

Company Registration No. 01946604 (England and Wales)

THE BIRMINGHAM SETTLEMENT
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(Registered Charity Number 517303)

The Birmingham Settlement

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The Birmingham Settlement

TRUSTEES' REPORT

For the year ended 31 March 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

Reference and Administrative information

Charity registration number: 517303

Company number: 01946604

Trustees

Mr Matthew Gregson	(Chair)
Dr Peter Brooks	
Mr Michael Burgess	(Appointed 15.12.21)
Councillor J L B Cotton	(Birmingham City Council nomination)
Mr Christopher Etheridge	
Ms Teresa Parker	(Appointed 15.12.21)
Ms Zoe Richardson	
Mr George Sabharwal	
Ms Manisha Sharma	(Resigned 15.12.21)

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 Wilton 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

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 2022

Structure Governance and Management

Governing document

Established in 1899, Birmingham Settlement is a registered charity under the Charities Act 1960.

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

Recruitment and Appointment of Board of Trustees

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

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

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

During the year under review, two new trustees were appointed with one standing down due to rotation at the end of their second term.

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.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

Risk Management

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

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

During 2021, the Settlement's Board and Staff teams reconfirmed the charity's existing strategic objectives and added a fifth objective: 'to build environmental awareness, knowledge, and action'; this additional objective fits with the ongoing development of the Selwyn Road Playing Fields and ensures the charity's aims are clear and correctly focused 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

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

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 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 Selwyn Road Playing Fields and 610 Kingstanding Centre, 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.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

5. Sustainable organisation

To meet the above objectives we need to have the resources and financial backing in place to make it happen and as such, our fifth strategic objective is to make sure the Settlement is viable and sustainable long-term. We are all aware that reductions in public spending in recent years have had a significant impact on the sector as a whole and that includes the Settlement. We have to be robust, enterprising and SMART in the way we do things – we have to be fleet of foot and adaptable to survive in difficult and challenging environments. While we will always want to be involved in statutory funding where we can influence and 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.

Coronavirus (Covid-19)

While restrictions surrounding Covid-19 were eased as the year progressed, they still applied for most of the year and the pandemic continued to bring fear and cause immense difficulties to our communities and organisation, particularly in the autumn and winter. Our services were up and running for the whole year and the way we adapted worked well although the uncertainty and fears created by Covid-19 affected engagement, so face-to-face delivery proved challenging throughout the year. For those facing barriers who struggle to engage with mainstream services (those we work most closely with) accessing much needed advice and support at a time of continued fear and uncertainty was hard to overcome, and while our systems and processes worked well, many people found it difficult to venture out and re-engage. However, the development and opening of the Red Shed on the Selwyn Road Playing Fields in late August provided a much needed open, safe, accessible, and secure environment which helped us to engage and reconnect with many people, rebuilding confidence and activity.

When addressing Covid-19, we must acknowledge the efforts of our staff and supporters during the year who worked throughout, adapting the way they delivered and filling gaps during staff absence caused by Covid-19, without their efforts we would not have been able to continue the work we did at the level we did and we are grateful to the whole team and all who supported the Settlement and helped us to build and deliver the way we did.

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

Review of activities

Following on from the above, the year was difficult for service delivery with rules and fears affecting face-to-face delivery and the use of confined spaces, face-to-face delivery forms the core of our work. However, we adapted and delivered in line with rules ensuring the Settlement was fully compliant and that staff, clients and supporters felt as safe and comfortable as possible. While our work was different to pre-Covid-19 times, we nevertheless delivered a wide and responsive range of services to our communities with targeted support to those who needed it most. The comments below provide a summary of our main activities:

Money Advice:

Free, face-to-face money advice continues to be an essential service to those struggling to cope. Our professionally trained and regulated money advice team delivers an effective range of solutions and as we moved out of the pandemic and on to the next crisis the need for our services has never been higher, with demand for our support growing throughout the year. Demand was so high we were unable to run open-door drop-in sessions as we did pre-pandemic, 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.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

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. For many, Covid-19 had brought many of these issues to a head resulting in dire consequences from not being able to access funds or buy food or pay rent, which, despite the perceived respite on evictions during the pandemic, if not managed, could 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 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 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 brings clients through our doors, that is often just the first step to engaging in the wider activities we provide such as Ageing Well, Job Club, Digital Skills, or Stay Learn and Play. Therefore, we not only help with resolving debt issues and helping to maximise income, but for many, we can help to set them on a path that ultimately improves their mental health, wellbeing, and their ability to re-engage with their peers and community. In addition to one-to-one debt and benefit advice, we also deliver a range of financial literacy training courses and workshops to clients and other front-line staff dealing with debt and benefit issues from high level to introductory basic understanding, a preventative area we are moving into more and more.

Despite high demand for our services, quality remains paramount and our professional team of advisers continued to receive ongoing training and development in line with Advice Quality 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 despite the difficulties of Covid-19 we managed to retain our position in the top cohort of approval ratings from the Money & Pensions Service (MaPS) DAPA scheme, the quality rating of our services remains amongst the highest in the country.

