

Registered number: 03470752
Charity number: 1125896

Servol Community Services

Trustees' report and financial statements

For the year ended 31 March 2022



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 2022

Trustees	G Branch, Chair J Roberts (resigned 11 February 2022) V Taylor L Found A Grant K Jackson R Smith A Howell (appointed 8 September 2022)
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	G Brooke – Head of Services K Monero – London Regional Operations Manager M James – Finance and Business Manager
Independent auditor	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Bankers	Barclays Bank Plc 351-359 Soho Road Birmingham B21 9SE

Chair's statement
For the year ended 31 March 2022

The chair presents his statement for the year.

This report covers an exceptional year for Servol despite a very challenging environment for the UK and for the world. I am pleased and proud of the charity's achievements in 2021- 22, this I believe is testament to Servol's strength and resilience, but also to the tremendous commitment and creativity of our staff. Throughout its 40-year plus history, Servol has always and continues to support vulnerable mental health adults and young people when they are most in need especially at times of crisis, and non-more throughout COVID. I can say with confidence that we proved to be a resilient and robust organisation.

It quickly became apparent that the economic and social effects of the necessary lockdown measures which ended 19th July 2021 has had an impact on service users and at times staff wellbeing, both in the short term and potentially for months and years to come. We were deeply concerned that coming out of the pandemic may give rise to a 'perfect storm', with our service users at even greater risk, while statutory services faced being overwhelmed, and charities like ours with staffing shortages. Our response to this unique situation was to think differently about how we could use the resource that we had and expertise to meet the demands placed on our much-needed services.

We had significant staffing recruitment challenges across the organisation but particularly in London along with other providers using agency staff and relying on our staff to take on extra cover of shifts. Through all of this, our staff continued to work supporting the most vulnerable mental health service users to which we are hugely proud of and commend them for their work and commitment. Additionally, thanks to the senior management team who pulled together to maintain a steady ship during a difficult period when the CEO and Finance Manager were both ill with COVID. Like many other organisations, COVID had a significant impact on our income in 2021-22 as mentioned earlier mainly on staffing expenditure. We were, however, fortunate to receive grants from both Birmingham City Council and Wandsworth and Richmond Borough Council, which helped significantly with our temporary staffing and implementing infection control measures throughout our services.

We reviewed at our annual Board Away Day our strategic business plan, and this remains the improvement and development focus for the organisation, delivering safe quality care, 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. As reported last year again due to Covid our CQC registered services did not have its annual inspection however, provider information returns were submitted, and we received notification that our services would not be required to undertake an inspection and the current ratings remain the same. We did have as last year 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 again no actions required. Looking forward, despite the varied challenges presented, there are many reasons to be optimistic.

Amongst them is the fact that adversity clearly gave rise to invention, with Servol embracing both hybrid physical and digital ways of working and developing partnerships with others, to a greater degree than ever before. We have made significant improvements within our Governance structures particularly on digital improvements GDPR and our policies which will be reported in greater detail in next year's annual report. I believe this ability to flex our approach will serve Servol, service users, families our communities, especially well in the years to come. We are particularly grateful to the whole leadership team for successfully steering Servol through the COVID pandemic and some very challenging times, with the unwavering support of our colleagues right across the charity. The events of the last year have demonstrated that Servol's vital work is needed more than ever before, especially as the true impact of the pandemic on people with enduring mental health problems and those experiencing other forms of mental health.

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Chair's statement (continued)
For the year ended 31 March 2022

Finally, I want to say a special thank you to my fellow Board Trustees, all of whom devoted much time and effort to the charity through this challenging period. I would like to put on record my thanks, on behalf of the Board of Trustees, to the outgoing Trustee John Roberts, for his significant contribution during the years at our charity, he will be sadly missed although he continues to work in the voluntary sector. As we look forward to Servol's next chapter, we are confident that we have the foundations required to continue achieving long-term, positive change for our service users and staff.



G Branch
Chair

Date: 28 September 2022

Trustees' report
For the year ended 31 March 2022

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the 1 April 2021 to 31 March 2022. 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

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 2021 to 2024, which is reviewed and updated each year.
- Annual operational budgets which are accounted for in relation to meeting our activities.

