



BLACKFRIARS SETTLEMENT
(LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE 13 MONTHS ENDED 30 APRIL 2018

haysmacintyre
Chartered Accountants
Registered Auditors

Charity Number: 210558
Company Number: 31105

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

FOR THE 13 MONTHS ENDED 30 APRIL 2018

The Trustees are pleased to present their annual report together with the financial statements of the Charity for the 13 months ended 30 April 2018, which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and 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 the Republic of Ireland (FRS 102), effective 1st January 2015.

Chair's report

Following the difficult year experienced in 2016-17, the Settlement spent 2017-18 considering its future plans, including how best to ensure the ongoing sustainability of the services provided to local communities in an around Rushworth Street. Options were discussed with a number of partners and resulted in the formal agreement to become a wholly owned subsidiary of the Mary Ward Settlement on 1st May 2018. The Mary Ward Settlement is a Charitable Company which runs an Adult Education College, community outreach services and legal advice in the London Borough of Camden, with aims, objectives and principal activities similar to those of the Blackfriars Settlement. This agreement, one month into what would otherwise have been a new financial year for the Blackfriars Settlement, resulted in the decision to change the year end reporting date and to prepare financial statements for the 13 month period ending 2018.

The Mary Ward Settlement is an existing partner of Blackfriars Settlement, with whom we have contracted over a number of years, to provide English Spoken as an Other Language (ESOL) courses. As a subsidiary of the Mary Ward Settlement group of companies we are now developing a clearer view of what the longer term service provision might look like. We intend to continue to provide those services which have been successfully serving the local community during 2017-18 and plan to expand these under the wider leadership of the Mary Ward Settlement during 2018-19.

Throughout 2017-18, we have continued to deliver services to local communities, embracing the elderly, those suffering with mental health issues, and those wishing to follow courses of educational achievement. We also continue to make the building available for wider community use in the form of lettings; and we have a small number of anchor tenants who assist in our sustainability.

We would like to extend our thanks to all our service providers and users in 2017-18, and to our Funders, many of whom have been engaged with us over an extended period of time, but without whom little of what we do would be made possible. In order to find out more about the work of the Settlement and the services we provide, please visit us at Rushworth Street or visit our website: www.blackfriars-settlement.org.uk

Margaret Wheeler
Vice-Chair of Trustees

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

FOR THE 13 MONTHS ENDED 30 APRIL 2018

Objectives and Activities

Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charities Commission's guidance on Public Benefit, including the guidance 'public benefit; running a charity (PB2)'.
The charity relies on income from grants, investments, donations and fundraising events to deliver its services.

In order to demonstrate the benefit to the public provided by Blackfriars Settlement, we have reviewed the work of each of our services over the last 13 months, in the paragraphs below under the heading 'Achievements and Performance'.

The principal purpose of the charity is to deliver services that support individual, families and communities in need in the area of Southwark.

The objects of the charity, as set out in its Memorandum of Association, are to promote the welfare of individual persons, families and communities in London and elsewhere by all practicable means and in particular by the provision and maintenance of a residential or other centre(s) in Southwark or elsewhere and the fostering of community activities. The secondary object, to promote and carry out research into social problems, is not carried out directly by Blackfriars Settlement but is achieved by participating in the information collection and dissemination carried out by our umbrella organisation, Locality.

In practice the Settlement has always sought to support individuals to overcome the barriers that prevent them from achieving their aspirations.

The Objects of the Charity as set out in its governing document are:

The Charity's objects are specifically restricted to:

- (a) promote the welfare of individual persons/families and communities in London and elsewhere by all practicable means and in particular (but without prejudice to the generality of the foregoing) by the provision and maintenance of a residential or other centre or centres in Southwark or elsewhere and the fostering of community activities
- (b) to promote and carry out research into social problems

Activities

The majority of the charity services are provided free of charge or for a notional contribution from users. More detail on the charity's activities is provided in the section below.

ACHIEVEMENTS AND PERFORMANCE

Positive Ageing

260 older people benefitted from the dazzling array of clubs and activities held throughout the year. People came together to share company and food, a team of staff and volunteers served over 1000 lunches to many older people who live alone and welcome a hot meal and friendly face. We have expanded our dementia and memory loss clinic, working with volunteers and a social enterprise group who facilitate activities, and have worked with a clinician from a City of London University research team who is currently exploring strategies in memory recall. The Nightingales continue to sing their way across Southwark and our befriending service continues to grow offering a life line to those who are unable to get out.

Learning and Development

We continued to provide learning and development classes on behalf of Southwark Adult Education and Mary Ward. Over 200 individuals in the last year benefitted from our adult education service with classes in ESOL, and a range of vocational and training activities to support them into work

Mental Health and Well-being

In the period under review the Mental Health and wellbeing service supported over 70 people with a range of groups and activities including Digital skills, five ways to wellbeing, mindfulness and relaxation, creative and therapeutic groups and one to one support with action plans and goal setting. 12 members took part in a community gardening project funded by United St Saviours and with support from Bankside open spaces.

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A group of 20 people took part in workshops to explore 'cultural' London and visited The Royal Academy, Tate Modern, Horniman Museum, Victoria and Albert Museum and drawing in the park. 22 people took part in a Clay group in Partnership with St Mungo's recovery college and Art therapy students from the University of Roehampton offered art therapy groups and one to one sessions. 12 people took part in a 10 week drama group - Acting Up - run by Three C's at Blackfriars Settlement culminating in an end-of-project performance.

Art2Print, our Social Enterprise Design Studio continued to provide opportunities for members of MHWBS to learn skills in graphic design with an exciting new partnership with professional design studio THE PLANT offering mentoring and project support.

Merger with Mary Ward Settlement

A key achievement during the period under review, was the successful merger with the Mary Ward Settlement, a Charitable Company which runs an Adult Education College, community outreach services and legal advice in the London Borough of Camden, with aims, objectives and principal activities similar to those of the Blackfriars Settlement. It is anticipated that this merger will contribute significantly to the long term sustainability of Blackfriars Settlement, enabling us to continue providing much needed services to the local community.

Financial Review

2017-18 has been another challenging year for the Settlement as we have continued combat reductions in grant levels whilst maintaining essential front line activity. Following the cessation of the Children and Young Peoples' Services (CYPS) during 2016-17, we sought to maintain those activities with the elderly and with people suffering from mental health issues. However the reduced levels of income impacted our ability to maintain good quality administrative and back office support. Overall, the Settlement reported a deficit of £305,904 (2016-17: £105,408).

