 8% at the end of the 2020 financial year, a drop of £136k giving an end of year value of £540k.

Performance of both the endowed and fixed asset investment in the year under review was disappointing and showed how vulnerable charities like the Settlement are to external environments. However, we have built reserves and invested with care to ensure we are stable and sustainable moving forwards; and that we are not over-committed or too vulnerable to circumstances outside of our control. The current situation with Covid-19 and the fact that we remain financially sound for the immediate and medium term is testament to the way we have managed ourselves and our finances.

Any additional or surplus cash is held on deposit in interest bearing current accounts and on current account, the yield on the latter surplus is minimal.

Endowed capital of the Graham Street Charity Fund other than the land adjoining Selwyn Road will continue to be held in unit trusts suitable for charities.

Details of the total return approach to investment are shown in note 15 on page 36.

Plans for Future Periods

The Settlement plans to continue its principal activities as set out above but is aware that the advent of Covid-19 has, and will continue to have, a devastating impact on the communities and individuals where we work – we are in uncharted territory. Horizon scanning is high on impossible and we can only go on information we are sure of. However, we do know the need for our services has grown and is likely to continue to grow; and we know the way services are delivered has changed and again, will continue to change – in particular use of space and digital platforms. To this end we have to be fleet of foot and make sure we are flexible, adaptable and realistic in our approach. In many ways we are in a fortunate position, we are financially sound for the immediate and medium term, we were already embarking on a programme of asset development and are in a position to continue with that development taking into account the need for open, safe and flexible physical and digital spaces to widen and grow our reach. This includes building our partnerships with trusts, foundations, the statutory and private sectors, as well as third sector delivery groups; growing earned income and building our volunteer base to make sure we maximize our work. To this end the Settlement will:

- Continue to review its property portfolio and commitments to ensure value for money and long term sustainability, in particular the developments of:
 - Selwyn Road where we now have planning permission to build a new Wellbeing Centre on an open 3-acre site by Edgbaston Reservoir.
 - 610 Youth & Community Centre in Kingstanding where we have agreed with Birmingham City Council terms for the return of the site to the Settlement.
- Assess and learn from a range of pilot programmes and existing work with a view to greater social enterprise to generate income to support grassroots local delivery that is community driven including the use of assets.
- Continue to build and shape responsive services based on the needs and voice of the community.
- Continue to revise our structure with an emphasis on flexibility and service integration.
- Review the composition of the Board of Trustees to ensure it has the skills and representation it needs.
- Utilise and develop digital and IT services to widen delivery and improve monitoring and evidencing the impact of our work.
- Widen and more clearly define services to ensure programmes support all aspects of our communities including specific projects in areas where we see gaps in service.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2020

Statement of Trustees' responsibilities

The trustees (who are also directors of Birmingham Settlement for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP 2015 (FRS 102);
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Information to the Auditors

In so far as the trustees are aware:

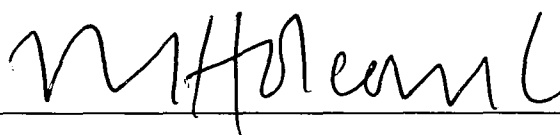
- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board of Trustees on 4 November 2020 and signed on its behalf by:

Peter Brooks – Chair



Martin Holcombe – Company Secretary



The Birmingham Settlement

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BIRMINGHAM SETTLEMENT

For the year ended 31 March 2020

Opinion

We have audited the financial statements of The Birmingham Settlement (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and related notes, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees 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 group's and the parent charitable company's affairs as at 31 March 2020 and of the charitable group's incoming resources and application of resources, including its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011.

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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts 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 group's or parent 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 trustees' annual report, other than the financial statements and our auditor's report 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.

