

THE BIRMINGHAM SETTLEMENT
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(Registered Charity Number 517303)

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The Birmingham Settlement

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The Birmingham Settlement

TRUSTEES' REPORT

For the year ended 31 March 2023

The trustees present their report and financial statements for the year ended 31 March 2023.

Reference and Administrative information

Charity registration number: 517303

Company number: 01946604

Trustees

Mr Matthew Gregson	(Chair)
Mr Michael Burgess	
Mr Christopher Etheridge	
Mr George Sabharwal	(Resigned 15.5.23)
Councillor J L B Cotton	(Birmingham City Council nomination)
Rodney Garnes	(Appointed 7.12.22)
Alex Ballinger	(Appointed 8.3.23)
Stuart Roberts	(Appointed 8.3.23)
Manisha Sharma	(Appointed 8.3.23)
Dr Peter Brooks	(Resigned 24.5.22)
Ms Teresa Parker	(Resigned 7.12.22)
Ms Zoe Richardson	(Resigned 1.9.22)

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	Auditors	Bankers	Solicitors
359-361 Witton Road Aston Birmingham B6 6NS	Thomas & Young Carleton House 266-268 Stratford Road Shirley Solihull B90 3AD	Lloyds Bank plc 114-116 Colmore Row Birmingham B3 3BD	Irwin Mitchell Imperial House 31 Temple Street Birmingham B2 5DB

Investment Managers (ceased in the year)

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

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

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. 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. 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, four new trustees were appointed with three standing down.

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 are discussed with management with actions planned to minimise identified risks. Actions are recorded in the register for ongoing review and action.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

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 powers delegated 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

The Settlement's Board and Staff teams regularly review the charity's strategic objectives in line with changing, emerging, and presenting needs. This ensures the charity's work is clear and correctly focused; in particular, as we look to build and further develop our asset base over the next 3 – 5 years.

Our strategic objectives are therefore split into five key areas:

- To improve financial resilience for people and communities
- To build wellbeing for individuals and communities
- To develop people's skills, confidence, and voice
- To build environmental awareness, knowledge, and action
- To build and maintain a sustainable organisation

1. Financial resilience

Needed now more than ever, 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. 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 able to focus on building opportunity and so choice for either themselves or their community. By providing timely and professional money advice services we can give practical advice and support to alleviate at least some of the pressure and stresses facing those struggling to

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

manage. Whether it be 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.

2. Wellbeing

While 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 employment support and digital skills training, we are developing more grassroots training to equip people with the skills they need to make a difference. We are OCN accredited and deliver a wide and growing range of 'starter' and 'follow-on' courses for professionals and community; from mental health awareness and wellbeing to professional boundaries, from first aid to setting up a community group.

4. Environmental awareness, knowledge, and action

Our impact on the environment is in the news daily and it is critical for all of our futures that we take steps to reduce and reverse that impact. Using our assets, particularly our open spaces at the Birmingham Settlement Nature & Wellbeing Centre by Edgbaston Reservoir and our large Community Centre in Kingstanding, we have an opportunity to work with partners to show what we can do as individuals and communities to adapt and learn from the past, to improve the prospects for sustainable futures as well as improving our own immediate environments; including learning more about how to grow, care for, and nurture the resources, spaces, and areas where we live. Our work on environmental awareness is an important part of our objectives around the furtherance of health and the promotion of welfare of the community.

5. Sustainable organisation

To meet the above objectives, we need the resources and financial backing in place to make it happen and as such, our fifth strategic objective is to make sure the Settlement is viable and sustainable long-term. We are aware that reductions in public spending in recent years have had a significant impact on the sector, including the Settlement. We must be robust, enterprising, and SMART in the way we do things – we must 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 push for positive 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.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

Review of activities

The year under review has been a busy and productive year for the Settlement. Busy delivering a range of services to support the communities we work with, including responding as best we can to an increased and increasing demand for money advice as our communities and clients try to overcome the financial challenges they face, aggravated by the cost-of-living crisis. Productive in many ways, including continuing to invest in our assets and adapt as we build for the future, specifically the development of the Birmingham Settlement Nature & Wellbeing Centre by Edgbaston Reservoir, and the 610 Community Centre in Kingstanding, which will shortly be rebranded as the Birmingham Settlement Active Living & Wellbeing Centre.

The notes below provide more detail.

Money Advice:

Free, face-to-face money advice continues to be an essential service to those struggling to cope. Our professionally trained and Financial Conduct Authority regulated Money Advice Team delivers an effective range of solutions which are needed now more than ever as the cost-of-living crisis continues to spread and pushes even more people into financial problems, including those who in the past have been classed as 'just about managing' but who are now struggling even more due to factors out of their control. Demand was so high that we were unable to run open-door drop-in sessions as we have in the past, instead expanding our face-to-face appointments (including emergency appointments), building our on-line and phone capacity, and, increasing the number of outreach surgeries we delivered in partnership with others including food banks, children's centres, and similar community venues.

We engaged large numbers of clients needing our help with debt and welfare benefits advice throughout the year; our services giving immediate support to clients, many of whom experience considerable barriers to accessing the help they need when they need it for a range of reasons including language, health, mental health, literacy, access to IT, or simply fear and embarrassment. Many of our clients find themselves in dire consequences from not being able to access funds or buy food or pay rent, which, if not managed, can result in eviction and so homelessness. During the year, we 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 and partners 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, for example, the paperwork surrounding Personal Independence Payments (PIP) is incredibly complex and for a lay-person, almost impossible to get right. To help overcome financial issues our team also worked closely with others, and supported 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 provides 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 including activities to reduce isolation and improve mental and general wellbeing. While money advice and support often bring clients through our doors, that is often just the first step to engaging in the wider activities we provide such as Ageing Well, Family Support, Wellbeing, Training & Learning, or our Little Settlers Programmes (Stay, Learn & 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 trying to move 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 Standards, Institute of Money Advisers, and similar quality mark assessments. Throughout the year our work was quality assured, and we are delighted to say that

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

despite the pressures of demand, we successfully passed all audit requirements and remain amongst the highest rated services in the country according to the Money & Pensions Service DAPA scheme.

In terms of numbers, our Money Advice Team supported more than 4,892 people during the year. Of the more than £8.68 million recorded debt presented by clients, we were successful in getting more than £1.89 million either written off or rescheduled, enabling more affordable repayments. Through our support with benefit applications and challenges to negative benefit decisions, we helped to increase recorded household income by £837,683, with an additional £100,496 recorded in lump sum payments; giving clients the ability to manage their finances better. We continued to support clients facing potential eviction from their homes by helping more than 288 people negotiate repayment of rent or mortgage arrears, setting up sustainable payment plans acceptable to both tenants and landlords/mortgage providers for the long-term. We also helped 1,312 clients' access hardship grants to support them through immediate crisis, including 69 awards from our own small hardship fund.

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 continued to provide advice during pre-sentencing, remand, in prison and pre-release on licence. This year we saw 1,049 clients from 12 prisons presenting over £5.29 million of debt with over £1.76 million either written off or rescheduled. Our support extended to both the National Probation Service (NPS) and Ingeus with face-to-face and a free and impartial telephone advice service. We believe earlier and easier access to our services helps callers to understand their rights and responsibilities including the consequences of non-payment to creditors.

