Servol Community Services

England & Wales · Charity number 1125896

Details

Other names	NEW SERVOL, SERVOL COMMUNITY TRUST
Status	Registered
Legal form	Charitable company
Company number	03470752
Registered	2008-09-15
Register	View on the Charity Commission register

Contact

Address	Suite 125 51 Pinfold Street Birmingham B2 4AY
Phone	01214543081
Email	enquiries@servolct.org.uk
Website	www.servolct.org.uk

Activities

Objects: The promotion of any charitable purpose for the benefit of the inhabitants of the City of Birmingham, nationally and internationally and in particular the advancement of education; the protection of health; the relief of poverty, distress and sickness and in the interests of social welfare to provide or assist in the provision of facilities for the recreation of leisure time occupation of the said inhabitants with the object of improving their condition of life.

Activities: Education/TrainingThe advancement of health or saving of livesThe Prevention or relief of PovertyAccommodation/Housing

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** People With Disabilities, People Of A Particular Ethnic Or Racial Origin

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Geography

- **Area of benefit:** NATIONAL AND INTERNATIONAL
- Birmingham City
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,665,733	£3,635,685	£634,677	89
2024-03-31	£3,334,697	£3,360,486	£604,629	96
2023-03-31	£2,734,234	£2,919,513	£471,608	84
2022-03-31	£2,718,301	£2,614,451	£656,887	75
2021-03-31	£2,494,003	£2,344,848	£553,037	68

Trustees

Name	Role	Appointed
AVRIL GRANT		2019-07-26
Anthony Howell		2022-09-08
GEORGE BRANCH		2014-08-04
Kenrick Jackson		2020-03-05
Laura Claire Found		2015-08-04
Robin Smith		2020-09-07
Rocco Zitola		2022-12-15
VAL TAYLOR		2017-10-03

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Servol Community Services

England & Wales - Charity number 1125896

Accounts

Servol Community Services

servol

Mental Health Care in Good Hands

Report and Financial Statements

For the year ended 31 March 2025

Company Registration No. 03470752 | Charity Registration No. 1125896

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REPORT OF THE TRUSTEES

Chair of the Board Report

I am pleased to present our annual report for 2024/25, which highlights the significant progress Servol has made in supporting individuals severely affected by mental illness. This year's report reflects that progress of hope, transformation, and the vital role community-based mental health services play in helping people rebuild their lives. Our continued investment in staff development, systems improvement, and service user engagement underpins our commitment to high-quality, responsive care. This past year has continued to be marked by uncertainty and growing pressure across the mental health sector, and in particular real risks on existing contracts not having sufficient funding to provide the much-needed services. Equally, for those living with severe mental illness and for their carers the environment has remained challenging, with demand for services increasing and wider forms of support often limited or difficult to access. Against this difficult backdrop, I am deeply appreciative of the dedication and resilience shown by our staff, whose unwavering commitment has enabled us to not only maintain but also strengthen our service provision. In particular, we have focused on enhancing the quality and reach of our supported housing services, ensuring that more people can access stable, person-centred support on their journey toward recovery.

Notably, the latter part of 2024/25 brought new opportunities, including the launch of a new commissioned service in the London Borough of Sutton, a significant milestone that signals our ongoing growth and the recognition of our impact within the sector. Additionally, the successful introduction of our first-ever Staff Awards allowed our organisation to celebrate the individuals and teams who embody our values and make our work possible. Their sense of pride and recognition affirmed our belief in nurturing a positive, inclusive culture. As we look to the future, the change in national government brings with it the hope of renewed focus and investment in mental health. We are optimistic that a fresh policy direction will deliver improved outcomes for people living with mental illness, and we are committed to playing our part in shaping that future.

On behalf of the Board of Trustees, I extend our deepest thanks to all who have supported Servol over the past year, our staff, volunteers, partners, commissioners, and community members. Your contributions have been invaluable. Together, we remain focused on delivering meaningful impact and continuing to support recovery, independence, and dignity for all those we serve.

George Branch
Board Chair

REPORT OF THE TRUSTEES

Chief Executive's Report

It is with great pride that I present Servol's Annual Report for this period, a year marked by resilience, growth, and unwavering commitment to the people we serve.

A Year of Challenge and Commitment

As we reported last year the cost-of-living crisis and cuts to public sector funding nationally continues to impact both our sector and the communities we serve. Despite raising concerns and reviewing our contract financial envelopes with commissioners this did not result in any real meaningful uplifts to our current contract value. Yet, recognising the dedication and financial pressures faced by our frontline teams, our Trustees approved a wage increase for staff. This decision, warmly received, was a testament to the value we place on those who deliver our services every day.

Celebrating Our People

In April 2024, we were thrilled to host Servol's first-ever Staff Awards Ceremony in Birmingham, an event that was met with energy, pride, and joy. Trustees played an active role as part of the judging panel, personally presenting awards to individual staff and teams whose contributions have made a remarkable impact. The day was a powerful reminder of the dedication, compassion, and skill that drive our work forward. Building on this success, we are excited to announce that next year's ceremony will take place in London, where we plan to make it even bigger and better.

Financial Stability and Innovation

Through careful expenditure management, targeted fundraising, and successful grant applications, Servol not only sustained but increased income levels, resulting in a small surplus. This strong financial position is essential enabling us to maintain vital services, pioneer new models of working, and strengthen collaborative partnerships.

Service User-Led Innovation

At the heart of Servol's mission is a steadfast commitment to co-production with our service users. This ensures their voices shape every aspect of our work.

A standout achievement this year was the launch of Phase 2 of the Healthy Eating, Healthy Living programme, building on the strong results of our pilot. Participants from the pilot played a key role in shaping the new delivery, bringing their lived experience to the design process and proudly stepping up as programme ambassadors, sharing its benefits at resident meetings. Healthy Eating, Healthy Living empowers participants with practical guidance on nutrition, tips for eating well on a budget, and the chance to take part in gentle, accessible exercise—helping to make healthier lifestyles achievable for all.

Growth and Expansion

December 2024 saw a major milestone as Servol was awarded a new supported accommodation contract in the Borough of Sutton, Surrey. This expansion into a new locality strengthens our reach, enabling us to support more individuals to achieve independence and stability. We also maintained strong partnerships with Wandsworth and Richmond Local Authority Health and Social Care, while actively seeking opportunities to expand our footprint across London and beyond. Our residential services have sustained full occupancy for much of the year, despite natural fluctuations. Following the introduction

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of a new service in Sutton, we restructured our London management provision to ensure continued strong leadership.

In early 2025, we launched My Path My Journey, a groundbreaking pilot project for Servol funded by the Mental Health Provider Collaborative for BSol. This innovative initiative offers dedicated, person-centred support to individuals living with severe mental illness (SMI), helping them navigate the transition from acute care with confidence. By focusing on recovery, stability, and empowerment, the project aims to reduce the risk of relapse and prevent readmission, paving the way for lasting wellbeing.

Our Belief and Vision
Servol's belief is simple but powerful: we see the potential in every person, regardless of their history or vulnerabilities. Our vision is to deliver quality mental health support and to be recognised as a leader in our field. This year, we have supported long-standing residents, some after more than 20 years with us, to move into independent living.

These successes embody our mission and the transformative impact of our work.

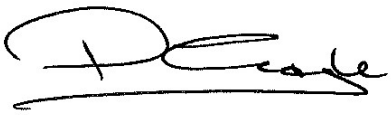
Looking Ahead
The year ahead will see us building on our achievements deepening community impact, strengthening partnerships, and exploring new opportunities for growth and innovation. We will continue to diversify our income streams to ensure long-term sustainability, while remaining steadfast in our focus on delivering the best possible outcomes for those we serve.

In October 2025 we will launch the Phoenix Project which will provide specialist supported accommodation for prison leavers with complex mental health needs, helping them reintegrate into the local community and reduce reoffending.

Acknowledgements
Our progress this year would not have been possible without:

- Our Board of Trustees, for their guidance and governance.
- Our exceptional staff, for their dedication, creativity, and resilience.
- Our service users, whose courage and contributions inspire us daily.

Servol faces the future with optimism, determination, and the belief that together we can continue to build lives of hope, dignity, and opportunity.



Philip Gayle
Chief Executive

REPORT OF THE TRUSTEES

The Trustees submit their strategic report and financial statements of Servol Community Services for the year ended 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The group comprises the parent company, Servol Community Services (the company), and its subsidiary undertaking Servol Trading Limited.

Strategic direction & Business Plan Review

At our Annual Trustees' Board Away Day, the Trustees of Servol Community Services undertook a comprehensive review of the organisation's Strategic Business Plan. This review provided the opportunity to assess progress against our objectives, evaluate the impact of our services, and ensure our strategy remains aligned with the needs of our service users and the changing external environment. Further iterations of the plan will be made to reflect the current financial climate in which we operate, ensuring that Servol remains resilient, responsive, and able to seize opportunities for growth and innovation.

Servol's Strategic Business Plan sets out our organisational direction through 2024/25. It identifies the priority areas where Servol can make the most significant and lasting difference in the lives of vulnerable mental health service users and those who face disadvantage. The plan also outlines how we will continue to strengthen our internal capabilities, develop our workforce, and build the resources required to sustain and expand our services.

Our strategic objectives were established at the outset of the plan, each designed to maximise our impact, strengthen organisational resilience, and deliver measurable outcomes for those we support. Throughout the year, we have measured our performance against these objectives, using the results to inform service improvements, investment decisions, and our future direction.

Delivering Safe, Fulfilling, and Independent Lives

We are committed to enabling more adults to lead safe, fulfilling lives by delivering high-quality, evidence-based support services that promote wellbeing, recovery, and independence. Success will be measured by the positive outcomes achieved for every person we support.

Our approach is underpinned by the Outcome Star recovery model, embedded across all services, alongside a culture of continuous improvement in care and support.

Our continuous improvement programme for Adult Services will focus on:

Recovery

- Deliver recovery-focused services that put each individual's journey at the centre of all decisions.
- Support service users to live in the least restrictive environment possible.
- Promote maximum independence, autonomy, and self-determination.

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Recruitment and Retention

- Attract and retain staff who embrace our values and are motivated to deliver excellence.
- Actively respond to staff feedback to improve working conditions.
- Invest in training, supervision, and career development opportunities.
- Enhance pay and introduce reward schemes to recognise excellence and commitment.

Service User Involvement

- Deepen engagement with our "experts by experience" to ensure their priorities are heard and acted upon.
- Give service users a central role in service redesign and improvement initiatives.

Service User Satisfaction

- Strengthen the way we gather and respond to feedback.
- Ensure service users' voices actively shape the future of our services.

Quality

- Adopt proven quality improvement methods across all services.
- Review and refine internal audit processes to focus on quality-driven outcomes.
- Achieve and maintain a Care Quality Commission (CQC) Good rating or higher across all regulated services.
- Ensure consistent quality standards in all non-CQC regulated services.

Innovation

- Work with partners to review and redesign services where needed to enhance our offer.
- Prepare proactively for the next mental health contract cycle (anticipated in 2026/27).
- Maximise regional partnerships to expand and diversify services for people with Serious Mental Illness (SMI).

Digital Inclusion

- Ensure service users are supported to access and navigate the digital world.
- Provide tools, skills, and programmes to reduce digital poverty and exclusion.
- Help service users use technology to access benefits, utilities, and wider support networks.

The Focus of Our Work

At Servol, we believe that every individual regardless of their history or circumstances has the unquestionable right to safe, decent, and well-maintained accommodation, alongside the care and support essential for mental wellness. For those living with Serious Mental Illness (SMI), these are not luxuries; they are the foundation for recovery, dignity, and hope.

Our work is grounded in the voices of the people we serve. We know that the best way to improve and innovate is to listen deeply and respectfully to those who live the reality of mental health challenges every day. Their insight shapes our services, drives our decisions, and ensures our support remains relevant, compassionate, and life-changing.

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We also believe that exceptional care begins with exceptional people. That is why we invest in our staff, equipping them with the training, tools, and opportunities to grow. By nurturing our team, we ensure that the quality of our services remains consistently high and that every individual we support receives care that is not only professional but personal.

At our core, Servol's focus is simple but powerful: to deliver the highest standard of support and care to individuals with SMI, enabling them to live with dignity, independence, and the belief that their future is worth fighting for.

Our Two Main Goals

Servol exists to achieve two clear and unwavering goals:

- First, to empower adults with serious mental illness and complex needs to live as independently, confidently, and fully as possible.
- Second, to deliver services of the highest quality and set the standard as a leader in mental health care and support.

Public Benefit

In setting Servol's plans and priorities, the Trustees have been guided by the Charity Commission's principles on delivering public benefit. Every planned activity is carefully assessed against our strategic objectives to ensure it directly advances our charitable purpose.

Our core mission is to promote the safety, support, and care of individuals living with mental ill health, particularly those with Serious Mental Illness (SMI) and complex needs. We believe that by delivering high-quality, person-centred services, we not only meet immediate needs but also empower our service users to rebuild their lives, restore dignity, and achieve greater independence.

Servol's work benefits both the individuals we serve and the wider community. By supporting some of the most vulnerable members of society to stabilise, recover, and thrive, we help unlock their potential to contribute positively to society while also reducing the social and economic impact of untreated mental ill health.

Our commitment is clear: to create pathways of opportunity, hope, and inclusion ensuring every person we support is given the chance to live a life of purpose and possibility.

Financial Stability and Sustainable Growth

We are committed to safeguarding Servol's future by managing our resources with precision, discipline, and foresight. Every pound we receive is an opportunity to extend our impact, and we are determined to maximise its value through robust governance, efficient operations, and strategic investment.

Our approach will be built on:

- **Strong Foundations** – Maintaining rigorous internal systems and processes that provide the platform for delivering consistently high-quality services while ensuring long-term financial stability and sustainable growth.

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- **Efficiency Through Technology** – Automating key processes and harnessing digital transformation to streamline operations, reduce manual workloads, and free resources to focus where they are most needed.

- **Smarter Spending** – Embedding a culture of cost awareness and value for money across the organisation, ensuring every decision delivers measurable benefit. Cost savings will be reinvested directly into initiatives that increase our reach and improve our impact.

- **Environmental Responsibility** – Integrating environmentally sustainable practices into all aspects of our operations, reducing CO_2 emissions and contributing to the wellbeing of the communities we serve.

Through this disciplined and forward-looking approach, we will ensure Servol remains financially strong, operationally agile, and fully equipped to meet both the challenges and opportunities ahead.

Financial review
During 2024-25 Servol has been able to secure new income to support its charitable activities and deliver its objectives in accordance with its strategic business plan. The current public sector funding environment remains challenging and contingency plans are in place to minimise the effect on our charitable activities should our income be adversely affected.

