



TRUSTEES REPORT

AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

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SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	Sarah Smith, Chair Selwyn Calvin Martin Chitty Matthew Clements-Wheeler Eric Williams (resigned 11 July 2020) Laura Williams Philip Davies (appointed 1 September 2020) David Bolton (appointed 1 September 2020) Paul Stone (appointed 1 September 2020) Joanna Cooney (appointed 24 May 2021) Parmjit Singh (appointed 24 May 2021)
Company registered number	07739831
Charity registered number	1148848
Registered office	Unit 3, Holt Court Holt Street Birmingham Science Park, Aston Birmingham B7 4AX
Company secretary	David Alcock
Chief executive officer	Sharon Bell
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Rutland House 148 Edmund Street Birmingham B3 2FD

WHY WE EXIST

Our Vision and Mission

Services for Education (SFE) is a unique charity that uses the power of learning and of music to transform and enhance the lives of children, young people, adults, and our wider communities.

We bring learning and music to life.

Our work encompasses a broad range of settings, including:

- Teaching pupils learning vocal and traditional instruments – to build technical and performance skills alongside confidence and creativity, and encourage pursuit of music-based careers
- Teaching non-traditional instruments and/or musical styles – to raise the profile of these approaches and encourage the expansion and diversification of musical experiences
- Specialist work with SEND/disadvantaged groups – to increase engagement and attainment
- Specialist work with Early Year settings – to promote a positive start to life and learning
- Our Music School – to support lifelong learning and encourage the love of music amongst young people and adults
- Working with adults – to promote wellbeing and positive mental health later in life, through involvement in music and cultural activities
- Bespoke consultancy, advice and professional development programmes – enabling school leaders, educators and governors to raise attainment levels, and develop and implement initiatives that improve health, wellbeing, standards and outcomes to ensure all children and young people realise their full potential academically, physically and emotionally.
- To enable schools, wider educational settings, and those organisations working with children and young people to develop safeguarding policy and practice that ensures the needs of all are recognised and met efficiently and effectively.
- Support, guidance, and development activities to those in the earliest stages of their teaching career in order to enable them to become highly skilled, leading edge practitioners.

Our Values

Our values are extremely important to us as these underpin our vision and mission:



VALUE FOR MONEY

Everything we do provides value for money whilst allowing Services For Education to expand its charitable ambitions and impact



SECURE EDUCATION PHILOSOPHY

Everything we do is based on secure educational philosophy, integrity of purpose and is evidence based



BENEFITING OUR CUSTOMERS

Everything we do is for the benefit of our customers, beneficiaries and stakeholders



PASSION

Everything we do is with passion and care

CHAIR'S INTRODUCTION

Welcome to our 2019/20 Annual Report and Accounts. It has been an extraordinary year for Services For Education. September 2019 started much like any other year. Hundreds experienced the joy of learning a musical instrument for the first time, others continued to build on their progress. Our School Support team were working with school leaders and teachers from across Birmingham and beyond, and a new intake of Newly Qualified Teachers were supported as they started their careers in the classroom. We said farewell to our Chief Executive, Martyn Collin who retired on 30 September 2019, and welcomed his replacement, Sharon Bell on 7 October 2019.

In January 2020, as with all organisations we began to sense that change was coming. Lockdown one and the closure of schools had a significant impact on our organisation. Overnight, a large number of our colleagues were no longer able to deliver 'face to face' tuition – something which is a passion at the heart of every teacher. The response of colleagues throughout the early months of the pandemic has been incredible. Our training and consultancy portfolio was transformed, seemingly overnight, to be delivered in the virtual environment; thousands of music lessons were delivered over Microsoft Teams; a virtual learning platform was developed with hundreds of hours of video content, and our central teams adapted to new ways of working from the home environment.

That 'can do' approach and willingness to embrace the new challenges which have emerged at various stages of the pandemic, has been an ongoing feature in how all colleagues have responded.

We couldn't have navigated this year without the support of all our colleagues, our schools, our pupils and their parents, numerous stakeholders and supporters across the city of Birmingham and beyond. We are very grateful to all of them for their support, as well as our major funders, including Arts Council England.

I would like to thank my fellow trustees on our Board, and particularly acknowledge the support and dedication of our outgoing Chair of Trustees, Martin Chitty, who stepped down as Chair in March 2021.

Sarah Smith

Chair of Trustees

TRUSTEES REPORT

The Trustees and Directors of Services For Education Limited present their annual and strategic report and audited financial statements for the year ended 31 August 2020. The company trades under the name Services For Education (SFE) and will be referred to as SFE in the rest of this document.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Our Approach to Safeguarding

In 2019 the Charity Commission updated their guidance, underlining that 'All charity trustees have to ensure that their charity prioritises the safety of anyone who comes into contact with their charity.'

