

Servol Community Services

Trustees' report and financial statements

For the year ended 31 March 2021

Servol Community Services
(A company limited by guarantee)

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Servol Community Services
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Reference and administrative details of the Charitable Company, its Trustees and advisers
For the year ended 31 March 2021

Trustees	G Branch, Chairperson J Roberts V Taylor L Found (appointed 11 February 2021) A Grant K Jackson R Smith
Company registered number	03470752
Charity registered number	1125896
Registered office	51 Pinfold Street Birmingham England B2 4AY
Company secretary	P Gayle
Chief executive officer	P Gayle
Senior management team	K Monero - London Regional Operations Manager M James - Finance and Business Manager
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Barclays Bank Plc 351-359 Soho Road Birmingham B21 9SE

Chairperson's Statement
For the year ended 31 March 2021

The chairperson presents his statement for the year.

This Annual Report sets out our achievements in 2020/21 and our ambitious plans going forward in 2021/2022. This was an unprecedented year for Servol and indeed for the health and social care sector. Again, we are pleased to report all our existing contracts in both London and Birmingham we have retained. Our strong relationship, with commissioning colleagues at Wandsworth and Richmond Borough Council continues and with stakeholders related to all our London services. Our managers and staff have maintained close working relationship with our commissioners and partners in Birmingham. It is our endeavour to also work with Birmingham and Solihull Integrated Care System, providing supported accommodation services once they are fully operational.

Our strategic business plan continues to be the organisation's focus, delivering safe good care, quality, placing our service users at the centre of everything we do. However, our response to this year's challenge has highlighted our resilience, innovation and strength and adaptability in difficult times. Against a sector environment of limited funding/income levels and challenged resources, Servol continued its ongoing commitment to quality improvements in all areas of the organisation. CQC registered services did not have its annual inspection due to the lockdown and associated restrictions for all providers. However, we did have a CQC infection control visit related to guidance given by the Department of Health and our report following the inspection was well received with positive comments and no actions required. Like most social care organisations, our ability to sustain the momentum within Servol had been compromised by the considerable impact of the Covid-19 crisis. Servol had to quickly adapt to the emergent and changing priorities and redirect resources from our strategic ambitions on to the operational focus and our primary objective of ensuring the immediate safety and wellbeing of the people we support and all our colleagues. Against this sobering backdrop, the human response to Covid-19 in particular, our staff across Servol has been overwhelmingly commendable and inspiring. The CEO and all Trustees are so appreciative of the hard work displayed during these difficult and worrying times.

With the people we support and staff in all roles actively demonstrating Servol's values, it has been heart-warming to have witnessed the dedication and commitment during the pandemic. Covid-19 has impacted Servol in many ways operationally, strategic, cultural - and affected each person connected to our charity, the people we support, colleagues, families, our partner organisations, commissioners, and regulators. During the pandemic we have responded to many challenges and learnt much about ourselves and how we will adapt for the future. Working together as a team facilitated the people we support, our staff working more closely than ever to apply innovative solutions and responses to the challenges presented by the pandemic - whether it was around core care and support, communications or keeping up levels of well-being - both physically and mentally.

Against all of this we have performed well this year and despite the challenges the organisation have produced a surplus which I am pleased to report. Servol were fortunate to receive additional Government funding during the start of the pandemic, the additional operational costs and required changes faced by Servol to keep the people we support and staff safe and well, bring further long-term challenges to a sector already underfunded and exposed by the lack of a national long-term plan. Uncertainty about the impact of Brexit, new immigration rules only compound the challenge of recruiting quality people to the sector, and we are already seen this take place within Servol.

The crisis has also reinforced the social care sector concerns that the value, impact, and monetary contribution to quality adult mental health, still needs to be prioritised on the same level as physical health needs, and that the need to reform our relevance and importance to a changing society is required. In the face of the present challenges, Servol is progressively engaged in exploring how many of the positives around improved communications and wider stakeholder involvement can help shape the way we adopt and evolve our care and support into the future.