In terms of numbers, our Money Advice Team supported more than 6,743 people during the year. Of the near £8 million worth of debt presented by clients, we were successful in getting more than £1.369 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 household incomes by more than £1.085 million giving clients the ability to manage their finances better. We continued to support clients facing potential eviction from their homes by helping more than 496 people negotiate repayment of rent arrears, setting up sustainable payment plans acceptable to both tenants and landlords for the long-term. We also helped 586 clients' access hardship grants to support them through immediate crisis.

Through our work in prisons and the indispensable role in supporting people to work through financial difficulties (which remains the biggest cause of re-offending), we continued to provide advice during pre-sentencing, remand, in prison and pre-release on licence. This year we saw 1,030 clients from 12 prisons presenting over £3.58 million of debt. Our support extended to both the National Probation Service (NPS) and Staffs. & West Midlands Community Rehabilitation Company (CRC) 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.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

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

Case study one:

- Background: Client attended outreach surgery at Refugee & Migrant Centre; client lives with wife and 3 children in council accommodation; both adults have work permits with leave to remain.
- The issues: Family had been living in temporary accommodation but the Temporary Accommodation Team had not paid the rent due. Client received demand for payment of £2k arrears. Client had been re-housed and needed advice on rent, utility bills and Council Tax arrears. Looking at clients Universal Credit Claim it was apparent the family were only receiving payments for father and children, not mother.
- The action: Query raised on clients UC journal as to why benefits had not been paid for client's wife. Application made for the Big Difference Scheme to reduce the client's water bill due to low income. Details given regarding how and when to apply for the £140 Warm Home Discount Scheme. Client confirmed council tax payments so we could ensure correct levels of council tax were being paid.
- Progress/outcomes: Client was awarded UC for wife, backdated to April 2019. Lump sum payment of £4,016 received allowing client to clear debt. Moving forwards client will be paid at correct UC rate for whole family. Application for reduced water bills pending with the 'Big Difference Scheme', if granted this could reduce family water bill by up to 90%. Client to apply for Warm Home Discount when the scheme opens for 22/23.

Case study two:

- Background: Client in custody and due to be released from short-term sentence; referred by Her Majesty's Prison and Probation Service. Client is a 56-year-old, single man who had been in the Army and was suffering from PTSD.
- The issues: Client lived in a one-bedroom private rental property. Client had rent arrears of £3,769 and was unsure if he would be able to return to his property on release as landlord had started court proceedings to have him evicted due to the arrears. Whilst in prison client did not have access to his post which was being sent to his home address, so was not aware of what action was taking place in his absence.
- The action: We contacted client's landlord to check the balance on his rent account and were informed landlord was in the process of evicting the client and had obtained a Possession Order which would result in the client being evicted whilst in prison, making him homeless on his release back into the community. We explained clients circumstances in detail to the Court and made an application to suspend the Possession Order, this was successful and prevented the eviction. We were able to apply to the clients Local Authority for Council Tax exemption and also contacted clients utility and water company to notify them of the clients circumstances.
- Progress/outcomes: On release from prison, client was able to return to his home and apply for Universal Credit. Under our instructions and guidance client was able to successfully negotiate an affordable payment arrangement towards his rent arrears resulting in no further recovery or eviction action taking place. We were then able to contact The Armed Forces Charity SSAFA (Soldiers', Sailors' & Airmen's Families Association) who provided financial assistance to help clear client's rent arrears. Client is now secure in his home.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

Stay Learn & Play:

Stay, Learn & Play offers free structured support for parents with children aged under five. Sessions have been delivered from our base in Aston for many years, and during the year under review, as our 'new' bases at the Selwyn Road Playing Fields (the Red Shed) and Kingstanding (610) came on line, we were able to expand delivery. All three sites are located in areas scoring highly on the indices of deprivation, with Aston and Selwyn Road both located in the constituency of Ladywood which has one of the highest rates of child poverty in the UK.

Stay Learn & Play 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. During the year under review we delivered:

- 107 sessions at Aston with a footfall of 1,510 made up of 863 children and 650 adults, equating to 266 individuals.
- 23 sessions at 610 with a footfall of 257 made up of 136 children and 121 adults, equating to 66 individuals.
- 20 sessions at the Red Shed with a footfall of 262 made up of 142 children and 120 adults, equating to 71 individuals.
- In total, 150 sessions with a footfall of 2,029 made up of 1,138 children and 891 adults, equating to 403 individuals.

In addition to the above, Birmingham City Council delivered 32 sessions supporting 'Young Parents' from our 610 Centre.

'RISE' Youth Programme:

Despite the uncertainties and limits caused by Covid-19, young people were keen to engage online and face-to-face. The twice weekly youth club at Aston offered a safe space for young people to gather and engage socially at a time when restrictions could have resulted in many becoming socially isolated with increased risk of anti-social and unlawful activity. Mentoring and detached work remained an important feature of work, with many young people being referred for support via partners such as schools and Birmingham Children's Trust with mental health and behaviour issues. In addition, through our Money Advice Team we are able to offer young people face-to-face advice and support to sort problems and raise awareness over budgeting and money management. During the year we delivered:

- 42 young people aged 11 – 18 years took part in Rise Youth Programme, the majority were young boys.
- 30 young people aged 12 – 23 received one-to-one mentoring; 16 male, 14 female, referred mainly via schools.
- 11 young people took part in workshops covering topics such as sexual health and drug awareness.
- 13 individuals were engaged via detached work.
- 13 individuals attended activities during the school holidays.
- 410 young people aged 18 – 25 accessed our Money Advice Team.