Services For Education is committed to the highest standards in promoting the welfare of children and adults and protecting them from harm at all times. Safeguarding means protecting the rights of children, young people and adults to live in safety, free from abuse and neglect. It is about people and organisations working together to prevent and stop both the risk and experience of abuse and neglect. All staff undertake annual safeguarding refresher training. This alternates between face to face, and the SFE online training course. All new staff are required to undertake the online course before commencing delivery for SFE. The SFE lead for Safeguarding carries out an annual review of all training content to ensure this is in line with current policy and guidance (Keeping Children Safe in Education, and Working Together to Safeguard Children). SFE has five members of staff who are trained as Designated Safeguarding Leads (DSL), and who are required to maintain their status through completing bi-annual update training. These five members of staff manage all safeguarding queries and concerns, liaising with schools, and external agencies as appropriate for adults. SFE safeguarding policy is reviewed annually. SFE is represented on the Birmingham Safeguarding in Education group to ensure all company practice is aligned to the Birmingham Safeguarding Children Partnership structures and procedures.

Our Approach to Fundraising

Services For Education is proud to be registered with the Fundraising Regulator, the independent body which sets and maintains the standards for fundraising in the United Kingdom. We are committed to the Fundraising Promise to ensure our fundraising activities are legal, open, honest and respectful.

We work closely with an external fundraising consultant bid writer who supports our grants and trusts activity which is currently our main fundraising income generation stream. Our focus this year has been to keep our trusts and funding bodies up-to-date about the impact covid has had upon our funded projects. The strategy has been to build a three-year pipeline of funds which was on track until the pandemic hit, the plan moving forward will be to rebuild that pipeline.

From an individual and community perspective the strategy has been to create more compelling story-based and outcome-based communications so that we start to build a relationship with donors rather than just being transactional in our approach. In 2019, for the first time at SFE we produced our annual review to support this approach.

We are also starting to build relationships with corporates, through an approach based around six key ways corporates can support and engage with SFE:

- Charity of the year
- Sponsorship
- Affinity marketing
- Payroll Giving
- Stock Partnerships
- Strategic Partnerships

In 2019/20 SFE received no complaints about its fundraising activity.

Our Approach to Quality

We pride ourselves in the quality of our services and the professionalism and skills of our highly talented colleagues. As we teach music to 34,000 children per week and deliver an extensive portfolio of training and consultancy products to school leaders, it is essential that our customer facing teams keep at the forefront of developments and best practice in their fields.

School Support

The conversion to online delivery dictated much CPD being focused on the technical skills to achieve this, and the different pedagogical approaches and resources required to create effective remote learning experiences. Good practice sessions have now become a feature of team meetings where monthly 'CPD Exchange' sessions have been re-instated.

In addition, CPD activity has been around significant policy changes in early years assessment, and early career framework, with a view to informing a new offer in both areas in 2021/22.

Music

Throughout the pandemic, we have continued our series of twilight CPD sessions for primary, secondary and special schools. These take place every term and have seen music coordinators sharing best practice with each other on how they have coped during COVID-19 and online learning. Sessions have also seen us supporting them with composition from hub partners BCMG and singing with our vocal team and Ex Cathedra (hub partners). We are working on our schools' Music Conference, which will be happening in June as a series of twilight sessions.

We continue to improve and develop our 'in house' CPD with the wider music team. In lockdown 1, we had weekly departmental meetings which saw our Heads of Department leading on many different types of activity. Since January 2021, we have staged weekly twilight 'drop ins' for the music team. These have focussed on rolling out our whole portfolio including WCIT and CMS online during lockdown 3. We also had sessions on Makaton, behaviour management, managing workload, large group teams lessons, using online whiteboards and playback software.

We will be resuming our peer-to-peer observations in the academic year 2021-22, where staff are able to take advantage of spending half a day with a colleague through their PDR and observing their teaching and learning.

Customer Feedback

Continuous reflection and improvement are an important part of our approach – and this has been particularly important as we have pivoted to on-line delivery due to Covid-19. Significant improvements were enabled in the early days of lockdown as colleagues became more familiar with the virtual platforms available. Customer feedback is obtained from all course delegates – response rates have improved by collecting feedback online. Our music provision is informally benchmarked in regular conversations with other Music Education Hubs, and we have been leading the way in how we have supported staff, parents and schools.

OUR ACHIEVEMENTS AND PERFORMANCE

The Trustees/Directors have taken note of the Charity Commission's guidance on public benefit in reviewing the aims and objectives and in planning activities. In particular, the Trustees/Directors consider how the planned activities contribute to the charity's aims and objectives and they ensure these are carried out for the public benefit by delivering services that are valued by the beneficiaries (school, pupils, teachers, parents) and which deliver clear and definable benefit to those beneficiaries.



For those working in education, 18 March 2020 was a defining moment – it was announced that there would be a period of mass closure of schools, the likes of which hadn't been seen since WW2. In an organisation focussed on teaching music in schools and providing training and development for teachers and school leaders, our world suddenly looked very different.

