

Company number: 07739831
Charity number : 1148848



TRUSTEES REPORT

AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Sarah Smith, Chair Selwyn Calvin Martin Chitty (resigned 31 August 2021) Matthew Clements-Wheeler (resigned 31 August 2021) 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 B7 4AX
Company secretary	David Alcock
Chief executive officer	Sharon Bell
Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

WHY WE EXIST

Our Vision and Mission

Services for Education 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 in later life
- 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:



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

CHAIR'S INTRODUCTION

Welcome to our 2020/21 Annual Report and Accounts. An incredible year in which, despite all the pressures, we achieved remarkable outcomes to benefit the young people and citizens of Birmingham. We have transformed ourselves to deliver our services and our support in a virtual environment. And whilst the pandemic has tested us, it has also brought out the very best.

As an organisation, we have become more responsive. As a team, we have become more agile – and as partners to our customers, schools and the community, we have become more engaged.

It is, of course, always encouraging to witness success – especially when achieved in difficult times. We take pride in the fact that our successes have been endorsed independently. In recent months, we have been honoured to receive several significant award wins, regionally and nationally including the Music and Drama Education Award for Outstanding Music Education Resource and the Greater Birmingham Chambers of Commerce Award for Excellence in Education and Training.

The challenges posed by Covid-19 continue to shape our day-to-day operations. However, we are building on our learnings since March 2020 and planning for future growth, extending our reach and continuing to bring music and learning to life.

None of this would have been achievable without the enthusiasm and continuing commitment of our staff, trustees, stakeholders and, of course, our donors and funders including Arts Council England. We were fortunate to receive two grants from the Cultural Recovery Fund which have been pivotal in stabilising our operations in turbulent times. We will never be able to express sufficient gratitude for those who have supported us – and continue to do so – in a myriad of ways.

Sarah Smith

Chair of Trustees

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021. 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

All staff undertake annual safeguarding refresher training. This alternates between face to face, and the SFE online training course. All Music Staff now receive mid-year face to face/online update training to help keep safeguarding measures live. 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. 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.

We are continuing 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 2020/21 SFE received no complaints about its fundraising activity.

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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

Online delivery continued to be the main delivery vehicle for our published programme and also in school bespoke sessions. As it emerged that this would be a longer-term solution to the issues raised by the pandemic and lockdown, delegate feedback was closely monitored to ensure the quality of training was maintained, and any issues with remote learning identified as quickly as possible. Staff undertook a programme of CPD to develop their skills and approaches to online training in order to create an experience that was no lesser than the traditional face to face model, and ensure online sessions were as interactive as possible. At points where face to face delivery was possible, schools were given the option where possible of returning to physical sessions or remaining online.

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 delivered our schools' Music Conference online, which was three evenings of online content for music coordinators across the city. We looked at the level of need required from schools and provided CPD on:

- Composition in Primary Schools
- Singing – What is a musical school?
- Technology in the classroom
- Building a music curriculum – using the new Model Music Curriculum as a starter
- Makaton training
- Ofsted and Deep Dive support
- Online resources

We continue to improve and develop our 'in house' CPD with the wider music team. 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. Our Essential Skills twilight session continued to run online where we provided support for key areas of delivery.

We also provided external CPD from the wider 14 West Midlands Music Services – each Service released their in-house training across the Midlands (online) and we provided support in WCIT, Looked After Children training, Early Years provision and Curriculum Development and Enhancement.

Where possible, we provided lower level 'drop in' support for staff in the summer term. This was a welcome return for face-to-face visits for Heads of Department.

Customer Feedback

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.

Throughout the move to online delivery the feedback from course delegates has remained positive with 97% of

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delegates rating trainer delivery as excellent (72%) or good, and 96% rating the course overall as excellent (66%) or good.

Over 2300
delegates trained in
2020/21

98%
OF HEADTEACHERS RATE
OUR COURSES EITHER
EXCELLENT OR GOOD

97%
OF COURSE ATTENDEES
SAID THE COURSE MET
EXPECTATIONS

Despite continuing to charge our standard fees at a time when there was an excess of free or low-cost online training, we saw no drop off in delegate numbers. As face-to-face sessions returned there was not a noticeable change in either delegate numbers or responses to the online offer.

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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.



The academic year 2020/21 is year one of 'Strategy 2025 – Creating Tomorrow Today', outlining our roadmap for the next five years.