The Birmingham Settlement

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BIRMINGHAM SETTLEMENT (CONTINUED)

For the year ended 31 March 2020

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibility Statement set out on page 18, 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Thomas & Young Limited (Statutory Auditor)

Chartered Accountants
Statutory Auditor

04/11/2020

Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD

Thomas & Young Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Birmingham Settlement
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2020

	Note	Unrestricted funds £	Restricted funds £	Permanent Endowment funds £	Total funds 2020 £	Total funds 2019 £
Incoming resources						
Voluntary income						
Donations, legacies and gifts	2	178,120	332,455	-	510,575	367,231
Income from other trading activities						
Charity shops income	3	212,475	-	-	212,475	208,309
Investment income	4	109,077	3,015	-	112,092	70,964
Incoming resources from charitable activities						
Grants and contract income	5	384,569	195,628	-	580,197	471,131
Total incoming resources		884,241	531,098	-	1,415,339	1,117,635
Resources expended						
Cost of generating funds						
Costs of generating voluntary income						
Fundraising and publicity costs	6	(65,582)	-	-	(65,582)	(27,508)
Charity shop costs	6	(224,300)	-	-	(224,300)	(231,781)
Charitable activities						
Advice and advocacy	6	(411,144)	(223,370)	-	(634,514)	(424,355)
Community Action	6	(221,429)	(238,400)	-	(459,829)	(380,806)
Governance costs	6	(22,262)	-	-	(22,262)	(22,045)
Total charitable expenditure		(944,717)	(461,770)	-	(1,406,487)	(1,086,495)
Net (losses)/gains on revaluation of investments	10	(136,047)	-	(173,002)	(309,049)	17,660
Net (losses)/gains on revaluation of fixed assets	9	-	-	(35,000)	(35,000)	-
Gross transfer between funds		-	-	-	-	-
Net movement in funds		(196,523)	69,328	(208,002)	(335,197)	48,800
Fund balances brought forward at 1 April 2019		1,106,673	4,204	1,287,100	2,397,977	2,349,177
Fund balances carried forward at 31 March 2020		910,150	73,532	1,079,098	2,062,780	2,397,977

More details on the Permanent Endowment funds are given in note 15. There are no recognised gains or losses for 2020 or 2019 other than those included in the Consolidated Statement of Financial Activities.

These notes on pages 26 to 40 form part of these financial statements.

The Birmingham Settlement
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2020

	2020 £	2019 £
Turnover	1,341,686	1,067,096
Operating costs	(1,406,487)	(1,086,495)
	<hr/>	<hr/>
Operating deficit	(64,801)	(19,399)
	<hr/>	<hr/>
Interest receivable and similar income	73,653	50,539
	<hr/>	<hr/>
Net income/(expenditure) for the year	8,852	31,140
	<hr/>	<hr/>

All amounts relate to continuing operations.

The Consolidated Summary Income and Expenditure Account is derived from the consolidated Statement of Financial Activities on page 21, which together with the notes to the financial statements on pages 26 to 40, provides full information on the movements during the year on all funds of the group.

The notes on pages 26 to 40 form part of these financial statements.

The Birmingham Settlement

CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	9(a)		106,205		57,864
Investments	10		1,549,481		1,909,530
			<u>1,655,686</u>		<u>1,967,394</u>
Current assets					
Stocks and work in progress	11	4,718		4,718	
Debtors	12	239,756		122,434	
Cash at bank and in hand					
Restricted funds		48,812		4,204	
Unrestricted funds		238,556		417,222	
			<u>531,842</u>	<u>548,578</u>	
Creditors: amounts falling due within one year	13	(124,748)		(117,995)	
Net current assets			<u>407,094</u>		<u>430,583</u>
Total assets less current liabilities			<u>2,062,780</u>		<u>2,397,977</u>
Reserves					
Permanent Endowment Funds	15		1,079,098		1,287,100
Restricted funds	16		73,532		4,204
Revenue reserve	18		10,150		16,673
Contingency reserve	18		700,000		725,000
Other designated reserves	18		200,000		365,000
			<u>2,062,780</u>		<u>2,397,977</u>

The notes on pages 26 to 40 form part of these financial statements.