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.

Early Help Children & Families

The Early Help Team was established as part of the Birmingham Children's Partnership and worked at maximum capacity throughout the year. Demand for Early Help support during, and as Covid-19 restrictions reduced was immense. Working closely with the Birmingham Children's Trust Managers, Early Help Coordinators, and Early Help building the sustainability of assets within the Ladywood constituency via small grants and training to build capacity. Over the last year as Covid-19 restrictions eased, the focus turned to supporting micro-assets who were 'mothballed' or struggled through the pandemic and needed to adapt; many had closed or suspended operations due to ill health and worry as they were run by older adults themselves, some had lost delivery space and some needed additional financial support to continue what they had achieved during the pandemic such as food provision which was such an important lifeline for many citizens over the pandemic. During the life of the 3 year contract 298 assets providing activities for older adults

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

within the Ladywood constituency were mapped, 82 of which worked citywide; 51 small grants were awarded, supporting 40 groups and organisations. The social enterprise development programme which provided a platform where assets could receive training and mentoring as well as share and collaborate to explore solutions had a 61% completion rate. The programme is being re-tendered and bearing in mind our achievements and learning from the initial contract, we are optimistic about continuing in this role for the programmes' next phase.

Community Action

In addition to the above, our Community Action Team also continued to deliver activities online, gradually returning to more face-to-face activities as Covid-19 restrictions were lifted and confidence grew amongst our client groups. Below are some of the activities we delivered:

- 25 individuals under the age of 50 received support via our befriending programme.
- 5 socially distanced trips took place, to build confidence, get people out and about and enjoying the outdoors.
- 40 women took part in our Women's Coffee & Conversation Group.
- 19 women took part in our weekly fitness sessions to stay fit and healthy.
- 36 Health & Wellbeing Forum sessions were held, attended by 14 individuals providing a platform to undertake activities, discuss, and receive presentations on health-related issues.
- 28 women took part in online Bhangra Classes encouraging connections while having fun online.
- 18 individuals took part in our weekly online Book Club; acting as a discussion group for books of interest.
- 12 individuals took part in weekly online Hatha Yoga Classes, improving mindfulness and general wellbeing.
- 7 men took part in our regular Curling Club which has now grown into a men's 'social group'.
- 9 individuals took part in Nordic Walking in Aston Park, exploring the outdoors using walking equipment.

Employability & Digital Skills

Our Employability and Digital Skills Programme is open to all and runs from both the Aston and the 610 Centres. We deliver regular 'job club' sessions and IT skills training to help people re-engage with the job market through CV writing / support, interview techniques, help with job search and job applications. Our sessions also aim to widen individuals options and outlook as well as build aspiration by looking at alternative routes to employment, for example, via volunteering and / or retraining. During the year we delivered:

- 78 job club sessions attended by 104 individuals
- 69 digital skills sessions attended by 43 individuals
- 216 one-to-one appointments for CV writing and interview technique support attended by 63 individuals
- 29 individuals found employment
- 14 individuals went on to formal training
- 10 individuals took on volunteering roles

Training & Learning

Training and Learning is an area we are looking to build on. We are OCN accredited and in the process of developing courses. We have our own full-time in-house trainer and can utilise the skills and experience of our staff to deliver a range of courses and workshops, in particular relating to money management, something we are actively developing. We have developed and introduced a range of internal 'mandatory' courses for all staff which we are opening up to others, for example, via NNS. We are also starting to deliver more 'softer' courses for our service users and in partnership with others. During the year under review we delivered:

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

- 48 'formal' courses with an attendance of 348, courses included:
 - Mindfulness
 - Equality & Diversity
 - Disability Awareness
 - Adult Safeguarding
 - Conflict Resolution
 - Mental Health Awareness
 - Introduction to Drug Awareness

Aston Centre:

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

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

As we expand our asset base including the 610 Centre and Selwyn Road Playing Fields, Aston will have a greater focus on Training, Employment & Learning as transport links and facilities are well suited for those purposes, however, we will continue to deliver our wider community work from Aston too.

Selwyn Road Playing Fields

The Settlement owns a 3-acre playing field bordering Edgbaston Reservoir in Ladywood. In 2020 we were given planning permission to build a small community wellbeing centre comprising a community room, toilets, kitchenette and office. The work started in August 2020 and was completed in August 2021 when the 'Red Shed' was formally opened with a family fun day attended by more than 300 people. Since then we have been delivering a range of localized activities to encourage engagement and get a feel for the building, this has included a gardening and growing club, birdwatching club, litter picks around the reservoir, Stay Learn and Play sessions, along with 'cuppa and chatter' for Ageing Well and a very successful volunteer-led running and wellbeing group.

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 field was dormant for many years and with the Red Shed completed as 'phase one' of our development we now have a wonderful opportunity to re-green, re-purpose, and bring back to use what is a beautiful, green asset bordering a local nature reserve in the heart of the city.

In September 2021 we submitted our planning application for 'phase two' of the development which includes a geodesic 'learning dome' and 'amphitheatre' along with various landscaping and re-greening 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. We hope to complete phase two in the coming year and in time for the centenary of the Playing Fields in 2023 at which point it will be all systems go!

