

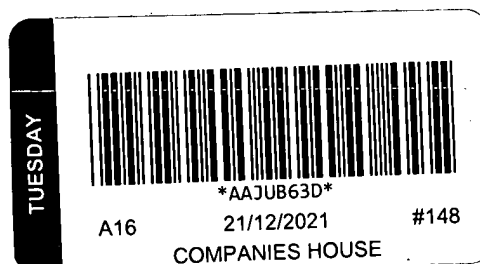
**Company Registration No. 01946604 (England and Wales)**

**THE BIRMINGHAM SETTLEMENT**  
(A Company Limited by Guarantee)

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**(Registered Charity Number 517303)**



# THE BIRMINGHAM SETTLEMENT

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# **The Birmingham Settlement**

## **TRUSTEES' REPORT**

For the year ended 31 March 2021

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The trustees present their report and financial statements for the year ended 31 March 2021.

### **Reference and Administrative information**

Charity registration number: 517303

Company number: 01946604

### **Trustees**

Mr Matthew Gregson	(Chair – from 21.1.21)
Dr Peter Brooks	(Chair – to 21.1.21, re-elected 22.12.21)
Councillor J L B Cotton	(Birmingham City Council nomination)
Mr Christopher Etheridge	
Mr M Jayakody	(Resigned 11.8.20)
Ms Zoe Richardson	(Co-opted 22.7.20, Elected 2.12.20, Vice Chair from 21.1.21)
Mr George Sabharwal	
Ms Manisha 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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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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#### **Structure Governance and Management**

##### ***Governing document***

Established in 1899, Birmingham Settlement is a registered 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, granted charitable status on 21 March 1986, it was established under its Memorandum of Association which sets 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. 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, those with relevant experience, skills and knowledge required to 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; 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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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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#### ***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 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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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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#### 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 do those things and with that in mind, as well as regular job club and IT training, we are 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.

#### 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 hold in the UK and from March 2020 pushed us all into lockdown which ran at various times and levels of intensity throughout 2020/21. The impact on our communities and organisation has been hugely damaging in so many ways. While our offices closed to the public from mid-March 2020 to June 2020, our IT and general infrastructure held up well. We were able to adapt and remain open for services by phone and on-line throughout the pandemic, while also returning for face-to-face appointments for money advice and advocacy from the end of June 2020. However, while we were able to successfully organise ourselves and adapt quickly and effectively in some service areas, in other areas, particularly our wider face-to-face support work around wellbeing, engagement, inclusion and personal development, where we have an open-door policy and physical presence, interactions simply stopped. For those facing barriers who struggle to engage with mainstream services, those we usually work most closely with, delivery of much needed advice and support at a time of great fear and uncertainty ground to a halt and while delivery started up again as we moved through the year, even now, the situation remains uncertain.

Due to Covid-19, the year under review was clearly unlike any other and we need to acknowledge the way our staff, supporters and funders pulled together to make sure we were able to adapt and respond as well as we could. Many of our existing funders allowed us to flex our grants and staff roles giving us the freedom to make quick decisions so that we could respond to needs as they presented. Others re-directed and/or opened up new funding opportunities to allow us to focus immediately on the here and now, while also adapting for the future – making our buildings safe and

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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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developing services in line with new priorities, giving staff and citizens the confidence to re-engage and re-build. Finally, for this section, we must also acknowledge our staff team, many of whom contracted Covid-19 during the year and some of whom experienced personal loss. Without their commitment and willingness throughout, we would not have been able to deliver the work we did and continue to do.

The review of activities below reflects our work through the year.

#### ***Review of activities***

Following on from the above, the year was clearly a difficult year in terms of service delivery with lockdowns, tier systems, and rules affecting numbers meeting, along with use of confined spaces ensuring that for most of the year, group activities and face-to-face support, which forms the core of our work could not take place. However, we adapted and delivered in line with Covid-19 rules ensuring the Settlement was fully compliant and that staff, clients and supporters felt as safe and comfortable as possible. While our work was inevitably very different to previous years, we nevertheless delivered a wide and responsive range of services to our communities with targeted support to those who needed it most. The comments below provide a summary of our main activities:

#### **'RISE' Youth Programme:**

Our RISE youth programme supports young people with regular activities in their locality. Unfortunately, we had to suspend face-to-face sessions in March 2020 and while we explored the possibility of resuming face-to-face sessions at various points during the year, we were unable to do so. Even as formal lockdowns eased, it would have been impossible for us to control presenting numbers and entry and exit from our centres, and so the risk of exposure to COVID-19 to our young people and the potential impact on staff and other services would have been too great. However, we were able to develop a range of on-line services to ensure continued engagement with our local young people as best we could, making sure they knew we were there when needed. This included:

- Online Gaming – we delivered online gaming sessions every Tuesday and Thursday, utilising popular platforms such as FIFA 20, with sessions attracting on average between 8-12 young people per session. In total, we delivered 69 sessions attended by 26 individuals, with a total attendance (footfall) of 518.
- Debates – the 'gaming' sessions provided a platform for wider discussion with young people themselves suggesting, voting and leading debates on topics and social issues such as Black Lives Matter and American politics, pornography and online grooming. Feedback was positive with young people telling us the sessions had a positive impact on their wellbeing; attendance was 6-8 per session.
- Vaccinations – we also set-up and hosted an event in March 2020 for young people on vaccinations; take-up of vaccinations was low in our areas and via zoom we held a debate on whether or not people should be vaccinated. Our Youth Worker chaired the event and attendees included Dr Justin Varney, Director of Public Health – Birmingham, several GPs/Health Workers plus community representatives. More than 50 young people took part, voting in favour or against at the start and end of the debate; the number supporting vaccination at the end was significantly higher than it was at the start.
- Mentoring – we maintained our mentoring programme throughout the lockdown and beyond making it clear to young people that there was a space if they needed to talk. Some young people who initially joined the online gaming and debate sessions needed that additional support and as word got out, we received referrals from local schools and families supported via Early Help. We delivered individual sessions online or over the phone; mental health, isolation and domestic disputes were the standout themes, attributed in part, to the effect of lockdown on young people, 17 individuals received one-to-one support during the year.

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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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- Detached work – outside of lockdowns our youth worker undertook occasional detached work, meeting young people on the streets where he engaged with 16 individuals, talking and advising on issues raised.