We continued to let space at Rushworth Street; but the cost of operating the building has meant that there has been limited scope to develop unrestricted funds. We have also had continuing problems with credit control in 2017-18, which has led to the need to make further provision for irrecoverable debts in the 2017-18 accounts to the tune of £30k

Income

Income for the Settlement's charitable purposes has fallen by £401,113 to £690,103 (2016-17: £1,091,216). The principal reasons are the loss of income from the CYPS, and the continued downturn in funds available from grants, donations and legacies. However, we continued to receive support from the London Borough of Southwark COPSINS partnership, through their Community Support link, from adult education contracts directly with Southwark, through adult education contracts commissioned by the Mary Ward Settlement.

Income in kind

We are always grateful to our band of volunteers, without whom the Settlement would not function. They bring a broad range of skills, abilities and commitment to everything which the Settlement undertakes. The weekly legal advice clinic also continued throughout the year, staffed entirely by volunteers who provide specialist pro bono legal advice. This has been hugely helpful to date in achieving successful outcomes for the Settlement. The sum involved at market value was £207,353 excluding VAT, (2016-17: £112,576). The Settlement also received pro bono legal advice valued at £99,429 on its own account (2016-17:nil).

Local traders have contributed with generous discounts. Teams have appeared from corporate partners offering their time for tasks ranging from serving dinners to befriending isolated older people. Stifel Nicolaus Europe has continued to provide a valuable co-opted member of the Trustee Finance Sub-Group.

Expenditure

Our cost base has reduced in response to the reduction in income. Expenditure on charitable purposes fell by £203,334 to £864,527 (2016-17: £1,067,861), primarily as a result of closing the CYPS; however expenditure reductions were also seen in redevelopment costs and learning and development activities, some of which were offset by increased costs of community care (older peoples' and mental health and wellbeing) services.

Reserves policy

The Settlement holds limited reserves to be deployed for the provision of specified services (restricted reserves). The short term aim is to replenish the Settlement's unrestricted/general reserves and our future plans with The Mary Ward Settlement will help in this regard. The principal reserve sits in the value of the leasehold premises through which the Settlement continues to deliver its services.

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FOR THE 13 MONTHS ENDED 30 APRIL 2018

Reserves policy (continued)

The trustees managed unrestricted funds under 4 designations in 2017-18, as well as a general unrestricted fund. At 30th April 2018, the general unrestricted reserve fund showed a deficit of £138,334. The Settlement does not have a formal reserves policy or target, but recognises the importance of reserves in the financial stability of the organisation. It is anticipated that the merger with the Mary Ward Settlement will improve the financial stability and sustainability of Blackfriars Settlement, and over the next few years it is expected that this deficit on the unrestricted general fund will begin to fall.

Of £3,147,425 (2016-17: £3,198,978) of designated reserves carried forward at the year-end, 98.5% - £3,100,565 (2016-17: 97.9% - £3,133,297) is for future depreciation of the Settlement's community centre at 1 Rushworth Street, London SE1, bought with unrestricted cash funds; 1.4% - £45,403 (2016-17: 0.7% £22,558) is for future depreciation of fixed assets acquired with unrestricted funds.

Additionally, designated reserves of £41,668 were brought forward from 2016-18 to cover contractual and statutory liabilities to staff, all of which was used during 2017-18; and a small designated bursary fund to support ESOL students unable to pay, to continue to study, of £1,457 was brought forward from 2016-17 and was not utilised during the period under review.

The designated fund for buildings assets will be allocated on a straight line basis over the remaining 47 years to be depreciated; the fixed asset reserve will be allocated to depreciation according to the differing policies covering different types of asset e.g. computers or furniture; this reserve will increase as new assets are bought and added to the fund.

Investment Policy

The trustees maintained their policy of holding the majority of reserve funds on cash deposit. Together with their portfolio of shares and unit trusts, this policy resulted in bank and investment income of £3,802 in 2017-18 (2016-17: £2,614).

Plans for future periods

The Settlement reached an agreement with the Mary Ward Settlement on 1st May 2018, following which it became a wholly owned subsidiary of the Mary Ward Settlement, in order to enable the sustainability of service delivery for the benefit of local communities. It is our intention, as part of the Mary Ward Settlement group, to retain our separate charitable status, to continue to operate under the name of the Blackfriars Settlement, pursuing our mission and charitable objectives, continuing to support a range of services designed to support the welfare and educational agendas.

FUTURE DEVELOPMENTS

Strategic Plan 2018 – 2022

A new Strategic Plan for the Settlement was agreed by Trustees in March 2017, covering the period 2016-2020, with several key themes:

Decreasing our reliance of public fund and grant making trusts by generating our own income through:

- Letting the space in our community buildings
- A mixed economy of paid for and free services
- Attracting philanthropic giving by a planned process of communicating our work among individuals and businesses.
- Encouraging Cross Settlement activity, recognising that there is considerable overlap between our services and that the expertise of our staff can be used to advantage in other areas than their own.
- Engaging more closely with our local community through a partnership with other Settlements based on our common ethos and values.

The Mary Ward Settlement group of companies agreed on a new, group wide, Strategic Plan in June 2018 covering the period 2018-2022, which, for the Blackfriars Settlement, encompasses the following strategic aims:

- To maintain and develop the successful range of activities currently offered to the local community by the Blackfriars Settlement – primarily for the elderly and for people experiencing mental health issues

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- To develop a wider range of activities aimed at improving mental and physical health and wellbeing, for people of all ages, with particular needs, or none, for example through exercise, music and other group activities
- To partner the Mary Ward Adult Education Centre in hosting Adult Education classes at the Rushworth Street premises
- To partner the Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises

The Strategic Plan of the Mary Ward Settlement includes the relocation to a new site in Stratford in the London Borough of Newham which is likely to happen sometime between September 2019 and September 2021. It is envisaged that Blackfriars Settlement will extend the range of its community services to the new site, operating a variety of activities in both the Boroughs of Newham and Southwark by 2021, alongside the wider offering of the Mary Ward Settlement.