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TRUSTEES' REPORT (CONTINUED)

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Bearing in mind the impact of Covid-19 and the need for safe, open spaces, combined with concerns over climate change and the need for greater environmental awareness and learning, the timing of the project is right and the decision to proceed using mainly our own designated reserves allowed us go ahead and complete phase one quickly. The project, when complete will be a unique space for the city just a short walk along the canals from the City Centre.

More information including visuals of the Red Shed development can be found at www.birminghamsettlement.org.uk

610 Youth & Community Centre

The 610 Youth & Community Centre is a large site with a number of halls, sports facilities and open space owned by Birmingham Settlement but leased to Birmingham City Council since 1971. Following discussion over a number of years, the Settlement agreed to take the site back and that took effect from October 2020; due to lockdown and Covid-19 restrictions, the site remained closed for free public access until late 2021 at which point we began developing new services and re-introducing existing activities. Birmingham City Council Youth Services have retained a presence at 610 although unfortunately, again due to Covid-19, remained closed for free access through much of 2021. While activities were reintroduced in the second half of the year, our focus initially has been establishing a presence and making improvements and upgrades to the buildings and facilities for the short and medium term while we review options and agree plans for the long-term development of the site. As with Selwyn Road, 610 will require significant investment over time but again, offers great opportunity to provide much needed services and resource for an area often termed 'left behind'.

More information including visuals of the 610 Centre can be found at www.birminghamsettlement.org.uk

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

Shops:

Our three charity shops (Sutton Coldfield, Boldmere and Wylde Green) performed well this year bearing in mind restrictions and fears around Covid-19 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

While we generally have a strong team of around 80 regular volunteers who provide enormous benefit to the charity, our volunteer team was greatly reduced during Covid-19 and we are still recovering; however, we have rebuilt and have a regular team of around 60 volunteers supporting us now. With the development of Selwyn Road and the 610 Centre, building a larger volunteer team is one of our aims for the coming year.

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

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

Financial Review

Income for the year before the revaluation of investments amounted to £2,019,461 (2021: £1,865,937). Notable changes from the previous year included an increase in shops income as the shops were open whereas for most of the previous year they were closed, in addition, 'other income' was significantly lower than the previous year as in 2020/21 we received various one-off grants and furlough payments during Covid-19 closures. Elsewhere, income was comparable with previous years.

Expenditure for the year amounted to £1,955,478 (2021: £1,613,208). Notable changes from the previous year related to increased shops expenditure as they were open throughout the year unlike 2020/21 when they were closed due to Covid-19. The other notable change was expenditure within community action, much of which related to small community grants we issued as part of our Early Help and Neighbourhood Networks Scheme contracts, in other words, the funds were 'in and out' as opposed to income for the Settlement. Other changes were within normal ranges.

The Settlement finished the year with an unrestricted deficit of £315,944 and a restricted surplus of £379,927, giving an overall surplus before revaluation of investments of £63,983 (2021: surplus £252,729).

While a surplus outcome for the year is good, we do need to acknowledge the surplus in restricted income skews the numbers and that we realized a significant deficit in terms of unrestricted income. However, we also need to acknowledge that we remain in a period of significant change and are committed to developing our assets and in particular, the playing field at Selwyn Road and the 610 Youth and Community Centre in Kingstanding, both need investment and that investment needs to be managed with care. For the past few years we have built and carried reserves to allow us to develop, and while we cannot run with unrestricted deficits for long, we have built reserves to help cover expected shortfalls in the short and medium term as we adapt.

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 2022/23 (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.

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

In addition to the above, the Settlement has a developing asset base including developments at the Selwyn Road Playing Fields and 610 Youth and Community Centre which 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 'unrealised gains' from the endowment funds held by Settlement to support the Settlement's long-term development in these areas if necessary.

Investments

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

By the end of March 2021 our investments had more or less recovered from the problems caused by Covid-19, however, through 2021/22 fluctuations continued, in particular following the situation in Ukraine at the end of the year.

Despite this, the year end result for the endowed capital showed an investment gain of £96,416 to give an end of year value of £1,526,774, with the company portfolio showing an investment gain of £85,457 to give an end of year value of £924,932.

While the performance of both investments was pleasing, clearly charities like the Settlement are vulnerable to external environments in the same way as everyone else. However, we have reserves and will continue to invest and manage our finances with care to ensure we are stable and sustainable moving forwards; and that we are not over-committed or too vulnerable to circumstances outside of our control.

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

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

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

Plans for Future Periods

The Settlement plans to continue its principal activities as set out above but is aware that uncertainties such as the position in Ukraine 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, in particular, the use of space and digital platforms plus the need for financial support and advice. To this end we have to be fleet of foot and make sure we are flexible, adaptable and realistic in our approach. In many ways we are in a fortunate position, we are financially sound 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:

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

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

Going Concern

The trustees have considered the accounts and undertaken a review of activities and known income for the coming year. While there are always uncertainties which have been exacerbated by Covid-19 and recent events in Ukraine, the Settlement has secure reserves which will allow the charity 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.