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

In 2020 our senior management team began the process of reviewing our strategic objectives alongside reviewing our governance arrangements. This included an examination of our existing strategic deliverable goals and their impact. Four strategic goals will determine our programmes of work over the next three years. Our commitment to embedding impact practice in our work will provide a framework by which we can judge our success in their delivery. Each goal is supported by a series of deliverable outcomes which specifies the changes we want to see, our priorities for the next three years and how we will achieve them. The priorities identified against the goals are not exhaustive and are likely to evolve as the context changes. Our strategy is underpinned by our Vision Mission and Values which drives all that we do.

Our Strategic Goals

1) 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 do this by:

- Supporting excellent governance arrangements.
- Supporting and developing a flexible workforce.
- Continuous development of digital systems and processes.

2) We will invest in staff and value our stakeholders, so they recommend Servol as a place to work.

We will do this by:

- Investing in learning and development of our staff by providing high quality, diverse, learning and development opportunities.
- Continue to review and develop our policies and look to recruit specialist bespoke roles
- Growing our partnership and net working

3) Use resources well to ensure we are sustainable

We will do this by:

- Sustaining resources and seeking opportunities to diversify our funding mix.
- Diversifying and expanding our offer of services

4) Identify new contracts to widen our service portfolio and increase the number of bed spaces by at least 5 extra per year.

We will do this by:

- We have begun to open further units in London, and it is anticipated this will take place in London
- Engaging in research and engaging to identify need for future services

Achievements and performance

a. Performance review and achievements

Birmingham Services - Residential Unit Strensham Hill

Janet Faye House is a large two storey house on the corner of Strensham Hill and Edgbaston Road. It is a CQC registered residential home providing accommodation and support for eight adults with acute long term mental health problems. The residents at this unit are settled after a challenging time through the pandemic. One resident has moved on this year after they were assessed as needing a higher level of care.

During the year we changed our service delivery model from staff sleep-ins to waking nights, improving safety for the unit and accessibility to support for our residents. We have been undertaking a programme of refurbishment at Janet Faye House this year will work completed on the bathrooms and toilets to create a better living environment for our residents and ensure we meet IPC requirements.

Our team of Mental Health Recovery Workers support our residents with key life skills and individuals have been engaging in a new activity programme which they have co-produced. Residents' meetings are held regularly, sharing ideas, and ensuring all residents have a forum to speak. The whole team led by the Registered Care Manager are constantly seeking new ways to improve the lives of our residents and are actively seeking funding for new projects.

Respite Services

Summerfield Crescent and Gillott Road are two large three storey houses that are next door to each other in Edgbaston. We have 11 rooms, some with ensuite and the service is gender split to male and female. The aim of this service is to prevent the need for hospital admission or facilitate early discharge from hospital back into the community. The service is designed as short stay.

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. Our team works with individuals to develop their personal action plan for re-integration into the community. This includes practical advice on housing and budgeting as well as the development of social skills with the aim of easing the transition and preventing relapse. During the year we changed our service delivery model for both units from staff sleep-ins to waking nights, improving safety for the unit and accessibility to support for our service users.

100 School Road and Alcester Road Self Contained Supported Living Units

School Road and Alcester Road both provided supported living provision and in total have eighteen self-contained studio flats for both male and female service users living with enduring mental health problems. Our team works with the service users to develop their skills and capacity to live independently in the community, developing individual person-centred support plans which encourage initiative and goal setting. School Road is CQC registered.

Our service users are actively involved in house meetings and engaged with activities in the community including volunteering and education. In-house the residents can access a bright and airy communal area and gardens where they can engage in a supported activity programme or join in regular celebrations; with opportunities to cook together and socialise. Sadly, one of our service users at Alcester Road passed away in 2021, our staff were offered support and counselling.

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 supports adults living with enduring mental health conditions.

Achievements and performance (continued)

Individuals living at Bickersteth have experienced long periods of mental health problems, but our team of Mental Health Recovery Workers support them to develop person-centered action plans with the aim of transitioning to independent living.

Trinity Road

Service users at our 13-bed unit 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 is able to monitor and maintain the mental health of our clients. The team at Trinity have put in place a programme of activities and celebrations which all service users are encouraged to participate in.

Residents' meetings are held regularly, and external speakers are often invited encouraging individuals to engage with the wider community. Sadly, one of our service users passed away in 2021, our staff were offered counselling. Members of the team were able to attend his funeral and say their farewells.