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Legal and Administrative Information

Chair:	Margaret, Baroness Wheeler of Blackfriars until 1 May 2018 Frances Bates Appointed as a trustee and as chair, 1 May 2018
Treasurer:	Brian Chandler until 1 May 2018 Alexine Horsup Appointed as a trustee and treasurer, 1 May 2018
Trustees:	Barry Silverman Deceased 19 th December 2017 Michael Bukola Resigned 1 st May 2018 Vanessa Dowling Resigned 1 st May 2018 Paul Callaghan Resigned 1 st May 2018 Nashiru Momori Resigned 1 st May 2018 Graham Collins Cllr Cleo Soanes Resigned 1 st May 2018 Dr Heather Heathfield Jessica Northend Alice Pilia Resigned 1 st May 2018 Nadine Cartner Appointed 1 st May 2018 Kim Dao Duong Appointed 1 st May 2018 Beatriz Montoya Blanco Appointed 1 st May 2018 Andrew Peck Appointed 1 st May 2018 Emma Wyatt Appointed 1 st May 2018
Secretary:	Dr Mark Beach Resigned 1 st December 2017
Co-options:	David Arch - Co-opted to Finance Sub-Group Jonathan Chattey - Co-opted to Fundraising Sub-Group
Charity Registration Number:	210558
Company Registration Number:	31105
Registered Office:	1 Rushworth Street SE1 0RB
Auditors:	haysmacintyre, 10 Queen Street Place, London EC4R 1AG
Bankers:	Lloyds TSB plc, 69/73 Borough High Street, London SE1 1NQ
Deposit Funds:	CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ COIF Charity Funds, 85 Queen Victoria Street, London EC4V 4ET
Solicitors:	Winckworth Sherwood, 5 Montague Close, London SE1 9BB
Stakeholder Pension Plan Providers:	Friends Life, Pixham End, Dorking, Surrey RH4 1QA
Director:	Dr Mark Beach Resigned 1 st December 2017 Julie Schoon (interim) Appointed 1 st December 2017

Structure, Management and Governance

Governing Document

The Blackfriars Settlement was launched as an Association in 1887, incorporated as the Women's University Settlement on 22nd March 1890 and changed its name to Blackfriars Settlement by special resolution on 16th June 1961. It is a company limited by guarantee (registered number 31105) and a registered charity (registered no. 210558) and was set up by a Memorandum of Association (as amended) on 16 June 1961.

Organisational Structure

A Council of unpaid trustee directors are responsible for the general control and management of the Charity. Under the company's Articles they are known as the Board of Trustees, but convened as the Settlement Council. Terms of appointment are set out in the Memorandum and Articles of Association. The trustees give their time freely and receive no remuneration or other financial benefits.

The trustees meet together as a body bi-monthly or more frequently, as required. To assist in the smooth running of the charity the trustees have set up a number of sub-committees that help them oversee certain aspects of the charity's work. They are as follows:

- **Finance Sub-Group:** for financial policy, resource management, risk assessment as well as audit supervision and follow-up.
- **Joint Negotiating Committee:** the formal mechanism for consultation with the staff team through their elected representatives.
- **Governance Sub-Group:** identifying a succession plan for trustees and senior management as well as reviewing key organisational policies.
- **Fundraising Sub Group:** to develop a voluntary fundraising policy and to ensure that it is implemented across the Settlement

A salaried Director, responsible for the day-to-day running of the charity, supports the Council and its committees. The Director is responsible for delivery of the organisation's strategic objectives and for ensuring that the charity delivers the services specified and that key indicators are met. During 2016-17, the Director, Mark Beach, resigned and subsequently an interim Director, Julie Schoon, was appointed.

Finance Manager, the director and board are supported by a full time finance manager who is responsible for the day to day financial management of the organisation.

Other staff

The average number of staff during the year was 22 (2016-17: 40), of whom, 6 were full time (2016-17: 14), equating to 14 Full Time Equivalent posts over the year (2016-17: 22). The total staff costs were £447,754 (2016-17: £666,146).

The director's salary was agreed prior to the post being advertised in 2016 and was reviewed on the appointment of the interim Director. All posts are subject to an external salary review according to JNC Scales and Descriptor.

The Settlement Council recruits new trustees by open advertisement on the basis of the skills and representation required to deliver the organisation's key objectives. Trustees are provided with a personal induction programme and details of free training and networking opportunities offered by the Councils for Voluntary Service in Southwark and Lambeth. All Trustees are DBS checked and undertake e-learning safeguarding training.

Risk Management

Trustees identify the key risks to which the organisation is exposed, regularly review them and, as necessary, appropriate action is taken by reviewing funding, personnel, policy and procedures and all control systems to mitigate such risks. The Finance Sub-Group takes delegated responsibility for monitoring risk across the organisation and reports to the Council.

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REPORT OF THE TRUSTEES

FOR THE 13 MONTHS ENDED 30 APRIL 2018

The major risks facing the Settlement are:

- Reduction in funding. In mitigation we are making applications for new funding, boosted by the Senior Management Team support provided by the Mary Ward Settlement, and are actively looking to reduce expenditure.
- Non-compliance with statutory regulation across the Settlement. We continue to review our policies and procedures to ensure they are up to date and have recently reviewed our data handling policies and practices following the introduction of GDPR in May 2018.

Statement of Trustees Responsibilities

The trustees (who are also directors of Blackfriars 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Constitution

The Settlement is a company limited by guarantee. In the event of it winding up, the liability of each member would be limited to £1.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Board of Trustees on 30 October 2018 and signed on its behalf, by:

Margaret Wheeler

Baroness Wheeler of Blackfriars
Vice Chair of Trustees
Registered Office
Blackfriars Settlement
1 Rushworth Street,
London SE1 0RB

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BLACKFRIARS SETTLEMENT

Opinion

We have audited the financial statements of Blackfriars Settlement for the period ended 30 April 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BLACKFRIARS SETTLEMENT (Continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Murtaza Jessa
Senior statutory auditor
for and on behalf of haysmacintyre, Statutory Auditor

Date: 30/10/2018

10 Queen Street Place
London
EC4R 1AG

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 13 MONTHS ENDED 30 APRIL 2018