#### Stay Learn & Play:

Stay, Learn & Play offers free structured support for parents with children under five who live locally in Aston and the surrounding areas of Ladywood, which has one of the highest levels of child poverty in the UK. While face-to-face sessions had to cease from the start of the year, we kept in contact with our regular parents during initial lockdown and from June started delivering zoom sessions online. Numbers were up and down with sessions taking place on Monday mornings and Wednesday afternoons along with occasional face-to-face sessions in the summer in Aston Park for picnics with a handful of parents with children from the same household attending in line with Covid-19 guidelines.

We delivered 'zoom' singing and story time sessions allowing children to engage with play items from their own home e.g. making shakers using bottles, beads and bits of food, singing and stories about feelings. Another activity was around shapes and colour where play workers rolled dice, one with coloured stickers, one with shapes, and one with numbers and children drew what the outcome was e.g. 3 green hearts. We maintained contact via 'what's app' groups and in early October started regular targeted sessions called 'Let's get Crafty'. We gave families a selection of arts and crafts resources to use at home during zoom sessions. The sessions were a success with over 20 families attending and we added online baby sessions shortly after, again, with resources provided.

In total 57 stay learn and play sessions were delivered, attended by 27 families with a footfall of 504 (289 adults, 215 children).

#### Early Help Children & Families

Early Help Children & Families appointed the Settlement as lead for the Ladywood locality in April where we were able to re-deploy staff on a temporary basis to support the programme. Run in collaboration with Birmingham Children's Partnership, the model aimed to bring services and communities together to respond to the pandemic across the city. Working closely with schools, community groups and the public/statutory sector, the Ladywood team worked hard supporting families with emergency needs including food parcels, money advice, shopping and general contact/advice to reduce feelings of isolation and fear. We provided positive interventions and ongoing casework for 430 families living in the Ladywood constituency and operated a small community grants scheme where we received 94 grant applications totalling £647k. Of those, we were able to approve 22 with grants supporting local responses to immediate needs totalling £80k. Part of our work also involved the mapping and linking of active assets; contributing to a central directory of locally based community activities families could engage in. The aim moving forwards is to create a long-term model to offer a universal service to families incorporating all age groups across all sectors.

#### Ageing Well

Following lockdown, we remained in daily contact with many service users as well as supporting new referrals. We also undertook surveys to understand how our members were coping and in May launched our online health and wellbeing activity programme to pilot responses to engagement needs using 'zoom'. Our first online activities were our 'Keep Dancing' classes and the 'Ageing Well Choir'. Initial take up was slow but engagement gradually grew and over the summer, the programme gathered pace to include:

- Befriending & Socially Distanced Walks – we supported members with mental and physical wellbeing, offering phone and socially distanced befriending walks in the community; 91 individuals received support.



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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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- Art at Home – our art tutor put together a project for the art group to re-engage with those who attended classes; encouraging simple observational drawings of home life that could be then be painted; 12 individuals took part in our art projects.
- Gardening Group – during the summer we managed to get our gardening volunteers back into the Aston Centre for sessions where they spent time re-potting plants and tidying up the children's play area; 8 individuals helped with this work.
- Tai Chi in the Park - during August we re-engaged with our tai chi instructor to run taster sessions in Aston Park. Taking account of government guidelines, we ran weekly sessions (weather permitting). We ran 49 sessions in-person and online attended by 28 individuals.
- Ageing Well Choir – the choir met weekly over zoom for song and laughter including putting on a festive compilation Christmas performance, we delivered 40 sessions in total with the choir made up of 12 individuals.

#### Neighbourhood Network Scheme (NNS)

NNS is a Birmingham City Council Funded Programme targeting over-50s, aiming to link social services with local community assets (voluntary groups and services) to encourage clearer pathways to support and closer working. Throughout the year, our work focused on the citywide response to Covid-19 with project support workers keeping assets engaged and informed so they could work together and respond to presenting needs at a grassroots level in their neighbourhood. Our team encountered many challenges around the practicalities of maintaining regular contact with assets, as many were initially reluctant to re-open to provide activities in line with the needs of older adults as referred by social work teams as opposed to their own existing client base. Social work teams themselves also presented challenges, as communication with senior practitioners was difficult resulting in problems providing timely support and guidance/information to citizens. Despite this, we managed to focus on some of the immediate needs of assets and individuals at a time when many were feeling nervous, anxious and misinformed about the pandemic. Types of support provided by supported assets included the provision of food parcels, debt and benefits advice, befriending, access to online health & wellbeing activities, mental health support, online workshops and support with risk assessments and recovery plans.

#### Community Action

In addition to the above, we were also able to adapt and deliver other activities online as part of our overall Active in Aston programme including:

- Women's Coffee & Conversation Group – originally set-up to support women with English, to help reduce isolation and encourage peer support and learning, we delivered 44 sessions online, attended by 36 women over the year.
- Women's Fitness Club – moving our fitness class online, we delivered 45 sessions attended by 23 individuals.
- Boxercise Classes – a mixed online class in response to requests, to keep clients active and engaged, we delivered 29 sessions in the second half of the year attended by 13 individuals.
- Hatha Yoga – we delivered 30 sessions in the second half of the year attended by 30 individuals.
- Wellbeing checks – throughout the year we maintained contact with regular phone calls and wellbeing checks to clients on our registers who were not engaged through online activities, in total we supported 459 individuals in this way.

#### Employability & IT Skills

During the first quarter of the year, the position for employment was challenging to say the least. However, we continued to provide online support to individuals looking to return to work by maintaining contact and encouraging job search; keeping our people active and engaged. As was widely reported, there was a marked increase in

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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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unemployment rates across the city during the pandemic resulting in an increased number of people needing support beyond employment, for example, those requiring help to manage their Universal Credit accounts online. To help meet that demand we offered twice-weekly Job Clubs via zoom along with 1:1 support sessions online and appointments in-person when permitted for CV building, job-search, plus information, advice and guidance, including support with benefits and debt issues via our money advice team.

Using and familiarisation with online platforms such as 'zoom' brought many challenges for those we engaged. Realising this, and the digital literacy gap of older adults, we put in place a technical support line for those who struggled to understand digital platforms. All Settlement staff and services were able to refer individuals for 1:1 help to understand and use their devices; including the wider benefits of being able to keep in touch with friends and family. Once online, clients received a 10-point checklist as a reminder along with our contact details for further support and troubleshooting when needed.

During the year, we delivered 77 job clubs attended by 87 individuals, 124 appointments for CV writing supporting 31 individuals on a 1:1 basis, resulting in 21 employment outcomes, 3 volunteer placements, and 16 education/training outcomes, plus 210 one-off engagements for support and advice.