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

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- 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.



Key achievements in each of these streams are highlighted below:

Maximise Impact and Results

Our priority during 2020/21 has been in maintaining delivery throughout the pandemic across all streams of activity within School Support and Music. Risk assessments have been constantly updated, adapting as necessary for the guidance impacting schools. The decision to convene virtual music ensembles was an important foundation for restarting in person post the year end (Sep 2021). The decision was taken to remain in our current premises for the next two years, so that we could better understand our ongoing space requirements, considering the impact of Covid-19 on ways of working and customer preferences. The use of our CRM system has been significantly enhanced during the year, allowing for accurate reporting of the music order book and bespoke School Support products. This means that all our course sales information is now accessible from one central system.

Deliver Sustainable Growth

Our focus within Music has been to re-engage schools who may have suspended provision during Lockdown 1, and to make progress back to pre-pandemic levels of activity. As society continues to navigate Covid-19, this is an ongoing work in progress. The move to online training has enabled our footprint to grow, and we have welcomed attendees from across the UK selling in total 2005 course places. Both teams had the opportunity to deliver a virtual workshop overseas.

A new pricing strategy and associated model has been introduced, ensuring the true costs of a bespoke piece of work are captured – informed pricing decisions can then be driven by this information. Existing product lines have been reviewed in light of this model.

A new safe-guarding subscription service was successfully launched with 55 schools using this product in its first year.

Excellence in Practice

National recognition for our work has been received (winner of Outstanding Music Education Resource in the

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national Music and Drama Education Awards 2021, and Excellence in Training and Education, Greater Birmingham Chambers of Commerce Awards 2021) and improved the external brand reputation and recognition of SFE.

Through an integrated marketing campaign, the highest number of recruits since 2014/15 were recruited onto the Initial Teacher Training Programme starting in Sept 2021.

Key processes have been reviewed highlighting areas for development in the forthcoming year. An outcome of this work will be to seek greater automation in the month end processes during Autumn 2021.

Develop Effective Strategic Partnerships

As the lead organisation for the Birmingham Music Education Partnership, working in collaboration with Arts Council England and other leading cultural organisations across the City is key to our work. We value our relationships with these partners, ensuring that the offer is strong for the children and young people of Birmingham.

We work **closely** with Birmingham City Council across a number of areas, and it has been encouraging to see a growth in our work with Virtual School pupils, for whom the access to music tuition became very important, particularly during Lockdown 1.

Inspire and Engage

We welcomed five new trustees onto our Board during the financial year, all who had been inspired by our vision as an organisation and the impact that we have. In doing so we increased the breadth of experience and diversity of the Board. We have created more opportunities for colleagues to get involved in areas which impact all of SFE. Wellbeing Champions and members of a Diversity and Inclusion Group were recruited towards the end of the financial year and we look forward to their work in 2021/22.

Innovation and Creativity

This has been the theme which has defined the approach to all of our work during the period. Every team has demonstrated continual innovation and creativity to ensure continuity of service, alongside the government guidance in place at any given time.

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. A thorough review is undertaken on at least an annual basis, with amendments made during the year as required.

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.

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- changes in education policy impacting income streams in the School Support Service

mitigated by: close monitoring of education landscape and monthly meetings implemented with Birmingham City Council to continually understand direction of travel

- 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

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. A budget reforecast was performed after the production of December actuals, and again during the annual budget process. Close financial monitoring was a priority item on all Board meetings as we continued to navigate the uncertainties caused by Covid-19 restrictions and associated lockdowns, and their impact in schools. Subsequent to the year-end we have implemented a Finance and Audit Sub – Committee, enabling a subgroup of Trustees to have a more in-depth focus on financial performance between meetings of the main Board.

There continues to be a strict focus on credit control. The aged profile of debtor balances improved during the year and this trend has continued since the year end. 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 for the year of £932,885 (2020: £109,059). The net income on unrestricted funds was £446,166 (2020: £80,683) and there was a net income of £486,719 on restricted funds (2020: £28,376).

Despite a reduction in unrestricted income year on year of £327,518, predominantly caused by reduced school orders for music tuition and reduced demand for our training course offer, this was more than offset by a reduction in unrestricted expenditure of £693,001. Control of costs was seen as vital in order to navigate the difficulties imposed on our customer base by the Covid 19 pandemic, and the corresponding impact on the charity. Additionally, we were able make use of the flexible nature of the furlough scheme (and the extensions to the duration of this scheme) which boosted CJRS receipts by £105,290 year on year.