	Notes	Unrestricted Funds 13 months ended 30 April 2018 £	Restricted Funds 13 months ended 30 April 2018 £	Total Funds 13 months ended 30 April 2018 £	Total Funds Year ended 31 March 2017 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		12,894	-	12,894	165,948
Charitable activities					
Grants, contracts, donations, fees for:					
Community Buildings		217,980	-	217,980	308,398
Community Anchor			17,378	17,378	13,902
Community Care		77,816	187,928	265,744	274,378
Learning and Development		111,020	-	111,020	115,195
Children and Young People's Services		446	44,463	44,909	197,336
Other trading activities					
Fundraising Activities		15,862	-	15,862	13,445
Investments		3,802	-	3,802	2,614
Other		514	-	514	-
TOTAL	4	440,334	249,769	690,103	1,091,216
EXPENDITURE ON:					
Raising funds		138,826	-	138,826	156,291
Charitable activities					
Redevelopment		-	-	-	70,512
Community Buildings		348,958	18,403	367,361	334,581
Community Anchor		8,825	-	8,825	13,902
Community Care		81,109	246,130	327,239	294,991
Learning and Development		96,520	766	97,286	135,457
Children and Young People's Services		-	63,816	63,816	218,418
TOTAL	2	674,238	329,115	1,003,353	1,224,152
Unrealised gains on investments		7,346	-	7,346	27,528
NET (EXPENDITURE)		(226,558)	(79,346)	(305,904)	(105,408)
Transfers between funds		28,174	(28,174)	-	-
NET MOVEMENT IN FUNDS		(198,384)	(107,520)	(305,904)	(105,408)
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,207,475	145,906	3,353,381	3,458,789
Total funds carried forward		£3,009,091	£38,386	£3,047,477	£3,353,381

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)


BALANCE SHEET (COMPANY NUMBER 31105)


AS AT 30 APRIL 2018

	Notes	30 April 2018		31 March 2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		3,145,968		3,230,491
Investments - listed investments	6		121,008		113,662
			<u>3,266,976</u>		<u>3,344,153</u>
CURRENT ASSETS					
Debtors	7	36,596		177,144	
Cash on deposit		3,507		52,699	
Cash at bank and in hand		71,310		126,424	
			<u>111,413</u>		<u>356,267</u>
CREDITORS: amounts falling due within one year	8	(161,906)		(155,760)	
NET CURRENT (LIABILITIES)/ ASSETS			<u>(50,493)</u>		<u>200,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,216,483</u>		<u>3,544,660</u>
CREDITORS: amounts falling due after one year	8A		(169,006)		(191,279)
NET ASSETS			<u>£3,047,477</u>		<u>£3,353,381</u>
FUNDS OF THE CHARITY					
Unrestricted funds					
- Designated Reserves	10	3,147,425		3,198,979	
- General reserves		(138,334)		8,496	
			<u>3,009,091</u>		<u>3,207,475</u>
Restricted funds	9		38,386		145,906
MEMBERS' FUNDS	11		<u>£3,047,477</u>		<u>£3,353,381</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Trustees and authorised for issue on 30 October 2018 and signed on their behalf, by:


Frances Bates
 Chair


Baroness Wheeler of Blackfriars
 Vice Chair

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)**STATEMENT OF CASH FLOWS****FOR THE 13 MONTHS ENDED 30 APRIL 2018****STATEMENT OF CASH FLOWS**

		13 months ended 30 April 2018 £	Year ended 31 March 2017 £
Cash Flows for operating activities:			
Net cash provided by/ (used in) operating activities	(Note 17)	(87,054)	(138,778)
Cash flow from investing activities:			
Dividends, interest and rent from investments		3,802	2,614
Purchase of fixed assets			(3,120)
Net cash provided by investing activities		3,802	(506)
Cash flows from financing activities:			
Repayment of borrowings		(21,054)	(26,895)
Net cash used in financing activities		(21,054)	(26,895)
Change in cash and cash equivalents in the year		(104,306)	(166,179)
Card and cash equivalents at the beginning of the period (note 19)		179,123	345,302
Cash and cash equivalents at the end of the period (note 19)		£74,817	£179,123

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2018

1. ACCOUNTING POLICIES

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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2017) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Blackfriars 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(s).

(a) Preparation of the accounts on a going concern basis

Having considered future plans and cash flows, the trustees confirm that they are not aware of any material uncertainties with regard to the entity's ability to continue as a going concern for the foreseeable future and therefore have prepared the accounts on a going concern basis.

(b) Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

(c) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Playground equipment -	Over 10 years on a straight line basis
Furniture and fittings -	Over 10 years on a straight line basis
Computer equipment -	Over 4 years on a straight line basis
Leasehold building at 1 Rushworth Street -	Over 50 years on a straight line basis; this is a change of policy since 2017 and reflects a reassessment of the carrying value of the building

(d) Investments

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2018

1. ACCOUNTING POLICIES (continued)

(e) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basis financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(g) Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) Income

Income is included in the SOFA once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies apply to categories of income:

Donations & Grants where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

Income from Public Authorities is credited to the Statement of Financial Activities during the period to which it relates except where the income is conditional upon meeting identified targets. Such income is only credited once the targets are expected to be achieved.

Gifts in Kind are included at estimated market value. Donated goods and services are recognised in the financial statements where they are provided by the donor as part of their trade or profession for a fee. The value placed on these resources is the estimated value the charity would pay in the open market for equivalent goods and services matched with equivalent expenditure.

Accordingly, volunteer help is not recognised in the financial statements but is described in the trustees' annual report. In the year to 2018, the following donated services were included in the accounts:

Cash donations	£ 12,894
Gifts in kind	<u>£ 99,429</u>
Total	£ 112,323

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2018

1. ACCOUNTING POLICIES (continued)

(j) Operating Lease Commitments

Annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

(k) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, where it cannot be recovered.

(l) Allocation of Expenditure

Charitable expenditure is generally apportioned between the funds on the basis of direct costs plus a percentage of indirect costs equivalent to 6% (6%) of each fund's expenditure and £500 (£500) per computer used, to cover maintenance and replacement costs. Governance is charged to the funds on the basis of 5% (5%) of their income. This covers the costs incurred complying with constitutional and statutory requirements, including senior management time to support the trustees in ensuring these requirements are fully met. A staff management and development charge is allocated to the funds calculated as 25% (25%) of total salary costs to cover the direct staff management time, staff replacement and staff development costs needed to support each staff member to work effectively. Premises costs are allocated on the basis of space use and are based on a discounted local market rate. A charge of 2% (2%) of total salary cost is made against each fund employing staff to contribute to the statutory and contractual liabilities incurred by Blackfriars Settlement. The accumulated value of this charge is carried forward as a designated staff contingency fund to meet future liabilities. These allocations have not been adhered to where the terms of individual contracts make a different requirement. Support Costs are identified as the costs of strategic and financial management, accounting and project monitoring, IT procurement and maintenance, publicity and general administration.

(m) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objectives of the company and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the company 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.