For the year ended 31 March 2020, the group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this group is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The trustees have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Board on 4 November 2020 and signed on its behalf by

MR P BROOKS

Director

Company Registration No. 01946604



The Birmingham Settlement

BALANCE SHEET

For the year ended 31 March 2020

		£	2020	£	£	2019	£
	Note						
Fixed assets							
Tangible assets	9(b)			36,205			3,864
Investments	10			540,383			676,430
				<u>576,588</u>			<u>680,294</u>
Current assets							
Stocks and work in progress	11		4,718		4,718		
Debtors	12		255,756		138,434		
Cash at bank and in hand							
Restricted funds			-		-		
Unrestricted funds			264,214		401,222		
			<u>524,688</u>		<u>544,374</u>		
Creditors: amount falling due within one year	13		(124,748)		(117,995)		
Net current assets				<u>399,940</u>			<u>426,379</u>
Total assets less current liabilities				<u>976,528</u>			<u>1,106,673</u>
Reserves							
Restricted funds	16		66,378		-		
Revenue reserve			10,150		16,673		
Contingency reserve	18		700,000		725,000		
Other designated reserves	18		200,000		365,000		
			<u>976,528</u>		<u>1,106,673</u>		

The notes on pages 26 to 40 from part of these financial statements.

For the year ended 31 March 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The trustees have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Board on 4 November 2020 and signed on its behalf by

MR P BROOKS
Director



The Birmingham Settlement
CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 March 2020

	Notes	2020 £	2019 £
Net cash outflow from operating activities	24	(99,424)	50,071
Returns on investments and servicing of finance			
Interest received		366	275
Dividends received		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(35,000)	-
Purchase of shares		-	-
Acquisitions			
Net cash acquired with subsidiary undertaking		-	-
Decrease in cash		<u>(134,058)</u>	<u>50,346</u>
Reconciliation of net cashflow to movement in net funds			
Increase/(Decrease) in cash in the period	25	(134,058)	50,346
Net funds at 1 April 2019	25	421,426	371,080
Net funds at 31 March 2020	25	<u>287,368</u>	<u>421,426</u>

The notes on pages 26 to 40 form part of these financial statements

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 Accounting policies

1.1 Charity information

The Birmingham Settlement is a private company limited by guarantee incorporated in England and Wales, and is also registered as a charity in England and Wales. The registered office is 359-361 Witton Road, Aston, Birmingham, West Midlands, B6 6NS.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

1.3 Accounting convention

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Birmingham Settlement meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared under the historical cost convention as modified for the revaluation of freehold land and buildings and investments.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

1.4 Basis of consolidation

The group accounts include the accounts of the charitable company, Birmingham Settlement Properties, Graham Street, and Birmingham Settlement Sales Limited, each made up to 31 March 2019. A separate Statement of Financial Activities, or income and expenditure account, for the charitable company itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.5 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.6 Restricted funds and charitable expenditure

The Settlement has a number of projects which are grouped for management purposes into advice, care and community action. Many of these projects are financed in part or in whole by grants and donations specifically for that project. Such income is regarded by the directors as restricted funds in the Statement of Financial Activities. Direct costs for each project which is funded in part by restricted income are analysed between restricted and unrestricted funds. Restricted funds also bear an appropriate proportion of support costs.

The charitable company has received certain grants and donations for capital purposes and towards the cost of specified capital expenditure. Such grants and donations are included as restricted income in the Statement of Financial Activities. The related capital expenditure is included in the balance sheet as fixed assets and depreciation on those assets is charged against the restricted funds.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

1 Accounting policies (continued)

1.7 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designed for other 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 cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the funds are charged against the fund.

1.8 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustee's Annual Report.

Gifts in kind donated for resale cannot be practicably valued at fair value due to the volume of low value items. They are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy, the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 Accounting policies (continued)

1.9 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable group and include audit fees and costs linked to the strategic management of the group.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads and other overheads have been allocated proportionately to the direct staff costs.

1.10 VAT

Irrecoverable input VAT is included in charitable and other expenditure and capital expenditure on the basis of the costs to which it relates.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost or valuation. Depreciation is calculated to write down the cost of assets less their estimated residual values over their expected useful lives by equal annual instalments at the following rates:

Freehold land	Nil
Investment freehold land and buildings	Nil
Other freehold buildings	2%
Short life leasehold property	Over period of the lease or 20%
Vehicles	20%
Fixtures, fittings and equipment	20%
Computers	25%

Any impairment in the value of fixed assets is charged to the Consolidated Statement of Financial Activities.