In summary for money advice, the year under review has been an extremely busy year, and despite increased pressures and need for support, the year produced many great outcomes for our clients at a time of great need. We 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 followed by Client quotes:

Case study one:

- Background – Client, a single mother of 3 including 1 child with a disability, homeowner with mortgage, seeking help with £8,479 credit card debt accrued through fraudulent means.
- The issues – Client had a credit card debt of £8,479 run up by her husband who had left the home and used the card without permission. Client was a victim of Domestic Violence and was due to pay £240 per month to clear the debt. Client said the debt was unsettling her as she felt she was having to pay her abusers debt, let alone affordability.
- The action – Adviser liaised with Action Fraud regarding the credit card debt. By reporting the debt and circumstances, a crime reference number was generated. Adviser then wrote to the credit card company, notifying them of potential fraud on the account and to hold interest and charges, which was agreed. A write-off request was made on grounds of fraud, inability to pay due to circumstances as a lone mother and carer on low-income, and financial abuse. The credit card company agreed to write-off the £8,479 balance, avoiding a county court money claim, enforcement action, and charging order to secure the debt against Client's property.

Adviser undertook a benefit check which showed Client was entitled to the Carer Element and higher rate of the Disabled Child Addition of Universal Credit. Client attended further appointment where adviser reported change of circumstances and so entitlements which resulted in clients' income increasing by £583.69 per month.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

Client was also advised on further ways to maximise income and budget, such as through comparing energy tariffs, applying for utility schemes, and considering crisis grants if needed. Client was also advised on ways to mitigate rising energy costs, such as the Warm Home Discount, the Energy Bills Support Scheme, and Cold Weather Payments.

Client declined referral to Domestic Violence Victim Support but was given information on organisations to approach and stated that she would contact them herself to gain support.

- Progress / outcomes – Credit card debt of £8,479 written off and company no longer pursuing Client for the debt. Client income increased by £583.69 per month through correct entitlement / claims for Universal Credit by receiving Carer Element and Disabled Child Addition.

Client stressed relief at not having to pay £240 per month to the credit card company to clear a debt that her abuser had caused, in addition her monthly income was significantly higher due to claiming correct benefit entitlements. Client stated that she felt like she could move on with her life now.

Case study two:

- Background – Client, single male, in prison, contacted our adviser having seen a poster promoting our service in prison. Client wanted advice on loans, credit card debts, and bank debts. Client was a repeat offender who had spent several years in and out of prison on short sentences for shoplifting relating to food and toiletries.
- The issues – Client opened-up during first appointment with adviser explaining he had always struggled to manage his finances, saying his benefits were simply not enough to live on. As our adviser explored Clients' circumstances it became apparent that Client had several non-priority debts – loans, credit cards, and debts to his bank, which was where his benefits were being paid into. After payments for those were taken Client had very little left for basic housekeeping, food, and toiletries. In addition, Client lived in a two-bedroom flat, his housing benefit did not cover the charge for the additional bedroom. Client had fallen behind on payments and said creditors were constantly calling him demanding payments resulting in Client feeling he had no choice but to steal the food he needed to eat and the toiletries he needed for personal hygiene. Client suffered with mental health and situation was impacting Clients' mental health further, he was receiving support from his GP but continued to struggle financially.
- The action – Adviser contacted Clients' creditors asking them to Hold Action on recovery. On Clients' release adviser issued him with several Food Bank Vouchers to help immediate situation and support Clients' reintegration back into community, this reduced initial risk of shoplifting and potential recall to prison.

Adviser assisted Client with application for Universal Credit considering Clients' mental health / disability resulting in an extra payment of just over £350 per month. Adviser also assisted with a Personal Independence Payment (PIP) to help towards extra living costs due to Clients' mental health condition of just over £60 per week. A Discretionary Housing Payment (DHP) application was made to the Local Authority giving full assistance towards the additional bedroom.

Adviser was able to advise, support, inform and guide Client to complete a Standard Financial Statement (Budget Sheet) so Client was able to see what he had coming in and what he had available to pay towards household running expenses including food and toiletries, and what was left to pay creditors.

Adviser returned to Client creditors offering token payments of £1 per month towards debts; some accepted and some were willing to write-off Client debts due to his circumstances.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

- *Progress / outcomes* – Client received additional income from correct benefit entitlements plus write-offs and reduced payments to non-priority creditors. Client said he no longer felt compelled to shoplift. Adviser successfully supported Client in all matters, addressing his many needs in a holistic manner.

Client has not committed any further offences since his release over 10 months ago. Client said "This experience for me, has been life-changing".

Client quotes:

- *"Settlement helped me reduce my water bill last year, I had never heard of the Big Difference Scheme. I retired this year, and they helped me with my Housing Benefit claim. I tell everyone I know about how much help they can give you."*
- *"I did not know I can apply for any benefit next month – nobody explained this to me, thank you for giving me your time and listening to me – nobody listens anymore."*
- *"I can't deal with this anymore ... I can't cope ... I don't know what I would do without Birmingham Settlement taking this on."*
- *"I know there are other agencies out there that provide the same service as you, but going to them is not the same as coming to you, you explain things better, I get it with you, and you get things sorted."*
- *Aston & Nechells Food Bank December 2022 Newsletter:*
"A final word to say how much we have valued our partnership with Birmingham Settlement over the past year. Advisors attend each centre every week and have helped so many of our clients. Often faced with long queues, advisors have always been patient and helpful, a vital asset to our work. We simply could not do without them! Thank you all!"

Little Settlers (Stay Learn & Play):

Little Settlers offers free structured support for parents with children aged under five. Sessions are delivered from our bases in Aston, the Settlement's Nature & Wellbeing Centre by Edgbaston Reservoir, and the 610 Centre in Kingstanding. All three sites are located in areas scoring high on the indices of deprivation, with Aston and the Nature & Wellbeing Centre both located in the constituency of Ladywood which has one of the highest rates of child poverty in the UK.

Little Settlers ensures parents have a safe and stimulating environment for their children to learn through play; a space for parents to help improve their child's interaction and communication with adults and other children and to enable parents to discuss issues / tips / advice around parenting and children's development. It also enables us to upskill families by attending workshops where engagement with their child is encouraged and contributes to sustained learning objectives for the home environment.

Towards the end of the year, we began focusing sessions at the Nature & Wellbeing Centre on nature and environmental learning, and for the 610 Centre, more active and 'sports' related activities, with Aston remaining a more generic and traditional childcare session. During the year under review, we delivered:

- Nature & Wellbeing – 39 sessions, footfall 766 made up of 466 children and 300 adults, equating to 77 individuals.
- 610 Centre – 62 sessions, footfall 1,218 made up of 750 children and 468 adults, equating to 93 individuals.
- Aston – 115 sessions, footfall 4,594, made up of 2,758 children and 1,836 adults equating to 201 individuals.
- In total, 216 sessions, footfall 6,578 made up of 3,974 children and 2,604 adults, equating to 371 individuals.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

In addition to the above, our team provided direct family support to 28 families and referred / signposted numerous other to more specialist services as appropriate.