The financial statements show total incoming resources of £3.7m (2024: £3.3m). The principal source of Servol's income is mainly in the form of accommodation fees and care and 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 for by local and health authorities mainly in London and Birmingham, as well as local authorities in Sutton, Derby and East Sussex. Staff costs are the largest resource and such expenditure for the organisation averages 60% - 70% of total expenditure annually.

During the year, operational income increased by £314k over the financial year ended March 2025. Total operational expenditure also increased significantly by £208k. Net income before gains on investment was £30k for the year (2024: net expenditure of £26k. During the year £59k of leasehold improvements were written down due to early termination of a lease by the landlord. Total group funds carried forward were therefore £635k (2024: £605k).

Servol's major financial risks continue to come from running services with the possibility of high voids, arrears and the high usage of agency staff.

Reserves and Risk Management Strategy

The Reserves Policy undergoes a thorough review each year. The Trustees are committed to ensuring that Servol maintains a financial reserve robust enough to sustain effective operations, particularly considering the prevailing practice whereby contracting bodies release payments retrospectively, most often on a quarterly basis. This safeguard is

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designed to enable Servol to continue delivering its services even in the face of significant challenges, providing vital breathing space to adapt strategies in response to shifting circumstances.

The Trustees recognise the importance of careful stewardship, ensuring reserves are neither excessive nor idle. Each year, the adequacy of the reserve is evaluated against anticipated income levels. Should the reserve surpass the agreed threshold, the surplus will be channelled directly into advancing the charity's objectives. Conversely, if reserves fall below the level required to cover operational costs, urgent steps and an action plan will be taken to the finance subcommittee for approval and support to stem further depletion and rebuild the fund without delay.

Servol operates in an environment where both financial and operational risks are ever-present. The Trustees actively assess these potential threats and maintain systems designed to mitigate them effectively. The most pressing financial vulnerabilities stem from operating services with high vacancy rates and sustaining long-term contracts that require renegotiation and renewed dialogue. As noted in our previous report, where 'new' regulatory requirements are introduced to enhance service standards without the provision of additional funding, the strain on resources is significant. Nonetheless, Servol's existing control measures have improved significantly and are now strong and provide the Board with a reliable, though not absolute, level of assurance against material misstatement or loss. When emerging risks are identified, Servol remains ready to strengthen its safeguards by implementing further systems and procedures as necessary.

Unrestricted undesignated reserves
Unrestricted undesignated or '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, these reserves should be held for not less than 3 months and not more than 6 months' expenditure.

At the balance sheet date, the group's 'free' reserves amounted to £192k (2024: £107k), equivalent to less than one month of unrestricted expenditure. These reserves are therefore still below the reserves policy minimum level. The Trustees continue to follow a strategic plan, which amongst other things, seeks to diversify income streams and rebuild 'free' reserves.

Risk Management and Internal Controls

Overview
Over the past year, Servol Community Services has continued to apply its comprehensive risk management framework and register. This structured framework clearly delineates the roles and responsibilities for risk oversight across the organisation, while establishing a systematic methodology for the identification, assessment, mitigation, monitoring, and review of risks. Furthermore, it promotes a culture of continuous learning, ensuring that insights gained from risk management activities are embedded into organisational practice.

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Governance and Oversight

The Board of Trustees retains ultimate responsibility for the management and control of risks across Servol. While overall accountability rests with the Board, specific elements of the risk management process are delegated to the Finance Committee, the Quality and Safety Committee, the senior leadership team, operational managers, and other key colleagues who are in attendance at the committee meetings.

These two groups work in close collaboration to maintain the integrity and effectiveness of the corporate risk register, which serves as the central tool for identifying and tracking organisational risks. The register is formally reviewed at meetings of both the Finance and the Quality & Safety Committees, where key risks are examined in detail and appropriate actions are discussed. Recommendations and findings from these committees are subsequently presented to the Board, ensuring informed oversight and robust decision-making

The following risks have been identified as the most significant the organisation faces:

Risk	Actions taken to address the risk
Recruitment and retention We recognise that if we fail to have the competitive salary and benefits package, together with the right culture, we may be unable to deliver services in a challenging recruitment market.	We moved closer to becoming a London Living Wage employer; for the first time this was achieved for staff working at the Sutton scheme in Surrey. We have developed pay bands and are working on developing a job evaluation framework, making Servol more competitive with salaries.
Financial Sustainability We recognise that if we fail to cultivate a diverse portfolio of income streams, supported by robust capital reserves, we cannot deliver long-term financial stability. Our current phase of strategic growth is designed not only to strengthen Servol's financial position, but to embed the resilience needed to sustain and expand our impact well into the future.	Our support contracts remain under significant financial pressure, as revenue growth continues to lag behind the escalating costs driven by increases in the Living Wage and inflation. In response, we have intensified our efforts on rigorous cost control, implementing robust housing management practices to minimise void periods, and strengthening arrears recovery processes to safeguard income.
Health and Safety We acknowledge that deficiencies in health and safety systems, processes, policies, or staff awareness can significantly increase the risk of serious incidents, accidents, and work-related illnesses.	We commissioned an independent review of our health and safety at our properties, providing valuable insights that have enabled us to accelerate the completion of our Fire Risk Assessments. In addition, we have enhanced the capability of our support staff through targeted training, equipping them with greater knowledge and awareness of health and safety requirements to strengthen compliance and reduce risk across the organisation.

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Risk	Actions taken to address the risk
IT Security We recognise that inadequate IT infrastructure increases vulnerability to cyberattacks, fraud, hacking, and system failures, any of which could compromise operational continuity.	We have achieved a "Standards Met" rating in our Data Security and Protection Toolkit assessment and have recently secured Cyber Essentials accreditation. Mobile phones and computers have been upgraded to strengthen security and performance.

The Trustees have undertaken a review of Servol's Organisation's internal control framework, assessing the effectiveness of existing measures and weighing the cost of maintaining specific controls against the benefits they deliver. These systems are structured to provide reasonable, though not absolute, assurance against material misstatement or loss. Key elements include:

- A strategic plan and annual budget formally approved by the Trustees.
- Regular monitoring by the Trustees of financial performance, budget variances, and non-financial performance indicators.
- Clear delegation of day-to-day management authority, supported by appropriate segregation of duties.

Legal and Organisational Structure

Servol Community Services exists to deliver high quality mental health care and support, improving lives and building stronger communities. Our work is underpinned by a clear legal and governance framework that ensures transparency, accountability, and alignment with our charitable purpose.

Servol is registered as a charitable company limited by guarantee. It operates in accordance with its Articles of Association and is guided by the objectives and powers set out in its Memorandum of Association. In keeping with this structure, the liability of each member who also serves as a Trustee is strictly limited to £1. This framework safeguards the organisation while ensuring all resources are directed towards our mission.

To further support our charitable objectives, Servol owns and operates Servol Trading Limited, a wholly owned subsidiary. This entity generates income, which is reinvested into the charity's work, helping us to extend our reach, enhance service quality, and remain financially resilient. This structure ensures that Servol remains both mission-driven and well-governed, enabling us to focus on what matters most: delivering exceptional support to those who need it most, now and in the future.

Employees

Servol is committed to creating an outstanding workplace where employees feel valued, supported, and empowered to grow both professionally and personally. We actively provide opportunities for learning and development, ensuring our people have the tools and knowledge to excel in their roles. Employees are engaged in shaping our corporate

REPORT OF THE TRUSTEES

strategies and objectives, fostering a sense of shared ownership and purpose. We also maintain a continuous focus on evaluating how effectively we manage, support, and involve our workforce, ensuring their voices remain central to our organisational progress.

Engagement with employees
Over the past 12 months, Servol has strengthened its commitment to valuing colleagues and embedding our core values within our organisational culture. We have worked to ensure our people remain well-informed about developments across the organisation and that their perspectives are meaningfully considered in decision-making processes. Our employee awards programme continued to celebrate individuals whose contributions exemplify our values in action. The results of our annual staff survey provided valuable insight, enabling us to recognise and celebrate areas of significant progress while also identifying opportunities for further improvement. This ongoing dialogue between leadership and staff has not only enhanced transparency but has also deepened engagement and a shared sense of purpose.

Pensions
As a responsible employer, Servol is committed to supporting the long-term financial security of our colleagues. We continue to operate a workplace pension scheme through NEST Pension, ensuring all eligible employees have access to a reliable and regulated means of saving for their future.

Leadership and Management
Strong leadership and effective governance are the foundation of Servol's success. At the strategic helm, our Board of Trustees brings vision, accountability, and a deep commitment to our mission. Guided by the Chair, and comprising a further seven Trustees with expertise in finance, academia, housing, and governance and offender management, the Board's diverse mix of backgrounds and perspectives ensures decisions are grounded in both professional insight and the lived realities of the communities we serve. Their collective leadership has driven year-on-year growth, secured financial stability, met cost improvement targets, and consistently enhanced the quality of our services.

While the Board sets the strategic direction, operational excellence is delivered by our Senior Management Team. This results-driven group is made up of the Chief Executive Officer, Director of Services, Head of Operations and Head of Finance and Corporate Services, transforms strategy into day-to-day impact. Bringing together deep sector expertise, operational know-how, and a shared passion for making a difference, they lead with clarity, agility, and purpose. Remuneration for this team is reviewed annually and benchmarked against comparable charities in the West Midlands, ensuring fairness, competitiveness, and alignment with the exceptional responsibilities they shoulder.

A key fixture in our governance calendar is the annual Board Awayday—a dedicated forum for in-depth reflection, innovation, and forward planning. In 2024/25, the session focused on refining the 2025/26 strategic business plan considering emerging challenges, such as the continued limited finances when it comes to uplifts in contracts. The Awayday enabled the Board to set bold priorities: expanding and enhancing services, diversifying into new areas of work, increasing housing stock to support growth, and generating more unrestricted income. Together, the Board of Trustees and Senior Management Team form

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a leadership partnership that is both visionary and hands on ensuring Servol remains resilient, forward-looking, and committed to making a lasting impact on the lives of those we serve.

Trustees

The directors of the company, for the purposes of company law, are also the Trustees and they oversee and direct strategy. The following Trustees served during the year:

Trustee	Role	Subcommittee
G Branch	Board Chair	
L Found		Quality and Safety Committee
A Grant		Quality and Safety Committee
A Howell		Quality and Safety Committee
K Jackson	Subcommittee Chair	Quality and Safety Committee
R Smith	Subcommittee Chair	Finance Committee
V Taylor		Finance Committee
R Zitola		Finance Committee

Statement of Trustees' Responsibilities

The Trustees, who also act as the charity's directors under company law, are responsible for preparing the Trustees' Report and financial statements each year in line with UK law and accounting standards. They must ensure these statements give a true and fair view of Servol's finances—showing its income, how resources have been used, and its overall financial position.

To meet this duty, the Trustees:

- Choose suitable accounting policies and apply them consistently.
- Follow the Charities SORP and UK accounting standards.
- Make careful and reasonable judgements and estimates.
- Prepare the statements on a "going concern" basis unless they believe Servol cannot continue operating.

They are also responsible for keeping accurate financial records, safeguarding the charity's assets, and taking reasonable steps to prevent and detect fraud or other irregularities.

Disclosure of information to auditor

At the time of approving this report, each Trustee has confirmed that, to the best of their knowledge, all relevant audit information has been shared with the charity's auditor. They have also confirmed that they have taken all reasonable steps to identify such information and to ensure the auditor is fully informed.

Auditors

A resolution to reappoint HB&O Ltd as the Company's external auditor will be proposed at the forthcoming Annual General Meeting.

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Funds held as custodian

At 31 March 2025 Servol held funds totalling £120,643 on behalf of service users. The transactions and assets associated with residents' funds are accounted for separately and are not included within the financial statements of Servol. Residents' funds are held in separate bank accounts and specific controls are in place to safeguard these funds.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that Servol has adequate resources to continue in operational existence for the foreseeable future. It therefore continues to adopt the going concern basis in preparing the financial statements.

Appreciation & Thanks

We extend our heartfelt thanks to all who have stood alongside Servol, year after year, in support of our mission. To our stakeholders, your encouragement and commitment have been instrumental in enabling us to deliver life-changing support to those who need it most. To our funders, we are deeply grateful for your belief in our work and your investment in the vital services we provide. Your trust empowers us to continue making a difference.

We also wish to acknowledge the dedication of the Mental Health Teams in Birmingham and London, whose close partnership with our staff helps us to provide the highest quality of care to our service users and communities. It is through this shared commitment that we are able to achieve so much together.

As we look ahead to 2025/26, we do so with gratitude, optimism, and the confidence that, with your continued support, we will build an even stronger future for the people we serve.

Approved by order of the Board of Trustees on 25th September and signed on its behalf by:

Philip Gayle
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

Opinion

We have audited the financial statements of Servol Community Services (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, 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 group's and parent charitable company's affairs as at 31 March 2025 and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group and parent 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.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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:

The audit process includes an assessment of the group and parent charitable company's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the group and charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities 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: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/.

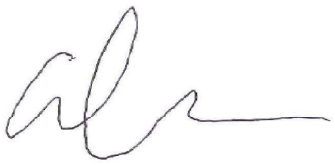
This description forms part of our auditor's report.

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 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gregg Olner MPhil BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of HB&O Ltd
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

Date: 25 September 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Income and endowments from:						
Donations and grants		109	-	27,794	27,903	-
Charitable activities		3,559,859	-	64,001	3,623,860	3,309,361
Investment income		13,970	-	-	13,970	25,336
	5	**3,573,938**	**-**	**91,795**	**3,665,733**	**3,334,697**
Expenditure on:						
Charitable activities	**6**	3,468,830	8,108	91,795	3,568,733	3,360,486
Other expenditure		-	66,952	-	66,952	-
		3,468,830	**75,060**	**91,795**	**3,635,685**	**3,360,486**
Net gains on investments		-	-	-	-	158,810
Net income/(expenditure)	**8**	**105,108**	**(75,060)**	**-**	**30,048**	**133,021**
Transfers between funds	**19**	(20,380)	20,380	-	-	-
Net movement in funds		**84,728**	**(54,680)**	**-**	**30,048**	**133,021**
Reconciliation of funds						
Total funds brought forward		106,782	497,847	-	604,629	471,608
Total funds carried forward	**19**	**191,510**	**443,167**	**-**	**634,677**	**604,629**

Servol Community Services uses the exemption in s408 of the Companies Act 2006 from presenting a separate income and expenditure account for Servol Community Services as a separate entity. The net income for Servol Community Services alone for the year to 31 March 2025 was £114,244 (2024: net expenditure £9,168) and the total funds movement in the year was £114,244 (2024: negative £9,168).