Reviewing the year ending 31 August 2020, it is easy to focus on the period since March. However before then, colleagues were teaching in schools, delivering training, providing consultancy, running our award-winning Health For Life programme, teaching music – and delivering a fabulous array of concerts all through the festive period. It is a year in which the creativity, resilience, and talent of our colleagues shone through.

Highlighted below are some of our key achievements in the period:

- Enabling, at short notice, our entire training and development portfolio to be delivered in the virtual environment
- Growth of School Support income from non-Birmingham customers – representing 12% of total web sales in 12 months from first lockdown.
- 20,000 on-line music lessons delivered whilst schools were closed in Lockdown 1
- Sales and Marketing team shortlisted for 'Excellence in Sales and Marketing' in the Greater Birmingham Chambers of Commerce Annual Awards
- Our inclusion team, shortlisted in the Music and Drama Education Awards for 'Excellence in SEND'
- Creation of a Virtual Learning Platform to support Whole Class Instrumental Teaching during lockdown, incorporating over 850 videos
- Consistently received 5-star Trustpilot reviews for our training provision
- Delivered our first Virtual Youth Proms, covering 4 nights and highlighting hundreds of our talented ensemble members.
- Michelin Starred Chef, Glyn Purnell led the 'Health For Life' cookathon as more than 1,000 school children took part simultaneously in their own schools
- Integration of CRM and e-commerce website
- Implementation of a new on-line system to manage expenses and mileage claims

OUR FUTURE PLANS

A key deliverable during 2019/20, has been finalising 'Strategy 2025 – Creating Tomorrow Today', outlining our roadmap for the next five years. The past 12 months have highlighted more than ever before, the need for a strategy to be responsive to changes within the external environment, as well as those of our stakeholders and partners.

Our ambitions are:

- To revolutionise educational learning to maximise participation, through
 - principles/evidence led educational practices
 - great teachers delivering great learning
 - offering personalised, flexible learning where appropriate
 - supporting the development of employability and skills
 - leading edge services and resources
- To be a key partner for raising standards and attainment in education in our city, region and nationally, through
 - being the distinctive leader in our sector
 - providing agile and collaborative (resourceful, bespoke and/or individualised) solutions
 - leading and stimulating debate on key issues facing the education sector
 - encouraging widening of participation and development of a love of life-long learning for all ages
 - developing a sustainable organisation for the long term that allows us to support and progress key initiatives
- To make important contributions to our society and communities, particularly through our work with disadvantaged groups and young people, through
 - innovation and application of our expertise
 - making a demonstrable impact
 - positive alumni and stakeholder engagement

These ambitions will be delivered through six organisation wide themes which all our colleagues can relate to in their work. They are intended to deliver a vibrant, resilient, and agile organisation fully equipped to deliver our vision and charitable purpose.



As we look ahead to 2021/22 our priorities are influenced by the necessity to stabilise our position as we emerge from the pandemic. From 2021/22 onwards we will update on our progress against these six themes as part of this report.

RISKS AND UNCERTAINTIES

The Directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks identified by the Trustees/Directors are:

- reductions in demand for music and school support services, caused by recurring Lockdowns stemming from Covid-19 and/or subsequent pandemics

mitigated by: enabling delivery of all our services through virtual platforms, working closely with customers to align delivery to their circumstances, enabling all colleagues to work from home when required

- reductions in funding for music in schools through the Arts Council Grant and/or reductions in school funding which will result in reduced ability or willingness to purchase SFE's services

mitigated by: expansion of services both in type of service and the geographical reach of delivery. Advocacy of the benefits and impact of SFE's services.

- significant increases in core costs such as rent, utilities, employment costs, cost of musical instruments purchase and repair.

mitigated by: active management of suppliers and monitoring of costs

- effective cash management to match the SFE business cycle and episodic revenue profile.

mitigated by: Close and frequent cash position monitoring combined with highly proactive invoice payment management and debt collection. During the financial year 2019/20, application approved for Coronavirus Business Interruption Loan Scheme in December 2020. This was drawn down in February 2021 in order to mitigate against continued uncertainty during 2020/21.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

General

During 2019/20, our Finance team continued to embed the improvements and efficiencies that had been put in place the previous year. Monthly management accounts continued to be delivered to a strict reporting timetable with figures provided to SLT on the 10th working day after each month end. This provides timely information for decision making. Two budget reforecasts were performed during 2019/20 after production of December and February actuals. This led to a refining of all budget lines and the ability to report a more accurate forecast for the year to the Board. The ongoing uncertainties caused by the Covid-19 pandemic then required reforecasts to be produced on a monthly basis, with key revenue lines monitored weekly. A weekly dashboard system was introduced to Senior Leadership Team meetings, to monitor key metrics. Cashflow forecast are closely monitored and reported to the Board at each meeting.

There continues to be a strict focus on credit control, and at key points during the year, additional temporary resource has been secured to maintain focus on this area. Debtor balances are reviewed at weekly meetings of the Senior Leadership Team and where appropriate customer facing colleagues are engaged in assisting recovery of difficult debts.