#### Birmingham Settlement Training Unit (BTU)

Our priority as Covid-19 took off was to ensure the wellbeing of our staff, clients and supporters; and we were fortunate to have in-house experience and specialist knowledge around mental wellbeing including mindfulness. This enabled us to deliver immediate and regular mindfulness sessions via zoom, to build awareness as the situation developed. From the start, we delivered weekly mindfulness sessions for all staff, giving space to ask questions, raise concerns, rationalise what was going on and consider coping mechanisms. This helped staff to not only manage their own situations but to keep going so they could continue to support those around us. We then rolled out a wider programme of mindfulness and awareness sessions to our service groups, NNS assets and wider partnerships. We also developed and delivered a two-part Coronavirus Awareness session to a range of groups through our community links along with a range of sessions covering themes including Mental Health Awareness, Drug Awareness, Homelessness, Adult Safeguarding, Conflict Resolution, and Alcohol Awareness – areas we were looking to develop pre-Covid-19 as part of our plans to develop our training arm. Throughout the sessions, we emphasized the impact of Covid-19 and the subsequent lockdown on people's physical, psychological, social and economic wellbeing. Feedback was overwhelmingly positive and we intend to build in this area in the future.

In addition, our money advice team developed and delivered a range of online money advice workshops, including budgeting and money management skills to clients, along with specialist courses to frontline staff such as Universal Credit; Personal Independence Payments (Parts 1 & 2); Introduction to Debt; Introduction to Benefits; Council Tax Arrears; Mental Health and Debt.

In total, our training unit delivered 210 courses/ workshops through the year with an attendance of 762.

#### Money Advice:

Irrelevant of Covid-19, free money advice continues to be a valuable and essential service and the ongoing high demand for our support throughout the pandemic demonstrated this. Although we had to suspend drop-ins and stop face-to-face appointments for the first two months of the year, we were able to work online, set up a dedicated money advice helpline along with webchat, and begin promotion within 24 hours of lockdown. From June we were back open for face-to-face appointments, as well as the helpline and webchat, and our experienced and skilled Money Advice Team remained open, seeing clients five days a week, throughout the pandemic. Our work demonstrably helped improve the lives and opportunities of individuals and families, benefitting the people and communities we work with.

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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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We continued to engage large numbers of people needing our help with debt and welfare benefits advice. Our services give immediate support to our clients; many of whom experience considerable barriers accessing the help they need when they need it for a range of reasons including language, health, literacy, access to IT, or simply fear and embarrassment. For many, Covid-19 brought many of these issues to a head resulting in dire consequences from not being able to access funds or buy food or pay rent, which, despite the perceived respite on evictions, if not managed, could result in eviction and homelessness. During the year, we also saw a significant increase in the number of families in isolation referred and presenting with complex mental and physical health issues, requiring additional skills and commitment from our team to support them over a longer period. We also saw many people continuing to struggle with their online applications for Universal Credit and benefits in general – PIP is incredibly complex. To help overcome financial issues our team also works closely with others, and supports clients with applications for payment advances, applications to charities, and help to access food banks during gaps or changes to their situations as standard.

Our team has a broad suite of services and 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, Covid-19 further highlighted this. 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 other front-line staff dealing with debt and benefit issues from high level to introductory basic understanding, a preventative area we are moving into more and more.

Despite high demand for our services, quality remains paramount and our professional team of advisers continued to receive ongoing training and development in line with Advice Quality Standard, Institute of Money Advisers and similar quality mark assessments. Throughout Covid-19, our work was quality assured and we are delighted to say that despite the difficulties of lockdown we managed to retain our position in the top cohort of approval ratings from the Money & Pensions Service (MaPS) DAPA scheme, the quality rating of our services remains amongst the highest in the country.

During the year, we were successful with an application to recruit and implement a temporary Locum Service to cover Covid-19 absence within CABs. We were also successful in taking on two additional money advice trainees to help build the pool of advisers; meaning our team grew to 10 advisers in the second half of the year, a temporary measure but nevertheless, it helped us broaden our delivery and response to immediate needs during the year.

In terms of numbers, our Money Advice Team supported more than 4,099 people during the year. Of the £7.1 million worth of debt presented by clients, we were successful in getting more than £728k 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 £638k giving clients the ability to manage their finances better. We continued to support clients facing potential eviction from their homes by helping more than 635 people negotiate repayment of rent arrears, setting up sustainable payment plans acceptable to both tenants and landlords for the long-term. We also helped 796 clients' access hardship grants to support them through immediate crisis.

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 continue to provide advice during pre-sentencing, for those on probation and for those on licence. This year, despite Covid-19 preventing attendance in-person, we dealt with 447 clients from 6 prisons presenting over £1.64 million of debt. Our support extended to both the National Probation Service (NPS) and Staffs. & West Midlands Community Rehabilitation Company (CRC) with a free and impartial telephone debt advice

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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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service. We believe earlier and easier access to our services will enable callers to understand their rights and responsibilities including the consequences of non-payment to creditors.

In summary for money advice, despite Covid-19, the year under review has been an extremely busy year and produced many great outcomes for our clients at a time of great need. 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. Two examples of our work are given below:

- *Ms A, a single mother with 3 dependents aged 12, 13 and 15 was unemployed, in receipt of Universal Credit and Child Benefit but had several benefit deductions causing her hardship. Her 15-year-old's bed was broken and she was sleeping on a mattress on the floor, her 13-year-old had outgrown her coat and her 12-year-old had no school shoes or trainers for PE. Her washing machine was broken so she was handwashing all clothing and she needed help with a dual fuel top-up.*

*We advised Ms A on income maximisation through better budgeting; identifying and explaining priority v non-priority liabilities and spending. We advised on options to deal with debts including approaching the Universal Credit Debt Management Team to highlight her situation and request a hold on recoveries and a reduction of recovery rates.*

*Following our interventions, Ms A received a £150 Resilience Grant to purchase a washing machine, a £75 Local Welfare Provision Grant to help with dual fuel top-ups, and a £250 George Fentham Hardship Grant to buy a single bed, coat and school shoes/trainers for her children. Universal Credit placed temporary hold on debt recoveries and thereafter reduced the recovery rate, which maximised her income further.*

*Ms A now has a better understanding of budgeting and managing personal finances, she said, "I approached many other organisations and was simply passed from one to another. Nobody actually helped. Thank you for helping me and my children especially during the pandemic when no other help was available"*