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Chairperson's Statement (continued)
For the year ended 31 March 2021

Finally, I would like to sincerely thank all Servol staff whose hard work during a difficult year needs to be highlighted as their dedication to the roles they fulfil is essential to the work Servol continues to provide. Our capacity to provide accommodation and support across both regions is absolutely dependent on our staff's dedication and commitment. Likewise, I would like to acknowledge my fellow Board members who have contributed to ensuring the provision of high-quality services. It also goes without saying, we are appreciative and would like to thank all our stakeholders. Also, not forgetting our service users for being so resilient during the past year.



G Branch
Chairperson

Date: 10 November 2021

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Trustees' report
For the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Values and objectives

Our Values

Our Values have been developed with our staff and service users, which underpin our work at Servol and establish the behaviour we expect from our people. They make a commitment that our service users will feel welcomed, supported and in safe hands when using our services: That our staff will feel that they are part of a team who are fully supported to meet our high standards and that they will feel appreciated.

- We are caring and kind to all who come into contact with our services
- We value and respect everyone we come into contact with
- We are welcoming and friendly organisation
- We work together to improve the lives of those experiencing mental health problems

Objectives

Servol's Board reviewed the organisations strategic objectives which remain at the center of our future success, and these are:

- To Provide safe high-quality support to our service users across all our services and strengthen our governance processes in relation to each service.
- We will invest in staff and value our stakeholders, so they recommend Servol as a place to work.
- Use resources well to ensure we are sustainable; and
- Identify new contracts to widen our service portfolio and increase the number of bed spaces by at least 5 extra per year.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities (continued)

b. Strategies and aims

Strategies

Servol has a clear format for setting its objectives and devising the strategies and activities to meet those objectives which cover:

- A long-term vision and values which sets our improvement and development journey.
- 3-year strategic business plans the latest being 2018 to 2021, which is reviewed and updated each year
- Annual budgets

Our aims in 2020/21

- To maintain 'compliance with the Care Quality Commission's Standards
- To comply with Local Authority Contractual Requirements
- Increase our income from the previous year
- To meet budgetary targets and achieve a balanced budget
- To develop services in line with the needs and aspirations of service users
- To research and develop new areas of activity for the Servol
- To maximise and develop our IT services
- Improve on outcome measures and reporting
- Increase the number of bed spaces to generate income for the business

Achievements and performance

a. Performance review and achievements

Birmingham Services - Residential Unit Strensham Hill:

Janet Faye House is a large 2 storey house on the corner of Strensham Hill and Edgbaston Road. It is a registered residential home providing accommodation and support for eight adults with mental health disorders. We have had no voids this year within this unit. Our registered manager has been working proactively looking at ways to develop the service and has been successful in securing a small pot of money for infection control improvements within the home.

Respite Services

Summerfield Crescent and Gillott Road are two large three storey houses that are next door to each other in Edgbaston. The service at Summerfield Crescent provides a respite service for five male people. Gillott Road provides a crisis service for six female individuals. There is little difference between the two units in relation to the care and support offered. The emphasis at our respite step-up step-down service centers on maintaining and developing independence for people to move back into a community setting as soon as possible. We were fortunate this year to have financial non-current investment in the wake of the pandemic again for infection control improvements and this small investment assisted us in making some much needed improvements within both units. We have continued to operate above 80% occupancy levels and we are now looking at different ways to expand the service provision by providing floating support for service users who move into one of our independent community houses.

Achievements and performance (continued)

100 School Road and Alcester Road Self Contained Supported Living Units

School Road and Alcester both provide 9 bedded self-contained Flat/bedsit, with kitchenette, individual en-suite toilet and shower. There are 2 communal rooms, 1 communal toilet and a separate bathroom for individuals who would prefer to have a bath. There is a large laundry room housing washing machines and dryers. The property is in a nice location. Individuals with learning disabilities will receive support to help them to develop the skills to enable them to live independently. Once they are ready to move onto their own tenancy Servol provides floating support to assist their transition. This service continues to work well and be commending for their work by senior clinicians.