The notes on pages 24 to 40 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

	Note	2025 £	2024 £
Fixed assets			
Investment property	**10**	415,663	395,000
Tangible fixed assets	**11**	27,504	102,847
		443,167	**497,847**
Current assets			
Debtors	**13**	557,953	461,978
Cash and cash equivalents		359,142	245,166
		917,095	**707,144**
Creditors: amounts falling due within one year	**14**	(716,418)	(581,195)
Net current assets		**200,677**	**125,949**
Total assets less current liabilities		**643,844**	**623,796**
Creditors: amounts falling due after more than one year	**15**	(9,167)	(19,167)
Total net assets		**634,677**	**604,629**
Funds			
Unrestricted funds		634,677	604,629
Restricted funds		-	-
Total funds	**19**	**634,677**	**604,629**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25th September 2025 and were signed on its behalf by:

Chair of Trustees
George Branch

CHARITABLE COMPANY BALANCE SHEET

	Note	2025 £	2024 £
Fixed assets			
Investment property	**10**	415,663	395,000
Tangible fixed assets	**11**	27,504	102,847
Investment in subsidiaries	**12**	7	7
		443,174	**497,854**
Current assets			
Debtors	**13**	604,936	346,373
Cash and cash equivalents		147,823	245,166
		752,759	**591,539**
Creditors: amounts falling due within one year	**14**	(610,082)	(607,786)
Net current assets/(liabilities)		**142,677**	**(16,247)**
Total assets less current liabilities		**585,851**	**481,607**
Creditors: amounts falling due after more than one year	**15**	(9,167)	(19,167)
Total net assets		**576,684**	**462,440**
Funds			
Unrestricted reserves		576,684	462,440
Restricted reserves		-	-
Total funds	**19**	**576,684**	**462,440**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25th September 2025 and were signed on its behalf by:

Chair of Trustees
George Branch

CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/ (used in) operating activities	**20**	**139,178**	**(7,068)**
Cash flow from investing activities			
Purchase of tangible fixed assets		(8,509)	(3,431)
Purchase of investment property		(20,663)	(53,280)
Interest and rent from investments		13,970	25,336
Net cash used in investing activities		**(15,202)**	**(31,375)**
Cash flow from financing activities			
Loan repayments in year		(10,000)	(7,872)
Net cash used in financing activities		**(10,000)**	**(7,872)**
Change in cash and cash equivalents in the reporting period		**113,976**	**(46,315)**
Cash and cash equivalents at the beginning of the reporting period		245,166	291,481
Cash and cash equivalents at the end of the reporting period	**20**	**359,142**	**245,166**

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

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 registered office is 51 Pinfold Street, Birmingham, England, B2 4AY and its principal place of business is 18 Bennetts Hill, Birmingham, England, B2 5QJ.

2. Accounting policies

Basis of accounting

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.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist, a view that has in part been informed by the additional work generated since the year end, in line with the charity's strategic plan. 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.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Servol Trading Limited for the year ended 31 March 2025.

Income

All income is recognised, net of value added tax, 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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

Investments

Fixed asset investments are stated at cost, less impairment.

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.

NOTES TO THE FINANCIAL STATEMENTS

Fund accounting

General funds can be used in accordance with the charitable objectives 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.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Pensions

The group and charitable company operate a defined contribution pension scheme. Contributions payable to the group's and charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

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 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.

Financial instruments

The group and charitable company only have 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.

Operating leases

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.

NOTES TO THE FINANCIAL STATEMENTS

Rentals payable on operating leases are charged on a straight-line basis over the lease term.

Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 group and charitable company make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and judgements 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:

Investment property

The financial statements include an investment property held at valuation, which is a significant estimate. In order to arrive at a reliable estimate, the trustees may make use of professional valuers. However, significant changes to the assumptions underlying the valuer's or the trustees' calculations, or significant changes in market conditions could result in significant changes to the carrying value of investment property over the next financial year.

Depreciation

Depreciation is charged against assets so as to write them down to their residual value at the end of their useful lives. At each reporting date the group and 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 group and charitable company provides against doubtful debts based on the ageing and nature of the debts and the risk profile of those debts. This is a change from last year where the provision was calculated on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

4. Comparatives for the consolidated statement of financial activities

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2024 Total funds £
Income and endowments from:					
Donations		-	-	-	-
Charitable activities		2,587,039	-	31,107	2,618,146
Investment income		25,336	-	-	25,336
		2,612,375	**-**	**31,107**	**2,734,234**
Expenditure on:					
Charitable activities		2,756,886	23,098	31,476	2,811,460
Other expenditure		-	-	-	-
		2,756,886	**23,098**	**31,476**	**2,811,460**
Net gains on investments		-	158,810	-	158,810
Net income/(expenditure)		**(144,511)**	**135,712**	**(369)**	**(9,168)**
Transfers between funds		(56,711)	56,711	-	-
Net movement in funds		**(201,222)**	**192,423**	**(369)**	**(9,168)**
Reconciliation of funds					
Total funds brought forward		165,815	305,424	369	471,608
Total funds carried forward		**106,782**	**497,847**	**-**	**604,629**

NOTES TO THE FINANCIAL STATEMENTS

5. Analysis of income

	Unrestricted funds £	Designated funds £	Restricted funds £	2025 Total funds £
Donations				
Gifts and donations	109	-	27,794	**27,903**
	109	**-**	**27,794**	**27,903**
Charitable activities				
Community and residential care:				
– Local Authorities	2,137,865	-	-	2,137,865
- CCG/ICB	1,288,604	-	64,001	1,352,605
- Other	133,390	-	-	133,390
	3,559,859	**-**	**64,001**	**3,623,860**
Investment income				
Bank interest	1,989	-	-	1,989
Investment property rent	11,981	-	-	11,981
	13,970	**-**	-	**13,970**
Total income	**3,573,938**	**-**	**91,795**	**3,665,733**

	Unrestricted funds £	Designated funds £	Restricted funds £	2024 Total funds £
Donations				
Gifts and donations	-	-	-	-
	-	-	-	-
Charitable Activities				
Community and residential care:				
– Local Authorities	2,727,434	-	-	2,727,434
- CCG/ICB	550,645	-	-	550,645
- Grants	175	-	31,107	31,282
	3,278,254	**-**	**31,107**	**3,309,361**
Investment Income				
Bank interest	1,676	-	-	1,676
Investment property rent	13,052	-	-	13,052
Other	10,608	-	-	10,608
	25,336	**-**	**-**	**25,336**
Total income	**3,303,590**	**-**	**31,107**	**3,334,697**

NOTES TO THE FINANCIAL STATEMENTS

6. Expenditure on charitable activities

	Direct costs	Support costs	2025
	£	£	£
Community and residential care	3,430,994	204,691	3,635,685
	3,430,994	**204,691**	**3,635,685**

	Direct costs	Support costs	2024
	£	£	£
Community and residential care	3,243,721	116,765	3,360,486
	3,243,721	**116,765**	**3,360,486**

7. Support costs

	Community and residential care	2025
	£	£
Management	173,420	173,420
Governance	31,271	31,271
	204,691	**204,691**

	Community and residential care	2024
	£	£
Management	103,497	103,497
Governance	13,268	13,268
	116,765	**116,765**

NOTES TO THE FINANCIAL STATEMENTS

8. Net income

Net income is stated after charging:

	Group and Charitable Company	
	2025	2024
	£	£
Depreciation of tangible fixed assets	75,060	23,098
Operating lease rentals		
- land and buildings	107,553	95,493
- vehicles and other equipment	1,670	-
Auditors' remuneration		
- audit fee	10,000	9,000
- tax administration	3,000	-
- other services	1,500	-

9. Employees and Trustees

Average monthly number of employees during the year:

	Group and Charitable Company	
	2025	2024
	No.	No.
Care and support	82	88
Administration	7	8
	89	96

Employee costs

	Group and Charitable Company	
	2025	2024
	£	£
Wages and salaries	2,156,924	2,112,843
Social security costs	189,880	173,293
Pension costs	45,015	39,621
	2,391,819	**2,325,757**

NOTES TO THE FINANCIAL STATEMENTS

Senior management team

The full-time equivalent number of staff who received remuneration (excluding employer pension contributions) of £60,000 or more (excluding company directors and including the senior management team) was as follows:

	2025 No.	2024 No.
£60,000 to £70,000	-	-

The aggregate remuneration of the Senior Management Team, including pension contributions, amounted to £276,367 (2024: £302,846).

During the year, in accordance with the provisions of the Charity's articles of association, five (2024: five) of the Trustees received remuneration for their services to the organisation and attendance at board meetings. One Trustee (2024: one) was reimbursed office expenses during the year totalling £233 (2024: £161).

Name	Remuneration type	2025 £	2024 £
G Branch	Board remuneration	4,375	3,500
V Taylor	Board remuneration	2,500	2,500
A Grant	Board remuneration	2,500	2,500
K Jackson	Board remuneration	2,500	2,500
A Howell	Board remuneration	2,500	1,250
		14,375	**12,250**

10. Investment property

Group and charitable company

	£
Fair value	
At 1 April 2024	395,000
Additions	20,663
At 31 March 2025	**415,663**

The property was valued by the Board of Trustees on 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

11. Tangible fixed assets

Group and charitable company

	Fixtures and fittings	Computer systems and equipment	Leasehold buildings	Total
	£	£	£	£
Cost				
At 1 April 2024	55,975	82,872	196,783	335,630
Additions	-	5,769	2,740	8,509
Disposals	(8,792)	-	(199,523)	(208,315)
At 31 March 2025	**47,183**	**88,641**	**-**	**135,824**
Depreciation				
At 1 April 2024	19,061	81,151	132,571	232,783
Charged in year	4,365	3,743	66,952	75,060
Disposals	-	-	(199,523)	(199,523)
At 31 March 2025	**23,426**	**84,894**	**-**	**108,320**
Net book value				
At 31 March 2025	**23,757**	**3,747**	**-**	**27,504**
At 31 March 2024	36,914	1,721	64,212	102,847

12. Investments in subsidiaries

Charitable company

	2025	2024
	£	£
Cost and net book value	**7**	**7**

At 31 March 2025 the Charity held more than 20% of the allotted share capital of the following undertaking:

	Country of incorporation	Class of share capital	Proportion owned	Nature of business
Servol Trading Limited	UK	Ordinary	100%	Residential care services

Servol Trading Limited's registered company number is 14287388. For the period to 31 March 2025 it had gross income of £713,019 (2024: £691,215), expenditure of £657,215 (2024: £549,027) and profit of £55,804 (2024: £142,188). At 31 March 2025 the company had assets

NOTES TO THE FINANCIAL STATEMENTS

of £236,165 (2024: £242,250), liabilities of £178,166 (2024: £100,055) and capital and reserves of £57,999 (2024: £142,195).

13. Debtors

	Group		Charitable Company	
	2025	2024	2025	2024
	£	£	£	£
Due within one year				
Trade debtors	479,729	486,205	454,881	370,600
Less: Provision for bad and doubtful debts	(36,456)	(80,744)	(36,456)	(80,744)
Amount due from subsidiary undertaking	-	-	71,831	-
Other debtors	-	20,450	-	20,450
Prepayments and accrued income	114,680	36,067	114,680	36,067
	557,953	**461,978**	**604,936**	**346,373**

14. Creditors: amounts falling due within one year

	Group		Charitable Company	
	2025	2024	2025	2024
	£	£	£	£
Debt (note 17)	10,000	10,000	10,000	10,000
Trade creditors	109,718	148,830	100,830	148,830
Amount due to subsidiary undertaking	-	-	-	126,645
Corporation tax	513	513	-	-
Other taxation and social security	148,188	148,635	51,253	49,094
Other creditors	74,826	57,646	74,826	57,646
Accruals and deferred income	373,173	215,571	373,173	215,571
	716,418	**581,195**	**610,082**	**607,786**

15. Creditors: amounts falling due after more than one year

	Group		Charitable Company	
	2025	2024	2025	2024
	£	£	£	£
Debt (note 17)	9,167	19,167	9,167	19,167
	9,167	**19,167**	**9,167**	**19,167**

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred income

	2025	2024
	£	£
At 1 April	93,997	88,207
Resources deferred during the year	263,442	93,997
Released to income during the year	(93,997)	(88,207)
At 31 March	**263,442**	**93,997**

Deferred income represents service user income billed in advance.

17. Debt analysis

Borrowings

	Group and Charitable Company	
	2025	2024
	£	£
Due within one year		
Bank loans	10,000	10,000
Due between one and two years		
Bank Loans	9,167	10,000
Due between two and five years		
Bank Loans	-	9,167
Total borrowings	**19,167**	**29,167**

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.

18. Pensions

The group and charitable company operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and charitable company in an independently administered fund. The pension cost charge represents contributions payable by the group and charitable company to the fund and amounted to £45,015 (2024: £39,621). Contributions totalling £20,751 (2024: £8,878) were payable to the fund at the balance sheet date and are included in creditors

NOTES TO THE FINANCIAL STATEMENTS

19. Movement in funds

Group

	At 1 April 2024	Income	Expenditure	Transfers	Gains/ (losses)	At 31 March 2025
	£	£	£	£	£	£
Unrestricted funds						
General fund	106,782	3,573,938	(3,468,830)	(20,380)	-	191,510
Designated fund	497,847	-	(75,060)	20,380	-	443,167
	604,629	**3,573,938**	**(3,543,890)**	**-**	**-**	**634,677**
Restricted funds						
Project funds	-	91,795	(91,795)	-	-	-
	-	**91,795**	**(91,795)**	**-**	**-**	**-**
Total funds	**604,629**	**3,665,733**	**(3,635,685)**	**-**	**-**	**634,677**

The purpose of the designated fund is to reflect the value of fixed assets at the balance sheet date which represents reserves which are not cash backed.