- *Ms B, a single parent with 3 dependents aged 15, 16 and 17, employed part-time and receiving benefit top-up. Her weekly rent was £128 and she received a partial housing benefit award. Ms B was advised by her housing association of a monthly rent shortfall of £45 which she paid by direct debit. At some point her housing benefit was recalculated leaving a weekly shortfall of £56.*

*Ms B was unaware of the increased shortfall and was not informed by the housing association or benefit services so continued paying £45 per month. Arrears built and Ms B was served a Notice to Seek Possession for rent arrears of £1,416.*

*Ms B Client needed to pay the weekly rent shortfall of £56 and pay towards the arrears in order to prevent court proceedings and potential eviction.*

*We negotiated with the housing association and helped Ms B set up a new direct debit for the weekly shortfall plus £5 per week towards the arrears. The housing association suspended the Notice to Seek Possession and Ms B's potential eviction was prevented.*

*We identified Ms B's Child Benefit was incorrect and she should have been receiving £48 per week rather than the £21 she had been receiving. Her Child Benefit was corrected and she received a lump sum to cover the missed payments owed to her. We advised Ms B budgeting including priority v non-priority spending, plus a range of utility discount schemes.*

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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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*We made an application for DHP for the weekly rent shortfall of £56 and one off payment for the rent arrears of £1,416 based on client's financial hardship. Ms B was awarded a lump-sum of £1,364 which was paid directly to the housing association so reducing Ms B's rent arrears to £159.*

*As a result of our interventions, Ms B's is now receiving the correct Child Benefit entitlement, was able to meet her rent shortfall and manage her rent arrears, will in time start building credit on rent account, avoided court action and potential eviction/homelessness for her and her children.*

#### 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, organizational 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.

Because of Covid-19, the Aston Centre closed for open-door public access for the whole of 2020/21. Most staff home-worked through April and May 2020, followed by phased Covid-19 compliant returns from June 2020. From June the Centre also gradually reopened to the public for emergency appointments only. Towards the end of the year we were successful with a funding application to Power to Change which enabled us to make structural changes to the building, adapting the space which will help with movement and delivery of activities, ensuring the building is Covid-19 compliant and more user-friendly moving forwards, particularly as a training and learning venue.

#### Selwyn Road Playing Fields

The Settlement owns a 3-acre playing field bordering Edgbaston Reservoir in Ladywood. While the field has no facilities and was dormant for many years, it presents a wonderful opportunity to re-purpose and bring back to use what is a beautiful, green asset bordering a local nature reserve in the heart of the city. In July 2019 we were given planning permission for the development of a new community hub and by using designated reserves built up in recent years to support such developments, we were able to commit and develop the project without delay. Work started in August 2020 with completion expected in the summer of 2021. Bearing in mind Covid-19 and the need for safe, open spaces, combined with concerns over climate change and the need for greater environmental awareness and learning, the timing of the project is right and the decision to proceed using designated reserves allowed us to go ahead quickly.

#### 610 Youth & Community Centre

The 610 Youth & Community Centre is a large site with a number of halls, sports facilities and open space owned by Birmingham Settlement but leased to Birmingham City Council since 1971. Following discussion over a number of years, the Settlement agreed to take the site back and that took effect from October 2020. BCC Youth Services have retained a presence at 610 although unfortunately, again due to Covid-19, 610 remained closed for free public access throughout 2020/21. Some activities began towards the end of the year but our focus initially has been establishing a presence and making minor improvements pending a more concerted effort and implementation of plans for 2021/22. Like Selwyn Road, 610 will require investment in the short and medium term while we review options are agree plans for the long-term development of the site.

The location and potential of each of our three sites puts us in a good position moving forwards. Each offers opportunity to develop as a Settlement in its own right, delivering a full range of services but with a focus on a set of activities to suit, Aston for training and learning, Selwyn Road for wellbeing and environmental awareness, and 610 for youth, sports and keeping active.

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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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#### **Shops:**

Our three charity shops (Sutton Coldfield, Boldmere and Wylde Green) closed for most of the year although they did briefly re-open in the winter and spring before closing once more. We were fortunate in as much as the Governments Furlough Scheme along with business grants and funding from supporters to help cover lost trading income meant the overall position was not too damaging.

#### **Financial Review**

Income for the year before the revaluation of investments amounted to £1,865,937 (2020: £1,415,339). Notable changes from the previous year related to increased emergency grant and contract income to deliver additional support to communities through Covid-19, plus 'other' income which related to grants including the Governments Furlough Scheme and Business Support Grants.

Expenditure for the year amounted to £1,613,208 (2020: £1,406,487). Notable changes from the previous year related to increased spend through the Community Action Team relating mainly to increased activities supporting the city's response to Covid-19. Other changes were within normal ranges.

The Settlement finished the year with an unrestricted surplus £42,343 and a restricted surplus of £210,386, giving an overall surplus before revaluation of investments of £252,729 (2020: surplus £8,852). Bearing in mind the nature of emergency grant funding received, a surplus made up mainly of restricted funding is not surprising and overall, the year financially was good bearing in mind Covid-19 and what might have happened.

In addition, while the impact of Covid-19 on the financial markets towards the end of March 2020 was an extremely painful experience, hitting our investments hard, the recovery this year was strong and is reflected in the gains on investments – a positive swing of some £650k equating to a full recovery of the losses of last year and a healthy increase this year. We are fortunate that our careful planning and financial stewardship in recent years ensured we had the reserves we had, and now have; but we also need to acknowledge that we remain 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 need investment and that investment needs to be managed with care.

#### **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**

While we usually have a strong team of around 80 regular volunteers who provide enormous benefit to the charity, Covid-19 forced the closure of our charity shops and office bases for most of the year and as a result, our volunteer base reduced with just a handful supporting on an ad hoc basis. Re-booting our volunteer programme will be a priority and target for next year but as ever, the trustees and staff team are grateful for the support of those who give their time and commitment to the work of the Settlement.

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

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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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#### ***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 2021/22 is in the region of £1,800,000, however, approximately £300k of that is distributed through grant programmes on behalf of funders, a more realistic figure for Settlement expenditure is therefore £1,500,000 and the targeted level of free reserves is therefore 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 including developments at the Selwyn Road Playing Field and 610 Youth and Community Centre which will require investment to build enterprise and generate sustainable income for the charity long-term. The Settlement also has several pilot projects which are funded, or part funded by contracts, grants and/or charitable foundations and trusts; 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 £300,000 as 'transition funds' to support the Settlement's long-term development in these areas.