Community Support Homes

Servol utilise private accommodation in the community. The purpose is to provide two- and three-bedroom homes for clients living with mental health issues: who have been assessed, can live semi/independently and want to move out of large residential home to:

- move into smaller units where they can live semi/independently with a minimum of support
- To integrate into their local community

These properties will be linked to our Respite services as a cluster model of move on with less support from staff.

Supported Accommodation Units London - Bickersteth Road

This unit consists of nine self-contained flats within a fully supported accommodation scheme. The unit is staffed twenty-four hours per day, by a team of dedicated support workers, and a manager who has a deep understanding of all our clients' needs. Whilst providing a secure and homely environment at this scheme, the support teamwork through individually tailored assessments and support plans with clients. Working alongside health care professionals and Social Services, the support team is able to monitor and maintain the mental health of our clients. We are currently in the process of changing the sleep in service we offer to only having concierge staff at night. This will fall in line with our other services in London.

Trinity Road

This unit consists of twelve rooms. All of the clients at Trinity Road have had enduring mental illness and the majority of clients are referred directly from the psychiatric units by CPN's or Social Workers and homeless support teams. Servol Trinity scheme is for vulnerable individuals who need some additional support to prepare them to be re-integrated back into the community following a long period of illness while still connected to mental health services and they are assessed. Whilst providing a secure and homely environment at this scheme, the staff work through individually tailored assessments and support plans with clients. Working alongside health care professionals and Social Services, the support team can monitor and maintain the mental health of our clients. Our London service provides a range of support, and the duration stay is up to a maximum period of two years.

Thurleigh Road

Thurleigh Road Housing Support Service is for people living with long term mental health conditions. The service provides accommodation and support with the purpose of developing the client's capacity to live independently in accommodation or their capacity to do so. The service works with new tenants in their accommodation and provides support staff. The service also has access to a 24 hour on call service (senior manager) for serious incidents and issues and is linked to one of Servol's schemes located in Tooting Wandsworth. The service provides a list of emergency contacts that can be used; if the need arises. The accommodation unit is supported by The London Borough of Wandsworth. Support is given to individuals for up to 12 months.

Achievements and performance (continued)

Friend's House

We are pleased that we have a new service based in Balham. This service was launched in 2018 and it comprises of 12 one-bedroom flats. This is staffed with concierge and one member of staff.

Financial review

a. Financial review

The financial statements show total incoming resources of £2,494,003 (2020: £2,265,055). The principal source of Servol's income is mainly in the form of accommodation fees (rental) and care & support fees towards the cost of the services we provide. Such fees are charged for the provision of residential and supported living accommodation services and are paid by local and health authorities mainly in London and Birmingham, as well as local authorities in Shropshire and Coventry, which were added later in the financial year.

Staff costs are by far largest resource and expenditure for the organisation averages 60% - 65% annually. In the year ended 31 March 2021 Servol had an increase in total income of £228,948 over the financial year ended March 2020. However, total expenditure only had a marginal increase of £38,427 (1.6%). Net surplus was £149,155 (2020: Deficit £41,366). Total funds carried forward was therefore £553,037 (2020: £403,882).

