

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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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

SERVOL COMMUNITY SERVICES

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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 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.

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

REPORT OF THE TRUSTEES for the year ended 31 March 2024

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.

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

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 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 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 Olnier 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 Wheeler 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	<u>25,336</u>	<u>-</u>	<u>-</u>	<u>25,336</u>	<u>32,021</u>
Total		<u>3,303,590</u>	<u>-</u>	<u>31,107</u>	<u>3,334,697</u>	<u>2,734,234</u>
 EXPENDITURE ON Charitable activities	6					
Community and residential care		<u>3,305,912</u>	<u>23,098</u>	<u>31,476</u>	<u>3,360,486</u>	<u>2,919,513</u>
Net gains on investments		<u>-</u>	<u>158,810</u>	<u>-</u>	<u>158,810</u>	<u>-</u>
 NET INCOME/(EXPENDITURE)						
Transfers between funds	20	(2,322) <u>(56,711)</u>	135,712 <u>56,711</u>	(369) <u>-</u>	133,021 <u>-</u>	(185,279) <u>-</u>
Net movement in funds		(59,033)	192,423	(369)	133,021	(185,279)
 RECONCILIATION OF FUNDS						
Total funds brought forward		<u>165,815</u>	<u>305,424</u>	<u>369</u>	<u>471,608</u>	<u>656,887</u>
 TOTAL FUNDS CARRIED FORWARD		<u>106,782</u>	<u>497,847</u>	<u>-</u>	<u>604,629</u>	<u>471,608</u>

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		<u>25,336</u>	<u>-</u>	<u>-</u>	<u>25,336</u>	<u>32,021</u>
Total		<u>2,612,375</u>	<u>-</u>	<u>31,107</u>	<u>2,643,482</u>	<u>2,734,234</u>
 EXPENDITURE ON						
Charitable activities						
Community and residential care		<u>2,756,886</u>	<u>23,098</u>	<u>31,476</u>	<u>2,811,460</u>	<u>2,919,513</u>
Net gains on investments		<u>-</u>	<u>158,810</u>	<u>-</u>	<u>158,810</u>	<u>-</u>
 NET						
INCOME/(EXPENDITURE)						
Transfers between funds		<u>(144,511)</u>	<u>135,712</u>	<u>(369)</u>	<u>(9,168)</u>	<u>(185,279)</u>
		<u>(56,711)</u>	<u>56,711</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(201,222)	192,423	(369)	(9,168)	(185,279)
 RECONCILIATION OF FUNDS						
Total funds brought forward		<u>165,815</u>	<u>305,424</u>	<u>369</u>	<u>471,608</u>	<u>656,887</u>
 TOTAL FUNDS CARRIED FORWARD						
		<u>(35,407)</u>	<u>497,847</u>	<u>-</u>	<u>462,440</u>	<u>471,608</u>

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

BALANCE SHEET
31 March 2024

		Group	Charity		
	Notes	2024 £	2023 £	2024 £	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					
Unrestricted funds	20	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:

.....
G Branch - Trustee

The notes form part of these financial statements

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	<u>(7,068)</u>	<u>(147,737)</u>
Net cash used in operating activities		<u>(7,068)</u>	<u>(147,737)</u>
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		<u>25,336</u>	<u>32,021</u>
Net cash (used in)/provided by investing activities		<u>(31,375)</u>	<u>3,082</u>
Cash flows from financing activities			
Loan repayments in year		<u>(7,872)</u>	<u>(11,115)</u>
Net cash used in financing activities		<u>(7,872)</u>	<u>(11,115)</u>
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		<u>291,481</u>	<u>447,251</u>
Cash and cash equivalents at the end of the reporting period		<u><u>245,166</u></u>	<u><u>291,481</u></u>

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

**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	<u>(7,068)</u>	<u>(147,737)</u>

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	<u>291,481</u>	<u>(46,315)</u>	<u>245,166</u>
	<u>291,481</u>	<u>(46,315)</u>	<u>245,166</u>
Debt			
Debts falling due within 1 year	(10,000)	-	(10,000)
Debts falling due after 1 year	<u>(27,039)</u>	<u>7,872</u>	<u>(19,167)</u>
	<u>(37,039)</u>	<u>7,872</u>	<u>(29,167)</u>
Total	<u>254,442</u>	<u>(38,443)</u>	<u>215,999</u>

The notes form part of these financial statements

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

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	<u>10,608</u>	<u>10,608</u>
	<u>25,336</u>	<u>32,021</u>

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

5. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
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
		<u>3,309,361</u>	<u>2,702,213</u>

6. CHARITABLE ACTIVITIES COSTS

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

7. SUPPORT AND GOVERNANCE COSTS

	Management £	Governance £	Totals £
Community and residential care	<u>103,497</u>	<u>13,268</u>	<u>116,765</u>

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	<u>30,000</u>	<u>20,000</u>

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

10. STAFF COSTS

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

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

	2024	2023
Administration	8	9
Care and support	<u>88</u>	<u>75</u>
	<u><u>96</u></u>	<u><u>84</u></u>

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

	2024	2023
£60,001 - £70,000	<u>-</u>	<u>1</u>

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).

SERVOL COMMUNITY SERVICES

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

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

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	<u>-</u>	<u>-</u>	<u>3,431</u>	<u>3,431</u>
At 31 March 2024	<u>196,783</u>	<u>55,975</u>	<u>82,872</u>	<u>335,630</u>
DEPRECIATION				
At 1 April 2023	118,560	14,785	76,340	209,685
Charge for year	<u>14,011</u>	<u>4,276</u>	<u>4,811</u>	<u>23,098</u>
At 31 March 2024	<u>132,571</u>	<u>19,061</u>	<u>81,151</u>	<u>232,783</u>
NET BOOK VALUE				
At 31 March 2024	<u>64,212</u>	<u>36,914</u>	<u>1,721</u>	<u>102,847</u>
At 31 March 2023	<u>78,223</u>	<u>41,190</u>	<u>3,101</u>	<u>122,514</u>

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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
	<u>461,978</u>	<u>298,684</u>	<u>346,373</u>	<u>298,684</u>

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
	<u>581,195</u>	<u>396,942</u>	<u>607,786</u>	<u>396,942</u>

	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)
	<u>93,997</u>
Deferred income at 31 March 2024	<u>93,997</u>

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

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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	<u>-</u>	<u>(23,098)</u>	<u>158,810</u>	<u>135,712</u>
	3,303,590	(3,329,010)	158,810	133,390
Restricted funds				
Projects fund	31,107	(31,476)	-	(369)
	<u>31,107</u>	<u>(31,476)</u>	<u>-</u>	<u>(369)</u>
TOTAL FUNDS	<u>3,334,697</u>	<u>(3,360,486)</u>	<u>158,810</u>	<u>133,021</u>

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	<u>292,453</u>	<u>(15,968)</u>	<u>28,939</u>	<u>305,424</u>
	656,887	(185,648)	-	471,239
Restricted funds				
Projects fund	-	369	-	369
	<u>-</u>	<u>369</u>	<u>-</u>	<u>369</u>
TOTAL FUNDS	<u>656,887</u>	<u>(185,279)</u>	<u>-</u>	<u>471,608</u>

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	<u>-</u>	<u>(15,968)</u>	<u>(15,968)</u>
	2,695,046	(2,880,694)	(185,648)
Restricted funds			
Projects fund	39,188	(38,819)	369
	<u>39,188</u>	<u>(38,819)</u>	<u>369</u>
TOTAL FUNDS	<u>2,734,234</u>	<u>(2,919,513)</u>	<u>(185,279)</u>

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2024

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.

SERVOL COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.