#### ***Investments***

Birmingham Settlement holds two investment portfolios, a portfolio of endowment assets and one for assets held by the Settlement Company. The endowment is held by Birmingham Settlement Properties, a linked charity where Birmingham Settlement is the sole trustee. Both are invested in the same manner in a globally diversified portfolio of equities, covering both developed and emerging economies. Birmingham Settlement uses a professional advisor to manage our investment portfolios according to the investment mandate agreed by the Board. That investment management includes the delegation of investment duties such as fund selection and portfolio rebalancing.

In March 2020, the markets took a huge hit as Covid-19 spread and this led to Birmingham Settlement reporting large investment losses in our 2019-2020 accounts. We are pleased that our financial management has enabled us to stay invested throughout the past year and that we have benefitted from the recovery in stock markets through 2020 and 2021.

This meant that the endowed capital showed an investment gain of £351,260 to give an end of year value of £1,430,358. The Company portfolio showed an investment gain of £299,093 to give an end of year value of £839,476.

While the performance of both the endowed and fixed asset investment in the year under review was pleasing it does show 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.

As the Settlement plans to continue to develop our property assets at 610 Kingstanding Road, and Selwyn Road, it is likely that we'll draw upon our investment portfolios in the coming years. The Board continues to keep our investment policies under consideration as the profile of our spending becomes clearer.

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.

Details of the total return approach to investment are shown in note 16 on page 37.

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## **The Birmingham Settlement**

### **TRUSTEES' REPORT (CONTINUED)**

For the year ended 31 March 2021

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#### ***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 an impact on the communities and individuals where we work. 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 continue 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 at Selwyn Road and the 610 Youth and Community Centre.
- 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.

#### ***Going Concern***

The trustees have considered the accounts and undertaken a review of activities and known income for the coming year. While there are always uncertainties which have been exacerbated over the past 18 months because of Covid-19; the Settlement has strong and secure reserves which will allow the charity time to run at deficit for a period of change and reduction should that be necessary, the trustees therefore consider there is no reason to doubt the charity will continue to run as a going concern for the foreseeable future.

#### ***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



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## The Birmingham Settlement

### TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2021

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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.

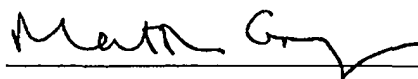
#### ***Information to the Auditors***

In so far as the trustees are aware:

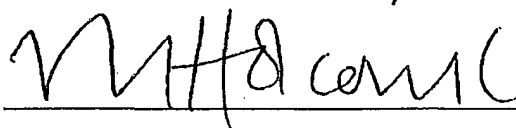
- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board of Trustees on 29 November 2021 and signed on its behalf by:

Matthew Gregson – Chair



Martin Holcombe – Company Secretary



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## The Birmingham Settlement

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BIRMINGHAM SETTLEMENT

For the year ended 31 March 2021

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#### 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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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.

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## **The Birmingham Settlement**

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

For the year ended 31 March 2021

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#### **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 16, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our audit approach included the following elements:

- Assessment of the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur.
- Assessment of the laws and regulations identified as being of significance in the context of the charity.
- We obtained an understanding of the legal and regulatory framework applicable to the charity and how the charity is complying with that framework.
- We obtained an understanding of the charity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- We obtained an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud.

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## The Birmingham Settlement

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

For the year ended 31 March 2021

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- We ensured that our audit personnel have the experience and knowledge to identify or recognise non-compliance with laws and regulations.
- We use appropriate audit resources and tools to guide us in selecting the right audit approach.

In considering the extent to which the audit was considered capable of detecting irregularities, we considered how our approach to the audit has affected the likelihood of detection. This was affected by:

- the inherent difficulty in detecting irregularities;
- the effectiveness of the entity's controls; and
- the nature, timing and extent of the audit procedures performed.

In determining those matters that are of significance, both quantitative and qualitative factors are relevant to such consideration.

Taking into account all of these points, our procedures are appropriate to detect material misstatements in respect of irregularities, including fraud.



**Thomas & Young Limited (Statutory Auditor)**

Chartered Accountants  
Statutory Auditor

29/11/2021

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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 2021

	Note	Unrestricted funds £	Restricted funds £	Permanent Endowment funds £	Total funds 2021 £	Total funds 2020 £
<b>Incoming resources</b>						
<b>Voluntary income</b>						
Donations, legacies and gifts	2	221,661	212,793	-	434,454	510,575
<b>Income from other trading activities</b>						
Charity shops income	3	33,724	-	-	33,724	212,475
Investment income	4	81,368	6,159	-	87,527	112,092
<b>Incoming resources from charitable activities</b>						
Grants and contract income	5	516,497	607,532	-	1,124,029	580,197
Other income	6	186,203	-	-	186,203	-
<b>Total incoming resources</b>		<b>1,039,453</b>	<b>826,484</b>	<b>-</b>	<b>1,865,937</b>	<b>1,415,339</b>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
<b>Costs of generating voluntary income</b>						
Fundraising and publicity costs	7	(44,168)	-	-	(44,168)	(65,582)
Charity shop costs	7	(167,416)	-	-	(167,416)	(224,300)
<b>Charitable activities</b>						
Advice and advocacy	7	(428,843)	(248,437)	-	(677,280)	(634,514)
Community Action	7	(334,250)	(367,661)	-	(701,911)	(459,829)
Governance costs	7	(22,433)	-	-	(22,433)	(22,262)
<b>Total charitable expenditure</b>		<b>(997,110)</b>	<b>(616,098)</b>	<b>-</b>	<b>(1,613,208)</b>	<b>(1,406,487)</b>
Net (losses)/gains on revaluation of investments	11	299,093	-	351,260	650,353	(309,049)
Net (losses)/gains on revaluation of fixed assets	10	-	-	-	-	(35,000)
Gross transfer between funds		-	-	-	-	-
<b>Net movement in funds</b>		<b>341,436</b>	<b>210,386</b>	<b>351,260</b>	<b>903,082</b>	<b>(335,197)</b>
<b>Fund balances brought forward at 1 April 2020</b>		<b>910,150</b>	<b>73,532</b>	<b>1,079,098</b>	<b>2,062,780</b>	<b>2,397,977</b>
<b>Fund balances carried forward at 31 March 2021</b>		<b>1,251,586</b>	<b>283,918</b>	<b>1,430,358</b>	<b>2,965,862</b>	<b>2,062,780</b>

More details on the Permanent Endowment funds are given in note 16. There are no recognised gains or losses for 2021 or 2020 other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 26 to 42 form part of these financial statements.