The performance in the year was again due mainly to very prudent management of ever limiting financial resources as Servol continues to face rising costs in especially salary and wages, pensions, rental, and other suppliers' costs. We have continued to seek more cost efficient and cheaper alternatives, especially for utilities, by switching to suppliers who offer cheaper rates. Cost reviews is an ongoing process and will continue as the need for constant savings remain.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Reserves policy

The Trustees of Servol have established a reserves policy that reflects the long-term nature of much of the work of the organisation. Servol has a long history of providing residential care and supported living schemes to people experiencing enduring mental health problems. It is the Trustees intention that Servol should hold a reserve sufficient to allow it to operate effectively for a period of time given the current practice of most of our contracting bodies making payments in arrears (generally on a four-weekly basis). The objective is that Servol would be able to carry on its work, even if faced with a combination of difficult circumstances, and have the time to adjust its strategy to meet these changing circumstances. The Trustees are mindful that any such reserve needs to be monitored carefully so that funds are not retained unnecessarily, where funds could be otherwise utilised in other income generating financial instruments. The level of any reserves will be reviewed on an annual basis to ensure that it is appropriate to the expected level of income. Should it be identified that the reserve exceeds the agreed level any excess will be applied to the organisation's charitable purposes. In the event the reserves fall below its operational costs, immediate measures will be implemented to prevent further loss and we will make every effort to rebuild it. In relation to our reserves policy Servol is exposed to financial and operational risks. The Trustees assess the risks to which Servol could be exposed and the appropriate systems are in place to mitigate these identified risks. Servol's major financial risks continues to come from running services with the possibility of high voids and the high use of agency staff.

d. Free reserves

Free Reserves are those funds available to meet the day-to-day needs of the organisation's work. The Trustees have decided that given the long-term commitments in the organisation's work, the fragility of external funding for some of its services and the uncertainty of voluntary income and legacies, free reserves should be held for not less than 3 and not more than 6 months' expenditure. At the balance sheet date free reserves amounted to £244,743 (which is the excess of unrestricted funds and net funds held as fixed assets), equivalent to an average month's unrestricted expenditure. The free reserves are still below the reserves policy minimum levels, (which is currently £586,000 (2020: £576,600) based on the average budgeted expenditure for three months). We have steadily been rebuilding our reserves which had been totally depleted in the past few years.

As managers begin to accept being responsible for their own unit's budgets, which are being monitored and regularly checked for accountability, this has resulted in improvements and cost savings all-round. In addition, we received a boost to our income with the addition of grant funds received from both Local authorities in London and Birmingham. Based on our current contract renewals and commitment to the services provided by Servol, as well as plans for future growth and cost improvement the trustees foresee a bright future and continuous improvement in the building of our reserves.

Structure, governance and management

a. Constitution

Servol Community Services is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 25 September 1997, as updated 8 December 2018. The charity initially began its work as an unincorporated charity in 1983. The Memorandum of Association sets out the objects and powers of the charitable company which is governed under its Articles of Association.

b. Methods of appointment or election of Trustees

Nominations for trustees have been made by existing trustees and other supporters of the organisation. Servol has also successfully advertised for trustees to replace retiring trustees. Appointments are made by the board with the approval of the chair in line with identified skills gaps in the existing board or through retirement. New trustees undergo a formal induction, managed by the Chief Executive, into their responsibilities, the varied activities and the ethos of the organisation. Professional advice is always made available to the trustees and appropriate trustee training is provided.

c. Organisational structure

The Board of Trustees has established sub-committees to examine areas of work in more detail and to advise the senior management team and report to the full board. Occasionally the board delegates specific issues and decisions to sub-committees when deemed appropriate. The board of trustees sets the strategic direction of Servol and approves annual budgets. Implementation and day to day management is delegated to the Chief Executive and through him to the senior management team. The board constantly reviews its governance structure to ensure that it complies with best practice and is committed to achieving compliance with the Good Governance Code.

Structure, governance and management (continued)

d. Governance and internal controls

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Servol 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 Servol and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the trustees.
- Regular consideration by the trustees of the financial results, variances from budgets, non- financial performance indicators and benchmarking reviews.
- Delegation of authority, segregation of duties and formal supervision structures.

e. Strategic risk management

The Board considered the strategic risks facing the organisation. The purpose of risk management is to identify risks as early as possible, adjust the development strategy to mitigate those risks, and develop and implement a risk management process as an integral part of Servol's overall management process. Each Manager is responsible for implementing this policy.