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that year. In preparing these financial statements, the trustees are required to:

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

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

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

The Birmingham Settlement

TRUSTEES' REPORT (CONTINUED)

For the year ended 31 March 2022

Information to the Auditors

In so far as the trustees are aware:

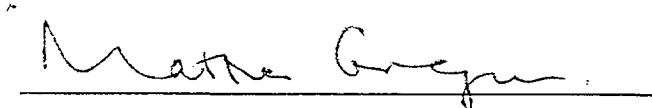
- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board of Trustees on

7 December 2022

and signed on its behalf by:

Matthew Gregson – Chair



Martin Holcombe – Company Secretary



The Birmingham Settlement

INDEPENDENT REPORT OF THE AUDITORS

For the year ended 31 March 2022

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 2022, 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 2022 and of the charitable group's incoming resources and application of resources, including its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Birmingham Settlement

INDEPENDENT REPORT OF THE AUDITORS (CONTINUED)

For the year ended 31 March 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibility Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Birmingham Settlement
INDEPENDENT REPORT OF THE AUDITORS (CONTINUED)
For the year ended 31 March 2022

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:

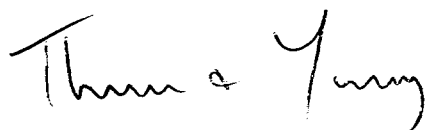
- Assessment of the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur.
- Assessment of the laws and regulations identified as being of significance in the context of the charity.
- We obtained an understanding of the legal and regulatory framework 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.

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



Thomas & Young Limited (Statutory Auditor)

Chartered Accountants
Statutory Auditor

12/12/22
Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD

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

The Birmingham Settlement
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Permanent Endowment funds £	Total funds 2022 £	Total funds 2021 £
Incoming resources						
Voluntary income						
Donations, legacies and gifts	2	118,316	343,340	-	461,656	434,454
Income from other trading activities						
Charity shops income	3	205,378	-	-	205,378	33,724
Investment income	4	33,674	2,641	-	36,315	87,527
Incoming resources from charitable activities						
Grants and contract income	5	674,002	590,149	-	1,264,151	1,124,029
Other income	6	51,439	522	-	51,961	186,203
Total incoming resources		1,082,809	936,652	-	2,019,461	1,865,937
Resources expended						
Cost of generating funds						
Costs of generating voluntary income						
Fundraising and publicity costs	7	(50,846)	-	-	(50,846)	(44,168)
Charity shop costs	7	(243,437)	-	-	(243,437)	(167,416)
Charitable activities						
Advice and advocacy	7	(106,462)	(517,181)	-	(623,643)	(677,280)
Community Action	7	(975,516)	(39,544)	-	(1,015,060)	(701,911)
Governance costs	7	(22,492)	-	-	(22,492)	(22,433)
Total charitable expenditure		(1,398,753)	(556,725)	-	(1,955,478)	(1,613,208)
Net (losses)/gains on revaluation of investments	11	85,457	-	96,416	181,873	650,353
Net (losses)/gains on revaluation of fixed assets	10	-	-	-	-	-
Gross transfer between funds		-	-	-	-	-
Net movement in funds		(230,487)	379,927	96,416	245,856	903,082
Fund balances brought forward at 1 April 2021		1,251,586	283,918	1,430,358	2,965,862	2,062,780
Fund balances carried forward at 31 March 2022		1,021,099	663,845	1,526,774	3,211,718	2,965,862

More details on the Permanent Endowment funds are given in note 16. There are no recognised gains or losses for 2022 or 2021 other than those included in the Consolidated Statement of Financial Activities.

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

The Birmingham Settlement
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2022

	2022	2021
	£	£
Turnover	2,008,628	1,858,120
Operating costs	(1,955,478)	(1,613,208)
Operating surplus/(deficit)	53,150	244,912
Interest receivable and similar income	10,833	7,817
Net income for the year	63,983	252,729

All amounts relate to continuing operations.

The Consolidated Summary Income and Expenditure Account is derived from the consolidated Statement of Financial Activities on page 21, which together with the notes to the financial statements on pages 26 to 42, provides full information on the movements during the year on all funds of the group.

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

The Birmingham Settlement

CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10(a)		585,736		346,303
Investments	11		2,381,707		2,199,834
			<u>2,967,443</u>		<u>2,546,137</u>
Current assets					
Stocks and work in progress	12	4,718		4,718	
Debtors	13	148,796		328,487	
Cash at bank and in hand					
Restricted funds		422,543		283,918	
Unrestricted funds		72,225		40,022	
		<u>648,282</u>		<u>657,145</u>	
Creditors: amounts falling due within one year	14	<u>(404,007)</u>		<u>(237,420)</u>	
Net current assets			<u>244,275</u>		<u>419,725</u>
Total assets less current liabilities			<u><u>3,211,718</u></u>		<u><u>2,965,862</u></u>
Reserves					
Permanent Endowment Funds	16		1,526,774		1,430,358
Restricted funds	17		663,845		283,918
Birmingham Settlement owned buildings	19		241,302		241,302
Revenue reserve	19		9,797		10,284
Contingency reserve	19		770,000		700,000
Other designated reserves	19		-		300,000
			<u>3,211,718</u>		<u>2,965,862</u>

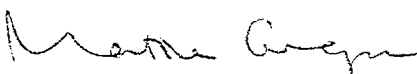
The notes on pages 26 to 42 form part of these financial statements.