	At 1 April 2023	Income	Expenditure	Transfers	Gains/ (losses)	At 31 March 2024
	£	£	£	£	£	£
Unrestricted funds						
General fund	165,815	3,303,590	(3,305,912)	(56,711)	-	106,782
Designated fund	305,424	-	(23,098)	56,711	158,810	497,847
	471,239	**3,303,590**	**(3,329,010)**	**-**	**158,810**	**604,629**
Restricted funds						
Project funds	369	31,107	(31,476)	-	-	-
	369	**31,107**	**(31,476)**	**-**	**-**	**-**
Total funds	**471,608**	**3,334,697**	**(3,360,486)**	**-**	**158,810**	**604,629**

NOTES TO THE FINANCIAL STATEMENTS

Analysis of assets and liabilities representing funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	27,504	-	27,504
Investments	415,663	-	415,663
Current assets	917,095	-	917,095
Liabilities	(725,585)	-	(725,585)
At 31 March 2025	**634,677**	**-**	**634,677**

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	102,847	-	102,847
Investments	395,000	-	395,000
Current assets	707,144	-	707,144
Liabilities	(600,362)	-	(600,362)
At 31 March 2024	**604,629**	**-**	**604,629**

Charitable company

	At 1 April 2024	Income	Expenditure	Transfers	Gains/ (losses)	At 31 March 2025
	£	£	£	£	£	£
Unrestricted funds						
General fund	(35,407)	3,507,172	(3,317,868)	(20,380)	-	133,517
Designated fund	497,847	-	(75,060)	20,380	-	443,167
	462,440	**3,507,172**	**(3,392,928)**	**-**	**-**	**576,684**
Restricted funds						
Project funds	-	91,795	(91,795)	-	-	-
	-	**91,795**	**(91,795)**	**-**	**-**	**-**
Total funds	**462,440**	**3,598,967**	**(3,484,723)**	**-**	**-**	**576,684**

The purpose of the designated fund is to reflect the value of fixed assets at the balance sheet date which represents reserves which are not cash backed.

NOTES TO THE FINANCIAL STATEMENTS

	At 1 April 2023	Income	Expenditure	Transfers	Gains/ (losses)	At 31 March 2024
	£	£	£	£	£	£
Unrestricted funds						
General fund	165,815	2,588,577	(2,733,088)	(56,711)	-	(35,407)
Designated fund	305,424	-	(23,098)	56,711	158,810	497,847
	471,239	**2,588,577**	**(2,756,186)**	**-**	**158,810**	**462,440**
Restricted funds						
Project funds	369	31,107	(31,476)	-	-	-
	369	**31,107**	**(31,476)**	**-**	**-**	**-**
Total funds	**471,608**	**2,619,684**	**(2,787,662)**	**-**	**158,810**	**462,440**

Analysis of assets and liabilities representing funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	27,504	-	27,504
Investments	415,670	-	415,670
Current assets	752,759	-	752,759
Liabilities	(619,249)	-	(619,249)
At 31 March 2025	**576,684**	**-**	**576,684**

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	102,847	-	102,847
Investments	395,007	-	395,007
Current assets	591,539	-	591,539
Liabilities	(626,953)	-	(626,953)
At 31 March 2024	**462,440**	**-**	**462,440**

NOTES TO THE FINANCIAL STATEMENTS

20. Cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period	**30,048**	**133,021**
Adjustments for:		
Depreciation of tangible fixed assets	75,060	23,098
Other adjustment to tangible fixed assets	8,792	-
Gains on investments	-	(158,810)
Interest and rent from investments	(13,970)	(25,336)
Increase in debtors	(95,975)	(163,294)
Increase in creditors	135,223	184,253
Net cash provided by/(used in) operations	**139,178**	**(7,068)**

Analysis of changes in net funds

	At 1 April 2024 £	Cash Flow £	Non cash changes £	At 31 March 2025 £
Cash and Cash Equivalents				
Cash at bank and in hand	245,166	113,976	-	359,142
	245,166	**113,976**	**-**	**359,142**
Borrowings				
Due within 1 year	(10,000)	10,000	(10,000)	(10,000)
Due after 1 year	(19,167)	-	10,000	(9,167)
	(29,167)	**10,000**	**-**	**(19,167)**
Net cash	**215,999**	**123,976**	**-**	**339,975**

NOTES TO THE FINANCIAL STATEMENTS

21. Operating lease commitments

The charitable company and group's future minimum operating lease payments are as follows:

	Group and Charitable Company			
	Buildings		Other	
	2025	2024	2025	2024
	£	£	£	£
Within one year	58,125	44,044	6,680	-
Between one and five years	79,301	137,426	11,691	-
	137,426	**181,470**	**18,371**	**-**

22. Related parties

P Gayle, CEO of the charity, is also Chair of Birmingham and Solihull Mental Health Foundation Trust (BSMHFT). As a charity, Servol Community Services in turn has a contract with BSMHFT.

BSMHFT work in partnership with The Integrated Care Board (ICB) as part of the Birmingham and Solihull Integrated Care System (ICS), which brings together the local NHS, councils and the voluntary, community and faith sector to achieve better outcomes for citizens across the area. Together, all of the ICS's partner organisations work in collaboration, building further on what has been achieved through integrated working so far.

The value of the contract to deliver services was £458,617 in 2025 (2024: £551,202).

Other than the transactions above and the trustee related transactions as shown in note 9, there were no other related party transactions for the year ended 31 March 2025.

Registered Office

51 Pinfold Street
Birmingham
B2 4AY

Auditors

HB&O Ltd
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

Bankers

Barclays Bank Plc
351-359 Soho Road
Birmingham
B21 9SE

Servol Community Services

England & Wales - Charity number 1125896

Accounts

REGISTERED COMPANY NUMBER: 03470752 (England and Wales)
REGISTERED CHARITY NUMBER: 1125896

REPORT OF THE TRUSTEES AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FOR

SERVOL COMMUNITY SERVICES

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

SERVOL COMMUNITY SERVICES

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for the year ended 31 March 2024

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SERVOL COMMUNITY SERVICES

REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 March 2024

TRUSTEES	G Branch (Chair) Ms L Found Ms A Grant A Howell K G M Jackson R Smith Ms V Taylor R Zitola
CEO AND COMPANY SECRETARY	P Gayle
REGISTERED OFFICE	51 Pinfold Street Birmingham B2 4AY
REGISTERED COMPANY NUMBER	03470752 (England and Wales)
REGISTERED CHARITY NUMBER	1125896
AUDITORS	Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditors Seven Stars House 1 Wheler Road Coventry CV3 4LB
BANKERS	Barclays Bank Plc 351-359 Soho Road Birmingham B21 9SE

REPORT OF THE TRUSTEES
for the year ended 31 March 2024

The Board of Trustees present their annual strategic report and audited financial statements for the year ended 31 March 2024.

Chair report

In the last year the charity has continued its path of imbedding systems and processes along with continued staff development. Servol Community Services is a vibrant organisation filled with passionate people who are agile and responsive. These attributes, alongside our values, are areas I know the whole organisation is committed to ensuring this continues to be at the heart of all of our work. We have experienced a productive year despite the ever-challenging economic climate and cuts to public expenditure. Overall, despite the continuing national uncertainty around funding affecting voluntary and community, faith and social enterprise sector (VCFSE), we remain in a good position continuing to provide essential services to service users with mental health conditions. Comparable to other third sector organisations, we too have been affected by cuts to Local Authority and NHS budgets. This specifically relates in real terms to receiving no uplift on our contracts reflecting the cost of living rises our sector have had to grapple with. Nevertheless, despite this, we are working towards our objectives as outlined in our strategic business plan and are expanding our service provision into 'new' areas of work which we look forward to reporting about in next year's annual trustees report. To ensure we are fit for purpose and best equipped to meet the needs of those experiencing mental ill health, the organisation is embarking on a programme of work which will focus our efforts in embedding more of the views and ideas of our service users to improve our service offer.

More impact, more visibility and more awareness raising around mental illness and the issues that affect all those who are connected to it, has taken place and raised the organisation's profile which has been positive. Our staff continue to adjust well to changes and are always striving to improve how we deliver services. Without their dedication to Servol, and willingness to adapt it could have hindered much needed progress going forward. I would like to take this opportunity to thank our staff, Board of trustees and everyone that has engaged with our organisation over the last year. You have worked with us, volunteered your time and energy and participated in our organised events. All your effort is hugely valued and appreciated, and we are incredibly grateful for it. Your commitment to our work allows us to continue to offer brilliant, bespoke person-centred support. Over the next year you should see and hear about the progress we have made.

CEO report

As mentioned by our Chair the cost-of-living crisis continued to bring into sharp focus the need to raise concerns with our commissioners regarding the lack of increase on our contracts in line with inflation. Although the concerns were raised the contract values remained the same and we recognise this was an issue for the sector. Yet, with no increase in our contract value, our Trustees approved a wage increase for this year for our frontline staff, recognising the financial difficulties and valuing their commitment to Servol and this decision was warmly received by staff.

This year we have been able to sustain and increase our income levels thanks to careful management of our expenditure, applying for grants resulting in a surplus for the group. This is significant and imperative to helping Servol continue delivering essential services, developing 'new' models of working and engage in collaboration work. At the heart of our mission is a steadfast commitment to co-producing activities with our service users. By working in genuine partnership, we ensure that their voices shape and drive everything we do. A shining example of this collaboration was the development of the Community Oasis Project, launched at two of our Birmingham-based services, Beech Tree House and Janet-Faye House. Thanks to a successful grant application, we have developed a therapeutic garden space designed to support the well-being of our service users. These gardens, co-created by our service users, represent a meaningful transformation. Not only are they places of healing and connection for our residents, but they are also accessible to the wider community, fostering inclusion and engagement at every level. Looking ahead, we are more determined than ever to deepen our focus on community impact. The year ahead will see us building on our successes, strengthening partnerships, and exploring new opportunities for growth and innovation. This progress would not have been possible without the enthusiasm, dedication, and creativity of our incredible staff. Their unwavering commitment to making a difference inspires us daily, and we are profoundly grateful for their contributions. As we move forward, our focus remains on diversifying income streams and generating vital funds. By doing so, we can expand our reach and amplify our impact for individuals with mental health conditions both now and for generations to come. Together, with optimism and determination, we look to the future with hope and confidence.

CEO report (continued)

We have maintained strong relationships, with Wandsworth and Richmond Local Authority Health and Social Care and we are now looking to widen our footprint in the London region to broaden our service offer. Servol's priority is to preserve our close working relationships with our partners in both London and Birmingham and it is our endeavour to foster relationships with commissioners in other areas across the country. Our residential service maintains its full occupancy levels but at times this does fluctuate. This year the organisation said goodbye to Kim Monero, London Regional Manager, and we wish her well. Following the London Regional Manager's departure a restructure of the management provision in London has taken place. Servol believes in our service users irrespective of who they are or their past mental health history. We also believe in those who are vulnerable and require our support to live independent lives and aspire to achieve the dreams they have for their lives. We will encourage our service users to maximise their potential and bring out the best in each person. Servol's vision is to *deliver quality services and to be a leader in the provision of mental health care support*. It is our belief that this vision statement says a great deal about our organisation and our aspirations. Our strategy is devised to strengthen our position as a provider of good quality service to our local population in Birmingham and London and surrounding areas. We will continue to achieve the best possible health outcomes for the service users we serve.

OBJECTIVES AND ACHIEVEMENTS

Servol's 2023-24 strategic business plan sets out our direction through to April 2024/25. The plan focuses on key strategic areas where Servol is able to make the greatest impact on the lives of vulnerable mental health service users and those disadvantaged and develop the services and resources within the organisation. Five key objectives were set, against which we have measured our performance. The objectives and results are as follows:

Safe, Good Standard of Care

We will provide a good standard and quality of care and support to our service users. Ensuring we provide a person-centred approach for our service users and keeping on top of all of our health and safety compliance and mitigating risks. Targets have been set for each service to ensure they focus attention on demonstrating evidence of improvement relevant to their particular service area.

Well Trained Staff

We will ensure our staff are well trained having every opportunity to develop their knowledge and expertise in the work they carry out. We are pleased to announce that 95% of our staff have embarked on continuous professional development and it is our endeavour to continue this year on year. We give staff the opportunity to be in control of their CPD thus allowing them to flourish and grow and remain with Servol.

High Standard of Accommodation

We will ensure our services are provided from buildings fit for purpose and at a high standard. This year we began our refurbishment programme across all of our accommodation services. We have upgraded 100% of our properties and we have a continued plan of refurbishment that is ongoing and this included the high maintenance of the gardens at each of our sites.

Effective, Engaged Organisation

To have an effective engaged organisation will reinforce all we are striving to achieve. We will develop our workforce, promote training and make best use of resources to drive improvements in all areas of the business. This is a continual progression to ensure all is engaged from our service users to the staff. We improved our uptake of staff surveys and have developed staff forums within the organisation. We have reviewed the stakeholder engagement policy to strengthen the work within this area. We again secured revalidation of our ISO 9001 certification.

Effective Use of Finances

We will ensure we utilise effective use of public funds and aim to expand our unrestricted funds. We set measures to ensure we deliver value for money. We have made significant progress in this area which has been demonstrated in the effective use of implanting our cost improvement plan and operating in a culture where we can show value for money in all of our services. We continue to find appropriate funding to support initiatives within the organisation with our managers submitting small applications of funding for small projects at our Birmingham units.

Plans for 2024-25
We continually review our business plan to ensure we represent the direction of travel for the organisation based on current funding and contract arrangements. The Board recognise that some additions will need to be made to the current plan to reflect where the organisation is and to include 'new' opportunities. There are already discussions in place with other 'new' services coming on Board and we are excited to be broadening our scope of work.

The priority remains to extend the reach of our work and to increase our unrestricted income and diversify in service provision. This has been reviewed at the Boards annual Away Day.

Public Benefit
In establishing plans and priorities for areas of work, the Trustees have followed guidance from the Charity Commission on the provision of public benefit. In particular, the Trustees consider how planned activities will contribute to meeting the objectives they have set. We have demonstrated how Servol delivers its principal charitable objective, to promote the safety and support and care of our service users. The Trustees consider that by providing services that support and empower those who have experienced mental ill health this will only improve the lives of those we serve. Servol assists some of the most vulnerable service users with mental ill health to reach their full potential to society, as well as to the benefit of the beneficiaries themselves.

Fundraising
Whilst the charity does try and secure additional funding through applications for grants and similar activities, these activities are currently considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Nevertheless, in order to demonstrate best practice, the charity registered with the Fundraising Regulator in 2021 and the trustees will keep the situation under review.

Financial review
Throughout 2023-24 and seeing ahead, Servol has positively secured new income to support its charitable activities and deliver its objectives in accordance with the business plan. The current public sector funding situation with regards reduced contract levels is expected to remain challenging for some time therefore, the Trustees have in place contingency arrangements to minimise the effect on our charitable activities should our income be adversely affected. The financial statements show total incoming resources of £3.3m (2023: £2.7m). 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 for by local and health authorities mainly in London and Birmingham, as well as local authorities in Derby, Shropshire and Coventry. Staff costs are by far the largest resource and such expenditure for the organisation averages 60% - 65% of total expenditure annually.