Reputation for safeguarding vulnerable adults

It had been agreed in the previous year that inspected services still a risk. However, this is no longer the case as revised robust processes have been put in place throughout our services.

Risk	Risk at the start of year	Risk at the end of year
Reputation for safeguarding vulnerable adults	Medium	Medium
Staff regularly tested for COVID-19	Low	Medium
Financial management -income generation and expenditure control-this needs to be considered project by project		
Servol-risk of new fee structure leading to more vacant places	Medium	Low
Servol high use of agency staff costs.	Medium	Low
Re-tender of London contracts	Moderate	Low
A need to ensure that the organisation has sufficient management and workforce capability to deliver the new services being undertaken. Increased capacity is in the process of being put in place.	Moderate	Medium
Governance		
Recruitment of new Trustees with appropriate expertise	Moderate	Low
Strategic vision and new three-year business plan	Low	Low
Service growth	Moderate	Low
Breach of Data protection act	Medium	Moderate

Structure, governance and management (continued)

f. Key management personnel remuneration

The Trustees consider the Senior Management Team, comprising the Principal Staff listed on page 1, as being the key management personnel of Servol is in charge of running and operating the charity on a day to day basis. In February 2021 the CEO along with the Trustees agreed the new role of Head of Services and Ms Brooke was appointed in April 2021. Details of trustees' remuneration and reimbursed expenses are disclosed in the financial statements. Trustees are required to disclose all relevant interests and register them in accordance with the organisation's policy and highlight them during discussions where a conflict of interest arises. The pay of the charity's management team is reviewed annually. The remuneration is bench-marked with other charities of a similar size and activity in the West Midlands area to ensure that the remuneration is fair and not out of line with that paid for similar roles.

Plans for future periods

In line with our 3-year strategic business plan our organisational activities for the next year will be to continue to provide safe high-quality support to our service users, and continue to improve and strengthen our governance process across all services.

The organisation has reviewed its governing documents with regards to the Articles of Association and changes have been made in reference to our objects and the functions of our Trustees.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time 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.

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Trustees' report (continued)
For the year ended 31 March 2021

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

During the year, MHA MacIntyre Hudson resigned as auditors. Dains LLP were appointed to fill the resulting vacancy and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 10 November 2021 and signed on their behalf by:



G Branch
Chairperson

Independent auditors' report to the Members of Servol Community Services

Opinion

We have audited the financial statements of Servol Community Services (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the 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, 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 31 March 2021 and of its incoming resources and application of resources, including its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the Members of Servol Community Services (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other matter

The financial statements of the charity for the year ended 31 March 2020 were audited by MHA MacIntyre Hudson who expressed an unmodified opinion on those financial statements on 25 March 2021.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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.

Independent auditors' report to the Members of Servol Community Services (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' 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 Auditors' 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.

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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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Independent auditors' report to the Members of Servol Community Services (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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

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 Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Gurney FCCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

10 November 2021

Servol Community Services
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	4	-	2,459,251	2,459,251	2,223,591
Investments	5	-	34,752	34,752	41,464
		-	2,494,003	2,494,003	2,265,055
Total income					
Expenditure on:					
Charitable activities	6	-	2,344,848	2,344,848	2,306,421
		-	2,344,848	2,344,848	2,306,421
Total expenditure					
Net income/(expenditure)		-	149,155	149,155	(41,366)
Transfers between funds	15	(2,199)	2,199	-	-
		(2,199)	151,354	149,155	(41,366)
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward	15	2,199	401,683	403,882	445,248
Net movement in funds		(2,199)	151,354	149,155	(41,366)
	15	-	553,037	553,037	403,882
Total funds carried forward					

The notes on pages 19 to 35 form part of these financial statements.