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**The Birmingham Settlement**  
**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 31 March 2021

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	2021 £	2020 £
Turnover	1,858,120	1,341,686
Operating costs	(1,613,208)	(1,406,487)
<b>Operating surplus/(deficit)</b>	<u>244,912</u>	<u>(64,801)</u>
Interest receivable and similar income	<u>7,817</u>	<u>73,653</u>
<b>Net income for the year</b>	<u><u>252,729</u></u>	<u><u>8,852</u></u>

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 42, provides full information on the movements during the year on all funds of the group.

The notes on pages 26 to 42 form part of these financial statements.

# The Birmingham Settlement

## CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	10(a)		346,303		106,205
Investments	11		2,199,834		1,549,481
			<u>2,546,137</u>		<u>1,655,686</u>
<b>Current assets</b>					
Stocks and work in progress	12	4,718		4,718	
Debtors	13	328,487		239,756	
Cash at bank and in hand					
Restricted funds		283,918		48,812	
Unrestricted funds		40,022		238,556	
			<u>657,145</u>	<u>531,842</u>	
<b>Creditors: amounts falling due within one year</b>	14	(237,420)		(124,748)	
<b>Net current assets</b>			<u>419,725</u>		<u>407,094</u>
<b>Total assets less current liabilities</b>			<u>2,965,862</u>		<u>2,062,780</u>
<b>Reserves</b>					
Permanent Endowment Funds	16		1,430,358		1,079,098
Restricted funds	17		283,918		73,532
Birmingham Settlement owned buildings	19		241,302		-
Revenue reserve	19		10,284		10,150
Contingency reserve	19		700,000		700,000
Other designated reserves	19		300,000		200,000
			<u>2,965,862</u>		<u>2,062,780</u>

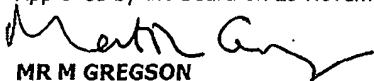
The notes on pages 26 to 42 form part of these financial statements.

For the year ended 31 March 2021, 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 29 November 2021 and signed on its behalf by



MR M GREGSON

Director

Company Registration No. 01946604

# The Birmingham Settlement

## BALANCE SHEET

For the year ended 31 March 2021

		2021	2020
		£	£
	Note		
<b>Fixed assets</b>			
Tangible assets	10(b)	346,303	36,205
Investments	11	895,128	540,383
		<u>1,241,431</u>	<u>576,588</u>
<b>Current assets</b>			
Stocks and work in progress	12	4,718	4,718
Debtors	13	328,487	255,756
Cash at bank and in hand			
Restricted funds		25,472	-
Unrestricted funds		<u>298,468</u>	<u>264,214</u>
		657,145	524,688
<b>Creditors:</b> amount falling due within one year	14	<u>(237,420)</u>	<u>(124,748)</u>
<b>Net current assets</b>		<u>419,725</u>	<u>399,940</u>
<b>Total assets less current liabilities</b>		<u>1,661,156</u>	<u>976,528</u>
<b>Reserves</b>			
Permanent Endowment Funds	16	125,652	-
Restricted funds	17	283,918	66,378
Birmingham Settlement owned buildings	19	241,302	-
Revenue reserve	19	10,284	10,150
Contingency reserve	19	700,000	700,000
Other designated reserves	19	300,000	200,000
		<u>1,661,156</u>	<u>976,528</u>

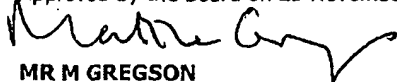
The notes on pages 26 to 42 from part of these financial statements.

For the year ended 31 March 2021, 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 29 November 2021 and signed on its behalf by



**MR M GREGSON**  
Director



**The Birmingham Settlement**  
**CONSOLIDATED CASHFLOW STATEMENT**  
For the year ended 31 March 2021

	Notes	2021 £	2020 £
<b>Net cash outflow from operating activities</b>	24	277,805	(99,424)
<b>Returns on investments and servicing of finance</b>			
Interest received		70	366
Dividends received		-	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(241,303)	(35,000)
Purchase of shares		-	-
<b>Acquisitions</b>			
Net cash acquired with subsidiary undertaking		-	-
<b>Decrease in cash</b>		<u>36,572</u>	<u>(134,058)</u>
<b>Reconciliation of net cashflow to movement in net funds</b>			
Increase/(Decrease) in cash in the period	25	36,572	(134,058)
Net funds at 1 April 2020	25	<u>287,368</u>	<u>421,426</u>
<b>Net funds at 31 March 2021</b>	25	<u>323,940</u>	<u>287,368</u>

The notes on pages 26 to 42 form part of these financial statements

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# **The Birmingham Settlement**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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### **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 2021. 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.

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# The Birmingham Settlement

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 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.

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# The Birmingham Settlement

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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### 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 and assets under construction	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.

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## **Birmingham Settlement**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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#### **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 2021

### 2 Donations, legacies and gifts

	Unrestricted £	Restricted £	2021 £	2020 £
Comic Relief – Ageing Well	-	-	-	24,850
Barrow Cadbury Trust – Planning & Influence	-	45,000	45,000	45,000
Barrow Cadbury Trust: Migration – Policy & Practice (host grant)	-	50,256	50,256	35,000
Migration grant income carried forward	-	-	-	(11,324)
Other donations (under £50K)	221,661	117,537	339,198	417,049
	<u>221,661</u>	<u>212,793</u>	<u>434,454</u>	<u>510,575</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 £	2021 £	2020 £
Bank interest	70	-	70	366
Income from lettings	5,428	-	5,428	70,337
Investment and other income	75,870	6,159	82,029	41,389
	<u>81,368</u>	<u>6,159</u>	<u>87,527</u>	<u>112,092</u>