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. Residents' meetings are held regularly, and external speakers are often invited encouraging individuals to engage with the wider community.

Friend's House

Friend's House is a 12-bed one bedroom flat scheme providing medium support for service users who have experienced mental health problems. This scheme offers lower supported accommodation and is staffed for specific hours with night concierge on site.

Financial review

a. Financial review

The financial statements show total incoming resources of £2,718,301 (2021 - £2,494,003).

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 2022 Servol had an increase in total income of £224,298 (9.0%) over the financial year ended March 2021. However, total expenditure saw an increase of £269,603 (11.5%). Net surplus was £103,850 (2021 - £149,155). Total funds carried forward were therefore £656,887 (2021 - £553,037).

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. Most of our utility contracts are bound to 5-year agreements. This is currently shielding us from the exorbitantly high rates of energy, which have gone up 5-fold in most cases. Cost reviews are an ongoing process and we 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. 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 is sufficient for more than 6 months operational use, then this 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 continue 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 months and not more than 6 months' expenditure.

At the balance sheet date free reserves (which is the excess of unrestricted funds over net funds held as fixed assets) amounted to £364,434 (2021 - £244,743), equivalent to nearly two average months of unrestricted expenditure. The free reserves are still below the reserves policy minimum levels, which is currently £1,290,000 (2021 - £1,172,000) based on the average budgeted expenditure for six months. We have steadily been rebuilding our reserves which had been totally depleted a few years ago.

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.

Reputation for safeguarding vulnerable adults

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

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.

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. The pay of the charity's management team is reviewed annually. The remuneration is benchmarked 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

Since joining Servol in April 2021, the Head of Services has been working with the Board, CEO and wider teams to develop our strategy to ensure the business is sustainable and fit for the future. During 2021 we introduced a new communications strategy which included the introduction of SharePoint as a staff intranet improving internal networking and collaborative working. For external stakeholders our website was launched.

Our Rewards package was reviewed, and a talent management programme introduced ensuring all staff have access to a structured training package providing access to opportunity for all. Plans included the launch of a virtual Learning Hub for May 2022. Recruitment, induction, and ongoing performance management process were reviewed, including the introduction of Living the Values sessions for all staff. A new virtual HR system called Bright was launched in April 2022.

We reviewed the delivery of services and introduced an online version of Outcome Star in September 2021. An evidence-based tool which enables us to support positive change and greater wellbeing for individuals using our services. The Board and senior management team reviewed the governance structure, processes, and management at their annual Board Development Day. As part of the governance review the teams have looked all areas including policy, records management, incidents, and risk. Improving systems, ensuring staff receive the right training and building on good practice. We are currently working with an external consultant and our IT provider to review our information governance processes and improve cyber security.

As an organisation we are looking at opportunities to grow, developing partnerships and diversifying our income generation streams. Servol are proud of our development over the last twelve months with substantial resources invested in our staff and our services.

Servol's intention is to trade commercially through the launch of a subsidiary company, separate from our charitable organisation. We have registered the subsidiary company in August 2022 and will be reporting on its performance in the next financial year.

Funds held as custodian

The charity holds cash on behalf of a client as custodian trustee. Further details are given in note 23.

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 . 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.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The trustees, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by order of the members of the board of Trustees on 28 September 2022 and signed on their behalf by:



G Branch
Chair

Independent auditor's 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 2022 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 2022 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 Auditor's 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 auditor's 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 Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

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.

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.

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

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.

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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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; and
- investigated the rationale behind significant or unusual transactions.

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

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; and
- 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 Auditor's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains Audit Limited

Mark Gurney FCCA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

28 September 2022

Servol Community Services
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Charitable activities	4	2,684,284	2,684,284	2,459,251
Investments	5	34,017	34,017	34,752
Total income		2,718,301	2,718,301	2,494,003
Expenditure on:				
Charitable activities	6	2,614,451	2,614,451	2,344,848
Total expenditure		2,614,451	2,614,451	2,344,848
Net movement in funds		103,850	103,850	149,155
Reconciliation of funds:				
Total funds brought forward		553,037	553,037	403,882
Net movement in funds		103,850	103,850	149,155
Total funds carried forward		656,887	656,887	553,037

The notes on pages 20 to 36 form part of these financial statements.