Servol Community Services
(A company limited by guarantee)
Registered number: 03470752

Balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	125,384	142,014
Investment property	11	182,910	150,000
		<u>308,294</u>	<u>292,014</u>
Current assets			
Debtors	12	387,613	246,786
Cash at bank and in hand		245,578	134,162
		<u>633,191</u>	<u>380,948</u>
Creditors: amounts falling due within one year	13	(339,281)	(269,080)
Net current assets		<u>293,910</u>	<u>111,868</u>
Total assets less current liabilities		<u>602,204</u>	<u>403,882</u>
Creditors: amounts falling due after more than one year	14	(49,167)	-
Total net assets		<u><u>553,037</u></u>	<u><u>403,882</u></u>
Charity funds			
Restricted funds	15	-	2,199
Unrestricted funds	15	553,037	401,683
Total funds		<u><u>553,037</u></u>	<u><u>403,882</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 10 November 2021 and signed on their behalf by:



G Branch
Chairperson

The notes on pages 19 to 35 form part of these financial statements.

Servol Community Services
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	72,805	(75,749)
Cash flows from investing activities			
Dividends, interests and rents from investments		34,752	41,463
Proceeds from the sale of tangible fixed assets		1,936	-
Purchase of fixed assets		(45,942)	(32,756)
Net cash (used in)/provided by investing activities		(9,254)	8,707
Cash flows from financing activities			
Cash inflows from new borrowing		50,000	-
Repayments of finance leases		(2,135)	(3,661)
Net cash provided by/(used in) financing activities		47,865	(3,661)
Change in cash and cash equivalents in the year		111,416	(70,703)
Cash and cash equivalents at the beginning of the year		134,162	204,865
Cash and cash equivalents at the end of the year	19	245,578	134,162

The notes on pages 19 to 35 form part of these financial statements

1. General information

Servol Community Services is a charitable company limited by guarantee, incorporated and domiciled in England and Wales and registered with Companies House and the Charity Commission. The charitable company's principal place of business and registered office is 11 Cannon Street, Ingleby House, Birmingham, England, B2 SEN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Servol Community Services 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.

2.2 Company Status

The charitable company is a company limited by guarantee. The members of the charitable company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. These considerations have taken into account the impact of COVID 19 on activities. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.4 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives on the following bases:

Improvements to leasehold property	- over the lease term
Fixtures and fittings	- 10% reducing balance
Office equipment	- 33% straight line

2.8 Investment property

Investment property is carried at fair value determined annually by either external valuers or the trustees and is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any differences in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of financial activities.

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

The Charitable Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees 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 or which have been raised by the Charitable Company for particular purposes. The costs 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.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Depreciation

Depreciation is charged against assets so as to write the assets down to their residual value at the end of their useful lives. At each reporting date the charitable company assesses whether there is any indication of impairment or deviation from the expected useful lives. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Provision for doubtful debts

The charitable company provides against debts based on the ageing of the debts and the circumstances surrounding the recovery on a case-by-case basis. Large potential bad debts are referred to the Trustees and specific provisions introduced from a prudent review of afterdate events and correspondence.

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Community & Residential Care - Local authority	1,948,900	1,948,900
Community & Residential Care - CCG	423,733	423,733
Government grants receivable	86,618	86,618
Total 2021	<u>2,459,251</u>	<u>2,459,251</u>

The charitable company has been eligible to claim from Government support schemes in response to the Covid-19 outbreak.