In the year ended 31st March 2024 there was an increase in operational income of £600k over the financial year ended March 2023. Total operational expenditure also increased significantly by £440k. Net operational deficit was £25,789 (2023: deficit £185,279). The charity had unrealised gains of £158,810, which led to net income of £133,021. Total group funds carried forward were therefore £604,629 (2023: £471,608). The performance in the year was, again, the result of very prudent management of ever limiting financial resources as Servol continues to face rising costs in salaries and wages, pensions, rental and other suppliers' costs. We have continued to receive more cost-efficient and cheaper alternatives, especially for utilities, by switching where necessary to suppliers who offer cheaper rates, although newer contracts were at higher rates than those of 5 years ago. Most of our utility contracts which were bound to 5-year agreements, have been renewed. We have already secured new agreements at preferred rates, which, while higher than our current rates, are guaranteed to not increase beyond the agreed new prices. Cost reviews are an ongoing process, and this will continue, as the need for constant savings remains. Servol's major financial risks continue to come from running services with the possibility of high voids and the high usage of agency staff.

Reserves and Risk Management Strategy

It is the Trustees' intention that Servol should hold a reserve sufficient to allow it to operate effectively for a period given the current practice of contracting bodies making payments in arrears (generally per quarter). 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 carefully monitored so that funds are not retained unnecessarily. 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 access will be applied to the organisation 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.

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 high voids and long-term contracts that are in need of renegotiating and further discussions. As stated in our previous report where 'new' regulations to improve standards are not supported by additional funding, the systems of control are now robust, and these now provide assurance to the board albeit not full assurance against material misstatement or loss. Servol intends where necessary to implement further systems and procedures when new risks are identified.

Unrestricted undesignated reserves

Unrestricted undesignated 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, these reserves should be held for not less than 3 months and not more than 6 months' expenditure.

At the balance sheet date the group's unrestricted undesignated reserves (which is the excess of unrestricted funds over net funds held as fixed assets) amounted to £106,782 (2023: £165,815), equivalent to less than one (2023: one) average month of unrestricted expenditure. These reserves are still below the reserves policy maximum levels, which is currently £1,630,000 (2023: £1,450,000) based on the average budgeted expenditure for six months.

As trustees, we have been developing a strategic plan, which amongst other things seeks to diversify income streams and rebuild unrestricted reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

Overview
Over the past year, Servol Community Services has continued to utilise its risk management framework register. This framework outlines the roles and responsibilities for risk management across the organisation and provides a clear methodology for identifying, managing, monitoring, and reviewing risks, as well as fostering learning through risk management activities.

Governance and Oversight
The Board of Trustees holds ultimate responsibility for managing and controlling risks within Servol. Certain aspects of the risk management process are delegated to the Finance Sub-Committee, the senior leadership team, the managers, and other colleagues.

These groups work collaboratively to ensure the effectiveness of our corporate risk register. Regular reviews and recommendations from these teams are presented to the Board for oversight and decision-making.

External Environmental Factors
While some external factors remain beyond our control, such as changes in government policies or economic conditions, their potential impact is actively monitored. This enables Servol to respond quickly and adaptively, mitigating risks and ensuring service continuity. Key external risks include:

- Government policy changes affecting the lives of individuals with disabilities.
- Market and economic shifts, including inflationary pressures on operating costs.
- Funding changes to Local Authority and NHS funding.

Principal Corporate Risks, Internal Control Risk Management and Mitigations
Servol's Board of Trustees have the responsibility for ensuring the organisation has in place the appropriate systems of financial and non-financial controls in order to provide sufficient assurance the charity is operating competently and effectively; its assets are safeguarded against unauthorised use or disposition; proper records are maintained; financial and operational information used within the charity or for publication is reliable and Servol complies with relevant laws and regulations. A formal risk management process (risk register) is in operation across the charity, where Trustees and senior managers jointly identify top-level business risks, their likelihood and impact and the consequent actions necessary to manage those risks. This procedure follows good practice approaches and guidance.

Strategic and Environmental Risks

1. **Failure to stay current with mental health legislation and societal change**
   - Development of detailed year plans and regular reviews.
   - Ongoing collaboration and development within senior leadership through facilitated sessions.
   - Strong stakeholder relationships to ensure alignment with societal needs.
   - Regular tracking and reporting of outcomes using consistent measures.
   - Continuous evaluation of activities against an established impact framework.

2. **Underutilisation of digital technologies to connect with audiences**
   - Recruitment of a specialist digital expert.
   - Support from external agencies to provide advanced platform and development expertise.

3. **Insufficient net income to meet obligations and deliver public benefit**
   - Detailed business plans and budgets, including strategic investments to diversify income streams.
   - Ongoing monitoring of income and expenses with proactive corrective measures.

Operational Risks

1. **Safeguarding failures**
   - Embedded safeguarding policies led by regional managers and overseen by the Board of Trustees.
   - Comprehensive incident reporting to regulators, including the Charity Commission.

2. **Ineffective governance and oversight structures**
   - Regular skills audits and succession planning to enhance governance effectiveness.
   - Ongoing monitoring against the Charity Governance Code.

3. **Challenges in attracting and retaining skilled colleagues**
   - Collaboration with specialist recruitment agencies and enhanced attraction processes.
   - Continuous updates to training programs and inclusivity measures.
   - Active use of engagement surveys to identify and address improvement areas.

4. **Cybersecurity incidents**
   - Robust information security frameworks, including GDPR training and strong IT security protocols.
   - Regular reassessment of technology infrastructure and testing of business continuity plans.
   - Cyber Essentials certification achieved to enhance data protection controls.

Financial Risk Management

Servol manages various financial risks, including credit, liquidity, and budget shortfalls, using multiple control mechanisms to ensure stability and resilience.

By employing this structured approach to risk management, Servol remains well-positioned to navigate challenges, safeguard its resources, and continue delivering impactful services to the community. The commitment to constant vigilance and proactive mitigation reinforces Servol's mission to support individuals with mental health conditions effectively and sustainably.

Partnership with other agencies

There are numerous agencies with which Servol maintains strong working relations for the benefit of our service users (who have or continue to experience periods of mental ill health) and the wider community in London and in Birmingham.

Equality Diversity Inclusion

Servol is committed to providing equality of opportunity for all of the service users, families, carers and staff and volunteers they work with. We value and respect their diversity. Servol welcomes difference in its staff. In accordance with its values, Servol is working to create equal access to opportunities for paid employment and voluntary involvement while continuing to base selection and promotion solely on the ability to meet the requirements of the role. This is irrespective of age, disability, gender race, religion and belief, sexual orientation, economic status or political values.

Funds held as custodian

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

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that Servol has adequate resources to continue in operational existence for the foreseeable future. It therefore continues to adopt the going concern basis in preparing the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Servol Community Services is registered as a charitable company limited by guarantee. The Memorandum of Association sets out the objects and powers of the charitable company which is governed under its Articles of Association.

Leadership and Management

Servol's Board of Trustees is a dedicated and skilled team committed to the charity's growth and mission. Their focus remains on strengthening resources and maximising the impact of services provided to the community. Over recent years, the Board has successfully guided the organisation to a positive financial position increasing its turnover each year, meeting cost improvement programme goals, while maintaining and enhancing service quality. The Board comprises of a Chair and seven Trustees with diverse expertise in finance, academia, housing, and governance. This collective knowledge, alongside the Board's gender and ethnic diversity, ensures alignment with the needs of the communities we serve. Strategic oversight rests with the Board, while the day-to-day operations are led by the Chief Executive Officer (CEO), who also acts as Company Secretary along with the Director of Services.

In 2023, the Board held an away day to review the strategic business plan for 2024–2025 in response to current challenges, including the financial pressures stemming from the post-COVID landscape. Key priorities include:

- Expanding and enhancing services, leveraging our strong local and regional reputation.
- Diversifying into new areas of work.
- Increasing housing stock to support service diversification.
- Generating more unrestricted income.

The Board remains steadfast in its commitment to driving positive change and ensuring Servol continues to make a meaningful impact in the lives of those we serve.

Recruitment, appointment and training of Trustees

In accordance with the constitution all Trustees who have exhausted their term of office will retire from their post. Recruitment of new members does take place through informal and formal means and has advertised vacancies through our company website and other local media mechanisms.

Promoting Success

The Trustees of Servol Community Services, as company directors, are required to adhere to the responsibilities outlined in Section 172 of the Companies Act 2006. This legislation mandates that directors act in a manner they, in good faith, believe will most likely promote the success of the organisation for the benefit of its members as a whole. In doing so, directors must consider several key factors, including:

- The long-term consequences of their decisions.
- The interests of the organisation's employees.
- The importance of fostering positive business relationships with suppliers, customers, and other stakeholders.
- The impact of the organisation's operations on the community and the environment.
- The value of maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the organisation.

As part of their induction, Trustees receive comprehensive briefings on these duties and have access to professional advice, either through the Company Secretary or independently, as needed. Trustees fulfil their responsibilities through a robust governance framework, ensuring accountability and strategic oversight. While strategic direction and governance remain their primary focus, operational responsibilities are delegated to the executive leadership team and Board committees in line with established terms of reference. This approach ensures the organisation remains well-managed, ethically governed, and aligned with its mission to serve the community.

Key management personnel remuneration
The Trustees consider the Senior Management Team, who are comprised of: the Trustees, CEO, the Head of Services, the Regional Operations Manager, the London Regional Operations Manager, the Finance and Business Manager and the HR manager as being the key management personnel of Servol, who are 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 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.

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.

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.

Acknowledgements
Servol would like to take this opportunity to thank all of our stakeholders for continuing over the years to support the work that we do. We would also like to thank all our funders for believing and investing in the much-needed work that we do.

We also extend our thanks to all the Mental Health Teams in Birmingham and London who also continue to work in partnership with our staff in order to give the best service to our service users within Servol and the community. We look forward to your continued support throughout 2024/2025.

Approved by order of the board of trustees on 31 January 2025 and signed on its behalf by:

.....
G Branch - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

Opinion
We have audited the financial statements of Servol Community Services (the 'parent charitable company') and its subsidiary (the ‘group’) for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Parent Charity Income and Expenditure Accounts, the Group and Parent charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, 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 group’s and parent charitable company's affairs as at 31 March 2024 and of the group’s 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 group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group’s or 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.

Other information
The other information comprises the information included in the Report of the trustees, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit process includes an assessment of the group and parent charitable company's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the group and charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law of regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities 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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gregg Olner MPhil BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

Date: 31 January 2025

SERVOL COMMUNITY SERVICES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2024

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	**2024 Total funds £**	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	5					
Community and residential care		**3,278,254**	**-**	**31,107**	**3,309,361**	2,702,213
Investment income	4	**25,336**	**-**	**-**	**25,336**	32,021
Total		**3,303,590**	**-**	**31,107**	**3,334,697**	2,734,234
EXPENDITURE ON						
Charitable activities	6					
Community and residential care		**3,305,912**	**23,098**	**31,476**	**3,360,486**	2,919,513
Net gains on investments		**-**	**158,810**	**-**	**158,810**	-
NET INCOME/(EXPENDITURE)		**(2,322)**	**135,712**	**(369)**	**133,021**	(185,279)
Transfers between funds	20	**(56,711)**	**56,711**	**-**	**-**	-
Net movement in funds		**(59,033)**	**192,423**	**(369)**	**133,021**	(185,279)
RECONCILIATION OF FUNDS						
Total funds brought forward		**165,815**	**305,424**	**369**	**471,608**	656,887
TOTAL FUNDS CARRIED FORWARD		**106,782**	**497,847**	**-**	**604,629**	471,608

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2024

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	**2024 Total funds £**	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Community and residential care		**2,587,039**	**-**	**31,107**	**2,618,146**	2,702,213
Investment income		**25,336**	**-**	**-**	**25,336**	32,021
Total		**2,612,375**	**-**	**31,107**	**2,643,482**	2,734,234
EXPENDITURE ON						
Charitable activities						
Community and residential care		**2,756,886**	**23,098**	**31,476**	**2,811,460**	2,919,513
Net gains on investments		**-**	**158,810**	**-**	**158,810**	-
NET INCOME/(EXPENDITURE)		**(144,511)**	**135,712**	**(369)**	**(9,168)**	(185,279)
Transfers between funds		**(56,711)**	**56,711**	**-**	**-**	-
Net movement in funds		**(201,222)**	**192,423**	**(369)**	**(9,168)**	(185,279)
RECONCILIATION OF FUNDS						
Total funds brought forward		**165,815**	**305,424**	**369**	**471,608**	656,887
TOTAL FUNDS CARRIED FORWARD		**(35,407)**	**497,847**	**-**	**462,440**	471,608

The notes form part of these financial statements

continued...

BALANCE SHEET
31 March 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
FIXED ASSETS					
Tangible assets	12	**102,847**	122,214	**102,847**	122,514
Investments					
Investments	13	**-**		**7**	-
Investment property	14	**395,000**	182,910	**395,000**	182,910
		497,847	305,424	**497,854**	305,424
CURRENT ASSETS					
Debtors	15	**461,978**	298,684	**346,373**	298,684
Cash at bank and in hand		**245,166**	291,481	**245,166**	291,481
		707,144	590,165	**591,539**	590,165
CREDITORS					
Amounts falling due within one year	16	**(581,195)**	(396,942)	**(607,786)**	(396,942)
NET CURRENT ASSETS/ (LIABILITIES)		**125,949**	193,223	**(16,247)**	193,223
TOTAL ASSETS LESS CURRENT LIABILITIES		**623,796**	498,647	**481,607**	498,647
CREDITORS					
Amounts falling due after more than one year	17	**(19,167)**	(27,039)	**(19,167)**	(27,039)
NET ASSETS		**604,629**	471,608	**462,440**	471,608
FUNDS	20				
Unrestricted funds		**604,629**	471,239	**462,440**	471,239
Restricted funds		**-**	369	**-**	369
TOTAL FUNDS		**604,629**	471,608	**462,440**	471,608

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

The financial statements were approved by the Board of Trustees and authorised for issue on 31 January 2025 and were signed on its behalf by:

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G Branch - Trustee

The notes form part of these financial statements

continued...