### 5 Grants and contract income

	Unrestricted £	Restricted £	2021 £	2020 £
Money Advice Service	344,725	-	344,725	260,045
Neighbourhood Network Scheme	-	172,973	172,973	48,703
Citizens Advice Birmingham	-	-	-	57,000
BCC (LEAS)	97,500	-	97,500	-
Prevention Communities	-	81,500	81,500	40,750
Staffs and West Midlands CRC	43,374	-	43,374	39,719
Early Help	-	162,420	162,420	-
Veolia Trust	-	37,500	37,500	-
Blg Lottery Reaching Communities	-	103,436	103,436	86,175
Esmee Fairbairn	-	-	-	20,000
Anawim	-	-	-	12,563
BTU	5,898	-	5,898	15,242
Power To Change – Covid-19 Trading Income Support	25,000	-	25,000	-
Comic Relief & Department For Digital, Culture, Media & Support – Covid-19 Recovery Fund	-	26,372	26,372	-
The National Lottery Community Fund – Coronavirus Community Support Fund	-	23,331	23,331	-
	<u>516,497</u>	<u>607,532</u>	<u>1,124,029</u>	<u>580,197</u>

**The Birmingham Settlement**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**6 Other income**

	Unrestricted £	Restricted £	2021 £	2020 £
Furlough grant monies	141,203	-	141,203	-
BCC – Kingstanding leaseback agreement	45,000	-	45,000	-
	<u>186,203</u>	<u>-</u>	<u>186,203</u>	<u>-</u>

**7 Total resources expended**

	Voluntary Income £	Charity Shops £	Advice & Advocacy £	Community Action £	Governance £	Total 2021 £	Total 2020 £
<b>Costs directly allocated to activities</b>							
Staff costs	16,803	74,965	439,009	294,910	-	825,687	688,565
Direct project costs	20,130	18,794	50,035	272,717	-	361,676	225,901
Site costs	57	41,631	684	8,294	-	50,666	89,230
<b>Support costs allocated to activities</b>							
Staff costs	3,532	15,757	92,274	61,986	14,433	187,982	212,337
Site costs	1,588	7,086	41,500	27,879	-	78,053	82,192
Information Technology	743	3,314	19,411	13,039	-	36,507	20,539
Other Costs	1,315	5,869	34,367	23,086	8,000	72,637	87,723
	<u>44,168</u>	<u>167,416</u>	<u>677,280</u>	<u>701,911</u>	<u>22,433</u>	<u>1,613,208</u>	<u>1,406,487</u>

# The Birmingham Settlement

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 8 Staff costs including shop staff

	2021 £	2020 £
Wages and salaries	907,661	805,778
Social security costs	64,127	60,356
Pension costs	39,302	32,314
Life Insurance	2,579	2,454
	<u>1,013,669</u>	<u>900,902</u>

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

No trustee received any remuneration. No trustees (2020: 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

	2021 No	2020 No
Advice and Advocacy	14	11
Community Action	12	14
Fundraising and shops	7	7
Management, administration and support	7	7
	<u>40</u>	<u>39</u>

There were on average 56 (2020: 56) volunteers working part time each week.

### 9 Net outgoing resources

The following items are included in arriving at net outgoing resources

	2021 £	2020 £
<b>Expenditure</b>		
Depreciation and amounts written off on disposal	1,205	2,659
(Profit)/Loss on disposal of fixed assets	-	(2,225)
Auditors – for group audit services in the current year	8,000	8,000
<b>Operating leases</b>		
Land and buildings	63,594	92,630
Other	-	-
	<u>63,594</u>	<u>92,630</u>



**The Birmingham Settlement**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**10 Tangible Fixed Assets**

<b>(a) Group</b>	<b>Freehold Land £</b>	<b>Assets under construction £</b>	<b>Short life Leasehold property £</b>	<b>Fixtures, fittings motor vehicles and computers £</b>	<b>Total £</b>
<b>Cost</b>					
1 April 2020	70,000	-	49,803	343,070	462,873
Additions	-	241,303	-	-	241,303
Revaluations	-	-	-	-	-
31 March 2021	70,000	241,303	49,803	343,070	704,176
<b>Depreciation</b>					
1 April 2020	-	-	48,910	307,758	356,668
Charge for the year	-	-	-	1,205	1,205
31 March 2021	-	-	48,910	308,963	357,873
<b>Net book value</b>					
31 March 2021	70,000	241,303	893	34,107	346,303
31 March 2020	70,000	-	893	35,312	106,205

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 Pennyquick 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 2021

#### 10 Tangible fixed assets (continued)

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

	2021 £	2020 £
Group	20,000	20,000

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

(b) Company	Freehold Land £	Leasehold property £	Assets under construction £	Fixtures, fittings motor vehicles and computers £	Total £
<b>Cost</b>					
1 April 2020	-	49,803	-	343,070	392,873
Additions	70,000	-	241,303	-	311,303
31 March 2021	70,000	49,803	241,303	343,070	704,176
<b>Depreciation</b>					
1 April 2020	-	48,910	-	307,758	356,668
Charge for the year	-	-	-	1,205	1,205
31 March 2021	-	48,910	-	308,963	357,873
<b>Net book value</b>					
31 March 2021	70,000	893	241,303	34,107	346,303
31 March 2020	-	893	-	35,312	36,205

#### 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 2021

**11 Fixed asset investments**

	Listed £	Unlisted £	Freehold Investment property £	Subsidiary undertaking £	Total £
<b>Group</b>					
<b>Cost or valuation</b>					
1 April 2020	1,209,481	-	340,000	-	1,549,481
Additions	-	-	-	-	-
Revaluation	650,353	-	-	-	650,353
31 March 2021	1,859,834	-	340,000	-	2,199,834
<b>Company</b>					
<b>Cost or valuation</b>					
1 April 2020	540,383	-	-	-	540,383
Transfers	55,652	-	-	-	55,652
Disposals	-	-	-	-	-
Revaluation	299,093	-	-	-	299,093
31 March 2021	895,128	-	-	-	895,128

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

	£
Dimensional Global Targeted Value	781,074
Dimensional Global Core Equity	667,038
Dimensional Emg. Mkts Core Equity Fund	164,509
Dimensional Emg. Mkts Targeted Home Fund GBP Acc	174,139

**12 Stocks and work in progress**

	<b>Group</b>		<b>Company</b>	
	2021 £	2020 £	2021 £	2020 £
Stocks	4,718	4,718	4,718	4,718

**The Birmingham Settlement**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**13 Debtors**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amount due from subsidiary undertaking	-	-	-	16,000
Trade debtors	285,956	78,830	285,956	78,830
Prepayments	42,531	52,376	42,531	52,376
Other debtors	-	57,541	-	57,541
Accrued income	-	51,009	-	51,009
	<u>328,487</u>	<u>239,756</u>	<u>328,487</u>	<u>255,756</u>