	Unrestricted funds 2020 £	Total funds 2020 £
Community & Residential Care - Local authority	1,804,410	1,804,410
Community & Residential Care - CCG	416,831	416,831
Government grants receivable	2,350	2,350
Total 2020	<u>2,223,591</u>	<u>2,223,591</u>

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Rent receivable	24,115	24,115
Management fee	10,608	10,608
Deposit account interest	29	29
Total 2021	<u>34,752</u>	<u>34,752</u>

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

5. Investment income (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Rent receivable	30,498	30,498
Management fee	10,608	10,608
Deposit account interest	358	358
Total 2020	41,464	41,464

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Community & Residential Care	2,277,779	67,069	2,344,848

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Community & Residential Care	2,215,762	90,659	2,306,421

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	As restated Total funds 2020 £
Agency staff and training	54,899	116,575
Business development consultancy	3,465	7,538
Property costs	510,959	486,629
Office costs	15,086	17,356
Telephone	43,439	30,807
Postage and stationery	30,493	26,134
Advertising	-	1,308
Sundries	2,866	3,783
Motor and travelling expense	514	4,469
Food, cleaning and laundry	37,426	30,772
Wages, salaries and pension costs	1,549,719	1,461,431
Depreciation	28,913	24,050
Bad debts write off	-	4,910
	2,277,779	2,215,762

Analysis of support costs

	Total funds 2021 £	As restated Total funds 2020 £
Recruitment expenses	2,904	19,723
Office costs	7,062	13,655
Room hire	1,468	3,276
Insurance	13,769	21,616
Bank charges	613	593
Legal and professional fees	19,355	16,594
Governance costs	23,085	15,202
Surplus on disposal of tangible fixed assets	(1,187)	-
	67,069	90,659

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

7. Staff costs

	2021 £	2020 £
Wages and salaries	1,403,628	1,314,068
Social security costs	118,163	118,696
Pension costs	27,928	28,667
	1,549,719	1,461,431

The average number of persons employed by the Charitable Company during the year was as follows:

	2021 No.	2020 No.
Administration	7	7
Care and support	61	56
	68	63

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprises Trustees and the senior management team. Remuneration and benefits received by key management personnel during the year amounted to £142,318 (2020: £139,583).

8. Trustees' remuneration and expenses

During the year, in accordance with the provisions of the charity's articles of association, two (2020: two) of the Trustees received remuneration for their services to the organisation and attendance at board meetings throughout the year. The total value of Trustees' remuneration was as follows:

		2021 £	2020 £
G Branch	Remuneration	4,525	3,500
V Taylor	Remuneration	2,500	2,500

During the year, expenses totalling £215 (2020: £1,586) were reimbursed or paid directly to 1 trustee (2020: 3 trustees) for travel, training and meetings.

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

9. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	28,913	24,049
Surplus on disposal of tangible fixed assets	1,187	-
Auditor's remuneration - audit	7,750	8,000
	<u><u> </u></u>	<u><u> </u></u>

10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2020	196,783	25,018	66,136	287,937
Additions	-	2,474	10,558	13,032
Disposals	-	-	(1,936)	(1,936)
At 31 March 2021	<u>196,783</u>	<u>27,492</u>	<u>74,758</u>	<u>299,033</u>
Depreciation				
At 1 April 2020	94,213	9,431	42,279	145,923
Charge for the year	11,950	1,674	15,289	28,913
On disposals	-	-	(1,187)	(1,187)
At 31 March 2021	<u>106,163</u>	<u>11,105</u>	<u>56,381</u>	<u>173,649</u>
Net book value				
At 31 March 2021	<u><u>90,620</u></u>	<u><u>16,387</u></u>	<u><u>18,377</u></u>	<u><u>125,384</u></u>
At 31 March 2020	<u><u>102,570</u></u>	<u><u>15,587</u></u>	<u><u>23,857</u></u>	<u><u>142,014</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, was £Nil (2020: £3,661).

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	150,000
Additions	32,910
	<hr/>
At 31 March 2021	182,910
	<hr/> <hr/>

The property was formally valued in June 2015 by Marwood Surveyors at a market value of £150,000. The 2021 valuations were made by the Board of Trustees, taking into consideration the previous formal valuation and refurbishment works carried out on the property since.

The historical cost of the property is £300,000 (2020: £300,000).