During 2020/21, income from grants were critical in supporting the charity to continue providing their charitable activities. Our core grant was received from Arts Council England totalling £2,011,624 (2020: £2,027,567) and then from the Culture Recovery Fund (CRF) totalling £709,200 (2020: £nil). The Culture Recovery Fund provided emergency funding to support the charity with the financial impact and ongoing uncertainties of the Covid-19 pandemic. Specifically, the Cultural Recovery Fund (CRF) has helped the charity to support schools who are slowly and cautiously re-introducing music to the curriculum. In a normal year the majority of music orders would have been placed by September, however, schools have been placing orders throughout the year causing the timetabling of teaching to be less efficient and therefore the charity has incurred greater delivery costs (e.g. a greater number of visits being required to a school setting). The CRF supports project costs incurred until the end of December 2021, and therefore post year end continues to support music in an

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increased number of settings in Autumn 2021.

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. This is to cover any immediate operational costs and to enable the charity to respond to changes in government policy and funding streams, with an increased balance at 31 August in any year of £1,500,000 reflecting the seasonal nature of the 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 2021 there were unrestricted funds carried forward of £1,942,961 (2020: £1,496,795), therefore the reserves policy level of available funds of £1,500,000 has been exceeded.

Whilst year end cash levels and reserves are in excess of those stated within policy, this is felt by Trustees to be a temporary situation whilst uncertainty remains around the buying behaviour and patterns of school customers in the next 18-24 months. Current forecasts indicate it will take time before a return to pre pandemic orders. Consequently, a deficit budget has been set for 2021/22 although through on-going cost control, the aim will be to break even. Trustees recognise that the increase in unrestricted reserves may support investment which may be an enabler for greater operational efficiency – which in turn would support the transition from future deficit forecasts, through to break even. Following the stabilisation of activity post pandemic, Trustees will review the Reserves Policy to ensure that it is fit for purpose.

The cash balance at the year ended 31 August 2021 stands at £2,830,643 (2020: £1,399,240), an increase on the prior year of £1,431,403 and for the reasons outlined above, is in excess of the £1m minimum level set despite the challenges of the last year.

The cash balance has benefited from the receipt of Culture Recovery Grants of £709,200 and a loan from Lloyds of £250,000 under the Coronavirus Business Interruption Loan Scheme. These receipts have helped the organisation to navigate potential cashflow difficulties during the Covid 19 pandemic. Due to the better than originally forecast cashflow situation, the loan of £250,000 was repaid in full to Lloyds in February 2022 before interest became chargeable. The remaining excess cash will support the organisation to invest and grow as the effects of the pandemic diminish.

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 2021/22 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 regular basis and reported to Directors accordingly. Whilst it is evident that the Covid-19 pandemic will continue to have a significant impact on the 2021/22 results, with a budgeted deficit. A reforecast performed after the December 2021 actuals has reduced this deficit. Through careful financial management, a break-even position is likely to be realised. 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

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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. More regular meetings have taken place when required to address the ongoing challenges caused by the Covid-19 pandemic. 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 at the Board meeting on 29 March 2021 and was 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, Sharon Bell, who is responsible for ensuring that the agreed strategy is implemented, and the necessary controls are in place to govern the organisation.

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); and Carl Black (Finance Manager).

The Senior Leadership Team meets weekly, with additional monthly sessions focussing on strategy and long-term planning. A Strategic Oversight Group meets on a fortnightly basis, comprising three members of the Senior Leadership Team and the focus this year has been ensuring the implementation of key processes around costings and recruitment.

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

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based on both advice from market recruitment specialists and on industry benchmarks depending on the discipline of the employee.

EMPLOYEES

During the FY20-21 period, Services For Education employed 231 staff on average.

The financial year involved a further period of school closures, and so there was another period when all our colleagues were working from home. During Lockdown 1 we were able to ensure that everyone had the access to the systems and equipment to perform their role. Self-assessment checklists to confirm the suitability of the temporary homeworking environment were re-circulated and actioned, as necessary. Use was made of the Coronavirus Job Retention Scheme (furlough) where insufficient work was available to meet contracted weekly hours. This was reviewed and updated at least monthly as changes were made to school orders, with use of the scheme peaking around February 2021 before reducing as schools started to reopen.