For the year ended 31 March 2022, 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 7th December 2022 and signed on its behalf by



MR M GREGSON
Director

Company Registration No. 01946604

The Birmingham Settlement
CHARITABLE COMPANY BALANCE SHEET
For the year ended 31 March 2022

		2022		2021	
		£	£	£	£
Fixed assets	Note				
Tangible assets	10(b)		585,736		346,303
Investments	11		983,846		895,128
			<u>1,569,582</u>		<u>1,241,431</u>
Current assets					
Stocks and work in progress	12	4,718		4,718	
Debtors	13	148,796		328,487	
Cash at bank and in hand					
Restricted funds		28,113		25,472	
Unrestricted funds		466,655		298,468	
		<u>648,282</u>		<u>657,145</u>	
Creditors: amount falling due within one year	14	(404,007)		(237,420)	
Net current assets			<u>244,275</u>		<u>419,725</u>
Total assets less current liabilities			<u>1,813,857</u>		<u>1,661,156</u>
Reserves					
Permanent Endowment Funds	16		128,913		125,652
Restricted funds	17		663,845		283,918
Birmingham Settlement owned buildings	19		241,302		241,302
Revenue reserve	19		9,797		10,284
Contingency reserve	19		770,000		700,000
Other designated reserves	19		-		300,000
			<u>1,813,857</u>		<u>1,661,156</u>

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

For the year ended 31 March 2022, 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 *7th December 2022* and signed on its behalf by

Martin Gregson

MR M GREGSON
Director

The Birmingham Settlement
CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 March 2022

	Notes	2022	2021
		£	£
Net cash outflow from operating activities	24	410,239	277,806
Returns on investments and servicing of finance			
Interest received		22	70
Dividends received		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(239,433)	(241,303)
Purchase of shares		-	-
Acquisitions			
Net cash acquired with subsidiary undertaking		-	-
Decrease in cash		<u>170,828</u>	<u>36,572</u>
Reconciliation of net cashflow to movement in net funds			
Increase/(Decrease) in cash in the period	25	170,828	36,572
Net funds at 1 April 2021	25	323,940	287,368
Net funds at 31 March 2022	25	<u>494,768</u>	<u>323,940</u>

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 Accounting policies

1.1 Charity information

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

1.2 Reconciliation with previous Generally Accepted Accounting Practice

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

1.3 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

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

1.4 Basis of consolidation

The group accounts include the accounts of the charitable company, Birmingham Settlement Properties, Graham Street, and Birmingham Settlement Sales Limited, each made up to 31 March 2021. A separate Statement of Financial Activities, or income and expenditure account, for the charitable company itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.5 Going concern

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

1.6 Restricted funds and charitable expenditure

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

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

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' 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 2022

1 Accounting policies (continued)

1.9 Resources expended

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

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

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

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

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

1.10 VAT

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

1.11 Tangible fixed assets and depreciation

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

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

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

1.12 Heritage assets

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

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

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

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 2022

2	Donations, legacies and gifts	Unrestricted £	Restricted £	2022 £	2021 £
	Barrow Cadbury Trust – Planning & Influence	-	45,000	45,000	45,000
	Barrow Cadbury Trust: Migration – Policy & Practice (host grant)	-	45,401	45,401	50,256
	Migration grant income carried forward	-	-	-	-
	Other donations (under £50K)	118,316	252,939	371,255	339,198
		<u>118,316</u>	<u>343,340</u>	<u>461,656</u>	<u>434,454</u>
		<u>118,316</u>	<u>343,340</u>	<u>461,656</u>	<u>434,454</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 £	2022 £	2021 £
	Bank interest	22	-	22	70
	Income from lettings	8,170	-	8,170	5,428
	Investment and other income	25,482	2,641	28,123	82,029
		<u>33,674</u>	<u>2,641</u>	<u>36,315</u>	<u>87,527</u>
		<u>33,674</u>	<u>2,641</u>	<u>36,315</u>	<u>87,527</u>
5	Grants and contract income	Unrestricted £	Restricted £	2022 £	2021 £
	Money Advice Service	364,458	-	364,458	344,725
	Neighbourhood Network Scheme	129,720	81,530	211,250	172,973
	Aston & Nechells Foodbank Money Advice	-	10,320	10,320	-
	BCC (LEAS)	65,000	-	65,000	97,500
	Prevention Communities	-	81,500	81,500	81,500
	Staffs and West Midlands CRC	76,141	-	76,141	43,374
	Early Help	-	331,609	331,609	162,420
	Veolia Trust	-	37,500	37,500	37,500
	Big Lottery Reaching Communities	-	-	-	103,436
	Household Support Fund	-	900	900	-
	CAF Resilience Fund Phase 2	-	46,790	46,790	-
	Kickstarter Scheme	31,074	-	31,074	-
	BTU	7,609	-	7,609	5,898
	Power To Change – Covid-19 Trading Income Support	-	-	-	25,000
	Comic Relief & Department For Digital, Culture, Media & Support – Covid-19 Recovery Fund	-	-	-	26,372
	The National Lottery Community Fund – Coronavirus Community Support Fund	-	-	-	23,331
		<u>674,002</u>	<u>590,149</u>	<u>1,264,151</u>	<u>1,124,029</u>
		<u>674,002</u>	<u>590,149</u>	<u>1,264,151</u>	<u>1,124,029</u>