12. Debtors

	2021 £	2020 £
Trade debtors	367,648	214,220
Other debtors	360	-
Prepayments and accrued income	19,605	32,566
	<hr/>	<hr/>
	387,613	246,786
	<hr/> <hr/>	<hr/> <hr/>

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	833	-
Trade creditors	113,309	104,395
Other taxation and social security	35,376	33,639
Obligations under finance leases	-	2,135
Other creditors	22,446	16,563
Accruals and deferred income	167,317	112,348
	339,281	269,080

Obligations under finance leases are secured over the assets to which they relate.

	2021	2020
	£	£
Deferred income		
Deferred income at 1 April 2020	9,310	9,100
Resources deferred during the year	106,326	9,310
Amounts released from previous periods	(9,310)	(9,100)
	106,326	9,310

Deferred income represents service user income billed in advance.

14. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	49,167	-

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	10,000	-
Between two and five years		
Bank loans	30,000	-
Over five years		
Bank loans	9,167	-

The charitable company received a £50,000 bounce back loan in February 2021. The loan is repayable in equal instalments beginning in March 2022. The interest rate is fixed at 2.5% over the term of the loan with the first 12 months of interest being paid by the UK Government.

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Fixed assets	-	-	-	308,294	308,294
General funds					
General fund	401,683	2,494,003	(2,344,848)	(306,095)	244,743
Total Unrestricted funds	401,683	2,494,003	(2,344,848)	2,199	553,037
Restricted funds					
Capital fund	2,199	-	-	(2,199)	-
Total of funds	403,882	2,494,003	(2,344,848)	-	553,037

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
General fund	442,886	2,265,055	(2,306,258)	401,683
Restricted funds				
Capital fund	2,362	-	(163)	2,199
Total of funds	445,248	-	(2,306,421)	403,882

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 March 2021 £
Designated funds	-	-	-	308,294	308,294
General funds	401,683	2,494,003	(2,344,848)	(306,095)	244,743
Restricted funds	2,199	-	-	(2,199)	-
	403,882	2,494,003	(2,344,848)	-	553,037

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
General funds	442,886	2,265,055	(2,306,258)	401,683
Restricted funds	2,362	-	(163)	2,199
	445,248	2,265,055	(2,306,421)	403,882

Notes to the financial statements
For the year ended 31 March 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	125,384	125,384
Investment property	182,910	182,910
Current assets	633,191	633,191
Creditors due within one year	(339,281)	(339,281)
Creditors due in more than one year	(49,167)	(49,167)
Total	<u>553,037</u>	<u>553,037</u>

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,199	139,815	142,014
Investment property	-	150,000	150,000
Current assets	-	380,948	380,948
Creditors due within one year	-	(269,080)	(269,080)
Total	<u>2,199</u>	<u>401,683</u>	<u>403,882</u>

Notes to the financial statements
For the year ended 31 March 2021

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	149,155	(41,366)
Adjustments for:		
Depreciation charges	28,913	24,049
Surplus on the sale of fixed assets	(1,187)	-
Interests and rents from investments	(34,752)	(41,464)
Increase in debtors	(140,827)	(89,134)
Increase in creditors	71,503	68,505
Finance lease costs	-	3,661
Net cash provided by/(used in) operating activities	72,805	(75,749)

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	245,578	134,162
Total cash and cash equivalents	245,578	134,162

20. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	134,162	111,416	245,578
Debt due within 1 year	-	(833)	(833)
Debt due after 1 year	-	(49,167)	(49,167)
Finance leases	(2,135)	2,135	-
	132,027	63,551	195,578

21. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £28,594 (2020: £28,667). Contributions totalling £5,108 (2020: £5,333) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 March 2021 the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	-	13,654
	<u> </u>	<u> </u>

23. Related party transactions

No related party transactions arose in the year, other than those already detailed in note 8.

24. Amounts held as custodian trustee

The charity holds funds of £75,000 (2020: £75,000) on behalf of a client as custodian trustee. This amount is held in a separate bank account and is not included in the balance sheet of the charity.