The statement of financial activities shows net income before actuarial gains and losses for the year of £109,059 (2019: £750,587). The net income on unrestricted funds was £80,683 before actuarial gains and losses (2019: £908,067). The prior year included a one off £932,000 net income adjustment reflecting adjustment for the movements in accounting for the Local Government Pension Scheme combined with the impact of leaving the Local Government Pension Scheme on 31st October 2019 with a £nil liability. Excluding this adjustment then there would have been a net deficit in 2019 on unrestricted funds of £23,933. There was a net income of £28,376 on restricted funds (2019: net expenditure of £157,480).

Reserves

It is the policy of the Board that cumulative unrestricted funds available to cover operational costs should be maintained at a minimum figure of £1,500,000. In addition, cash balances should be maintained at a minimum of £1,000,000 throughout any financial year in order to cover any immediate operational costs and to enable the Company to respond to changes in government policy and funding streams, with an increased balance at 31 August in any year of £1,500,000 to reflect the seasonal nature of the company's cash flow. This reserves policy is reviewed annually by the Board in order to ensure its adequacy in relation to the scale of the Company's operations.

At 31 August 2020 there were unrestricted funds carried forward of £1,496,795 (2019: £1,416,112), therefore the reserves policy level of available funds of £1,500,000 has almost been reached.

In 2018, SFE had identified that it needed to accumulate at least £200k of reserves from surplus each year for the next 3 years and aims to budget accordingly, albeit that it recognises that in the short term, there will be an ongoing impact of recovery from the Covid-19 pandemic.

The cash balance at the year ended 31 August 2020 stands at £1,399,240 (2019: £1,288,837), an increase on the prior year of £110,403 and it is still in excess of the £1m minimum level set despite the challenges of the last year.

Going Concern

The financial statements have been prepared under the going concern basis. The Directors reviewed and agreed on the budget for the financial year 2020/21 which indicated that, barring unforeseen circumstances, the charity will continue to be able to meet all obligations as they fall due and will over time be able to build suitable reserves. The budget is subject to reforecasting quarterly during the year which allows for remedial action to be taken if deemed required.

The Directors have specifically considered the impact of the Covid-19 pandemic on the continuing operations of the charity. Financial projections and cashflow forecasts have been prepared by Senior Leadership Team which have been updated on a weekly basis and reported to Directors accordingly. Whilst it is evident that the Covid-19 pandemic will continue to have a significant impact on the 2020/21 results, it is envisaged that a break-even position will be achieved along with positive albeit reduced cash balances. Future budgets and plans will be set to recoup the impact of Covid-19 pandemic in terms of reserves and cash balances. The Directors, therefore, have a reasonable expectation that SFE has adequate resources to continue in operational existence for the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

General

Services For Education (formerly S4E Limited) is a registered charity in England and Wales (No. 1148848) and a company (No. 07739831) limited by guarantee. It was set up by a Memorandum of Association on 15 August 2011 and is governed by its Memorandum and Articles of Association.

Services For Education (SFE) is a unique charity that uses the power of learning and music to create and build confidence amongst children, young people, adults and communities. We aim to bring learning and music to life.

The principal objects of the company are:

- the advancement of education, particularly through the promotion of high-quality teaching and learning;
- the advancement of the care, safety and upbringing of children and young people by:
 - supporting and assisting those in need, their families and carers
 - promoting their health
 - advancing their education
- the advancement of the arts and culture, particularly through the promotion and teaching of music.
- everything we do is delivered with passion and care.

The company continues to focus on the quality of all services provided and to seek to expand both the range of services as well as their geographical reach.

The Board

The Board of Trustees is responsible for the overall governance of Services For Education and meet at least bi-monthly during the year. In the period since March 2020, until the end of July 2020, they met almost weekly to address the ongoing challenges caused by the Covid-19 pandemic. From September 2020, monthly meetings have taken place with additional meetings as required. New trustees are elected and co-opted under the terms of the Articles of Association and following an open recruitment process.

New trustees undertake a comprehensive induction process, which includes meetings with each member of the Senior Leadership Team and follow up meetings as required.

The Chair of Trustees, Martin Chitty retired following the fiscal year-end, at the Board meeting on 29 March 2021. He has been replaced by Sarah Smith.

Strategic management

Chief Executive

Authority to conduct the day-to-day activities of Services For Education is delegated to the Chief Executive, who is responsible for ensuring that the agreed strategy is implemented, and the necessary controls are in place to govern the organisation.

Martyn Collin, Chief Executive, left the company on 30 September 2019 and was replaced by Sharon Bell on 7 October 2019. The Chief Executive is supported by the Senior Leadership Team (SLT) which comprises Lindsay Allen (HR Director); Tracy Carlton (Marketing and Business Development Director); Stuart Birnie (Head of Music Service); Andrew Cooper (Head of School Support Service); Sarah Marshall (Head of Shared Services); Carl Black (Finance Manager) and Chris Silverton (Head of IT).