1.12 Heritage assets

Information on the cost or valuation of heritage assets is not available and the cost of providing such information significantly outweighs any benefit to the users of the accounts. The heritage assets are not recognised on the balance sheet as disclosed at note 9(b).

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity if available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 Accounting policies (continued)

1.13 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

1.14 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

1.15 Stocks

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

1.16 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.17 Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

1.18 Pension costs

The Settlement contributes to a Group Money Purchase Personal Pension Scheme, to which employees also contribute.

Contributions are charged to the Consolidated Statement of financial Activities in the year in which they are incurred.

1.19 Employment benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

2 Donations, legacies and gifts

	Unrestricted £	Restricted £	2020 £	2019 £
Comic Relief – Ageing Well	-	24,850	24,850	11,899
Barrow Cadbury Trust – Planning & Influence	-	45,000	45,000	9,900
Barrow Cadbury Trust: Migration – Policy & Practice (host grant)	-	35,000	35,000	35,000
Migration grant income carried forward	-	(11,324)	(11,324)	(14,333)
Other donations (under £50K)	178,120	238,929	417,049	324,765
	<u>178,120</u>	<u>332,455</u>	<u>510,575</u>	<u>367,231</u>

3 Income from shops

The trading activities of the shops are undertaken for fundraising purposes and comprise principally the sale of donated goods.

4 Investment and other income

	Unrestricted £	Restricted £	2020 £	2019 £
Bank interest	366	-	366	275
Income from lettings	70,337	-	70,337	46,432
Investment and other income	38,374	3,015	41,389	24,257
	<u>109,077</u>	<u>3,015</u>	<u>112,092</u>	<u>70,964</u>

5 Grants and contract income

	Unrestricted £	Restricted £	2020 £	2019 £
Money Advice Service	260,045	-	260,045	208,040
Neighbourhood Network Scheme	-	48,703	48,703	-
Citizens Advice Birmingham	57,000	-	57,000	49,000
Prevention Communities	-	40,750	40,750	-
Staffs and West Midlands CRC	39,719	-	39,719	37,199
Big Lottery Reaching Communities	-	86,175	86,175	121,244
Esmee Fairbairn	-	20,000	20,000	-
Anawim	12,563	-	12,563	44,850
BTU	15,242	-	15,242	10,798
	<u>384,569</u>	<u>195,628</u>	<u>580,197</u>	<u>471,131</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

6 Total resources expended

		Voluntary Income £	Charity Shops £	Advice & Advocacy £	Community Action £	Governance £	Total 2020 £	Total 2019 £
Costs directly allocated to activities								
Staff costs		25,985	82,416	339,851	240,313	-	688,565	534,475
Direct project costs		25,196	28,497	106,843	65,365	-	225,901	158,318
Site costs		41	67,840	5	21,344	-	89,230	87,634
Support costs allocated to activities								
Staff costs	Direct staff costs	7,475	23,708	97,762	69,130	14,262	212,337	155,324
Site costs	Direct staff costs	3,102	9,838	40,566	28,686	-	82,192	70,499
Information Technology	Direct staff costs	775	2,458	10,138	7,168	-	20,539	29,362
Other Costs	Direct staff costs	3,008	9,543	39,349	27,823	8,000	87,723	50,882
		<u>65,582</u>	<u>224,300</u>	<u>634,514</u>	<u>459,829</u>	<u>22,262</u>	<u>1,406,487</u>	<u>1,086,494</u>

7 Staff costs including shop staff

	2020 £	2019 £
Wages and salaries	805,778	622,480
Social security costs	60,356	47,287
Pension costs	32,314	17,340
Life insurance	2,454	2,693
	<u>900,902</u>	<u>689,800</u>

No employee received remuneration in excess of £60,000.

No trustee received any remuneration. No trustees (2019: Nil) were reimbursed for travelling expenses to attend meetings at the offices of the charitable company.