Youth work:

Our youth work was particularly stretched during the year as we tried to deliver from Aston and the 610 Centre with limited resources; as such we began the process of reducing delivery at Aston and moving more to 610, to widen engagement with whole families in the area. We began to review the range, way, and types of activity we will deliver moving forwards to ensure we maximise reach and impact, an area we are aware we need to develop more with the new facilities we are building at the Nature & Wellbeing Centre and 610 Centre.

However, during the year under review we delivered:

- 15 individual young people received one-to-one mentoring support, mainly referred from schools.
- 80 individual young people attended substance awareness workshops, delivered through schools.
- 33 individual young people attended our regular youth club sessions.
- 112 individual young people attended activities during the school holidays.
- 293 individual young people aged 18 – 25 accessed support from our Money Advice Team.
- 51 individuals attended our new family sports sessions – 31 sessions, footfall 376, 51 individuals.

In addition to the above, Birmingham City Council's Youth Services had a small team based at our 610 Centre delivering 3 sessions per week, 2 in-person and 1 detached.

Ageing Well:

Our Ageing Well Programme is a valuable resource for many older clients. Targeting those aged 50+, Ageing Well enables us to link with the wider priorities of 'Prevention First' Outcomes and the Adult Social Care system. Our delivery approach is to provide accessible routes for citizens to take part in regular weekly health and wellbeing activities, one to one casework support and specialist debt and money advice including access to hardship grants. We offer a broad range of activities ensuring we have sessions for different interest groups and abilities, so no one feels excluded and opportunities for companionship and support are maximised, in addition, our Ageing Well Programme encourages wider participation with Settlement activities and inter-generational action, with Ageing Well Members encouraged to attend non-Ageing Well specific activities such as Pilates and Zumba. During the year under review, specifically for Ageing Well we delivered:

Aston

- Tai Chi – 38 sessions with a footfall of 386, attended by 21 older adults.
- Art Group – 46 sessions with a footfall of 146, attended by 11 older adults.
- Community Choir – 38 sessions with a footfall of 292, attended by 16 older adults.

610

- Tai Chi – 45 sessions with a footfall of 341, attended by 28 individual older adults.
- Art Group – 45 sessions with a footfall of 578, attended by 19 individual older adults.
- Bowls Club – 49 sessions with a footfall of 491, attended by 24 individual older adults.
- Dog Training Club – 48 sessions with a footfall of 576, attended by 16 individual older adults.
- Dance Fit – 35 sessions with a footfall of 317, attended by 14 individual older adults.
- 'Cuppa & Chatter' Befriending Group – 45 with a footfall of 611, attended by 28 individual older adults.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

Red Shed (Nature & Wellbeing Centre)

- 'Cuppa & Chatter' Befriending Group – 40 with a footfall of 260, attended by 29 individual older adults.

In addition to the above:

- We provided befriending support / referrals by phone on 158 separate occasions.
- Our Money Advice Team supported 678 individuals aged 50+ of whom 109 were 65+ and 43 were 75+.

Clients often build important relationships with the Settlement covering significant time as the below examples:

- *Client has been attending our Ageing Well activities including tai chi, dance, and yoga since 2009 following the death of her husband. She said:*

"I wanted to come to the centre to mix and talk to people, I had been feeling depressed since the death of my husband. I heard about the centre through one of my friends."

Recently, our Ageing Well Caseworker noticed she seemed a little withdrawn and learnt that Client was worried about finances, she would often leave her heating off at home for fear of the cost. A referral was made to one of our Money Advisers who reviewed Clients' income and supported her claim for Attendance Allowance and Pension Credit. As a result, Client's income increased by £140 per week reducing her worries and allowing her to heat her home with greater confidence. She said:

"I feel I have gained confidence; I feel a lot happier, and I can enjoy myself. The staff are very good and have helped with my problems."

Training & Learning:

Training and Learning is an area we have been successfully developing and building, in particular community learning. We are OCN accredited and in the process of developing more courses. We have our own full-time in-house trainer and can utilise the skills and experience of our staff to deliver a wide range of courses and workshops, including money management and benefits, something we are actively doing and for which we have and are receiving very positive feedback. We have also developed and introduced a range of internal 'mandatory' courses for all staff which we have opened-up to others, for example, via the City Council's Neighbourhood Network Scheme. We are also delivering more 'softer' courses for our service users and in partnership with others. During the year under review, we delivered:

- 83 'formal' courses / workshops with an attendance of 848, courses included:
 - Mindfulness
 - Equality & Diversity
 - Disability Awareness
 - Adult Safeguarding
 - Conflict Resolution
 - Mental Health Awareness
 - Introduction to Drug Awareness
 - Mental Health & Debt
 - Introduction to Universal Credits
 - Introduction to Council Tax
 - Introduction to PIP & AA
 - Various wellbeing workshops e.g., nutrition, sleep, social connection

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TRUSTEES' REPORT (CONTINUED)

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Community Action:

In addition to the above, our Teams also continued to deliver a range of open activities to encourage participation and active community, to build integration, and for us to engage and hear voice as we look to listen and learn as we build delivery from our Nature & Wellbeing Centre and the 610 Centre. Below are some of the activities we delivered as part of that process:

- 5 trips took place, to build confidence, to get people out and about and enjoying the outdoors which were attended by 127 individuals.
- 30 Women of Witton sessions were held, with a footfall of 154, made up of 18 individuals.
- 43 Health & Wellbeing Forums were held, with a footfall of 466, made up of 22 individuals providing a platform to
- 30 Men's 'social' sessions were held, with a footfall of 178, made up of 7 individuals.
- 120 'fitness' sessions were delivered including Nordic Walking, Pilates, and Zumba to name but three as introductions to healthy lifestyles, with a footfall of 805, made up of 86 individuals – something we will build on as we develop, particularly the 610 Centre with its larger halls and potential for sports.

Asset development

Birmingham Settlement owns two large sites: the Nature & Wellbeing Centre by Edgbaston Reservoir (previously known as the Selwyn Road Playing Fields), and the 610 Centre in Kingstanding. The former was bequeathed to the Settlement in 1923, with the latter purchased by the charity in 1935 as the Settlement moved with its communities to the new outer-city estates as the traditional inner-city 'back-to-backs' where the Settlement was originally established were being cleared.

The Playing Fields as they were, had been leased and used by various parties over the years but had been dormant since the early 1990s when an existing small sports pavilion was destroyed by arson. The 610 Centre had been on a long-term lease to Birmingham City Council since 1971; the Settlement had retained its original base at Summer Lane.

Pre-pandemic and following successful engagement with surrounding communities including several 'pop-up' events, the Settlement took the decision to commit reserves and endowments realized by the sale of its original site in Summer Lane to develop the Playing Fields as a Nature & Wellbeing Centre. At the same time Birmingham City Council approached the Settlement wishing to exit the lease on 610 and to return the site early, which after discussion, including consideration of the need to improve and develop the site for today's needs, was agreed. The 610 Centre was formally returned to the Settlement in December 2020.

Developing these sites has been and is a major undertaking for the Settlement which has been gearing up for these developments for several years, including investing existing funds, freeing up reserves, and obtaining Charity Commission approval to use an endowment held by the charity following the sale of its original site in Summer Lane to reinvest into the two properties. In early 2023 the Settlement encashed its investments and the endowment which are now committed for capital spend and improvements to the assets to help build a more sustainable future for the charity and the communities it serves.