SERVOL COMMUNITY SERVICES

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

	Notes	**2024** **£**	2023 £
Cash flows from operating activities			
Cash generated from operations	1	**(7,068)**	(147,737)
Net cash used in operating activities		**(7,068)**	(147,737)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(3,431)**	(28,939)
Purchase of investment property		**(53,280)**	-
Interest and rent from investments		**25,336**	32,021
Net cash (used in)/provided by investing activities		**(31,375)**	3,082
Cash flows from financing activities			
Loan repayments in year		**(7,872)**	(11,115)
Net cash used in financing activities		**(7,872)**	(11,115)
Change in cash and cash equivalents in the reporting period		**(46,315)**	(155,770)
Cash and cash equivalents at the beginning of the reporting period		**291,481**	447,251
Cash and cash equivalents at the end of the reporting period		**245,166**	291,481

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income/(expenditure) for the reporting period (as per the Consolidated Statement of Financial Activities)	**133,021**	(185,279)
Adjustments for:		
Depreciation charges	**23,098**	15,968
Gains on investments	**(158,810)**	-
Interest and rent from investments	**(25,336)**	(32,021)
Increase in debtors	**(163,294)**	(36,762)
Increase in creditors	**184,253**	90,357
Net cash used in operations	**(7,068)**	(147,737)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	**At 31.3.24**
	£	£	**£**
Net cash			
Cash at bank and in hand	**291,481**	**(46,315)**	**245,166**
	291,481	**(46,315)**	**245,166**
Debt			
Debts falling due within 1 year	**(10,000)**	**-**	**(10,000)**
Debts falling due after 1 year	**(27,039)**	**7,872**	**(19,167)**
	(37,039)	**7,872**	**(29,167)**
Total	**254,442**	**(38,443)**	**215,999**

The notes 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

Basis of preparing the 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.

Preparation of consolidated financial statements
These financial statements consolidate the results of the charity and its wholly owned subsidiary, Servol Trading Limited, on a line-by-line basis, for the year ended 31 March 2024.

Company status
The charitable company is a company limited by guarantee. The members of the charitable company are the Trustees named in the Report of the Trustees. 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.

Going concern
At 31 March 2024, the charity had net current liabilities. The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist, a view that has in part been informed by the additional work generated since the year end, in line with the charity’s new strategic plan. 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.

Income
All income is recognised, net of value added tax, 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.

continued...

2. ACCOUNTING POLICIES - continued

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.

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

Investments
Fixed asset investments are stated at cost, less impairment.

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.

Fund accounting
General funds can be used in accordance with the charitable objectives 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.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

continued...

2. ACCOUNTING POLICIES - continued

Fund accounting
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.

Pensions
The group and charitable company operate a defined contribution pension scheme. Contributions payable to the group's and charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

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 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.

Financial instruments
The group and charitable company only have 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.

Operating leases
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.

Rentals payable on operating leases are charged on a straight-line basis over the lease term.

Tax
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

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3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 group and charitable company make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and judgements 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:

Investment property

The financial statements include an investment property held at valuation, which is a significant estimate. In order to arrive at a reliable estimate, the trustees may make use of professional valuers. However, significant changes to the assumptions underlying the valuer's or the trustees' calculations, or significant changes in market conditions could result in significant changes to the carrying value of investment property over the next financial year.

Depreciation

Depreciation is charged against assets so as to write them down to their residual value at the end of their useful lives. At each reporting date the group and 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 group and 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 after date events and correspondence.

4. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	**13,052**	20,439
Deposit account and other interest	**1,676**	974
Management fee	**10,608**	10,608
	25,336	32,021

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	**2024**	2023
		£	£
Local authority	Community and residential care	**2,727,434**	2,222,397
CCG/ ICB	Community and residential care	**550,645**	440,563
Government grants receivable	Community and residential care	**31,282**	39,253
		3,309,361	2,702,213

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Community and residential care	**3,243,721**	**116,765**	**3,360,486**

7. SUPPORT AND GOVERNANCE COSTS

	Management	Governance	Totals
	£	£	£
Community and residential care	**103,497**	**13,268**	**116,765**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	**23,098**	15,968
Auditor's remuneration - audit	**9,000**	8,000
Payments under operating leases	**30,000**	20,000

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, in accordance with the provisions of the Charity's articles of association, five (2023: four) of the Trustees received remuneration for their services to the organisation and attendance at board meetings.

Name	**Remuneration type**	**2024**	2023
		£	£
G Branch	Board remuneration	**3,500**	4,900
V Taylor	Board remuneration	**2,500**	3,900
A Grant	Board remuneration	**2,500**	2,500
K Jackson	Board remuneration	**2,500**	2,500
A Howell	Board remuneration	**1,250**	-

During the year, expenses totalling £161 (2023: £234) were reimbursed or paid directly to 1 trustee (2023: 1 trustee) for telecommunication costs.

continued...

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	**2,125,093**	1,775,562
Social security costs	**173,293**	157,827
Pension costs	**39,621**	34,597
	2,338,007	1,967,986

The average monthly number of employees during the year was as follows:

	2024	2023
Administration	**8**	9
Care and support	**88**	75
	96	84

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	**-**	1

Aside from the trustees, the key management personnel during the year to 31 March 2024 comprised:-

P Gayle - CEO
G Brooke - Head of Services
K Monero - London Regional Operations Manager
J McMillan - Regional Operations Manager
M James - Finance and Business Development Manager
H Elmore - HR manager

Remuneration and benefits received by the key management personnel during the year amounted to £302,846 (2023: £281,045).

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Community and residential care	2,663,025	-	39,188	2,702,213
Investment income	32,021	-	-	32,021
Total	2,695,046	-	39,188	2,734,234
EXPENDITURE ON				
Charitable activities				
Community and residential care	2,864,726	15,968	38,819	2,919,513
NET INCOME/(EXPENDITURE)	(169,680)	(15,968)	369	(185,279)
Transfers between funds	(28,939)	28,939	-	-
Net movement in funds	(198,619)	12,971	369	(185,279)
RECONCILIATION OF FUNDS				
Total funds brought forward	364,434	292,453	-	656,887
TOTAL FUNDS CARRIED FORWARD	165,815	305,424	369	471,608

12. TANGIBLE FIXED ASSETS

Group and charity

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2023	**196,783**	**55,975**	**79,441**	**332,199**
Additions	**-**	**-**	**3,431**	**3,431**
At 31 March 2024	**196,783**	**55,975**	**82,872**	**335,630**
DEPRECIATION				
At 1 April 2023	**118,560**	**14,785**	**76,340**	**209,685**
Charge for year	**14,011**	**4,276**	**4,811**	**23,098**
At 31 March 2024	**132,571**	**19,061**	**81,151**	**232,783**
NET BOOK VALUE				
At 31 March 2024	**64,212**	**36,914**	**1,721**	**102,847**
At 31 March 2023	78,223	41,190	3,101	122,514

continued...

13. FIXED ASSET INVESTMENTS

Charity

	Shares in group undertakings £
COST	
At 1 April 2023 and 31 March 2024	**7**
IMPAIRMENT	
At 1 April 2023	**7**
Reversal of impairment	**(7)**
At 31 March 2024	-
NET BOOK VALUE	
At 31 March 2024	**7**
At 31 March 2023	-

The charity owns 100% of the equity of its trading subsidiary, Servol Trading Limited, which is incorporated in England. The equity is represented by 7 Ordinary shares of £1 each.

There were no investment assets outside the UK.

14. INVESTMENT PROPERTY

Group and charity

	£
FAIR VALUE	
At 1 April 2023	**182,910**
Additions	**53,280**
Revaluation	**158,810**
At 31 March 2024	**395,000**
NET BOOK VALUE	
At 31 March 2024	**395,000**
At 31 March 2023	182,910

The property was valued by the Board of Trustees at 31 March 2024.

continued...

15. DEBTORS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	**405,461**	212,328	**289,856**	212,328
Other debtors	**20,450**	19,800	**20,450**	19,800
VAT	**-**	23,798	**-**	23,798
Prepayments and accrued income	**36,067**	42,758	**36,067**	42,758
	461,978	298,684	**346,373**	298,684

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	**10,000**	10,000	**10,000**	10,000
Trade creditors	**148,830**	107,951	**148,830**	107,951
Amounts owed to group undertakings	**-**	-	**126,645**	-
Corporation tax	**513**	-	**-**	-
Social security and other taxes	**148,635**	36,486	**49,094**	36,486
Other creditors	**57,646**	77,979	**57,646**	77,979
Accruals and deferred income	**215,571**	164,526	**215,571**	164,526
	581,195	396,942	**607,786**	396,942

Deferred income	Group and charity 2024 £
Deferred income at 1 April 2023	**88,207**
Resources deferred during the year	**93,997**
Amounts released during the year	**(88,207)**
Deferred income at 31 March 2024	**93,997**

Deferred income represents service user income billed in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans (see note 18)	**19,167**	27,039	**19,167**	27,039

continued...

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Charity	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Bank loans	**10,000**	10,000	**10,000**	10,000
Amounts falling due between one and two years:				
Bank loans	**10,000**	10,000	**10,000**	10,000
Amounts falling due between two and five years:				
Bank loans	**9,167**	17,039	**9,167**	17,039

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.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Charity	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Within one year	**25,000**	30,000	**25,000**	30,000
Between one and five years	**-**	25,000	**-**	25,000
	25,000	55,000	**25,000**	55,000

20. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	Transfers between funds	At 31.3.24
	£	£	£	£
Unrestricted funds				
General fund	**165,815**	**(2,322)**	**(56,711)**	**106,782**
Designated fund	**305,424**	**135,712**	**56,711**	**497,847**
	471,239	**133,390**	**-**	**604,629**
Restricted funds				
Projects fund	**369**	**(369)**	**-**	**-**
TOTAL FUNDS	**471,608**	**133,021**	**-**	**604,629**

continued...

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	**3,303,590**	**(3,305,912)**	**-**	**(2,322)**
Designated fund	**-**	**(23,098)**	**158,810**	**135,712**
	3,303,590	**(3,329,010)**	**158,810**	**133,390**
Restricted funds				
Projects fund	**31,107**	**(31,476)**	**-**	**(369)**
TOTAL FUNDS	**3,334,697**	**(3,360,486)**	**158,810**	**133,021**

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	364,434	(169,680)	(28,939)	165,815
Designated fund	292,453	(15,968)	28,939	305,424
	656,887	(185,648)	-	471,239
Restricted funds				
Projects fund	-	369	-	369
TOTAL FUNDS	656,887	(185,279)	-	471,608

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,695,046	(2,864,726)	(169,680)
Designated fund	-	(15,968)	(15,968)
	2,695,046	(2,880,694)	(185,648)
Restricted funds			
Projects fund	39,188	(38,819)	369
TOTAL FUNDS	2,734,234	(2,919,513)	(185,279)

continued...

20. MOVEMENT IN FUNDS - continued

General fund
The general unrestricted fund represents the free funds of the charity which are not designated for particular purposes.

Designated fund
The designated unrestricted fund comprises reserves invested in fixed assets and investment property. Any changes in the carrying value of the underlying assets are dealt with through income, expenditure or fund transfers, as appropriate.

Restricted fund
The Projects fund relates to amounts which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes, either directly for, or in support of, its main charitable activities.

21. EMPLOYEE BENEFIT OBLIGATIONS

The group and charitable company operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and charitable company in an independently administered fund. The pension cost charge represents contributions payable by the group and charitable company to the fund and amounted to £39,621 (2023: £34,597). Contributions totalling £8,878 (2023: £8,000) were payable to the fund at the balance sheet date and are included in creditors.

22. RELATED PARTY DISCLOSURES

P Gayle, CEO of the charity, is also Chair of Birmingham and Solihull Mental Health Foundation Trust (BSMHFT). As a charity, Servol Community Services in turn has a contract with BSMHFT.

BSMHFT work in partnership with The Integrated Care Board (ICB) as part of the Birmingham and Solihull Integrated Care System (ICS), which brings together the local NHS, councils and the voluntary, community and faith sector to achieve better outcomes for citizens across the area. Together, all of the ICS's partner organisations work in collaboration, building further on what has been achieved through integrated working so far.

The value of the contract to deliver services was £551,202 in 2023/24 (2022/23: £434,455).

Other than the transactions above and the trustee related transactions as shown in the preceding notes, there were no other related party transactions for the year ended 31 March 2024.

continued...

23. AMOUNTS HELD AS CUSTODIAN TRUSTEE

The group and charity hold funds of £112,532 (2023: £100,709) 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.

Servol Community Services

England & Wales - Charity number 1125896

Accounts

REGISTERED COMPANY NUMBER: 03470752 (England and Wales)
REGISTERED CHARITY NUMBER: 1125896

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FOR

SERVOL COMMUNITY SERVICES

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

SERVOL COMMUNITY SERVICES

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for the year ended 31 March 2023

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SERVOL COMMUNITY SERVICES

REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 March 2023

TRUSTEES	G Branch (Chair) Ms L Found Ms A Grant A Howell (appointed 8.9.2022) K G M Jackson R Smith Ms V Taylor R Zitola (appointed 15.12.2022)
COMPANY SECRETARY	P Gayle
REGISTERED OFFICE	51 Pinfold Street Birmingham B2 4AY
REGISTERED COMPANY NUMBER	03470752 (England and Wales)
REGISTERED CHARITY NUMBER	1125896
AUDITORS	Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditors Seven Stars House 1 Wheler Road Coventry CV3 4LB
BANKERS	Barclays Bank Plc 351-359 Soho Road Birmingham B21 9SE

SERVOL COMMUNITY SERVICES

CHAIRPERSON'S STATEMENT
for the year ended 31 March 2023

On behalf of the Board of Trustees I am very pleased to introduce our annual report for 2022/23 together with the Audited Financial Statements for the year ended 31 March 2023 under the Charities Act 2011. The financial statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102. Within the Trustees Report, the following sections: Achievements and Performance, Financial Review and Principal Risks and Uncertainties form the strategic report for Companies Act reporting requirements.

This has been a challenging period for Servol with the uncertainty of contract increases and unprecedented rising inflationary costs for the charity. Also, this year we are reporting losses that arose due to unfortunate circumstances, in most cases that were out of our control. It has also been a year when we made some important strategic decisions and reviewed the core vision, values and purpose of the organisation at our Trustees Board Away Day. The report explains how we have been delivering our strategic objectives to initiate positive change that impacts the lives of our service users, and where we can involve them in shaping our plans for the future. To refine our focus, the Board revisited the organisation's values and strategic goals. Our vision is that people with mental health conditions are empowered and their rights are upheld. We believe that the organisation's purpose is 'to act as an agent of social change'', working with mental health individuals to create that change. During the past 12 months we have improved our governance process and secured the quality management certification ISO 9001. We are close to also acquiring cyber essential accreditation. This is a testament to the hard work of our staff to whom the Board and I would like to express our thanks. Servol's crucial work is needed more than ever before, especially as we have seen an increase in demand for mental health services across the system and also our service.