The average number of employees during the year by function was

	2020 No	2019 No
Advice and Advocacy	11	9
Community Action	14	10
Fundraising and shops	7	7
Management, administration and support	7	5
	<u>39</u>	<u>31</u>

There were on average 56 (2019: 55) volunteers working part time each week.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

8 Net outgoing resources

The following items are included in arriving at net outgoing resources

	2020 £	2019 £
Expenditure		
Depreciation and amounts written off on disposal	2,659	18,470
(Profit)/Loss on disposal of fixed assets	(2,225)	-
Auditors – for group audit services in the current year	8,000	8,000
Operating leases		
Land and buildings	92,630	91,466
Other	-	-
	<u> </u>	<u> </u>

9 Tangible Fixed Assets

(a) Group	Freehold Land £	Short life Leasehold property £	Fixtures, fittings motor vehicles and computers £	Total £
Cost				
1 April 2019	54,000	49,803	308,070	411,873
Additions	-	-	35,000	35,000
Revaluations	16,000	-	-	16,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2020	70,000	49,803	343,070	462,873
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
1 April 2019	-	48,910	305,099	354,009
Charge for the year	-	-	2,659	2,659
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2020	-	48,910	307,758	356,668
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
31 March 2020	70,000	893	35,312	106,205
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2019	54,000	893	2,971	57,864
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The short life leasehold property is occupied by the charitable company for charitable purposes.

Freehold land was valued as at 12 March 2020 by Richard Bache BSC Hons MRICS of Pennycuik Collins Chartered Surveyors on an open market basis for existing use at £70,000

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

9 Tangible fixed assets (continued)

If freehold land had not been revalued it would have been included at the following amount

	2020 £	2019 £
Group	20,000	20,000

The charitable group has heritage assets as disclosed at note 9(b)

(b) Company	Leasehold property £	Fixtures, fittings motor vehicles and computers £	Total £
Cost			
1 April 2019	49,803	308,070	357,873
Additions	-	35,000	35,000
31 March 2020	49,803	343,070	392,873
Depreciation			
1 April 2019	48,910	305,099	354,009
Charge for the year	-	2,659	2,659
31 March 2020	48,910	307,758	356,668
Net book value			
31 March 2020	893	35,312	36,205
31 March 2019	893	2,971	3,864

Heritage assets

In addition to the capitalised fixed assets held for the charitable company's own use, it has title to a collection of archive documents relating to the history of The Birmingham Settlement. These comprise 353 items in total, mainly minute books and correspondence with some accounting records and photographs relating to the period from the foundation of The Birmingham Settlement in 1899 to 1970.

The archives are held at Birmingham Central Library. Access to the records is at the discretion of management and is granted to those requiring access for research purposes. There is no policy to acquire further documents, other than those documents similar to the existing items which are no longer required in the general management of the charitable company. There is no intention to dispose of these items.

The intrinsic value of the items is bound up with the history of the charitable company and they are irreplaceable originals to which no reliable cost or value can be attributed. Accordingly, these assets have not been capitalised in the financial statements.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

10 Fixed asset investments

	Listed £	Unlisted £	Freehold Investment property £	Subsidiary undertaking £	Total £
Group					
Cost or valuation					
1 April 2019	1,518,530	-	391,000	-	1,909,530
Additions	-	-	-	-	-
Revaluation	(309,049)	-	(51,000)	-	(360,049)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2020	1,209,481	-	340,000	-	1,549,481
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company					
Cost or valuation					
1 April 2019	676,430	-	-	-	676,430
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	(136,047)	-	-	-	(136,047)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2020	540,383	-	-	-	540,383
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The freehold investment property was valued as at 12 March 2020 by Richard Bache BSC Hons MRICS of Pennycuik Collins Chartered Surveyors on an open market basis.