**14 Creditors: amounts falling due within one year**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amount due to subsidiary undertaking	-	-	-	-
Other creditors	150,313	94,507	218,483	94,507
Accruals	18,937	30,241	18,937	30,241
Deferred income (note 15)	68,170	-	-	-
	<u>237,420</u>	<u>124,748</u>	<u>237,420</u>	<u>124,748</u>

**15 Deferred income**

Deferred incoming resources are made up as follows:

	2021
	£
As at 1 April 2020	(85,376)
Incoming resources deferred in the current year	430,970
Less: amounts released	(277,424)
	<u>68,170</u>
As at 31 March 2021	

Deferred income relates to unrestricted amounts received in the year ended 31 March 2021 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 2021

#### 16 Permanent endowment funds

Company	2021 £	2020 £
Endowed assets	125,652	-
Reserves brought forward	-	-
Transfers	125,652	-
Reserves carried forward	125,652	-
<b>Group</b>	<b>2021 £</b>	<b>2020 £</b>
Endowed assets	1,430,358	1,079,098
Reserves brought forward	1,079,098	1,287,100
Gains/(Losses) on revaluation	351,260	(208,002)
Reserves carried forward	1,430,358	1,079,098

The Permanent endowment funds as at 31 March 2021 are the capital assets of two charities – Birmingham Settlement Properties and the Graham Street Charity. Graham Street was closed and transferred to Birmingham Settlement in the year.

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 £550,099 (2020 £544,583). The value included in investments, as valued at market value, was £964,706 (2020 £622,895). This provides an unapplied total return of £414,607 (2020 £78,312) which is available for the Board to use in furtherance of the charity's activities. The investments took a substantial hit in 2020 after the onset of the pandemic, but they have since recovered. The Board have not utilised any of this return to date, nor have any additional gifts been made to the endowment fund.

## The Birmingham Settlement

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 17 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 2020 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2021 £
<b>Revenue</b>					
Advice and Advocacy	(2,962)	261,607	(248,437)	-	10,208
Community Action	69,340	562,558	(367,661)	-	264,237
<b>Capital</b>					
Computers	-	-	-	-	-
Shop improvements	-	-	-	-	-
<b>Transfer of Graham Street Charity</b>	-	-	-	9,473	9,473
<b>Total for company</b>	<u>66,378</u>	<u>824,165</u>	<u>(616,098)</u>	<u>-</u>	<u>283,918</u>
<b>Subsidiary charities</b>					
Graham Street Charity	7,154	2,319	-	(9,473)	-
Birmingham Tribunal Unit (note 20)	-	-	-	-	-
<b>Total for group</b>	<u>73,532</u>	<u>826,484</u>	<u>(616,098)</u>	<u>-</u>	<u>283,918</u>

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.

During the year the Charity Commission agreed to allow the transfer of the assets of the Graham Street Charity to The Birmingham Settlement.

#### 18 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	276,303	-	70,000	346,303
Investments	839,476	-	1,360,358	2,199,834
Current assets	373,066	283,918	-	656,984
Current liabilities	(237,259)	-	-	(237,259)
	<u>1,251,586</u>	<u>283,918</u>	<u>1,430,358</u>	<u>2,965,862</u>

# The Birmingham Settlement

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

### 19 Unrestricted funds

	Contingency Reserve £	Designated reserves £	Birmingham Settlement owned buildings £	Revenue reserve £	Total £
<b>Group</b>					
At 1 April 2020	700,000	200,000	-	10,150	910,150
Transfer between funds	-	100,000	241,302	(341,302)	-
Surplus/(Deficit) in year	-	-	-	341,436	341,436
	<u>700,000</u>	<u>300,000</u>	<u>241,302</u>	<u>10,284</u>	<u>1,251,586</u>
At 31 March 2021	700,000	300,000	241,302	10,284	1,251,586

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 2020 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2021 £
<b>Group</b>					
Transition funding to generate sustainable income	200,000	-	-	100,000	300,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>300,000</u>

For details of the above designations see the reserves policy, page 14 of the Directors' and Trustees' Report.

## The Birmingham Settlement

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 20 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 was the sole trustee of another charity, Graham Street Charity Fund. During the year the Charity Commission agreed to the transfer of the assets of Graham Street Charity to The Birmingham Settlement.

The capital assets and income and expenditures of Birmingham Settlement Properties 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	-	-	-	2,319	-
Charitable Expenditure	-	-	-	-	-
<b>Net Incoming Resources</b>	-	-	-	2,319	-
Net gains/(loss) on revaluation of investment assets	341,811	-	9,449	-	-
Funds brought forward	962,895	-	116,203	7,154	-
Funds transferred to Birmingham Settlement	-	-	(125,652)	(9,473)	-
<b>Funds carried forward</b>	<b>1,304,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 21 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 £5,925 (2020: £5,295).

#### 22 Capital and financial commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2020: £nil).



**The Birmingham Settlement**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**23 Operating leases**

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

	Land and buildings		Office equipment	
	2021	2020	2021	2020
	£	£	£	£
<b>Leases expiring:</b>				
within one year	21,150	65,200	-	-
in two to five years	130,333	168,333	-	-
in more than five years	-	-	-	-
	<u>151,483</u>	<u>233,533</u>	<u>-</u>	<u>-</u>

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

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

	2021	2020
	£	£
Net (outgoing)/incoming resources before revaluation	252,729	8,852
Depreciation	1,205	2,659
Interest receivable and similar income	(70)	(366)
Dividends received	-	-
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	(88,570)	(117,322)
(Decrease)/Increase in creditors	112,511	6,753
	<u>277,805</u>	<u>(99,424)</u>
<b>Net cash inflow from operating activities</b>	<b>277,805</b>	<b>(99,424)</b>

## The Birmingham Settlement

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 25 Analysis of net funds

	1 April 2020 £	Cashflows £	31 March 2021 £
Cash at bank and in hand	287,368	36,572	323,940

#### 26 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 2021 there were 17 members (2020: 17).

#### 27 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 received rent on a commercial basis from Birmingham City Council as tenant up to 10 December 2020 (2020/21 - £45,000). It is also itself a tenant of one property of which Birmingham City Council is landlord and on which it pays a rent (2020/21 - £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 £12,000 (2020: £6,000) for distribution as grants to individuals in need. During the year the Settlement made grants of £12,000 (2020: £8,709) from the donation with any unspent balance brought forward. In addition, the George Fentham Birmingham Charity made a donation of £6,000 (2020: £5,880) towards the Settlement's Children's Services project.