The Settlement is going through a period of major change as it prepares to bring these sites back to life, the below provides an update on each site.

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For the year ended 31 March 2023

Birmingham Settlement Nature & Wellbeing Centre:

In 2020 we were given planning permission to build a small community wellbeing centre comprising a community room, toilets, kitchenette, and office – phase one of our development which was completed in August 2021 when the 'Red Shed' was formally opened. The Red Shed was built using sustainable materials and renewables including ground sourced heat pumps ensuring the building has minimal carbon-impact and provides efficient 'green' energy. The Red Shed gave us the opportunity to deliver a range of activities to bring the site to life, to engage and build partnerships as we prepared for phase two of the development.

In September 2021 we submitted our planning application for 'phase two' of the development which includes two geodesic learning domes (6m and 8m diameters) and an amphitheatre along with various landscaping and re-greening projects to create an eco-friendly multi-purpose site that acknowledges the area as a 'Site of Importance to Nature Conservation' and fits with the immediate surrounds including the bordering Local Nature Reserve.

Our planning application was finally approved by Birmingham City Council in May 2022 with contracts awarded in September 2022, and works starting in November 2022 with an expected completion date for summer 2023.

The pictures below show some of the works progressing:



Main path and domes initial cut – Jan 2023



6m dome – frame prep for fill – Jan 2023

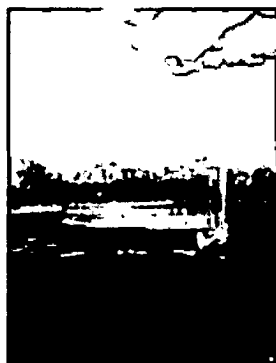


Dome base rims and main path base – Feb 2023



Dome bases ready for installation – Feb 2023

The Birmingham Settlement
TRUSTEES' REPORT (CONTINUED)
For the year ended 31 March 2023



6m dome construction – Feb 2023



6m dome view to reservoir – Feb 2023



6m dome construction – Feb 2023



Amphitheatre initial layout – Jan 2023



Amphitheatre shaping – Jan 2023



Amphitheatre entrance base laid – Jan 2023



Amphitheatre – top towards stage – Feb 2023



Amphitheatre looking south to north – note 6m dome and Red Shed – Feb 2023

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

Bearing in mind the impact of Covid-19 and now the cost-of-living crisis on mental health, wellbeing and affordability, combined with the need to reverse climate change and the need for greater environmental awareness and learning, the timing of the project is right and the decision to proceed using mainly our own designated reserves allowed us to go ahead and complete phase one quickly and now commence phase two with minimal delay. The project, when complete will be a unique space for the city just a short walk along the canals from the City Centre.

Activities

Following the opening of the Red Shed back in August 2021 we introduced a range of activities to support and engage, many are already reported in the details above including Little Settlers, Ageing Well, Training & Learning to name but a few. In addition, the Nature & Wellbeing Centre has provided us the opportunity to build a team of volunteers to help maintain and develop the site, from planting and clearing, to supporting community activities. In total 23 people have volunteered to support the Nature & Wellbeing Centre during the year under review for which we are very grateful. Regular activities during the year in addition to those already mentioned above have included:

- Edgbaston Reservoir Running and Wellbeing Group – 48 events (Sunday mornings) with a footfall of 1,999, made up of 64 individuals supported by 15 volunteers during the year.
- Friends of the Field – 38 sessions to support planting and similar – 8 volunteers.
- Junior Gardening Club (pilot) – 10 sessions during the summer, attended by 11 children.
- Sewing Group – volunteer-led group, 20 sessions supporting 6 sewers.
- Street Watch – volunteer group meeting at the Red Shed – 13 meetings with 7 volunteers.

In addition to the above, over the summer of 2022 we engaged with a range of partners to deliver a wide programme of inter-active community focused activities and fun days, including theatre, sport, and learning / awareness building, as listed below:

- 15 & 22 May – x2 performances from Women in Theatre.
- 19 June – First Running Cub family day.
- 8 – 28 July – Civic Square Neighbourhood Festival (over 3 weeks).
- 17 July – ERCO – Culture in Common (arts event).
- 17 July – Second Running Club family day.
- 1 & 2 August – OPUS Commonwealth Games Festival.
- 4 & 30 August – Children's Fun Day with Birmingham Children's Trust.
- 14 & 21 August – x2 'Wantok' Open Theatre performances.
- 21 August – Third Running Club family day.

What the above has demonstrated is that there is a desire and need for the space and types of activities we are developing. Unfortunately, for obvious health and safety reasons we have had to pause many activities and partnerships from the autumn to early summer 2023 as we cannot keep the whole site open while the contractors are completing the works. But the future is positive for the Nature & Wellbeing Centre.

610 Centre:

Following the 610 Centre's return to the Settlement in December 2020, our initial aim, bearing in mind we were still in the grips of the pandemic was to re-open and gradually build activities and presence while we assessed priorities. The 610 Centre is a large site with several halls, sports facilities, and open spaces, it has great potential but needs investment to bring it back to life. It is a desperately needed asset in an area officially termed 'left behind' by the Joseph Rowntree Foundation and has played an important role in bringing people together in the past, something it needs to do once more.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

In the year under review, we began a process of physical improvements including free Wi-Fi across the whole site, replacing windows, replacing ceilings, and new lighting to the lower hall, along with opening-up the staff office by removing a stud wall, replacing the ceiling, and installing new lighting there too. We also completely refurbished the 610 Caretakers House next door which had been unoccupied and in poor condition for many years and was used by our contractors as a base while they worked on the Nature & Wellbeing Centre.

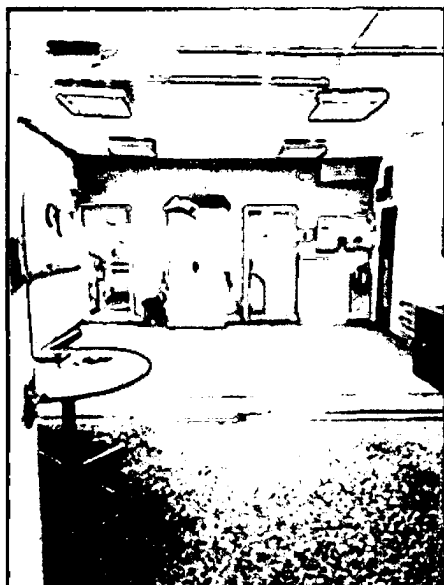
The pictures below give a brief example of the difference we are beginning to make.



Lower hall – removal of beams – March 2023



Lower hall – new ceiling and lights – March 2023



Staff office – partition removed – March 2023



Staff office – new ceiling and lights – March 2023

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

The Centre is starting to take shape and we have plans to develop a range of opportunities for local people to become more engaged with us as well as helping to build sustainability for the site, this includes turning the old staff office into a charity shop to be run by volunteers, developing the commercial standard kitchen into a community café and drop in centre, the development of a free community gym where we have already received funding to purchase two treadmills, two rowing machines, two cross-trainers, and a large selection of weights. It will take time, but we are confident the demand and support are there as we turn the 'old' 610 Centre into the 'new' Birmingham Settlement Active Living & Wellbeing Centre.