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

6 Other income	Unrestricted £	Restricted £	2022 £	2021 £
Furlough grant monies	6,858	-	6,858	141,203
BCC – Kingstanding leaseback agreement	45,000	-	45,000	-
Sundry income	(419)	522	103	45,000
	<u>51,439</u>	<u>522</u>	<u>51,961</u>	<u>186,203</u>

7 Total resources expended

	Voluntary Income £	Charity Shops £	Advice & Advocacy £	Community Action £	Governance £	Total 2022 £	Total 2021 £
Costs directly allocated to activities							
Staff costs	17,023	96,214	374,630	475,981	-	963,848	825,687
Direct project costs	23,861	24,132	29,328	260,511	-	337,832	361,676
Site costs	-	66,785	438	-	-	67,223	50,666
Support costs allocated to activities							
Staff costs	4,351	24,589	95,743	121,651	14,492	260,826	187,982
Site costs	3,516	19,873	77,379	98,313	-	199,081	78,053
Information Technology	918	5,191	20,214	25,682	-	52,005	36,507
Other Costs	1,177	6,653	25,911	32,922	8,000	74,663	72,637
	<u>50,846</u>	<u>243,437</u>	<u>623,643</u>	<u>1,015,060</u>	<u>22,492</u>	<u>1,955,478</u>	<u>1,613,208</u>

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

8 Staff costs including shop staff

	2022	2021
	£	£
Wages and salaries	1,106,170	907,661
Social security costs	83,009	64,127
Pension costs	48,364	39,302
Life insurance	3,964	2,579
	<u>1,241,507</u>	<u>1,013,669</u>

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

No trustee received any remuneration. No trustees (2020: Nil) were reimbursed for travelling expenses to attend meetings at the offices of the charitable company.

The average number of employees during the year by function was

	2022	2021
	No	No
Advice and Advocacy	14	14
Community Action	15	12
Fundraising and shops	8	7
Management, administration and support	14	7
	<u>51</u>	<u>40</u>

There were on average 70 (2021: 56) volunteers working part time each week.

9 Net outgoing resources

The following items are included in arriving at net outgoing resources

	2022	2021
	£	£
Expenditure		
Depreciation and amounts written off on disposal	-	1,205
(Profit)/Loss on disposal of fixed assets	-	-
Auditors – for group audit services in the current year	8,000	8,000
Operating leases		
Land and buildings	73,315	63,594
Other	-	-
	<u>73,315</u>	<u>63,594</u>

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

10 Tangible Fixed Assets

(a) Group	Freehold Land £	Pavilion £	Short life Leasehold property £	Fixtures, fittings motor vehicles and computers £	Total £
Cost					
1 April 2021	70,000	241,303	49,803	343,070	704,176
Additions	-	239,433	-	-	239,433
Revaluations	-	-	-	-	-
31 March 2022	70,000	480,736	49,803	343,070	943,609
Depreciation					
1 April 2021	-	-	48,910	308,963	357,873
Charge for the year	-	-	-	-	-
31 March 2022	-	-	48,910	308,963	357,873
Net book value					
31 March 2022	70,000	480,736	893	34,107	585,736
31 March 2021	70,000	241,303	893	34,107	346,303

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

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

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

10 Tangible fixed assets (continued)

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

	2022 £	2021 £
Group	20,000	20,000

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

(b) Company	Freehold Land £	Leasehold property £	Pavilion £	Fixtures, fittings motor vehicles and computers £	Total £
Cost					
1 April 2021	70,000	49,803	241,303	343,070	704,176
Additions	-	-	239,433	-	239,433
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	70,000	49,803	480,736	343,070	943,609
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
1 April 2021	-	48,910	-	308,963	357,873
Charge for the year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	-	48,910	-	308,963	357,873
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
31 March 2022	70,000	893	480,736	34,107	585,736
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2021	70,000	893	241,303	34,107	346,303
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 2022

11 Fixed asset investments

	Listed £	Unlisted £	Freehold Investment property £	Subsidiary undertaking £	Total £
Group					
Cost or valuation					
1 April 2021	1,859,834	-	340,000	-	2,199,834
Additions	-	-	-	-	-
Revaluation	181,873	-	-	-	181,873
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2022	2,041,707	-	340,000	-	2,381,707
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company					
Cost or valuation					
1 April 2021	895,128	-	-	-	895,128
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	88,718	-	-	-	88,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2022	983,846	-	-	-	983,846
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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

	£
Dimensional Global Targeted Value	803,357
Dimensional Global Core Equity	777,662
Dimensional Emg. Mkts Core Equity Fund	186,831
Dimensional Emg. Mkts Targeted Home Fund GBP Acc	189,364

12 Stocks and work in progress

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
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 2022

13 Debtors

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	60,080	285,956	60,080	285,956
Prepayments	54,386	42,531	54,386	42,531
Other debtors	18,080	-	18,080	-
Accrued income	16,250	-	16,250	-
	<u>148,796</u>	<u>328,487</u>	<u>148,796</u>	<u>328,487</u>

14 Creditors: amounts falling due within one year

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Other creditors	138,421	150,313	138,421	218,483
Accruals	28,197	18,937	28,197	18,937
Deferred income (note 15)	237,389	68,170	237,389	-
	<u>404,007</u>	<u>237,420</u>	<u>404,007</u>	<u>237,420</u>

15 Deferred income

Deferred incoming resources are made up as follows:

	2022 £
As at 1 April 2021	68,170
Incoming resources deferred in the current year	438,294
Less: amounts released	(269,075)
	<u>237,389</u>

Deferred income relates to unrestricted amounts received in the year ended 31 March 2022 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 2022

16 Permanent endowment funds

Company	2022	2021
	£	£
Endowed assets	125,652	125,652 -
Reserves brought forward	125,652	-
Transfers	-	125,652
Gains/(Losses) on revaluation	3,261	-
Reserves carried forward	<u>128,913</u>	<u>125,652</u>
Group	2022	2021
	£	£
Endowed assets	1,526,774	1,430,358
Reserves brought forward	1,430,358	1,079,098
Gains/(Losses) on revaluation	96,416	351,260
Reserves carried forward	<u>1,526,774</u>	<u>1,430,358</u>

The Permanent endowment funds as at 31 March 2022 are the capital assets of two charities – Birmingham Settlement Properties and the Graham Street Charity. Graham Street was closed and transferred to Birmingham Settlement in the year.

From April 18, a total return approach was adopted to investment with respect to the permanent endowment by the charity. The endowment was originally invested at £447,802, and the trustees use CPI as a basis for calculating the value in real terms each year. At the balance sheet date, the core value of the endowment was £584,198 (2021 £550,099). The value included in investments, as valued at market value, was £1,057,861 (2021 £964,706). This provides an unapplied total return of £473,663 (2021 £414,607) which is available for the Board to use in furtherance of the charity's activities. The Board have not utilised any of this return to date, nor have any additional gifts been made to the endowment fund.

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

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 2021 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Revenue					
Advice and Advocacy	10,208	654,383	(517,181)	-	147,410
Community Action	264,237	279,628	(39,544)	-	504,321
Capital					
Computers	-	-	-	-	-
Shop improvements	-	-	-	-	-
Graham Street Charity	9,473	2,641	-	-	12,114
Total for company	283,918	936,652	(556,725)	-	663,845
Subsidiary charities					
Birmingham Tribunal Unit (note 20)	-	-	-	-	-
Total for group	283,918	936,652	(556,725)	-	663,845

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

18 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	515,736	-	70,000	585,736
Investments	924,933	-	1,456,774	2,381,707
Current assets	225,739	422,543	-	648,282
Current liabilities	(404,007)	-	-	(404,007)
	1,262,401	422,543	1,526,774	3,211,718

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

19 Unrestricted funds

	Contingency Reserve £	Designated reserves £	Birmingham Settlement owned buildings £	Revenue reserve £	Total £
Group					
At 1 April 2021	700,000	300,000	241,302	10,284	1,251,586
Transfer between funds	70,000	(300,000)	-	230,000	-
Surplus/(Deficit) in year	-	-	-	(230,487)	(230,487)
At 31 March 2022	770,000	-	241,302	9,797	1,021,099

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

Designated reserves comprise:

	Balance at 31 March 2021 £	Incoming resources £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Group					
Transition funding to generate sustainable income	300,000	-	-	(300,000)	-
	200,000	-	-	(300,000)	-

For details of the above designations see the reserves policy, page 15 of the Trustees' Report.

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

20 Charities of which The Birmingham Settlement is sole trustee

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

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

	Birmingham Settlement Properties		The Graham Street Charity Fund		
	Endowed £	Unrestricted £	Endowed £	Restricted £	Unrestricted £
Incoming Resources	-	-	-	-	-
Charitable Expenditure	-	-	-	-	-
Net Incoming Resources	-	-	-	-	-
Net gains/(loss) on revaluation of investment assets	93,155	-	-	-	-
Funds brought forward	1,304,706	-	-	-	-
Funds carried forward	1,397,861	-	-	-	-

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 £7,539 (2021: £5,925).

22 Capital and financial commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2021: £nil).

The Birmingham Settlement
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2022

23 Operating leases

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

	Land and buildings		Office equipment	
	2022	2021	2022	2021
Leases expiring:	£	£	£	£
within one year	21,150	21,150	-	-
in two to five years	92,333	130,333	-	-
in more than five years	-	-	-	-
	<u>113,483</u>	<u>151,483</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

	2022	2021
	£	£
Net (outgoing)/incoming resources before revaluation	63,983	252,729
Depreciation	-	1,205
Interest receivable and similar income	(22)	(70)
Dividends received	-	-
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	179,691	(88,570)
(Decrease)/Increase in creditors	166,587	112,511
Net cash inflow from operating activities	<u>410,239</u>	<u>277,805</u>

The Birmingham Settlement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

25 Analysis of net funds

	1 April 2021 £	Cashflows £	31 March 2022 £
Cash at bank and in hand	323,940	170,828	494,768

26 Members

The charitable company is incorporated as a company limited by guarantee having no share capital in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2022 there were 17 members (2021: 17).

27 Related party transactions

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

Councillor Cotton, who is a trustee of the Settlement, is a Councillor of Birmingham City Council. The Settlement is a tenant of one property of which Birmingham City Council is landlord and on which it pays a rent (2021/22 - £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 (2021: £12,000) for distribution as grants to individuals in need. During the year the Settlement made grants of £10,000 (2021: £12,000) from the donation with any unspent balance brought forward. In addition, the George Fentham Birmingham Charity made a donation of £5,500 (2021: £6,000) towards the Settlement's Children's Services project.