Material listed investments, being those with a value of 5% or more, are detailed below:

	£
Dimensional Global Targeted Value	313,750
Dimensional Global Core Equity	299,855
Dimensional Emg. Mkts Core Equity Fund	76,385
Dimensional Emg. Mkts Targeted Home Fund GBP Acc	76,780

11 Stocks and work in progress

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Stocks	<u>4,718</u>	<u>4,718</u>	<u>4,718</u>	<u>4,718</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

12 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amount due from subsidiary undertaking	-	-	16,000	16,000
Trade debtors	78,830	21,567	78,830	21,567
Prepayments	52,376	50,315	52,376	50,315
Other debtors	57,541	35,385	57,541	35,385
Accrued income	51,009	15,167	51,009	15,167
	<u>239,756</u>	<u>122,434</u>	<u>255,756</u>	<u>138,434</u>

13 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amount due to subsidiary undertaking	-	-	-	-
Other creditors	94,507	103,534	94,507	103,534
Accruals	30,241	14,461	30,241	14,461
Deferred income (note 14)	-	-	-	-
	<u>124,748</u>	<u>117,995</u>	<u>124,748</u>	<u>117,995</u>

14 Deferred income

Deferred incoming resources are made up as follows:

	2020
	£
As at 1 April 2019	-
Incoming resources deferred in the current year	-
Less: amounts released	-
	<u>-</u>
As at 31 March 2020	-

Deferred income relates to unrestricted amounts received in the year ended 31 March 2020 that relate to future deliverables and have been received specifically to fund expenditure after that date.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

15 Permanent endowment funds

Group	2020 £	2019 £
Endowed assets	1,079,098	1,287,100
Reserves brought forward	1,287,100	1,279,124
Gains/(Losses) on revaluation	(208,002)	7,976
Reserves carried forward	1,079,098	1,287,100

The Permanent endowment funds as at 31 March 2020 are the capital assets of two charities – Birmingham Settlement Properties and the Graham Street Charity.

From April 18, a total return approach was adopted to investment with respect to the permanent endowment by the charity. The endowment was originally invested at £447,802, and the trustees use CPI as a basis for calculating the value in real terms each year. At the balance sheet date, the core value of the endowment was £544,583 (2019 £536,560). The value included in investments, as valued at market value, was £622,895 (2019 £784,306). This provides an unapplied total return of £78,312 (2019 £247,746) which is available for the Board to use in furtherance of the charity's activities. Having taken a substantial hit due to COVID in the year, the valuation is expected to recover, which will increase the unapplied total return. The Board have not utilised any of this return to date, nor have any additional gifts been made to the endowment fund.

16 Restricted funds

Company and group

The funds of the company and the group include restricted funds comprising the following unexpended balances of donations and the unamortised balance of grants and donations to fund the purchases of tangible fixed assets and future expenditure.

	Balance at 31 March 2019 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Revenue					
Advice and Advocacy	-	220,408	(223,370)	-	(2,962)
Community Action	-	307,740	(238,400)	-	69,340
Capital					
Computers	-	-	-	-	-
Shop improvements	-	-	-	-	-
Total for company	-	528,148	(461,770)	-	66,378
Subsidiary charities					
Graham Street Charity	4,204	2,950	-	-	7,154
Birmingham Tribunal Unit (note 20)	-	-	-	-	-
Total for group	4,204	531,098	(461,770)	-	73,532

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

16 Restricted funds - continued

Restricted revenue funds for advice, care and regeneration are credited with incoming resources for particular projects and charged with the related expenditure. Restricted capital funds represent donations and grants received by the charity to fund specific capital projects. Depreciation on these assets is charged against the restricted funds.

17 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	36,205	-	70,000	106,205
Investments	540,383	-	1,009,098	1,549,481
Current assets	458,311	73,532	-	531,843
Current liabilities	(124,748)	-	-	(124,748)
	<u>910,151</u>	<u>73,532</u>	<u>1,079,098</u>	<u>2,062,781</u>

18 Unrestricted funds

	Contingency Reserve £	Designated reserves £	Revenue reserve £	Total £
Group				
At 1 April 2019	725,000	365,000	16,673	1,106,673
Transfer between funds	(25,000)	(165,000)	190,000	-
Surplus/(Deficit) in year	-	-	(196,523)	(196,523)
	<u>700,000</u>	<u>200,000</u>	<u>10,150</u>	<u>910,150</u>
At 31 March 2020	700,000	200,000	10,150	910,150

The contingency reserve is an amount set aside to provide funds for six months of operations, together with an estimate of redundancy costs which would be incurred should operations have to cease.