After consulting with our staff, the Board also agreed to retain our 4 current values that underpin our approach to what we do. They are: WELCOMING, RESPECTFUL, CARING and CONTINUOUSLY IMPROVING. In addition and as part of our strategy, we committed to diversify the membership of the Board and, after an open recruitment campaign, the Trustees were pleased to appoint 2 new Board members who took office in the second half of the year. We were also delighted to hold our second (since COVID) in-person annual Board of Trustees Away Day with a focus on innovation and growth. Over the last few years, the way the organisation has developed and changed substantially is positive in this ever-changing environment. These changes in approach have required a significant commitment of time and energy from our Trustees, and staff. I would like to take this opportunity to thank them all for their important contributions to the success of Servol. I hope that you find this Annual Report helpful in describing our work, our future plans and our ambitions. You can find out more by visiting our website at www.servolct.org.uk

George Branch
Chair

REPORT OF THE TRUSTEES
for the year ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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).

REPORT OF THE TRUSTEES
for the year ended 31 March 2023

OBJECTIVES AND ACTIVITIES

Chief Executive's report

In 2022/23 as reported earlier it was a difficult but productive year, and although our income increased slightly to £2,734,000, so did our costs increase, due to unprecedented inflation rises, the cost of living crisis and the consequent impact on staffing costs.

Highlights

I am delighted that 2022 saw the launch of Beech Tree House, which is our second 8-bed residential home for higher acute mental health and learning disability individuals. We were pleased to offer Jade a stretch opportunity as the acting West Midlands Regional Operations Manager. This year our aim was to raise further funds to develop activities for our service users. We applied for funding from the Lottery Awards for All programme, to develop an internal pilot project, giving service users the tool kit to prevent relapse and we were successful. We also secured a small amount of funding from Livingwell UK for a garden project at Janet Faye House called the Oasis Community Garden Project which we were pleased to receive. We were also successful in attaining funding from Commonweal to undertake a feasibility study to look at the provision of specialist supported accommodation for people with serious mental illness leaving prison.

We have systematised our approach to data management and launched Access in September 2022, which is an effective data management system. In addition to this we have updated our HR systems with Bright HR, an online platform for staff data and rota management. We also introduced the Learning Hub training platform for staff training and development. As a growing organisation we undertook a full governance review of all policy and procedures and introduced new monitoring incident and complaints procedures. We took the opportunity to also review our information governance, IT and health and safety processes ensuring they are fit for purpose. In January 2023 we were successful in attaining ISO 9001 accreditation and Birmingham Supported Exempt accommodation quality standard acquiring bronze accreditation. In March of this year we began the submission tender process for Birmingham City Council framework. We are taking our organisation in stages through a digitalisation process to make the service secure, efficient and robust for the present and future.

Our Strategic Business Plan

In 2022/23 we reviewed our strategic business plan with the Senior Management Team and we began the process of gaining the input of our staff particularly with regards to the strategic objectives. 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 networking

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 Birmingham, and it is anticipated this will also take place in other areas of the West Midlands
- Engaging in research and engaging to identify need for future services

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit Charities and Public Benefit. The objectives are met through a variety of activities which are summarised below. Each activity, the beneficiaries and the public benefit are discussed in greater detail in the course of this report.

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 budgets.

OBJECTIVES AND ACTIVITIES

Performance Review and Achievements 2022/2023

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 with 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.

Beech Tree House

This is a beautiful large three-storey house next door to Janet-Faye House. It is a CQC registered residential home providing accommodation and support for eight adults with acute long term mental health and learning disability problems. The home is not yet fully occupied with three rooms remaining to be occupied but referrals are currently being assessed.

Like Janet-Faye House our team of Mental Health Recovery Workers support our residents with key life skills and getting to know the 'new' residents who have recently moved into the property. Initial feedback from care coordinator social workers is that their clients, who are our service users, feel really settled, with marked improvements in their independence.

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. This service is evidently much needed, as in a large number of cases we have received referrals in circumstances where we have identified that these individuals would have possibly required an acute bed, but the respite service has prevented this. Our occupancy levels have been consistently over 85% for the whole year and we are proud of this achievement.

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.

OBJECTIVES AND ACTIVITIES

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.

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 reintegrated 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 or our service users passed away in 2022, 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.

Fundraising

Whilst the charity does try and secure additional funding through applications for grants and similar activities, these activities are currently considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Nevertheless, in order to demonstrate best practice, the charity registered with the Fundraising Regulator in 2021 and the trustees will keep the situation under review.

FINANCIAL REVIEW

The financial statements show total incoming resources of £2.734m (2022: £2.718m).

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 Derby, Shropshire and Coventry. Staff costs are by far largest resource and such expenditure for the organisation averages 60% - 65% of total expenditure annually. However, this year's staff costs were over 71% of total revenue. In the year ended 31 March 2023 Servol had a very marginal increase in total income of £15.9k over the financial year ended March 2022. However, total expenditure increased significantly by over £305.1k . Net deficit was £185,279 (2022: surplus £103,850). Total funds carried forward were therefore £471,608 (2022: £656,887).

The performance in the year was, again, the result of very prudent management of ever limiting financial resources as Servol continues to face rising costs in salaries and wages, pensions, rental and other suppliers' costs. We have continued to seek more cost efficient and cheaper alternatives, especially for utilities, by switching where necessary to suppliers who offer cheaper rates. Most of our utility contracts which were bound to 5-year agreements, will be up for renewal before the beginning of the next financial year. We have already secured new agreements at preferred rates, which, while higher than our current rates, are guaranteed to not increase beyond the agreed new prices. Cost reviews are an ongoing process, and this will continue, as the need for constant savings remains.

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 continue to come from running services with the possibility of high voids and the high use of agency staff.

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 £165,815 (2022: £364,434), equivalent to nearly one (2022: two) average months' of unrestricted expenditure. The free reserves are still below the reserves policy maximum levels, which is currently £1,450,000 (2022: £1,290,000) 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 grant funds 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.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Senior Management Team reviews the key risks facing Servol on a regular basis, reporting to our Operations Performance and Safety Committee; and Finance Committee. The Committees have responsibility for reviewing our risk management process and risk register, as well as monitoring progress on strategies to mitigate risks. The Board of Trustees also completes a strategic risk review twice a year. Our risk register records and analyses the primary areas of risk and impact of our operational and financial activities, as well as relevant changes in the external environment. Each risk item is given a score for the likelihood of it happening and the impact it would have, alongside the risk appetite of the organisation and speed with which the risk could escalate. This allows risks to be ranked by priority. Ownership of each risk is assigned to a member of the Senior Management Team, and they ensure mitigation policies and procedures are in place, operated and regularly improved. A positive reporting framework has been introduced in the last 12 months to show how risks are being reviewed and updated regularly and on a timely basis. These policies and procedures include internal controls for safeguarding the charity's assets. They are designed to provide reasonable assurance against incorrect financial information that could have any kind of negative impact on Young Minds. Insurance cover is reviewed annually.

Our key risks right now are:

1. Ensuring appropriate safeguarding for those we support, and our staff

As a charity supporting our service users and safeguarding is absolutely at the heart of everything we do. It is a practical day-to-day consideration in our work. Our safeguarding approach is designed around what's best for our service users. It is developed by understanding the effect on them when they experience any kind of trauma. We are constantly aware of how safeguarding practice needs to evolve to consider new risks and benefit from new insight, especially from people's lived mental health experience. The result is our safeguarding policy and standards are reviewed and updated every year. We always plan to mitigate any risks for those who are in contact with us, both digitally and face-to-face. Annual safeguarding refresher training is mandatory for everyone at Servol. In 2022, our staff undertook refresher training in safeguarding.

2. Managing our data and cyber security

When it comes to data and cyber security, we are fully aware of the huge risk of cybercrime and continue to monitor and enhance our cyber security measures in line with Government and sector guidelines. We are pleased to report that we had no significant data or cyber security issues in 2022-23. But that doesn't mean we're complacent. We are currently preparing to apply for Cyber Essentials certification. And our continued work under Article 30 GDPR with GRCI Law Ltd (our third-party data protection officers) has further improved our data management and informs how we will develop our future data strategies. Alongside the training, we regularly review our systems, policies and procedures to ensure a data privacy-led culture across the organisation and we report quarterly to our Board and Finance Committee.

3. Financial uncertainty affecting growth

The Board of Trustees has agreed to maintain a moderate risk approach to our income forecasts. We will continue with our plans for growth as we continue to try to meet the rising demand for our services, particularly respite and supported housing services. We have settled on a more prudent budget for 2023-24 as we strive for sustainable growth in the face of economic uncertainty in the UK and beyond. The increase in cost of living and downgraded economic growth forecast presents a major risk that we will not achieve a significant growth in income in the short to medium term. This may impact our planned growth beyond 2023-24. We are improving the accuracy of our monthly income and quarterly and 12-month rolling forecasts so we can see any significant changes to forecasted income or expenditure, positive or negative. We can then keep a measured, medium risk approach to our planning, taking advantage of any opportunities that arise in the year. These developments bolster the work to evolve our finance function making us more effective in business partnering internally. We are currently operating in a system where most third sector providers have not had the appropriate increases in their contract financial envelope that takes into consideration all of the cost pressures we have incurred. Negotiations are still underway with some of our commissioners and we are hoping we can reach an agreed positive outcome with regards to future CPI increases. This is a real risk for the organisation considering 60% of the organisation's income received comes from public sector bodies. We remain hopeful that further consideration will be given to the contract value, given costs that are out of our control continue to rise.

4. Making sure we have the systems and infrastructure needed for sustainable growth

In the last financial year, we've done significant work to our organisational infrastructure to make sure Servol is robust and resilient enough to support more service users today and in the future. These include a new Human Resource Information System and building a data management system. Both projects are essential to Servol becoming a data-led organisation. As an organisation, we're committed to outstanding leadership. Last year we established our dedicated leadership development programme. And we continue to look for every opportunity to improve as an organisation.

Plans for future periods

Making more impact. We aim to support more individuals with serious mental illness. We have witnessed the intensity of the crisis in mental health affecting many parts of the UK and as a society we're not even close to finding sustainable and affordable solutions, that focus on the cause and not the symptoms of what's impacting those experiencing mental illness. The work we do is life-changing, and we have every reason to believe, it can be lifesaving. As demand increases, and complexity of need increases, we need to be confident in our abilities to be ready to have options and solutions available to address this need.

Our ability to expand at scale and widen our footprint is a genuine ambition for Servol. Over the next 12 months our focus will be on income generation and innovation into every area of our work so we can get better support to more people faster than ever. We will develop new services aimed at groups and communities that traditionally find it harder to access support, aiming to build absolute equity in mental health provision.

We will accelerate growth in our digital resources, skills and strategy so we're ready to react more effectively to constant changes. We've made significant improvements in our infrastructure, efficiency, and ability to understand and harness the power of data to make better decisions.

We know the human side of the infrastructure is key to our success. We will continue to invest in highly talented people across all departments in Servol. From those starting their careers to our Senior Management Team and trustees. We welcome and support a diversity of people who are passionate, dedicated and have what it takes. As the world evolves, we constantly monitor the skills and specialisms needed to understand, connect and support every service user in our care with what they're going through. The culture and values that make us who we are - and have got us to where we are - have been instrumental in our impact to date. We are proud of all of our staff at Servol, although this is just the start. We know we need to be more ambitious. Additionally, more effective in delivering the impact we know we can make this year and in the future.

Funds held as custodian

The charity holds cash on behalf of a client as custodian trustee. Further details are given in note 22.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, governance and management

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 7 August 2019. 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.

Recruitment, appointment and training 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.

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.

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.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that Servol has adequate resources to continue in operational existence for the foreseeable future. It therefore continues to adopt the going concern basis in preparing the financial statements.

Key management personnel remuneration

The Trustees consider the Senior Management Team, who are comprised of: the Trustees, CEO, the Director of Services, the London Regional Operations Manager, the Finance and Business Manager and the HR manager as being the key management personnel of Servol, who are 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 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.

REPORT OF THE TRUSTEES
for the year ended 31 March 2023

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.

Approved by order of the board of trustees on 31 January 2024 and signed on its behalf by:

G Branch - Trustee

REPORT OF THE INDEPENDENT AUDITORS 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2023 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management’s controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law of regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities 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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SERVOL COMMUNITY SERVICES

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gregg Olner MPhil BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

31 January 2024

SERVOL COMMUNITY SERVICES

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	**2023 Total funds £**	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	5					
Community and residential care		**2,663,025**	**-**	**39,188**	**2,702,213**	2,684,284
Investment income	4	**32,021**	**-**	**-**	**32,021**	34,017
Total		**2,695,046**	**-**	**39,188**	**2,734,234**	2,718,301
EXPENDITURE ON						
Charitable activities	6					
Community and residential care		**2,864,726**	**15,968**	**38,819**	**2,919,513**	2,614,451
NET INCOME/(EXPENDITURE)		**(169,680)**	**(15,968)**	**369**	**(185,279)**	103,850
Transfers between funds	19	**(28,939)**	**28,939**	**-**	**-**	-
Net movement in funds		**(198,619)**	**12,971**	**369**	**(185,279)**	103,850
RECONCILIATION OF FUNDS						
Total funds brought forward		**364,434**	**292,453**	**-**	**656,887**	553,037
TOTAL FUNDS CARRIED FORWARD		**165,815**	**305,424**	**369**	**471,608**	656,887

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

BALANCE SHEET
31 March 2023

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	**2023 Total funds £**	2022 Total funds £
FIXED ASSETS						
Tangible assets	12	**-**	**122,514**	**-**	**122,514**	109,543
Investment property	13	**-**	**182,910**	**-**	**182,910**	182,910
		-	**305,424**	**-**	**305,424**	292,453
CURRENT ASSETS						
Debtors	14	**298,684**	**-**	**-**	**298,684**	261,922
Cash at bank and in hand		**291,112**	**-**	**369**	**291,481**	447,251
		589,796	**-**	**369**	**590,165**	709,173
CREDITORS						
Amounts falling due within one year	15	**(396,942)**	**-**	**-**	**(396,942)**	(306,585)
NET CURRENT ASSETS		**192,854**	**-**	**369**	**193,223**	402,588
TOTAL ASSETS LESS CURRENT LIABILITIES		**192,854**	**305,424**	**369**	**498,647**	695,041
CREDITORS						
Amounts falling due after more than one year	16	**(27,039)**	**-**	**-**	**(27,039)**	(38,154)
NET ASSETS		**165,815**	**305,424**	**369**	**471,608**	656,887
FUNDS	19					
Unrestricted funds					**471,239**	656,887
Restricted funds					**369**	-
TOTAL FUNDS					**471,608**	656,887

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

The financial statements were approved by the Board of Trustees and authorised for issue on 31 January 2024 and were signed on its behalf by:

G Branch - Trustee

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Notes	**2023** **£**	2022 £
Cash flows from operating activities			
Cash generated from operations	1	**(147,737)**	173,729
Net cash (used in)/provided by operating activities		**(147,737)**	173,729
Cash flows from investing activities			
Purchase of tangible fixed assets		**(28,939)**	(4,227)
Interest and rent from investments		**32,021**	34,017
Net cash provided by investing activities		**3,082**	29,790
Cash flows from financing activities			
Loan repayments in year		**(11,115)**	(1,846)
Net cash used in financing activities		**(11,115)**	(1,846)
Change in cash and cash equivalents in the reporting period		**(155,770)**	201,673
Cash and cash equivalents at the beginning of the reporting period		**447,251**	245,578
Cash and cash equivalents at the end of the reporting period		**291,481**	447,251

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	**(185,279)**	103,850
Adjustments for:		
Depreciation charges	**15,968**	20,068
Interest and rent from investments	**(32,021)**	(34,017)
(Increase)/decrease in debtors	**(36,762)**	125,691
Increase/(decrease) in creditors	**90,357**	(41,863)
Net cash (used in)/provided by operations	**(147,737)**	173,729

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	**At 31.3.23**
	£	£	**£**
Net cash			
Cash at bank and in hand	**447,251**	**(155,770)**	**291,481**
	447,251	**(155,770)**	**291,481**
Debt			
Debts falling due within 1 year	**(10,000)**	**-**	**(10,000)**
Debts falling due after 1 year	**(38,154)**	**11,115**	**(27,039)**
	(48,154)	**11,115**	**(37,039)**
Total	**399,097**	**(144,655)**	**254,442**

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

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

Basis of preparing the 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.