The Senior Leadership Team meets weekly, with additional monthly sessions focussing on strategy and long-term planning.

Remuneration Policy for Key Personnel

The remuneration of the Chief Executive is set by the Board of Trustees/Directors based on advice from market recruitment specialists.

The remuneration of senior staff is set by the Chief Executive in consultation with the Chair of Trustees and is based on both advice from market recruitment specialists and on industry benchmarks depending on the discipline of the employee.

Employees

During the second half of 2019/20, our entire workforce found themselves working from home, as Covid-19 forced schools to close. For many colleagues this was a new experience, and we focussed on ensuring that everyone had access to the systems and equipment to perform their role. Self-assessment checklists for temporary homeworking were circulated and actioned, as necessary.

Colleague wellbeing has always been of key importance, with fresh challenges posed by Lockdown and operational changes. Technology enabled frequent virtual team meetings across the organisation, and regular check-ins were encouraged at all levels. A weekly informal Monday video was implemented by the Chief Executive and is now an embedded part of our weekly communications. Together with the weekly written communication (In The Know) issued on a Wednesday, colleagues have received regular and consistent sources of information during an uncertain period.

We are grateful to the members of the Staff Forum who have worked closely with the Senior Leadership Team, meeting monthly throughout the academic year.

Our annual colleague survey was conducted in July 2020, and we were pleased to see an increase in the response rate to 64.3% compared to 56.2% in 2019. Overall colleague engagement was recorded as 81% (67% in 2019). An action plan has been developed in order to address any areas which gave cause for concern.

Diversity and Inclusion

SFE is committed to encouraging diversity and eliminating discrimination in both its role as an employer and as a provider of services. Our aim is that our employees are truly representative of all sections of society and work in an environment where everyone is respected and able to perform to the best of their ability.

Our policy is to provide equality and fairness for all in our employment and in our provision of services, and not to discriminate on grounds of gender, marital status, race, ethnic origin, nationality, disability, sexual orientation, religion or age.

SFE opposes all forms of unlawful and unfair discrimination. It is our policy to provide a suitable environment for people with disabilities. All reasonable facilities will be provided for employees with disabilities to perform their roles without difficulty or disadvantage.

We will not tolerate direct or indirect discrimination against any person on grounds of age, disability, gender/gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex or sexual orientation, whether in the field of recruitment, terms and conditions of employment, career progression, training, transfer or dismissal.

It is also the responsibility of all employees in their daily actions, decisions and behaviour, to endeavour to promote these concepts, to comply with all relevant legislation and to ensure they do not discriminate against colleagues, customers, suppliers or any other person associated with the business.

In adopting these principles, SFE:

- will not tolerate acts that breach this policy and all such breaches or alleged breaches will be taken seriously, fully investigated and may be subject to disciplinary action, where appropriate.
- fully recognises its legal obligations under all relevant legislation and codes of practice.
- will allow staff to pursue any matter through the internal procedures which they believe has exposed them to inequitable treatment within the scope of this policy. Copies of these procedures are available to all staff through the website.
- will ensure that all managers understand and maintain their responsibilities and those of their team under this policy.
- will offer opportunities for flexible working patterns, wherever operationally feasible, to help employees to combine a career with their domestic responsibilities.
- will provide equal opportunity to all who apply for vacancies through open competition.
- will select candidates only on the basis of their ability to carry out the job, using a clear and open process.
- will provide all employees with the training and development they need to carry out their job effectively.
- will provide all reasonable assistance to employees who are or who become disabled, making reasonable adjustments wherever possible to provide continued employment. We will ensure an appropriate risk assessment is carried out and that appropriate specialist advice is obtained when necessary.
- will distribute and publicise this policy statement throughout the company.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Directors (who are also Trustees of SFE for the purposes of charity law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

The auditors, MHA MacIntyre Hudson, 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 and signed on their behalf by:

Sarah Smith
Trustee
Date: 24 May 2021

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(FORMERLY S4E LIMITED)

Opinion

We have audited the financial statements of Services For Education Limited (Formerly S4E Limited) (the 'charitable company') for the year ended 31 August 2020 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 August 2020 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

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

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

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(FORMERLY S4E LIMITED) (CONTINUED)

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 Auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(FORMERLY S4E LIMITED) (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Birmingham, United Kingdom
26 May 2021

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	2,170,952	20,095	2,191,047	2,146,291
Charitable activities	5	-	4,739,560	4,739,560	5,335,799
Total income		2,170,952	4,759,655	6,930,607	7,482,090
Expenditure on:					
Charitable activities		2,142,576	4,678,972	6,821,548	6,731,503
Total expenditure		2,142,576	4,678,972	6,821,548	6,731,503
Net movement in funds before other recognised gains/(losses)		28,376	80,683	109,059	750,587
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	19	-	-	-	(342,000)
Net movement in funds		28,376	80,683	109,059	408,587
Reconciliation of funds:					
Total funds brought forward		211,597	1,416,112	1,627,709	1,219,122
Net movement in funds		28,376	80,683	109,059	408,587
Total funds carried forward		239,973	1,496,795	1,736,768	1,627,709

The Statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 23 to 42 form part of these financial statements.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)
REGISTERED NUMBER: 07739831

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	781,660	1,043,448
Current assets			
Debtors	11	522,546	677,156
Cash at bank and in hand		1,399,240	1,288,837
		<u>1,921,786</u>	<u>1,965,993</u>
Creditors: amounts falling due within one year	12	(966,678)	(1,381,732)
Net current assets		<u>955,108</u>	<u>584,261</u>
Total assets less current liabilities		<u>1,736,768</u>	<u>1,627,709</u>
Total net assets		<u><u>1,736,768</u></u>	<u><u>1,627,709</u></u>
Charity funds			
Restricted funds	13	239,973	211,597
Unrestricted funds	13	1,496,795	1,416,112
Total funds		<u><u>1,736,768</u></u>	<u><u>1,627,709</u></u>

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

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

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

Sarah Smith
 (Chair of Trustees)
 Date: 24 May 2021

The notes on pages 23 to 42 form part of these financial statements.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	216,843	(217,694)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(106,440)	(49,881)
	<hr/>	<hr/>
Net cash used in investing activities	(106,440)	(49,881)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	-	(237,331)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	-	(237,331)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	110,403	(504,906)
Cash and cash equivalents at the beginning of the year	1,288,837	1,793,743
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>1,399,240</u>	<u>1,288,837</u>

The notes on pages 23 to 42 form part of these financial statements

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

Services For Education Limited (formerly S4E Limited) is a charitable company limited by guarantee and registered and domiciled in England. The address of the registered office is Unit 3, Holt Court, Holt Street, Birmingham Science Park, Aston, Birmingham, B7 4AX.

The financial statements are prepared in sterling, which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations. Delivery of services has been adapted to take account of the shutdown but it is recognised that there will be an impact on invoiced services and also fundraising income. Steps are being taken to reduce costs and finances are being closely monitored. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.2 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Services For Education Limited (formerly S4E Limited) 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.

2.3 Company Status

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

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 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 Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the 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.

2.5 Income

All income is recognised once the 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 for services is recognised in the Statement of Financial Activities on a receivable basis on completion of the service.

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.

2.6 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 split of income. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

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.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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: .

Short-term leasehold property	- Over the term of the lease
Fixtures and fittings	- 25% on a straight line basis
Computer equipment	- 33.3% on a straight line basis
Music instruments	- 10%-13.3% on a straight line basis

2.8 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.

2.9 Interest receivable

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

2.10 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.

2.11 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.

2.12 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 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.13 Financial instruments

The 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.

2.14 Pensions

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

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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include depreciation rates for tangible fixed assets and their residual values.

Key estimates and judgements in relation to the financial statements include:

- Allocation of support costs
- Cost of instruments originally transferred to the charity in 2013 which were recognised at an estimate of the replacement cost of the instruments as adjusted to reflect age and condition.

4. Income from donations and grants

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	143,385	20,095	163,480
Arts Council England	2,027,567	-	2,027,567
SACRE	-	-	-
Total 2020	2,170,952	20,095	2,191,047

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from donations and grants (continued)

There are no unfulfilled conditions or other contingencies attaching to grants recognised in income in the year from government bodies.

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	79,870	20,251	100,121
Arts Council England	2,024,700	-	2,024,700
SACRE	21,470	-	21,470
<i>Total 2019</i>	<u>2,126,040</u>	<u>20,251</u>	<u>2,146,291</u>

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Music	3,371,890	3,371,890
School support	1,150,800	1,150,800
Other	216,870	216,870
Total 2020	<u>4,739,560</u>	<u>4,739,560</u>

Included within Other is income of £210,960 claimed under the Government's Coronavirus Job Retention Scheme (CJRS).

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Music	3,714,914	3,714,914
School support	1,617,685	1,617,685
Other	3,200	3,200
<i>Total 2019</i>	<u>5,335,799</u>	<u>5,335,799</u>

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Music	4,522,620	1,369,012	5,891,632
School support	711,860	212,263	924,123
Other	-	5,793	5,793
Total 2020	5,234,480	1,587,068	6,821,548

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Music	4,862,114	675,653	5,537,767
School support	1,071,109	122,627	1,193,736
<i>Total 2019</i>	<i>5,933,223</i>	<i>798,280</i>	<i>6,731,503</i>

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Music 2020 £	School support 2020 £	Total funds 2020 £
Staff costs	3,811,991	596,211	4,408,202
Depreciation	327,978	-	327,978
Music resources	49,873	-	49,873
Performance costs	152,503	-	152,503
Venue hire	61,169	669	61,838
Project costs	-	35,034	35,034
Travel & subsistence	53,174	661	53,835
Training	36,351	-	36,351
Consultancy	29,431	79,285	108,716
Professional fees	150	-	150
	4,522,620	711,860	5,234,480