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

Balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	109,543	125,384
Investment property	11	182,910	182,910
		<u>292,453</u>	<u>308,294</u>
Current assets			
Debtors	12	261,922	387,613
Cash at bank and in hand		447,251	245,578
		<u>709,173</u>	<u>633,191</u>
Creditors: amounts falling due within one year	13	(306,585)	(339,281)
Net current assets		<u>402,588</u>	<u>293,910</u>
Total assets less current liabilities		<u>695,041</u>	<u>602,204</u>
Creditors: amounts falling due after more than one year	14	(38,154)	(49,167)
Total net assets		<u>656,887</u>	<u>553,037</u>
Charity funds			
Unrestricted funds	15	656,887	553,037
Total funds		<u>656,887</u>	<u>553,037</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 28 September 2022 and signed on their behalf by:


G Branch
Chair

The notes on pages 20 to 36 form part of these financial statements.

Servol Community Services
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	18	173,729	72,805
Cash flows from investing activities			
Dividends, interests and rents from investments		34,017	34,752
Proceeds from the sale of tangible fixed assets		-	1,936
Purchase of fixed assets		(4,227)	(45,942)
Net cash provided by/(used in) investing activities		29,790	(9,254)
Cash flows from financing activities			
Cash inflows from new borrowing		-	50,000
Repayments of borrowing		(1,846)	-
Repayments of finance leases		-	(2,135)
Net cash (used in)/provided by financing activities		(1,846)	47,865
Change in cash and cash equivalents in the year		201,673	111,416
Cash and cash equivalents at the beginning of the year		245,578	134,162
Cash and cash equivalents at the end of the year	19	447,251	245,578

The notes on pages 20 to 36 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 51 Pinfold Street, Birmingham, England, B2 4AY.

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 the 12 months from authorising these financial statements and concluded that the charity has adequate resources to continue operating 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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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: using the straight-line and reducing balance methods

Long-term 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

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 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.

2.14 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.

2.15 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.

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.

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Community & Residential Care - Local authority	2,089,783	2,089,783
Community & Residential Care - CCG	418,750	418,750
Government grants receivable	175,751	175,751
Total 2022	2,684,284	2,684,284

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

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

4. Income from charitable activities (continued)

	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	2,459,251	2,459,251

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Rent receivable	23,169	23,169
Management fee	10,608	10,608
Deposit account interest	240	240
Total 2022	34,017	34,017

	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	34,752	34,752

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Community & Residential Care	<u>2,443,965</u>	<u>170,486</u>	<u>2,614,451</u>

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

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	1,656,391	1,549,719
Depreciation	20,068	28,913
Agency staff and training	139,113	54,899
Office and computing costs	13,981	3,465
Property costs	485,615	510,959
Office costs	53,101	15,086
Telephone	21,830	43,439
Postage and stationery	17,666	30,493
Sundries	7,162	2,866
Wages, salaries and pension costs	2,172	514
Food, cleaning and laundry	26,866	37,426
	<u>2,443,965</u>	<u>2,277,779</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Office costs	12,426	7,062
Advertising	1,042	-
Bad debts	38,771	-
Recruitment expenses	15,288	2,904
Room hire	11,019	1,468
Insurance	32,629	13,769
Bank charges	827	613
Legal and professional fees	39,918	19,355
Governance costs	18,566	23,085
Surplus on disposal of tangible fixed assets	-	(1,187)
	<u>170,486</u>	<u>67,069</u>

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

7. Staff costs

	2022 £	2021 £
Wages and salaries	1,495,032	1,403,628
Social security costs	132,508	118,163
Pension costs	28,851	27,928
	<u>1,656,391</u>	<u>1,549,719</u>

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

	2022 No.	2021 No.
Administration	7	7
Care and support	68	61
	<u>75</u>	<u>68</u>

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 £211,121 (2021: £142,318).

8. Trustees' remuneration and expenses

During the year, in accordance with the provisions of the charity's articles of association, two (2021: two) of the Trustees received remuneration for their services to the organisation and attendance at board meetings throughout the year. The Chair also received a salary for having acted as Interim Chief Executive Officer between December 2021 and February 2022. The total value of Trustees' remuneration was as follows:

		2022 £	2021 £
G Branch	Board remuneration	3,500	4,525
	Salary as Interim CEO	4,810	-
V Taylor	Board remuneration	2,500	2,500

During the year, expenses totalling £243 (2021: £215) were reimbursed or paid directly to 1 trustee (2020: 1 trustee) for telecommunication costs.