Activities:

While the above has been moving us forwards, we have also been building a range of activities with our partners and community to encourage engagement and involvement in shaping the future for 610. Many of the activities are mentioned earlier in this report but in addition, we have delivered:

- With support from Birmingham City Council, establishing the Centre as a place of 'Warm Welcome' offering a safe, warm space for residents to keep warm, have access to free refreshments, free wi-fi, books, games, and engage with staff members to get involved in the activity programmes including money advice. Between October 2022 and February 2023, we had 564 visitors.
- We delivered 22 weekly activities, many mentioned above but including partnerships with others including:
 - a Women's Group run by MIND every Monday.
 - a community meal cooked and delivered by FoodCycle every Saturday.
 - BCCs Youth Service who continue to deliver youth activities three times a week.
 - a Disability Support Group delivering a 3-hour session for people with special needs twice a week.
 - Panthers Judo Club meeting every Tuesday.
- We have also hosted family days including a celebration of the Commonwealth Games, and Christmas Fayre!
- The pictures below are from the Family Sports Thursdays, exemplifying further potential for the site.



Sport Thursdays – Feb 2023



Sport Thursdays – Feb 2023



Sport Thursdays – Feb 2023



Sport Thursdays – Feb 2023

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

Aston Centre:

The Aston Centre is leased from Birmingham City Council and is currently the Settlements' head office. In the year under review the Centre has continued to deliver a wide range of activities and has housed our Central Team and support functions. However, as the developments at the Nature & Wellbeing Centre and 610 Centre build, the Settlement is increasingly stretched, and we are moving more services and activities to those sites which we own and have the freedom to develop. There are major redevelopments planned for the area as Aston Villa look to progress their planned expansion of Villa Park which will affect the Aston Centre as it is based in the current Aston Villa car park! We are therefore discussing and reviewing our future at the Aston Centre with the Aston Villa Foundation and others.

Shops:

Our three charity shops (Sutton Coldfield, Boldmere, and Wylde Green) performed well this year bearing in mind continued fears around Covid-19 and the impact of the cost-of-living crisis which not only affected footfall, but also volunteer hours and donations, and we will continue to monitor overall performance closely. However, it must be borne in mind that financial contribution is not the only consideration with the shops; the opportunities and support they give to volunteers is another significant factor along with providing affordable goods to those who may be struggling in the current climate. The shops have a strong and committed staff team who provide an outlet and support for many vulnerable, older, and isolated people, plus those looking to improve employment prospects through retail experience as volunteers. We will continue to monitor performance, including how we link core services to the shops.

Volunteers

In the aftermath of the pandemic and now the cost-of-living crisis, we lost many volunteers who lost touch and found themselves in changed circumstances, however, we are pleased to say that in line with our developments at the Nature & Wellbeing Centre and 610 Centre volunteer numbers are once more building, including support to the shops and we now have a volunteer team of around 80 regular volunteers who provide enormous benefit to the charity.

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

Financial Review

During this year's audit a previous year error was found relating to the recording and carry forward of restricted and unrestricted income which led to a restating of the figures for 2021/22. The figures below relate to the restated figures.

Income for the year before the revaluation of investments amounted to £1,762,041 (2022: £2,184,851). Notable changes from the previous year included a decrease of £97,340 in 'Donations, legacies and gifts', and a decrease of £389,288 in 'Grants and contract' income, to a large degree a result of the withdrawal from the BCC Early Help Programme as we look to focus more on developing the Settlements' assets. Elsewhere, income was comparable with previous years.

Expenditure for the year amounted to £1,886,161 (2022: £1,955,478). Notable changes from the previous year related to increased expenditure of £205,767 on 'Advice and advocacy' which in the main related to increased spend on Money Advice; and reduced spend on 'Community action' which was affected by the withdrawal from the BCC Early Help Programme. Elsewhere, spending was comparable with previous years.

The Settlement finished the year with an unrestricted deficit of £20,212 and a restricted deficit of £100,944, giving an overall deficit before revaluation of investments of £121,156 (2022: surplus £229,373).

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

While a deficit outcome for the year is something we would always look to avoid, we do need to acknowledge that the Settlement is embarking on significant change and that we are committed to developing our assets and in particular, the Nature & Wellbeing Centre by Edgbaston Reservoir and the 610 Centre in Kingstanding, both need investment which has begun from our reserves, and that investment needs to be managed with care. For the past few years', we have built and carried reserves to allow us to embark on these developments, and while we cannot run with deficits for too long, we have built reserves to help cover expected shortfalls in the short and medium term as we adapt.

With that in mind, following professional advice, the Trustees of the charity agreed to encash all investments with a view to protecting the value against market fluctuations which have been more pronounced in recent years on the basis that the Settlement would need to quickly access cash to cover spend in real time on the developments at the Nature & Wellbeing Centre and the 610 Centre. Following approval from the Charity Commission in February 2023, this included cashing the endowment invested following the sale of the Settlement's original base in Summer Lane back in 2006.

Trustees will take further advice with a view to reinvesting contingency and designated funds to achieve the best return as the developments progress. As such the figures relating to cash held at bank are skewed as much of that money is committed to those developments.

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.

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 running costs (excluding funds the Settlement holds as payments or grants to partners) plus an estimate of the current liability for redundancy pay on existing staff. Budgeted expenditure for 2023/24 (minus payments or grants to partners) is in the region of £1,500,000 and the current level of free or 'contingency' reserves stands at £770,000. Given the number of projects and their diverse sources of funding, the trustees consider that in normal circumstances this level of reserve would enable the charity to arrange an orderly reduction in activities in the event of a major loss of funding.

In addition to the above, the Settlement's developing asset base, specifically the Nature & Wellbeing Centre by Edgbaston Reservoir and the 610 Centre will require investment to build enterprise and generate sustainable income for the charity long-term. Trustees acknowledge this will take time and require significant investment and have therefore decided to invest reserves and endowment funds held by Settlement to support the Settlement's long-term development in these areas as necessary, and as approved by the Charity Commission.

Investments

Until February 2023 the Settlement held 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 were invested in the same manner in a globally diversified

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

portfolio of equities, covering both developed and emerging economies. Birmingham Settlement used a professional advisor to manage those investment portfolios according to the investment mandate agreed by the Board. That investment management included the delegation of investment duties such as fund selection and portfolio rebalancing.

In February 2023 the Settlement was consented by the Charity Commission to encash the endowment fund with a view to reinvesting the endowment as capital to support the development of the Nature & Wellbeing Centre by Edgbaston Reservoir and the 610 Centre in Kingstanding. This was done along with cashing the Settlement's own investments and these sums are now held in a mix of secure, accessible, short-term accounts to ensure the Settlement has the financial fluidity to support the current spend on developments.

Trustees continue to keep our investment policies under consideration as the profile of our spending becomes clearer.