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

2. ANALYSIS OF TOTAL EXPENDITURE

	Direct costs £	Support Costs £	Total 13 months ended 30 April 2018 £	Total Year ended 31 March 2017 £
Raising funds:				
Fundraising costs	97,228	41,598	138,826	156,291
Charitable activities				
Redevelopment				70,512
Community Buildings	257,287	110,074	367,361	334,581
Community Anchor	6,181	2,644	8,825	13,902
Community Care	229,187	98,052	327,239	294,991
Learning and Development	68,136	29,150	97,286	135,457
Children & Young People's Services	36,708	27,108	63,816	218,418
Totals 2018	<u>£694,727</u>	<u>£308,626</u>	<u>£1,003,353</u>	<u>£1,224,152</u>
Totals 2017	<u>£999,148</u>	<u>£225,004</u>	<u>£1,224,152</u>	

Support costs are broken down as follows:

	Unrestricted £	Restricted £	Total 13 months ended 30 April 2018 £	Total Year ended 31 March 2017 £
Wages and salaries	93,408	47,055	140,463	87,381
Other costs	111,973	56,190	168,163	137,623
Total	<u>£205,381</u>	<u>£103,245</u>	<u>£308,626</u>	<u>£225,004</u>

BY FUNCTION

	Fund- raising £	Comty Buildings £	Comty Anchor £	Comty Care £	Learning And Development £	C&YPS £	Total £	Basis
Strategic & HR Management	36,673	97,041	2,331	86,442	25,698	23,899	272,084	By staff hours
Finance	2,895	7,660	184	6,823	2,028	1,886	21,476	By staff hours
IT	2,030	5,373	129	4,787	1,424	1,323	15,066	Per Computer
Totals	<u>41,598</u>	<u>110,074</u>	<u>2,644</u>	<u>98,052</u>	<u>29,150</u>	<u>27,108</u>	<u>308,626</u>	

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

Governance costs included within support costs consist of:

	Unrestricted £	Restricted £	Total 13 months ended 30 April 2018 £	Total Year ended 31 March 2017 £
Audit fees				8,104
Legal fees (related to governance)/Insurance	5,415	3,046	8,461	1,797
Meeting costs	14,798	8,324	23,122	969
Staff costs	73	41	114	31,838
Office/meeting space	20,959	11,789	32,748	7,532
Support costs	2,351	1,322	3,673	2,403
Total 2018	£43,596	£24,522	£68,118	£52,643
Totals 2017	£29,115	£23,528	£52,643	

3. INCOME AND EXPENDITURE AGAINST SOME SPECIFIC GRANTS

The terms and conditions of some grant agreements with the London Boroughs of Lambeth and Southwark require that expenditure is analysed in the audited financial statements.

	Salary & Other staff Costs £	Materials Activities Equipment £	Premises Costs £	Running Costs £	Total Exp £
Grants from the London Borough of Southwark					
Core					
Play	1,250				1,250
Youth Clubs in Southwark	7,511				7,511
Innovation grant				5,713	5,713
Older Peoples - Community Support	3,121	2,115			5,236
Older Peoples – COPSINS Partnership	41,139	501	95		41,735

4. INCOME ANALYSIS – BY SOURCE

	Unrestricted £	Restricted £	Total 13 months to 30 April 2018 £	Total Year ended 31 March 2017 £
Public authority grants		116,036	116,036	375,258
Public authority contracts	107,993		107,993	118,114
Other grants and contracts	1,450	129,233	130,683	83,373
Donations and subscriptions	11,894		11,894	159,688
Fees, sales and service charges	100,724	4,500	105,224	128,115
Rental income	198,094		198,094	210,608
Activities to generate income	15,862		15,862	13,446
Bank and investment income	3,802		3,802	2,614
Other income	515		515	
Total 2018	£440,334	£249,769	£690,103	£1,091,216
Totals 2017	£603,825	£487,391	£1,091,216	

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

5. TANGIBLE FIXED ASSETS

	Leasehold building £	Furniture, Fittings and equipment £	Total £
Cost or valuation			
At 1 April 2017	3,375,116	263,860	3,638,976
Additions	-	-	-
Disposals	-	(168,414)	(168,414)
At 30 April 2018	<u>3,375,116</u>	<u>95,446</u>	<u>3,470,562</u>
Depreciation			
At 1 April 2017	201,421	207,064	408,485
Charge for the year	73,130	11,393	84,523
Disposals	-	(168,414)	(168,414)
At 30 April 2018	<u>274,551</u>	<u>50,043</u>	<u>324,594</u>
Net Book Value			
At 30 April 2018	<u>£3,100,565</u>	<u>£45,403</u>	<u>£3,145,968</u>
At 31 March 2017	<u>£3,173,695</u>	<u>£56,796</u>	<u>£3,230,491</u>

6. INVESTMENTS

	Listed	
	30 April 2018 £	31 March 2017 £
Market Value		
At 1 April 2017	113,662	86,134
Disposals	-	-
At 30 April 2018	<u>113,662</u>	<u>86,134</u>
Net gain on revaluation	7,346	27,528
Market value at 30 April 2018	<u>£121,008</u>	<u>£113,662</u>
Securities listed on UK Stock Exchange	120,378	113,032
Unlisted securities	630	630
	<u>£121,008</u>	<u>£113,662</u>
Historical cost of investments	<u>£43,660</u>	<u>£43,660</u>
Included above at 30 April 2018 are investments valued at more than 5% of the total value:		
HSBC	37,301	33,592
JPMF Global Financial Accs	40,492	38,146
M&G Charity Fund – Income	20,073	19,318
COIF Charities Investment Fund – Income	<u>22,512</u>	<u>21,976</u>

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 30 APRIL 2018**

7. DEBTORS	30 April 2018	31 March 2017
	£	£
Grants and contract payments receivable	20,597	104,208
Other debtors	3,681	68,441
VAT recoverable	11,140	-
Prepayments and accrued income	1,178	4,495
	<u>£36,596</u>	<u>£ 177,144</u>

There were no debtors due after more than one year (2017: £27,182) included above.

8. CREDITORS: amounts falling due within one year	30 April 2018	31 March 2017
	£	£
Other creditors	53,575	72,859
Other taxes and social security	5,423	7,398
Secured loans	23,203	21,984
Accruals and deferred income	79,705	53,519
	<u>£161,906</u>	<u>£155,760</u>
Deferred Income movements:		
Opening balance at 1 April 2017	5,285	
Additions	19,786	
Transfers out	(5,285)	
Closing Balance at 30 April 2018	<u>£19,786</u>	

Deferred income is income received in the period for activities – rentals, trips, services, grant-funded projects- scheduled to happen after the period end.