	Music 2019 £	School support 2019 £	Total funds 2019 £
Pension cost	13,200	1,800	15,000
Staff costs	4,003,451	806,198	4,809,649
Depreciation	317,774	-	317,774
Music resources	71,457	-	71,457
Performance costs	176,719	-	176,719
Venue hire	133,155	7,117	140,272
Project costs	21	43,213	43,234
Travel and subsistence	73,031	22,662	95,693
Training	42,468	-	42,468
Consultancy	30,838	190,120	220,958
	4,862,114	1,071,110	5,933,224

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Music 2020 £	School support 2020 £	Other 2020 £	Total funds 2020 £
Staff costs	834,424	113,785	-	948,209
Depreciation	35,423	4,830	-	40,253
Project costs	101,032	13,777	-	114,809
Bad debt expense	34,672	4,728	-	39,400
Travel & subsistence	2,902	396	-	3,298
Training	21,706	2,960	-	24,666
Seconded staff	2,981	407	-	3,388
Office costs	55,448	31,704	-	87,152
Premises costs	94,487	12,884	-	107,371
Insurance	17,499	2,386	-	19,885
Marketing and publicity	39,350	5,366	-	44,716
Professional fees	44,336	7,410	-	51,746
Bank charges	2,848	388	5,793	9,029
Irrecoverable VAT	74,612	10,174	-	84,786
Governance costs	7,292	1,068	-	8,360
Total 2020	1,369,012	212,263	5,793	1,587,068

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Music</i> 2019 £	<i>School</i> <i>support</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	179,134	24,427	203,561
Depreciation	39,283	5,356	44,639
Travel and subsistence	3,697	504	4,201
Training	41,981	5,725	47,706
Seconded staff	2,241	306	2,547
Office costs	71,562	42,880	114,442
Premises costs	136,425	15,975	152,400
Insurance	16,328	2,226	18,554
Marketing and publicity	70,872	9,664	80,536
Professional fees	68,467	9,336	77,803
Bank charges	8,313	1,134	9,447
Irrecoverable VAT	29,520	4,026	33,546
Governance costs	7,830	1,068	8,898
<i>Total 2019</i>	<u>675,653</u>	<u>122,627</u>	<u>798,280</u>

2019 staff costs include a one off credit in respect of withdrawal from the Local Government Pension Scheme of £1,084,000. This reflects the difference between the valuation calculated in accordance with the requirements of FRS102 at 31 August 2019 compared to the liability due on withdrawal calculated on exit of this scheme.

7. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,500 (2019 - £8,898).

8. Staff costs

	2020 £	2019 £
Wages and salaries	4,535,650	4,834,984
Social security costs	359,965	419,501
Employer's pension contributions	460,796	778,726
Net income on exit of defined benefit pension scheme	-	(1,020,000)
	<u>5,356,411</u>	<u>5,013,211</u>

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Staff costs (continued)

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

	2020	2019
	No.	No.
Music	227	211
School support	10	16
Administration	18	18
Fundraising	2	2
	257	247

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	1	2
In the band £110,001 - £120,000	-	1

The total employee benefits received by key management personnel in the year was £628,410 (2019: £611,047).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - none).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - none).

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation					
At 1 September 2019	93,406	120,432	93,919	3,109,799	3,417,556
Additions	-	4,407	-	102,033	106,440
At 31 August 2020	93,406	124,839	93,919	3,211,832	3,523,996
Depreciation					
At 1 September 2019	68,400	85,000	93,919	2,126,789	2,374,108
Charge for the year	25,006	15,246	-	327,976	368,228
At 31 August 2020	93,406	100,246	93,919	2,454,765	2,742,336
Net book value					
At 31 August 2020	-	24,593	-	757,067	781,660
At 31 August 2019	25,006	35,432	-	983,010	1,043,448

11. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	433,125	493,638
Other debtors	68,651	13,000
Prepayments and accrued income	20,770	170,518
	522,546	677,156

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	44,131	133,498
Other taxation and social security	-	5,022
Other creditors	147,446	191,679
Accruals and deferred income	775,101	1,051,533
	966,678	1,381,732
	2020	2019
	£	£
Deferred income at 1 September 2019	935,634	834,786
Resources deferred during the year	871,954	870,235
Amounts released from previous periods	(1,089,097)	(769,387)
	718,491	935,634

Deferred income relates to income received in advance of service delivery.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds	1,416,112	4,759,655	(4,678,972)	1,496,795
Restricted funds				
Arts Council England	166,825	2,027,567	(2,027,567)	166,825
SACRE	5,480	-	-	5,480
Other	39,292	143,385	(115,009)	67,668
	211,597	2,170,952	(2,142,576)	239,973
Total of funds	1,627,709	6,930,607	(6,821,548)	1,736,768