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	20,068	28,913
Surplus on disposal of tangible fixed assets	-	1,187
Auditor's remuneration - audit	8,200	7,750
	<u>28,268</u>	<u>37,850</u>

10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2021	196,783	27,492	74,758	299,033
Additions	-	400	3,827	4,227
At 31 March 2022	<u>196,783</u>	<u>27,892</u>	<u>78,585</u>	<u>303,260</u>
Depreciation				
At 1 April 2021	106,163	11,105	56,381	173,649
Charge for the year	6,199	1,870	11,999	20,068
At 31 March 2022	<u>112,362</u>	<u>12,975</u>	<u>68,380</u>	<u>193,717</u>
Net book value				
At 31 March 2022	<u>84,421</u>	<u>14,917</u>	<u>10,205</u>	<u>109,543</u>
At 31 March 2021	<u>90,620</u>	<u>16,387</u>	<u>18,377</u>	<u>125,384</u>

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2021	182,910
At 31 March 2022	<u>182,910</u>

The property was formally valued in June 2015 by Marwood Surveyors at a market value of £150,000. The 2022 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 (2021: £300,000).

12. Debtors

	2022 £	2021 £
Trade debtors	240,158	367,648
Other debtors	-	360
Prepayments and accrued income	21,764	19,605
	<u>261,922</u>	<u>387,613</u>

Servol Community Services
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	10,000	833
Trade creditors	69,542	113,309
Other taxation and social security	4,291	35,376
Other creditors	43,565	22,446
Accruals and deferred income	179,187	167,317
	306,585	339,281
	2022	2021
	£	£
Deferred income		
Deferred income at 1 April 2021	106,326	9,310
Resources deferred during the year	86,274	106,326
Amounts released from previous periods	(106,326)	(9,310)
	86,274	106,326

Deferred income represents service user income billed in advance.

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

	2022 £	2021 £
Bank loans	38,154	49,167

Included within the above are amounts falling due as follows:

	2022 £	2021 £
Between one and two years		
Bank loans	10,000	10,000
Between two and five years		
Bank loans	28,154	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 2021 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Fixed assets	308,294	-	(20,068)	4,227	292,453
General funds					
General fund	244,743	2,718,301	(2,594,383)	(4,227)	364,434
Total Unrestricted funds	553,037	2,718,301	(2,614,451)	-	656,887

Notes to the financial statements
For the year ended 31 March 2022

15. Statement of funds (continued)

Statement of funds - prior 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

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 March 2022 £
Designated funds	308,294	-	(20,068)	4,227	292,453
General funds	244,743	2,718,301	(2,594,383)	(4,227)	364,434
	553,037	2,718,301	(2,614,451)	-	656,887

16. Summary of funds (continued)

Summary of funds - prior 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)	-
	<u>403,882</u>	<u>2,494,003</u>	<u>(2,344,848)</u>	<u>-</u>	<u>553,037</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	109,543	109,543
Investment property	182,910	182,910
Current assets	709,173	709,173
Creditors due within one year	(306,585)	(306,585)
Creditors due in more than one year	(38,154)	(38,154)
Total	<u>656,887</u>	<u>656,887</u>

Analysis of net assets between funds - prior 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>

Notes to the financial statements
For the year ended 31 March 2022

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

	2022 £	2021 £
Net income for the year (as per Statement of financial activities)	103,850	149,155
Adjustments for:		
Depreciation charges	20,068	28,913
Surplus on the sale of fixed assets	-	(1,187)
Interests and rents from investments	(34,017)	(34,752)
Decrease/(increase) in debtors	125,691	(140,827)
(Decrease)/increase in creditors	(41,863)	71,503
Net cash provided by operating activities	173,729	72,805

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	447,251	245,578
Total cash and cash equivalents	447,251	245,578

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	245,578	201,673	-	447,251
Debt due within 1 year	(833)	1,846	(11,013)	(10,000)
Debt due after 1 year	(49,167)	-	11,013	(38,154)
	195,578	203,519	-	399,097

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 £28,851 (2021: £28,594). Contributions totalling £6,301 (2021: £5,108) were payable to the fund at the balance sheet date and are included in creditors.

22. Related party transactions

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

23. Amounts held as custodian trustee

The charity holds funds of £89,549 (2021: £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.