Plans for Future Periods

The Settlement plans to continue its principal activities as set out above but is aware that global and national uncertainties will continue to have an impact on the communities and individuals where we work. We 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, for example, the use of space and digital platforms plus the need for financial support and advice. To this end we must 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 short and medium terms as we continue our 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 and meet the needs of our communities. 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 the Nature & Wellbeing Centre and the 610 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 the Settlement has secure reserves which will allow the charity to adapt to change and reduction should that be necessary, the trustees consider there is no reason to doubt the charity will continue as a going concern for the foreseeable future.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2023

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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 (FRS 102);
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Information to the Auditors

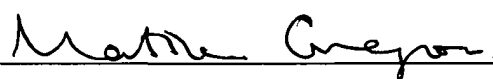
In so far as the trustees are aware:

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

Approved by the Board of Trustees on 19 Decembe and signed on its behalf by:

2023

Matthew Gregson – Chair



Martin Holcombe – Company Secretary



The Birmingham Settlement

INDEPENDENT REPORT OF THE AUDITORS

For the year ended 31 March 2023

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 2023, 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 2023 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

The Birmingham Settlement

INDEPENDENT REPORT OF THE AUDITORS (CONTINUED)

For the year ended 31 March 2023

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements of the charitable company or parent are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

The Birmingham Settlement

INDEPENDENT REPORT OF THE AUDITORS (CONTINUED)

For the year ended 31 March 2023

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.
- 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The Birmingham Settlement
INDEPENDENT REPORT OF THE AUDITORS (CONTINUED)
For the year ended 31 March 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark McLean FCA, Senior Statutory Auditor
For and on behalf of
Thomas & Young Limited
Chartered Accountants
Statutory Auditor

20/12/23

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

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

Birmingham Settlement

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Permanent Endowment funds £	Total funds 2023 £	Restated funds 2022 £
Incoming resources						
Voluntary income						
Donations, legacies and gifts	2	179,718	184,598	-	364,316	461,656
Income from other trading activities						
Charity shops income	3	226,835	-	-	226,835	205,378
Investment income	4	78,137	-	-	78,137	36,315
Incoming resources from charitable activities						
Grants and contract income	5	193,545	846,708	-	1,040,253	1,429,541
Other income	6	52,500	-	-	52,500	51,961
Total incoming resources		730,735	1,031,306	-	1,762,041	2,184,851
Resources expended						
Cost of generating funds						
Costs of generating voluntary income						
Fundraising and publicity costs	7	(72,112)	-	-	(72,112)	(50,846)
Charity shop costs	7	(234,383)	-	-	(234,383)	(243,437)
Charitable activities						
Realised loss on investments		(3,206)	-	(2,964)	(6,170)	-
Advice and advocacy	7	(142,591)	(686,819)	-	(829,410)	(623,643)
Community Action	7	(274,800)	(445,431)	-	(720,231)	(1,015,060)
Governance costs	7	(23,855)	-	-	(23,855)	(22,492)
Total charitable expenditure		(750,947)	(1,132,250)	(2,964)	(1,886,161)	(1,955,478)
Net (losses)/gains on revaluation of investments	11	-	-	45,000	45,000	181,873
Net (losses)/gains on revaluation of fixed assets	10	-	-	-	-	-
Gross transfer between funds		-	-	-	-	-
Net movement in funds		(20,212)	(100,944)	42,036	(79,120)	411,246
Fund balances brought forward at 1 April 2022		1,532,931	317,403	1,526,774	3,377,108	2,965,862
Fund balances carried forward at 31 March 2023		1,512,719	216,459	1,568,810	3,297,988	3,377,108

More details on the Permanent Endowment funds are given in note 16. There are no recognised gains or losses for 2023 or 2022 other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 32 to 48 form part of these financial statements.

The Birmingham Settlement
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2023

	2023 £	Restated 2022 £
Turnover	1,731,281	2,174,018
Operating costs	(1,886,161)	(1,955,478)
	<hr/>	<hr/>
Operating surplus/(deficit)	(154,880)	218,540
	<hr/>	<hr/>
Interest receivable and similar income	30,760	10,833
	<hr/>	<hr/>
Net (deficit)/income for the year	(124,120)	229,373
	<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

The Consolidated Summary Income and Expenditure Account is derived from the consolidated Statement of Financial Activities on page 27, which together with the notes to the financial statements on pages 32 to 48, provides full information on the movements during the year on all funds of the group.

The notes on pages 32 to 48 form part of these financial statements.

The Birmingham Settlement

CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2023

	Note	2023 £	2023 £	Restated 2022 £	Restated 2022 £
Fixed assets					
Tangible assets	10(a)		1,296,314		585,736
Investments	11		-		2,381,707
			<u>1,296,314</u>		<u>2,967,443</u>
Current assets					
Stocks and work in progress	12	4,718		4,718	
Debtors	13	300,870		148,796	
Cash at bank and in hand – Endowment funds		1,029,624		-	
Restricted funds		166,459		317,403	
Contingency reserve		770,000		770,000	
Unrestricted funds		19,905		(592,635)	
		<u>2,291,576</u>		<u>648,282</u>	
Creditors: amounts falling due within one year	14	(289,902)		(238,617)	
Net current assets			<u>2,001,674</u>		<u>409,665</u>
Total assets less current liabilities			<u>3,297,988</u>		<u>3,377,108</u>
Reserves					
Permanent Endowment Funds	16		1,568,810		1,526,774
Restricted funds	17		216,459		317,403
Birmingham Settlement owned buildings	19		731,620		480,735
Revenue reserve	19		11,099		282,196
Contingency reserve	19		770,000		770,000
Other designated reserves	19		-		-
			<u>3,297,988</u>		<u>3,377,108</u>

The notes on pages 32 to 48 form part of these financial statements.

For the year ended 31 March 2023, 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 19 December 2023 and signed on its behalf by

Mr M Gregson

MR M GREGSON
Director

Company Registration No. 01946604

The Birmingham Settlement

CHARITABLE COMPANY BALANCE SHEET

For the year ended 31 March 2023

			2023	Restated 2022
		£	£	£
Fixed assets	Note			
Tangible assets	10(b)		911,314	585,736
Investments	11		-	983,846
			<u>911,314</u>	<u>1,569,582</u>
Current assets				
Stocks and work in progress	12	4,718	4,718	
Debtors	13	300,870	148,796	
Cash at bank and in hand – Endowment funds		(28,237)	-	
Restricted funds		166,459	305,289	
Contingency reserve		770,000	770,000	
Unrestricted funds		19,905	(580,521)	
		<u>1,233,715</u>	<u>648,282</u>	
Creditors: amount falling due within one year	14	(289,902)	(238,617)	
		<u></u>	<u></u>	
Net current assets			<u>943,813</u>	<u>409,665</u>
Total assets less current liabilities			<u>1,855,127</u>	<u>1,979,247</u>
Reserves				
Permanent Endowment Funds	16	125,949	128,913	
Restricted funds	17	216,459	317,403	
Birmingham Settlement owned buildings	19	731,620	480,735	
Revenue reserve	19	11,099	282,196	
Contingency reserve	19	770,000	770,000	
Other designated reserves	19	-	-	
		<u>1,855,127</u>	<u>1,979,247</u>	

The notes on pages 32 to 48 from part of these financial statements.