8A. CREDITORS: amounts falling due after one year	30 April 2018	31 March 2017
	£	£
Loans	169,006	191,279
	<u>169,006</u>	<u>£191,279</u>

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

9. RESTRICTED FUNDS	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Balance at 30 April 2018 £
Grant for Open day event	5,947	-	(5,947)	-	-
Organisation development-Reaching Comms	15,000	-	(15,000)	-	-
New Com Centre/Capital/LBS Sn 106 award	6,390	-	-	(6,390)	-
United St. Saviours	-	20,000	(16,000)	-	4,000
United St. Saviours Gardening Project	-	1,800	(1,800)	-	-
MH&WBS Mbrs Activities incl SMILE fnds	1,613	-	(1,613)	-	-
MH&WBS-GSTT-Whole Health Clubs	9,198	19,453	(28,651)	-	-
MH&WBS/Art2Print Development funds	973	-	(973)	-	-
MH&WBS-Well Connected-Big Lottery	35,697	65,080	(71,751)	-	29,026
Percy Bilton Charity	-	3,049	(3,049)	-	-
Funds for additional learning suppt-SFA	202	-	(202)	-	-
Other Education & Training Funds	564	-	(564)	-	-
BBC CIN grant for "School's Out" project	3,352	5,701	(9,053)	-	-
Partnership work half-term play activities	-	1,250	(1,250)	-	-
Youth Clubs in Southwark/LBS grant	-	28,362	(28,362)	-	-
Young Lambeth Co-operative	-	9,150	(9,150)	-	-
Charterhouse in Southwark/youth outings	2,776	-	-	-	2,776
Jack Petchey Funds for Young Volunteers	789	-	-	-	789
Proactive Ageing @ Blackfriars	-	5,000	(5,000)	-	-
Lloyds Bank Foundation	-	4,500	(4,500)	-	-
Under 5's Book Grant	715	-	-	-	715
Older Peoples' Services - Development	11,429	-	(10,349)	-	1,080
Outreach to vulnerable older people/LBS grant	-	58,550	(58,550)	-	-
Older People- LBS Community capacity	-	27,874	(27,874)	-	-
Older People Activities - Nightingales	452	-	(452)	-	-
Older People Activities - Crusoe Club	9,085	-	(9,085)	-	-
Older People Activities - Falls Clinic Support	1,771	-	(1,771)	-	-
LBS Innovation Fd-"Joining Hands"	5,713	-	(5,713)	-	-
Restricted Fixed Asset Fund	34,240	-	(12,456)	(21,784)	-
Restricted Buildings Asset Fund	-	-	-	-	-
	<u>£145,906</u>	<u>£249,769</u>	<u>£(329,115)</u>	<u>£(28,174)</u>	<u>£38,386</u>

Blackfriars Settlement managed 29 (2017: 42) separate restricted funds in this financial year. Funds with balances or movements during the year in excess of £5,000 have been listed separately above. Smaller funds have been consolidated, where possible, into an "other funds" category, by service or combined where they are to achieve a common purpose. If this has not been possible because of their purpose, they have been shown separately.

Restricted Funds Purpose:

Restricted fund for Open Day: To run an Open Day to promote the Settlement and its charitable work;

Organisation development-Reaching Communities: to improve the processes at the Settlement in order to provide better impact and monitoring information

New Community Centre/Capital Funds: funds from the London Borough of Southwark Section 106 funding to contribute to equipping the new community centre at 1 Rushworth Street

Work Centre Members Activities and SMILE Funds: to provide funds for outings and holidays for Work Centre members; SMILE funds, supported by South London and Maudsley NHS Charitable Trust (SLaM,) are to provide user-led opportunities and new activities to improve their health.

GSTT for Whole Health Clubs: a grant from Guys and St Thomas' Trust for an 18 month pilot project to develop health-giving activities for users of the MH&WBS.

Mental Health & Well Being Services/Art2Print Development Fund: for new initiatives for the service to offer to people coping with mental health difficulties; funds to provide equipment for the Art2Print social enterprise

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

9. RESTRICTED FUNDS (continued)

MH&WBS-Well Connected-Big Lottery an exciting programme funded by Big Lottery Funds in partnership with *Three Cs. The programme will provide activities that are friendly, and accessible for people experiencing mental distress, to gain confidence, learn new skills, socialise and build relationships with each other.

Funds for Additional Learning Support-SFA: ring-fenced funding from the Skills Funding Agency to give targeted support to students who need financial help to access classes;

Other Education & Training funds: to buy additional resources for students;

BBC CIN "School's Out"Prj: to extend play/sport opportunities both after-school and during half-terms/ holidays;

Partnership work for play activities: Young Lambeth Co-operative grant for half-term adventure activities

Youth Clubs in Southwark: funding to contribute towards running clubs and activities for 10-18 year-olds, from the London Borough of Southwark; this includes provision for 19-25 year-olds with learning difficulties

Special Youth activities/Girls: grants for providing sessions of interest to girls

Charterhouse in Southwark: funding for youth outings and a residential for holiday periods

Jack Petchey funds for Young Volunteers: awards to individual young volunteers for them to purchase equipment or services to benefit their youth club sessions and fellow members.

Under 5's Mons/BVH/LB Southwark: grant to provide once a week, staffed, carer and toddler sessions at Bermondsey Village Hall during term-times;

Under 5's book club grant: funds provided to buy books for the under 5s sessions;

Older People's Services/Development: Funds raised to maintain and to develop the older people's clubs, activities and volunteering programme;

Innovation Fund-IT Inclusion/older people: to support older people to use IT to carry out everyday tasks

Outreach to vulnerable older people: to reach vulnerable older people in the community and find ways of improving their quality of life through volunteer befriending and inclusion in clubs activities as part of COPSINS;

Older People-LBS Community Capacity grant: grant from LB Southwark and donations to support activities with the most isolated older people by providing lunch and activities on a Sunday each week;

Older people's services – Nightingales: to support a singing group within the older people's clubs

Older people's services – Crusoe: funds raised to support the visually impaired older people's club and activities

Older People's activities-Falls Clinic support: to provide volunteers to act as "buddies" to those attending Falls Clinics to encourage them to do more exercise to prevent falls.

LBS Innovation fund-"Joining Hands": to involve older volunteers in helping isolated older people to attend activities and appointments

Restricted Fixed Asset: the net book value in the accounts of fixed assets bought with restricted funds

Buildings Asset funds: the balance has been transferred out of the buildings reserve due to the redevelopment of the building being completed and there being no continuing restriction on the asset.