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Funds	1,440,045	5,356,050	(5,379,983)	-	1,416,112
Pension reserve	(590,000)	-	932,000	(342,000)	-
	<u>850,045</u>	<u>5,356,050</u>	<u>(4,447,983)</u>	<u>(342,000)</u>	<u>1,416,112</u>
Restricted funds					
Arts Council England	166,825	2,024,700	(2,024,700)	-	166,825
SACRE	27,897	21,470	(43,887)	-	5,480
ACE Match	84,300	-	(84,300)	-	-
Other	90,055	79,870	(130,633)	-	39,292
	<u>369,077</u>	<u>2,126,040</u>	<u>(2,283,520)</u>	<u>-</u>	<u>211,597</u>
Total of funds	<u>1,219,122</u>	<u>7,482,090</u>	<u>(6,731,503)</u>	<u>(342,000)</u>	<u>1,627,709</u>

Arts Council England fund is core grant funding to support delivery of the music service.

SACRE is funding to support delivery of statutory religious education duties and school support on matters relating to religious education.

ACE Match is funding for delivery of the Catalyst: Evolve project.

Other restricted funds are an aggregate of smaller donations for specific aspects of our services.

SERVICES FOR EDUCATION LIMITED (FORMERLY S4E LIMITED)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	781,660	781,660
Current assets	239,973	1,681,813	1,921,786
Creditors due within one year	-	(966,678)	(966,678)
Total	239,973	1,496,795	1,736,768

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	1,043,448	<i>1,043,448</i>
Current assets	211,597	1,754,397	<i>1,965,994</i>
Creditors due within one year	-	(1,381,733)	<i>(1,381,733)</i>
Total	211,597	1,416,112	1,627,709

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	109,059	<i>750,587</i>
Adjustments for:		
Depreciation charges	368,228	<i>441,760</i>
Decrease in debtors	154,610	<i>56,326</i>
Decrease in creditors	(415,054)	<i>(455,023)</i>
FRS 102 Pension adjustments	-	<i>(932,000)</i>
Net cash provided by/(used in) operating activities	216,843	<i>(138,350)</i>

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16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,399,240	1,288,837
Total cash and cash equivalents	1,399,240	1,288,837

17. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,288,837	110,403	1,399,240
	1,288,837	110,403	1,399,240

18. Related party transactions

There were no related party transactions during the year. (2019: none)

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £333,182 (2019: £52,315)

The Company has previously participated in the following defined benefit pension schemes prior to ceasing to participate in both schemes on 31 October 2019..

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments. Membership is automatic for full-time teachers from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers are credited to the Exchequer. Retirement under arrangements governed by the above Acts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Pension commitments (continued)

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produced that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes an administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the period amounted to £132,735 (2019 - £535,113).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalue Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject to the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on the scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 date and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £20,832 (2019: £149,396), of which employer's contributions totaled £15,552 (2019: £110,993) and employees' contributions totaled £5,280 (2019: £38,402).

On 31 October 2019 the charity ceased to participate in both the Local Government Pension Scheme and the Teachers' Pension Scheme.

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19. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2020	<i>At 31 August 2019</i>
	%	%
Discount rate	N/A	1.85
Future salary increases	N/A	3.75
Future pension increases	N/A	2.25

	At 31 August 2020	<i>At 31 August 2019</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	N/A	20.9
- at 65 for a male aged 45 now	N/A	22.6
- for a female aged 65 now	N/A	23.2
- at 65 for a female aged 45 now	N/A	25.1

The Company's share of the assets in the scheme was:

	At 31 August 2020	<i>At 31 August 2019</i>
	£	£
Equities	-	3,404,000
Gilts	-	536,000
Other bonds	-	214,000
Property	-	462,000
Cash and other liquid assets	-	204,000
Other	-	841,000
Total fair value of assets	-	5,661,000

The actual return on scheme assets was £Nil (2019 - £394,000).

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19. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	-	(168,000)
Past service cost	-	(64,000)
Interest cost	-	(15,000)
Settlement on exit from Scheme	-	1,084,000
Total amount recognised in the Statement of financial activities	-	837,000

Movements in the present value of the defined benefit obligation were as follows:

Movements in the fair value of the Company's share of scheme assets were as follows:

	2020 £
Actuarial gains	-
Settlement on exit from Scheme	-
Contributions by employer	-
Return on assets less interest	-
Contributions by employer including unfunded	-
Contributions by scheme participants	-
Contributions by scheme participants	-
Contributions by scheme participants	-

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Amounts for the current and previous period are as follows:

	2020 £	2019 £
Defined benefit pension scheme		
Defined benefit obligation	-	-
Scheme assets	-	-
	<hr/>	<hr/>
Deficit	-	-
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	-	548,000
Experience adjustments on scheme assets	-	(206,000)
	<hr/> <hr/>	<hr/> <hr/>

20. Operating lease commitments

At 31 August 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	65,000	41,250
Later than 1 year and not later than 5 years	130,000	-
	<hr/>	<hr/>
	195,000	41,250
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