Designated reserves comprise:

	Balance at 31 March 2019 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Group					
Transition funding to generate sustainable income	365,000	-	-	(165,000)	200,000
	<u>365,000</u>	<u>-</u>	<u>-</u>	<u>(165,000)</u>	<u>200,000</u>

For details of the above designations see the reserves policy, page 16 of the Directors' and Trustees' Report.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

19 Charities of which The Birmingham Settlement is sole trustee

The company is sole trustee of Birmingham Settlement Properties, which owns certain properties and investments, comprising the endowed capital of the charity, held for the benefit of the charitable company. In addition, The Birmingham Settlement is the sole trustee of another charity, Graham Street Charity Fund.

The capital assets and income and expenditures of Birmingham Settlement Properties and The Graham Street Charity Fund are incorporated in the consolidated accounts of The Birmingham Settlement.

	Birmingham Settlement Properties		The Graham Street Charity Fund		
	Endowed	Unrestricted	Endowed	Restricted	Unrestricted
	£	£	£	£	£
Incoming Resources	-	-	-	2,950	-
Charitable Expenditure	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,950</u>	<u>-</u>
Net Incoming Resources	-	-	-	2,950	-
Net gains/(loss) on revaluation of investment assets	(212,411)	-	4,409	-	-
Funds brought forward	1,175,306	-	111,794	4,204	-
	<u>1,175,306</u>	<u>-</u>	<u>111,794</u>	<u>4,204</u>	<u>-</u>
Funds carried forward	<u>962,895</u>	<u>-</u>	<u>116,203</u>	<u>7,154</u>	<u>-</u>

20 Indemnity insurance

The charitable company has indemnity insurance which protects the charity, its directors, trustees, officers and employees from any loss or consequences of neglect or default on their part. The cost of the premium in the current year amounted to £5,295 (2019: £4,736).

21 Capital and financial commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2019: £nil).

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

22 Operating leases

Annual commitments of the group and charitable company in respect of operating leases are as follows:

	Land and buildings		Office equipment	
	2020	2019	2020	2019
	£	£	£	£
Leases expiring:				
within one year	65,200	24,000	-	-
in two to five years	168,333	231,733	-	-
in more than five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	233,533	255,733	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Included within leases expiring within one year are certain leases which are currently being renegotiated.

23 Reconciliation of changes in resources to net cash inflow from operating activities

	2020	2019
	£	£
Net (outgoing)/incoming resources before revaluation	8,852	31,140
Depreciation	2,659	18,470
Interest receivable and similar income	(366)	(275)
Dividends received	-	-
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	(117,322)	(16,458)
(Decrease)/Increase in creditors	6,753	17,194
	<hr/>	<hr/>
Net cash inflow from operating activities	(99,424)	50,071
	<hr/>	<hr/>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

24 Analysis of net funds

	1 April 2019 £	Cashflows £	31 March 2020 £
Cash at bank and in hand	421,426	(134,058)	287,368

25 Members

The charitable company is incorporated as a company limited by guarantee having no share capital in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2020 there were 17 members (2019: 17).

26 Related party transactions

Advantage has been taken of the exemption in FRS8 paragraph 3(c) not to disclose transactions with group companies, as consolidated financial statements are prepared.

Councillor Cotton, who is a trustee of the Settlement, is a Councillor of Birmingham City Council. The Settlement has also entered into a tenancy agreement for which it receives rent on a commercial basis from Birmingham City Council as tenant (2019/20 - £34,500). It is also itself a tenant of one property of which Birmingham City Council is landlord and on which it pays a rent (2019/20 - £24,000).

Martin Holcombe, the Chief Executive, is also a trustee of the George Fentham Birmingham Charity. During the year the George Fentham Birmingham Charity made a donation of £6,000 (2019: £6,000) for distribution as grants to individuals in need. During the year the Settlement made grants of £8,709 (2019: £10,367) from the donation with any unspent balance brought forward. In addition, the George Fentham Birmingham Charity made a donation of £nil (2019: £5,800) towards the Settlement's Ageing Well project and it also made a donation of £5,880 (2019: £nil) towards the Settlement's Children's Services project.