10. DESIGNATED FUNDS	Balance at 1 April 2017	Income	Expenditure	Inter fund transfers	Balance at 30 April 2018
	£	£	£	£	£
Staff contingency reserve	41,669	-	(41,669)	-	-
Buildings assets reserve	3,133,297	-	(73,130)	40,398	3,100,565
Designated Bursary Fund	1,457	-	-	-	1,457
Fixed asset reserve	22,556	-	-	22,847	45,403
Total	£3,198,979	-	£(114,799)	£63,245	£3,147,425

Designated Funds Purpose

Staff Contingency Reserve: to cover future unfunded statutory or contractual liabilities arising from current employment of staff. This fund was fully utilised in the year.

Buildings Assets Reserve: the remaining value in the accounts of the Settlement's buildings;

Designated Bursary Fund: A fund established to help former students at the Settlement's Learning and Development Services courses to pay for course fees

Fixed Asset Reserve: the remaining value in the accounts of fixtures, fittings, play equipment and computers

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

Summary of unrestricted funds	Balance at 1 April 2017	Income	Expenditure	Inter fund transfers	Balance at 30 April 2018
	£	£	£	£	£
Designated funds	3,198,979	-	(114,799)	63,245	3,147,425
General fund	8,496	440,334	(559,439)	(27,725)	(138,334)
Total 2018	£3,207,475	£440,334	£(674,238)	£35,520	£3,009,091
Total 2017	£2,820,637	£603,825	£704,051	£487,064	£3,207,475

11. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS	30 April 2018	31 March 2017
	£	£
Deficit for the financial year	(305,904)	(105,408)
Opening members' funds	3,353,381	3,458,789
Closing members' funds	£3,047,477	£3,353,381

12. ANALYSIS OF NET ASSETS	Tangible Fixed assets	Investments	Long term Liabilities	Net Current assets	Total
	£	£	£	£	£
Restricted funds	-	-	-	38,386	38,386
Unrestricted funds	3,145,968	121,008	(169,006)	(88,879)	3,009,091
Total 2018	£3,145,968	£121,008	£(169,606)	£(50,493)	£3,047,477
Total 2017	£3,230,491	£113,662	£(191,279)	£200,507	£3,353,381

13. OPERATING (DEFICIT)	13 months ended 30 April 2018	Year ended 31 March 2017
	£	£
Operating deficit is stated after crediting/(charging)		
Investment income - listed	2,980	1,866
- non listed	-	-
Depreciation	84,523	82,402
Auditors' remuneration – audit services	8,461	8,104
Auditors' remuneration – consultancy services	-	3,000

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 30 APRIL 2018**

14. INTEREST PAYABLE AND SIMILAR CHARGES	13 months ended 30 April 2018 £	Year ended 31 March 2017 £
Bank charges and interest	£11,576	£11,604

The Social Investment Business advanced £280,000 in 2013 to complete the building works at 1 Rushworth Street. It was a fixed interest rate over 12 years. Interest on this loan was payable during the financial year.

15. STAFF NUMBERS AND COSTS

The average number of staff, excluding trustee directors, employed by the Settlement during the year was as follows:

	13 months ended 30 April 2018 No.	Year ended 31 March 2017 No.
Community Buildings	1	5
Community Care	9	10
Education and Training	3	6
Children & Young People's Services	4	12
Shared Services	5	7
	<u>22</u>	<u>40</u>

The aggregate costs of staff were:	13 months ended 30 April 2018 £	Year ended 31 March 2017 £
Salaries and wages	462,211	601,464
Social security costs	34,240	47,075
Pension costs	6,711	17,607
	<u>£503,162</u>	<u>£666,146</u>

The average number of employees, full and part-time, during the year was 22 (2017 -40)

Blackfriars Settlement considers the following post holders to be key management personnel in delivering the charitable purpose of the company: Director, Deputy Director, Senior Services Manager, Head of Finance, Children and Young Peoples Services Manager, Learning and Development Co-ordinator, Mental Health and Well-Being Services Co-ordinator, Older Peoples Services Co-ordinator, Community Buildings Co-ordinators at Rushworth Street and Living Space. Their combined gross salary and benefits for the year totalled £209,852 (2017 - £271,393).

Termination payments of £47,790 were made in the year (2017 £32,234).

No trustee/director received remuneration during the year. No staff member was paid in excess of £60,000. No travel or incidental expenses were reimbursed to trustees during the year (2017 - Nil).

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 30 APRIL 2018****16. PENSIONS***Company Defined Contribution Pension Scheme*

A company pension plan, a defined contribution scheme, is available for staff to contribute to. This scheme is compliant with auto-enrolment legislation and is the vehicle for Blackfriars Settlement to comply with its obligations under this legislation. In addition to enrolling all eligible workers onto this scheme, staff members choosing to make increased pension contributions were eligible to receive a matching additional contribution from the Settlement to the same plan up to 3% of gross salary. The cost of this scheme to Blackfriars Settlement for 2017/17 was £16,791 (2017 - £7,607). At 30 April 2018, the Settlement was holding £7,463 (2017 - £1,598) of staff and company pension contributions that were due for remittance.

Local Government Defined Benefit Pension Scheme

On 1 March 2014, Blackfriars Settlement took over the management of Living Space with a commitment to deliver youth services from the building under a grant from the London Borough of Lambeth. Because of the nature of the transfer, TUPE rules applied and Blackfriars Settlement was legally obliged to become a member of the Local Government Pension Scheme (LGPS) to maintain the pension of one transferred staff member. This is a defined benefit scheme with assets held in separate trustee-administered funds.

The single staff member on this scheme left the Settlement in May 2017. The total contribution payable for these 2 months was £1,905 of which £433 was employee's contribution. Blackfriars Settlement then left the LGPS.

17. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FOR OPERATING ACTIVITIES

	13 months ended 30 April 2018 £	Year ended 31 March 2017 £
Net (expenditure) for the year as per the Statement of Financial Activities	(305,904)	(105,408)
Adjustments for:		
Depreciation charges	84,523	82,402
(Gains) on investments	(7,346)	(27,528)
Dividends, interest and rents from investments	(3,802)	(2,614)
Decrease in debtors	140,548	55,076
Increase in creditors	4,927	(140,706)
Net cash (used in)/provided by operating activities	<u>£(87,054)</u>	<u>£(138,778)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	30 April 2018 £	31 March 2017 £
Cash deposits	3,507	52,699
Bank accounts	71,310	126,424
	<u>£74,817</u>	<u>£179,123</u>

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

19. CONTINGENT LIABILITY

At the year end, in spite of several requests for clarification, the LGPS had not indicated whether there was any crystallising liability following the Settlement's leaving the scheme when the one staff member left in May 2017. The Settlement had been granted a guarantee, as part of the grant offer, that any liabilities affecting the LGPS fund before 1st March 2014 would be fully covered by Lambeth Council. Each year end, the Settlement had paid for an actuarial valuation of any potential liabilities, calculated under FRS17 and, in 2017, under FRS102. On the basis of this report, an amount of £5,000 was held in long-term liabilities, to match the potential shortfall at 31st March 2017. The Settlement resigned from the scheme 2 months' later.