For the year ended 31 March 2023, 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 19 December and signed on its behalf by

Mr M Gregson 2023
MR M GREGSON
 Director

Company Registration No. 01946604

The Birmingham Settlement

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 March 2023

	Notes	2023 £	Restated 2022 £
Net cash outflow from operating activities	24	(211,197)	410,239
Returns on investments and servicing of finance			
Interest received		1,951	22
Proceeds on disposal of investments		2,035,537	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(335,071)	(239,433)
		<hr/>	<hr/>
Decrease in cash		<u>1,491,220</u>	<u>170,828</u>
Reconciliation of net cashflow to movement in net funds			
Increase/(Decrease) in cash in the period	26	1,491,220	170,828
Net funds at 1 April 2022	26	<u>494,768</u>	<u>323,940</u>
Net funds at 31 March 2023	26	<u>1,985,988</u>	<u>494,768</u>

The notes on pages 32 to 48 form part of these financial statements

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 and Birmingham Settlement Properties, each made up to 31 March 2023. A separate Statement of Financial Activities, or income and expenditure account, for the charitable company itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.5 Going concern

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

1.6 Restricted funds and charitable expenditure

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

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

1 Accounting policies (continued)

1.7 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designed for other purposes.

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

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

1.8 Income recognition

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

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

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

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

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

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

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

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

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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 property	2% on cost
Short life leasehold property	Over period of the lease or 20% on cost
Vehicles	20% on cost
Fixtures, fittings and equipment	20% on cost
Computers	25% on cost

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

1.12 Heritage assets

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

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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 (CONTINUED)

For the year ended 31 March 2023

2 Donations, legacies and gifts

	Unrestricted £	Restricted £	2023 £	2022 £
Barrow Cadbury Trust – Planning & Influence	45,500	-	45,500	45,000
Barrow Cadbury Trust: Migration – Policy & Practice (host grant)	-	30,000	30,000	45,401
Esmee Fairbairn Foundation	91,750	-	91,750	-
Other donations (under £50K)	42,468	154,598	197,066	371,255
	<u>179,718</u>	<u>184,598</u>	<u>364,316</u>	<u>461,656</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 £	2023 £	2022 £
Bank interest	1,951	-	1,951	22
Income from lettings	28,809	-	28,809	8,170
Investment and other income	47,377	-	47,377	28,123
	<u>78,137</u>	<u>-</u>	<u>78,137</u>	<u>36,315</u>

5 Grants and contract income

	Unrestricted £	Restricted £	2023 £	2022 £
Money & Pensions Service	-	326,532	326,532	364,458
BCC Neighbourhood Network Scheme	-	281,962	281,962	164,650
Aston & Nechells Foodbank Money Advice	-	49,331	49,331	9,807
BCC (LEAS)	78,750	-	78,750	65,000
BCC Prevention & Communities	-	81,500	81,500	81,500
National Probation Services	86,625	-	86,625	76,141
BCC Early Help	-	-	-	331,609
Veolia Trust	-	-	-	37,500
Household Support Fund	(450)	-	(450)	900
CAF Resilience Fund Phase 2	-	54,642	54,642	161,925
Kickstarter Scheme	1,011	-	1,011	31,074
Training & Learning	-	-	-	7,609
National Lottery Community Fund – Active In Aston	-	52,741	52,741	97,368
Nehemiah UCHA	2,009	-	2,009	-
Ingues	25,600	-	25,600	-
	<u>193,545</u>	<u>846,708</u>	<u>1,040,253</u>	<u>1,429,541</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

6 Other income

	Unrestricted £	Restricted £	2023 £	2022 £
Furlough grant monies	-	-	-	6,858
BCC – Kingstanding leaseback agreement	45,000	-	45,000	45,000
Training and learning internal courses	7,500	-	7,500	-
Sundry income	-	-	-	103
	<u>52,500</u>	<u>-</u>	<u>52,500</u>	<u>51,961</u>

7 Total resources expended

	Voluntary Income £	Charity Shops £	Advice & Advocacy £	Community Action £	Governance £	Total 2023 £	Total 2022 £
Costs directly allocated to activities							
Staff costs	28,159	79,617	468,642	305,667	-	882,085	963,848
Direct project costs	22,418	28,286	35,398	189,373	-	275,475	337,832
Site costs	-	65,595	-	8,600	-	74,195	67,223
Support costs allocated to activities							
Staff costs	10,779	30,474	179,374	116,995	14,855	352,478	260,826
Site costs	5,041	14,253	83,898	54,723	-	157,915	199,081
Information Technology	1,480	4,184	24,628	16,062	-	46,354	52,005
Other Costs	4,235	11,974	43,640	28,810	9,000	97,659	74,663
	<u>72,112</u>	<u>234,384</u>	<u>835,580</u>	<u>720,230</u>	<u>23,855</u>	<u>1,886,161</u>	<u>1,955,478</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

8 Staff costs including shop staff

	2023 £	2022 £
Wages and salaries	1,095,091	1,106,170
Social security costs	91,924	83,009
Pension costs	49,195	48,364
Life insurance	3,746	3,964
	<u>1,239,956</u>	<u>1,241,507</u>

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

No trustee received any remuneration. No trustees (2022: 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

	2023 No	2022 No
Advice and Advocacy	14	14
Community Action	11	15
Fundraising and shops	10	8
Management, administration and support	13	14
	<u>48</u>	<u>51</u>

There were on average 70 (2022: 70) volunteers working part time each week.

9 Net outgoing resources

The following items are included in arriving at net outgoing resources

	2023 £	2022 £
Expenditure		
Depreciation and amounts written off on disposal	9,493	-
(Profit)/Loss on disposal of fixed assets	-	-
Auditors – for group audit services in the current year	8,500	8,000
Operating leases		
Land and buildings	73,315	73,315
Other	-	-
	<u>-</u>	<u>-</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

10 Tangible Fixed Assets

(a) Group	Freehold Land £	Freehold Buildings £	Leasehold Buildings £	Fixtures, fittings motor vehicles and computers £	Total £
Cost					
1 April 2022	70,000	480,736	49,803	343,070	943,609
Additions	-	335,071	-	-	335,071
Transfer from investments	-	385,000	-	-	385,000
31 March 2023	70,000	1,200,807	49,803	343,070	1,663,680
Depreciation					
1 April 2022	-	-	48,910	308,963	357,873
Charge for the year	-	8,600	893	-	9,493
31 March 2023	-	8,600	49,803	308,963	367,366
Net book value					
31 March 2023	70,000	1,192,207	-	34,107	1,296,314
31 March 2022	70,000	480,736	893	34,107	585,736

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

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

The freehold property comprises buildings transferred from investment property in the year, as the building is occupied by the charitable company for charitable purposes. It was valued on 14th April 2023 by Johnson Fellows LLP, Chartered Surveyors, on an open market basis assuming vacant possession at £385,000.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

10 Tangible fixed assets (continued)

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

	2023 £	2022 £
Group	20,000	20,000

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

(b)	Company	Freehold Land £	Leasehold Buildings £	Freehold Buildings £	Fixtures, fittings motor vehicles and computers £	Total £
Cost						
	1 April 2022	70,000	49,803	480,736	343,070	943,609
	Additions	-	-	335,071	-	335,071
	31 March 2023	70,000	49,803	815,807	343,070	1,278,680
Depreciation						
	1 April 2022	-	48,910	-	308,963	357,873
	Charge for the year	-	893	8,600	-	9,493
	31 March 2023	-	49,803	8,600	308,963	367,366
Net book value						
	31 March 2023	70,000	-	807,207	34,107	911,314
	31 March 2022	70,000	893	480,736	34,107	585,736

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 (CONTINUED)