Company status
The charitable company is a company limited by guarantee. The members of the charitable company are the Trustees named in the Report of the Trustees. 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.

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.

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.

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.

continued...

2. ACCOUNTING POLICIES - continued

Expenditure
All expenditure is inclusive of irrecoverable VAT.

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

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.

Fund accounting
General funds can be used in accordance with the charitable objectives 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.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted 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.

Pensions
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

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 settlement can be estimated reliably.

continued...

2. ACCOUNTING POLICIES - continued

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.

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.

Operating leases

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 judgements 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 them 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 after date events and correspondence.

continued...

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	**20,439**	23,169
Deposit account and other interest	**974**	240
Management fee	**10,608**	10,608
	32,021	34,017

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Local authority	Community and residential care	**2,222,397**	2,089,783
CCG/ ICB	Community and residential care	**440,563**	418,750
Government grants receivable	Community and residential care	**39,253**	175,751
		2,702,213	2,684,284

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Community and residential care	**2,773,349**	**146,164**	**2,919,513**

7. SUPPORT COSTS

	Management	Other	Totals
	£	£	£
Community and residential care	**134,993**	**11,171**	**146,164**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	**15,968**	20,068
Auditor's remuneration - audit	**8,000**	8,200
Payments under operating leases	**20,000**	-

continued...

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, in accordance with the provisions of the Charity's articles of association, four (2022: two) of the Trustees received remuneration for their services to the organisation and attendance at board meetings. In the prior 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:

Name	Remuneration type	2023	2022
		£	£
G Branch	Board remuneration	**4,900**	3,500
	Salary as Interim CEO	**-**	4,810
V Taylor	Board remuneration	**3,900**	2,500
A Grant	Board remuneration	**2,500**	-
K Jackson	Board remuneration	**2,500**	-

During the year, expenses totalling £234 (2022: £243) were reimbursed or paid directly to 1 trustee (2022: 1 trustee) for telecommunication costs.

10. STAFF COSTS

	2023	2022
	£	**£**
Wages and salaries	**1,775,562**	1,495,032
Social security costs	**157,827**	132,508
Pension costs	**34,597**	28,851
	1,967,986	1,656,391

The average monthly number of employees during the year was as follows:

	2023	2022
Administration	**9**	7
Care and support	**75**	68
	84	75

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	**1**	-

Key management personnel comprises the Trustees, CEO and Senior Management Team.

Aside from the trustees, the key management personnel during the year to 31 March 2023 comprised:-

P Gayle - CEO
G Brooke - Head of Services
K Monero - London Regional Operations Manager
M James - Finance and Business Development Manager
H Elmore - HR manager

From April 2023, J McMillan became part of the Senior Management Team.

continued...

10. STAFF COSTS - continued

Remuneration and benefits received by the key management personnel during the year amounted to £281,045 (2022: £211,121).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Community and residential care	2,684,284	-	2,684,284
Investment income	34,017	-	34,017
Total	2,718,301	-	2,718,301
EXPENDITURE ON			
Charitable activities			
Community and residential care	2,594,383	20,068	2,614,451
NET INCOME/(EXPENDITURE)	123,918	(20,068)	103,850
Transfers between funds	(4,227)	4,227	-
Net movement in funds	119,691	(15,841)	103,850
RECONCILIATION OF FUNDS			
Total funds brought forward	244,743	308,294	553,037
TOTAL FUNDS CARRIED FORWARD	364,434	292,453	656,887

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2022	**196,783**	**27,892**	**78,585**	**303,260**
Additions	**-**	**28,083**	**856**	**28,939**
At 31 March 2023	**196,783**	**55,975**	**79,441**	**332,199**
DEPRECIATION				
At 1 April 2022	**112,362**	**12,975**	**68,380**	**193,717**
Charge for year	**6,198**	**1,810**	**7,960**	**15,968**
At 31 March 2023	**118,560**	**14,785**	**76,340**	**209,685**
NET BOOK VALUE				
At 31 March 2023	**78,223**	**41,190**	**3,101**	**122,514**
At 31 March 2022	84,421	14,917	10,205	109,543

continued...

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2022 and 31 March 2023	**182,910**
NET BOOK VALUE	
At 31 March 2023	**182,910**
At 31 March 2022	182,910

The property was valued by the Board of Trustees at 31 March 2023.

The historical cost of the property is £300,000 (2022: £300,000).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	**212,328**	240,158
Other debtors	**19,800**	-
VAT	**23,798**	-
Prepayments and accrued income	**42,758**	21,764
	298,684	261,922

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 17)	**10,000**	10,000
Trade creditors	**107,951**	69,542
Social security and other taxes	**36,486**	4,291
Other creditors	**77,979**	43,565
Accruals and deferred income	**164,526**	179,187
	396,942	306,585

	2023	2022
Deferred income	**£**	£
Deferred income at 1 April 2022	**86,274**	106,326
Resources deferred during the year	**88,207**	86,274
Amounts released from previous periods	**(86,274)**	(106,326)
	88,207	86,274

Deferred income represents service user income billed in advance.

continued...

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 17)	**27,039**	38,154

17. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	**10,000**	10,000
Amounts falling between one and two years:		
Bank loans - 1-2 years	**10,000**	10,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**17,039**	28,154

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.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	**30,000**	-
Between one and five years	**25,000**	-
	55,000	-

19. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	**364,434**	**(169,680)**	**(28,939)**	**165,815**
Designated fund	**292,453**	**(15,968)**	**28,939**	**305,424**
	656,887	**(185,648)**	**-**	**471,239**
Restricted funds				
Projects fund	**-**	**369**	**-**	**369**
TOTAL FUNDS	**656,887**	**(185,279)**	**-**	**471,608**

continued...

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**2,695,046**	**(2,864,726)**	**(169,680)**
Designated fund	**-**	**(15,968)**	**(15,968)**
	2,695,046	**(2,880,694)**	**(185,648)**
Restricted funds			
Projects fund	**39,188**	**(38,819)**	**369**
TOTAL FUNDS	**2,734,234**	**(2,919,513)**	**(185,279)**

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	244,743	123,918	(4,227)	364,434
Designated fund	308,294	(20,068)	4,227	292,453
	553,037	103,850	-	656,887
TOTAL FUNDS	553,037	103,850	-	656,887

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,718,301	(2,594,383)	123,918
Designated fund	-	(20,068)	(20,068)
	2,718,301	(2,614,451)	103,850
TOTAL FUNDS	2,718,301	(2,614,451)	103,850

General fund
The general unrestricted fund represents the free funds of the charity which are not designated for particular purposes.

Designated fund
The designated unrestricted fund comprises reserves invested in fixed assets and investment property. Any changes in the carrying value of the underlying assets are dealt with through income, expenditure or fund transfers, as appropriate.

continued...

19. MOVEMENT IN FUNDS - continued

Restricted fund
The Projects fund relates to amounts which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes, either directly for, or in support of, its main charitable activities.

20. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution 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 £34,597 (2022: £28,851). Contributions totalling £8,000 (2022: £6,301) were payable to the fund at the balance sheet date and are included in creditors.

21. RELATED PARTY DISCLOSURES

P Gayle, CEO of the charity, is also Chair of Birmingham and Solihull Mental Health Foundation Trust (BSMHFT). As a charity, Servol Community Services in turn has a contract with BSMHFT.

BSMHFT work in partnership with The Integrated Care Board (ICB) as part of the Birmingham and Solihull Integrated Care System (ICS), which brings together the local NHS, councils and the voluntary, community and faith sector to achieve better outcomes for citizens across the area. Together, all of the ICS's partner organisations work in collaboration, building further on what has been achieved through integrated working so far.

The value of the contract to deliver services was £434,455 in 2022/23 (2021/22: £418,571).

Other than the transactions above and the trustee related transactions as shown in the preceding notes, there were no other related party transactions for the year ended 31 March 2023.

22. AMOUNTS HELD AS CUSTODIAN TRUSTEE

The charity holds funds of £100,709 (2022: £89,549) 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.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Investment income		
Rents received	**20,439**	23,169
Deposit account and other interest	**974**	240
Management fee	**10,608**	10,608
	32,021	34,017
Charitable activities		
Local authority	**2,222,397**	2,089,783
CCG/ ICB	**440,563**	418,750
Government grants receivable	**39,253**	175,751
	2,702,213	2,684,284
Total incoming resources	**2,734,234**	2,718,301
EXPENDITURE		
Charitable activities		
Staff costs	**1,967,986**	1,656,391
Travel and transport	**12,973**	2,172
Property costs	**536,377**	485,615
Office costs	**61,188**	53,101
Depreciation	**15,968**	20,068
Postage and stationery	**13,858**	17,666
Sundries	**11,104**	7,162
Office and computing costs	**11,021**	13,981
Telephone	**15,579**	21,830
Agency staff and training	**95,745**	139,113
Food, cleaning and laundry	**31,550**	26,866
	2,773,349	2,443,965
Support costs		
Management		
Office costs	**10,026**	12,426
Insurance	**34,755**	32,629
Bad debts	**42,565**	38,771
Recruitment expense	**11,787**	15,288
Room hire	**5,524**	11,019
Advertising	**2,043**	1,042
Bank charges	**818**	827
Legal and professional fees	**27,475**	39,918
	134,993	151,920
Other		
Governance costs	**11,171**	18,566

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	2023 £	2022 £
Total resources expended	**2,919,513**	2,614,451
Net (expenditure)/income	**(185,279)**	103,850

Servol Community Services

England & Wales - Charity number 1125896

Accounts

Registered number: 03470752
Charity number: 1125896

Servol Community Services

Trustees' report and financial statements

For the year ended 31 March 2022

DAINS
ACCOUNTANTS

Servol Community Services
(A company limited by guarantee)

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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.

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 or 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 or 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 our 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 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

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.

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.

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.

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

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
			292,453		308,294
Current assets					
Debtors	12	**261,922**		387,613	
Cash at bank and in hand		**447,251**		245,578	
		709,173		633,191	
Creditors: amounts falling due within one year	13	**(306,585)**		(339,281)	
Net current assets			**402,588**		293,910
Total assets less current liabilities			**695,041**		602,204
Creditors: amounts falling due after more than one year	14		**(38,154)**		(49,167)
Total net assets			**656,887**		553,037
Charity funds					
Unrestricted funds	15		**656,887**		553,037
Total funds			**656,887**		553,037

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.

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 t 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.

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

6. Analysis of expenditure by activities

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

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

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
	2,443,965	2,277,779

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)
	170,486	67,069

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
	1,656,391	1,549,719

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
	75	68

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.

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

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	**196,783**	**27,892**	**78,585**	**303,260**
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	**112,362**	**12,975**	**68,380**	**193,717**
Net book value				
At 31 March 2022	**84,421**	**14,917**	**10,205**	**109,543**
At 31 March 2021	90,620	16,387	18,377	125,384

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2021	**182,910**
At 31 March 2022	**182,910**

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
	261,922	387,613

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

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)	-
	403,882	2,494,003	(2,344,848)	-	553,037

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	656,887	**656,887**

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	553,037	553,037

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 £89549 (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.

Servol Community Services

England & Wales - Charity number 1125896

Accounts

Registered number: 03470752
Charity number: 1125896

Servol Community Services

Trustees' report and financial statements

For the year ended 31 March 2021

DAINS
ACCOUNTANTS

Servol Community Services
(A company limited by guarantee)

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Servol Community Services

(A company limited by guarantee)

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-I9 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.

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

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-contain 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 a 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 compromises 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.

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.

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.

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.

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.

Dains LLP

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
Total income		**-**	**2,494,003**	**2,494,003**	2,265,055
Expenditure on:					
Charitable activities	6	**-**	**2,344,848**	**2,344,848**	2,306,421
Total expenditure		**-**	**2,344,848**	**2,344,848**	2,306,421
Net income/(expenditure)		**-**	**149,155**	**149,155**	(41,366)
Transfers between funds	15	**(2,199)**	**2,199**	**-**	-
Net movement in funds		**(2,199)**	**151,354**	**149,155**	(41,366)
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)
Total funds carried forward	15	**-**	**553,037**	**553,037**	403,882

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
			308,294		292,014
Current assets					
Debtors	12	**387,613**		246,786	
Cash at bank and in hand		**245,578**		134,162	
		633,191		380,948	
Creditors: amounts falling due within one year	13	**(339,281)**		(269,080)	
Net current assets			**293,910**		111,868
Total assets less current liabilities			**602,204**		403,882
Creditors: amounts falling due after more than one year	14		**(49,167)**		-
Total net assets			**553,037**		403,882
Charity funds					
Restricted funds	15		**-**		2,199
Unrestricted funds	15		**553,037**		401,683
Total funds			**553,037**		403,882

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 t and specific provisions introduced from a prudent review of afterdate events and correspondence.

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	2,459,251	**2,459,251**

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	2,223,591	2,223,591

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	34,752	**34,752**

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

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.

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

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	**196,783**	**27,492**	**74,758**	**299,033**
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	**106,163**	**11,105**	**56,381**	**173,649**
Net book value				
At 31 March 2021	**90,620**	**16,387**	**18,377**	**125,384**
At 31 March 2020	102,570	15,587	23,857	142,014

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**
At 31 March 2021	**182,910**

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
	387,613	246,786

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**

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

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	553,037	**553,037**

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	2,199	401,683	403,882

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

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.