When LGPS eventually answered requests for final information, they claimed that a crystallisation amount of £36,000 was owed. This is being disputed with them. The trustees having reviewed in depth the original agreement and associated correspondence are of the view that this sum is not payable. The reason the trustees feel that the sum is not payable is because when Blackfriars Settlement joined the LPGA the Admission Agreement clearly stated that all starting and terminating liabilities would be borne by Lambeth Council, on this basis, no accrual has been made.

20. FINANCIAL INSTRUMENTS

	30 April 2018 £	31 March 2017 £
Financial assets measured at fair value	£121,008	£113,662
Financial assets measured at amortised cost	£24,278	£172,649
Financial liabilities measured at amortised cost	£245,784	£286,122

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include grants receivable and other debtors.

Financial liabilities measured at amortised cost include loans and other creditors.

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 APRIL 2018

21. FINANCIAL INFORMATION 2017

STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	129,855	36,093	165,948
Charitable activities			
Grants, contracts, donations, fees for:			
Community Buildings	241,720	66,678	308,398
Community Anchor	13,902	=	13,902
Community Care	82,017	192,361	274,378
Learning and Development	98,621	16,574	115,195
Children and Young People's Services	33,104	164,232	197,336
Other trading activities			
Fundraising Activities	1,992	11,453	13,445
Investments	2,614	=	2,614
Other	=	=	=
TOTAL	603,825	487,391	1,091,216
EXPENDITURE ON:			
Raising funds	155,978	313	156,291
Charitable activities			
Redevelopment	55,339	15,173	70,512
Community Buildings	256,405	78,176	334,581
Community Anchor	13,902	=	13,902
Community Care	101,253	193,738	294,991
Learning and Development	115,598	19,859	135,457
Children and Young People's Services	33,104	185,314	218,418
TOTAL	731,579	492,573	1,224,152
Unrealised gains/(losses) on investments	27,528	=	27,528
NET (EXPENDITURE)	(100,226)	(5,182)	(105,408)
Transfers between funds	487,064	(487,064)	=
NET MOVEMENT IN FUNDS	386,838	(492,246)	(105,408)
RECONCILIATION OF FUNDS:			
Total funds brought forward	2,820,637	638,152	3,458,789
Total funds carried forward	£3,207,475	£145,906	£3,353,381

MANAGEMENT INFORMATION ONLY

THE FOLLOWING PAGES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 30 APRIL 2018

INCOME	Unrestricted £	Restricted £	2018 Totals £	2017 Totals £
PUBLIC AUTHORITY GRANTS				
Community Buildings				
London Borough of Lambeth for Living Space Youth Centre	-	-	-	66,678
Community Anchor				
London Borough of Southwark/Community Support Link	-	17,378	17,378	13,902
Community Care				
London Borough of Southwark/- COPSINS Partnership	-	58,550	58,550	58,550
London Borough of Southwark Social Inclusion Unit	-	10,496	10,496	8,397
London Borough of Southwark Innovation Fund	-	-	-	30,000
London Borough of Southwark -Winter Warm & Well	-	-	-	10,250
Big Lottery Fund-Well-Connected	-	-	-	43,611
South London & Maudsley-SMILE fund	-	-	-	2,204
Age UK Summer Health donation	-	-	-	250
Learning and Development				
Mary Ward Settlement	-	-	-	818
Children and Young People's Services				
London Borough of Lambeth CYPS Strategic Commissioning	-	-	-	24,948
London Borough of Southwark/Play & Afterschool Services	-	-	-	5,000
Young Lambeth Co-operative Half-term Play partnership	-	-	-	3,000
London Borough of Southwark/Youth Commissioning & IAG	-	28,363	28,363	31,150
London Borough of Lambeth-Living Space Youth Activities	-	1,250	1,250	76,500
TOTAL PUBLIC AUTHORITY GRANTS	£ -	£116,037	£116,037	£ 375,258
PUBLIC AUTHORITY CONTRACTS				
Learning and Development				
Mary Ward Settlement	74,998	-	74,998	62,106
London Borough of Southwark – Adult Training contracts	32,995	-	32,995	32,400
Children and Young People's Services				
Young Lambeth Co-operative contract	-	-	-	23,608
TOTAL PUBLIC AUTHORITY CONTRACTS	£107,993	£ -	£107,993	£ 118,114

BLACKFRIARS SETTLEMENT (LIMITED BY GUARANTEE)**INCOME AND EXPENDITURE ACCOUNT (continued)****FOR THE PERIOD ENDED 30 APRIL 2018**

	2018		2017	
	£	£	£	£
INCOME				
Income		690,103		1,091,216
EXPENDITURE				
Salaries and wages	431,798		601,464	
National insurance	33,232		47,075	
Pension costs	16,791		17,607	
Staff training and development & travel	4,888		3,290	
Recruitment costs	-		1,000	
Redundancies costs	47,790		32,234	
Direct project expenses	127,561		92,504	
Payments made to Partners	23,000		-	
Rent, rates and service charges	6,353		4,872	
Insurance	11,576		10,544	
Audit fee	8,461		8,104	
Bank charges and interest	12,290		11,604	
Light, heat and power	38,793		22,870	
Repairs and maintenance	18,060		38,570	
Cleaning and caretaking	59,722		87,139	
Capital expenditure	3,730		-	
Telephone and postage	4,599		6,906	
Printing and stationery	6,812		9,623	
Legal and professional	28,802		121,996	
Website and publicity	1,156		-	
IT costs	15,051		15,257	
Trusteeship costs	114		321	
Depreciation	84,523		82,402	
Other redevelopment expenditure	1,750		2,295	
Fundraising expenditure	234		716	
Cost of generating income	15,093		5,759	
Sundry expenses	(6,172)		5,759	
		996,007		(1,224,152)
DEFICIT FOR THE YEAR		£(305,904)		£(132,936)