For the year ended 31 March 2023

11 Fixed asset investments

	Listed £	Unlisted £	Freehold Investment property £	Subsidiary undertaking £	Total £
Group					
Cost or valuation					
1 April 2022	2,041,707	-	340,000	-	2,381,707
Disposals	(2,041,707)	-	-	-	(2,041,707)
Revaluation	-	-	45,000	-	45,000
Transfer to fixed assets	-	-	(385,000)	-	(385,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2023	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company					
Cost or valuation					
1 April 2022	983,846	-	-	-	983,846
Transfers	-	-	-	-	-
Disposals	(983,846)	-	-	-	(983,846)
Revaluation	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2023	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Stocks and work in progress

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Stocks	<u>4,718</u>	<u>4,718</u>	<u>4,718</u>	<u>4,718</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

13 Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	170,358	60,080	170,358	60,080
Prepayments	60,306	54,386	60,306	54,386
Other debtors	23,581	18,080	23,581	18,080
Accrued income	46,625	16,250	46,625	16,250
	<u>300,870</u>	<u>148,796</u>	<u>300,870</u>	<u>148,796</u>

14 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other creditors	162,637	138,421	162,637	138,421
Accruals	55,830	28,197	55,830	28,197
Deferred income (note 15)	71,435	71,999	71,435	71,999
	<u>289,902</u>	<u>238,617</u>	<u>289,902</u>	<u>238,617</u>

15 Deferred income

Deferred incoming resources are made up as follows:

	2023
	£
As at 1 April 2022	71,999
Incoming resources deferred in the current year	71,435
Less: amounts released	(71,999)
	<u>71,435</u>
As at 31 March 2023	<u>71,435</u>

Deferred income relates to unrestricted amounts received in the year ended 31 March 2023 that relate to future deliverables and have been received specifically to fund expenditure after that date.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

16 Permanent endowment funds

Company	2023 £	2022 £
Endowed assets	125,949	125,652
Reserves brought forward	128,913	125,652
Transfers	-	-
Gains/(Losses) on revaluation	(2,964)	3,261
Reserves carried forward	125,949	128,913
Group	2023 £	2022 £
Endowed assets	1,568,810	1,526,774
Reserves brought forward	1,526,774	1,430,358
Realised gains/(losses)	(2,964)	-
Gains/(Losses) on revaluation	45,000	96,416
Reserves carried forward	1,568,810	1,526,774

The Permanent endowment funds as at 31 March 2023 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 2021.

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 £635,848 (2022 £584,198). The value included in fixed and current assets is £1,113,810 (2022 £1,057,861). This provides an unapplied total return of £477,962 (2022 £473,663) which is available for the Board to use in furtherance of the charity's activities.

The charity is committed to developing its two main assets and with consent from the Charity Commission, in February 23 'cashed' its invested endowment to ensure the charity had accessible funds to cover spend in real time on the developments at the Nature & Wellbeing Centre, Edgbaston, and the 610 Centre, Kingstanding. Liquid funds are held in current and short-term holding accounts and the Board will take further advice with a view to reinvesting contingency and designated funds as developments progress.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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 2022 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Revenue					
Advice and Advocacy	45,950	702,749	(686,819)	-	61,880
Community Action	209,339	328,557	(445,431)	-	92,465
Capital					
Learning Dome	50,000	-	-	-	50,000
Graham Street Charity	12,114	-	-	-	12,114
Total for company	317,403	1,031,306	(1,132,250)	-	216,459
Total for group	317,403	1,031,306	(1,132,250)	-	216,459

Restricted revenue funds for advice and advocacy, and community action, are credited with incoming resources for particular projects and charged with the related expenditure.

The capital grants for the learning dome are a contribution towards the costs of the new domes, as referred to in the trustees' report. When the domes are completed and in use, the restrictions on the income will have been satisfied and the fund can be transferred to unrestricted funds.

The Graham Street Charity funds were transferred when that charity closed, and became part of The Birmingham Settlement.

18 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	707,128	50,000	539,186	1,296,314
Current assets	1,095,493	166,459	1,029,624	2,291,576
Current liabilities	(289,902)	-	-	(289,902)
	1,512,719	216,459	1,568,810	3,297,988

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

19 Unrestricted funds

	Contingency Reserve £	Designated reserves £	Birmingham Settlement owned buildings £	Revenue reserve £	Total £
Group					
At 1 April 2022	770,000	-	480,735	282,196	1,532,931
Transfer between funds	-	-	250,885	(250,885)	-
Surplus/(Deficit) in year	-	-	-	(20,212)	(20,212)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	770,000	-	731,620	11,099	1,512,719
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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.

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

	Birmingham Settlement Properties	
	Endowed £	Unrestricted £
Incoming Resources	-	-
Charitable Expenditure	-	-
	<hr/>	<hr/>
Net Incoming Resources	-	-
Net gains/(loss) on revaluation of investment assets	45,000	-
Funds brought forward	1,397,861	-
	<hr/>	<hr/>
Funds carried forward	1,442,861	-
	<hr/>	<hr/>

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 £8,474 (2022: £7,539).

22 Capital and financial commitments

Capital expenditure contracted for but not provided in the accounts is £334,221 (2022: £nil).

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

23 Operating leases

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

Leases expiring:	Land and buildings		Office equipment	
	2023	2022	2023	2022
	£	£	£	£
within one year	55,000	21,150	-	-
in two to five years	-	92,333	-	-
in more than five years	-	-	-	-
	<u>55,000</u>	<u>113,483</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

	2023	2022
	£	£
Net (outgoing)/incoming resources before revaluation	(124,120)	229,373
Depreciation	9,493	-
Interest receivable and similar income	(1,951)	(22)
Investment (gains)/losses	6,170	-
Decrease/(Increase) in debtors	(152,074)	179,691
(Decrease)/Increase in creditors	51,285	1,197
Net cash inflow from operating activities	<u>(211,197)</u>	<u>410,239</u>

25 Prior Year Adjustment

A prior year adjustment has been made to the comparative figures to correct errors in that year. The adjustment is to correct errors in presentation in the accounts, not in administration of the projects, the income for which has been spent in accordance with the terms of the donation or grant.

The adjustments were made up of the following amounts.

Reduction in deferred income	Capital Grant	£50,000
	Unrestricted Grant	£115,390

Reclassification of expenditure from unrestricted to restricted of £396,442

Designation of unrestricted funds in respect of owned property additions £239,433

The impact of the adjustments is to increase net assets by £165,390. The allocation of reserves carried forward to 2023 has also changed – restricted has reduced by £346,442, designated has increased by £239,433 and general has increased by £272,399.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

26 Analysis of net funds

	1 April 2022 £	Cashflows £	31 March 2023 £
Cash at bank and in hand	494,768	1,491,221	1,985,989

27 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 2023 there were 12 members (2022: 11).

28 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 is a tenant of one property of which Birmingham City Council is landlord and on which it pays a rent (2022/23 - £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 £10,000 (2022: £10,000) for distribution as grants to individuals in need. During the year the Settlement made grants of £10,000 (2022: £10,000) from the donation. In addition, the George Fentham Birmingham Charity made a donation of £5,500 (2022: £5,500) towards the Settlement's Little Settlers project, and a further one-off grant of £20,000 towards the development of the Nature & Wellbeing Centre by Edgbaston Reservoir.