Regular weekly communications include an informal Monday video by the Chief Executive and a weekly written communication (In The Know) issued on a Wednesday. Staff Forum meetings are normally held bi-monthly, but have been held monthly during the pandemic. Minutes from all Staff Forum meetings are shared with staff, normally within 2 weeks of the meeting date, and archive copies are available through the SFE Sharepoint pages at any time. Through these methods and local/departamental updates, colleagues have received regular and consistent sources of information during an uncertain period. There was an opportunity to bring colleagues together at an informal social in July 2021 which was warmly received by staff.

We are grateful to the members of the Staff Forum who have worked closely with the Senior Leadership Team during this period and helped us shape the business responses to the challenges that have arisen.

75.2% of colleagues completed the staff survey in May 2021 (2020: 64.3%), resulting in an engagement score of 75% (2020: 81%). Working with the external provider, the 2021 survey moved to using pre-populated demographic data whilst maintaining colleague anonymity. This has resulted in more granular reporting functionality which has allowed us to identify and respond to particular areas of good practice and/or concern.

Diversity and Inclusion

SFE is committed to valuing diversity, encouraging inclusion 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

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- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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


- That so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditor in connection with preparing this report and to establish that the charitable company's auditor is aware of that information.

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

DocuSigned by:

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Sarah Smith
(Trustee)
Date: 28 April 2022

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED

Opinion

We have audited the financial statements of Services for Education Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

SERVICES FOR EDUCATION LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

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

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVICES FOR EDUCATION LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: 28 April 2022

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	45,611	2,784,077	2,829,688	2,191,047
Charitable activities	5	4,386,526	-	4,386,526	4,739,560
Total income		4,432,137	2,784,077	7,216,214	6,930,607
Expenditure on:					
Charitable activities		3,985,971	2,297,358	6,283,329	6,821,548
Total expenditure		3,985,971	2,297,358	6,283,329	6,821,548
Net movement in funds		446,166	486,719	932,885	109,059
Reconciliation of funds:					
Total funds brought forward		1,496,795	239,973	1,736,768	1,627,709
Net movement in funds		446,166	486,719	932,885	109,059
Total funds carried forward		1,942,961	726,692	2,669,653	1,736,768

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 37 form part of these financial statements.

SERVICES FOR EDUCATION LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 07739831****BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	561,564	781,660
		<u>561,564</u>	<u>781,660</u>
Current assets			
Debtors	11	644,789	522,546
Cash at bank and in hand		2,830,643	1,399,240
		<u>3,475,432</u>	<u>1,921,786</u>
Creditors: amounts falling due within one year	12	(1,142,343)	(966,678)
Net current assets		<u>2,333,089</u>	<u>955,108</u>
Total assets less current liabilities		<u>2,894,653</u>	<u>1,736,768</u>
Creditors: amounts falling due after more than one year	13	(225,000)	-
Net assets excluding pension asset		<u>2,669,653</u>	<u>1,736,768</u>
Total net assets		<u><u>2,669,653</u></u>	<u><u>1,736,768</u></u>
Charity funds			
Restricted funds	14	726,692	239,973
Unrestricted funds	14	1,942,961	1,496,795
Total funds		<u><u>2,669,653</u></u>	<u><u>1,736,768</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:

DocuSigned by:

Sarah Smith

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Sarah Smith

(Chair of Trustees)

Date: 28 April 2022

The notes on pages 23 to 37 form part of these financial statements.

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	1,202,125	216,843
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(20,722)	(106,440)
	<hr/>	<hr/>
Net cash used in investing activities	(20,722)	(106,440)
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	250,000	-
	<hr/>	<hr/>
Net cash provided by financing activities	250,000	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	1,431,403	110,403
Cash and cash equivalents at the beginning of the year	1,399,240	1,288,837
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>2,830,643</u>	<u>1,399,240</u>

The notes on pages 23 to 37 form part of these financial statements

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Services For Education 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 £.

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Services For Education 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.

2.2 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.

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 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.

2.4 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.

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

2.5 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.

Depreciation is provided on the following basis:

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

2.6 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.

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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 legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	31,861	63,253	95,114
Grants	13,750	2,720,824	2,734,574
	<u>45,611</u>	<u>2,784,077</u>	<u>2,829,688</u>

Included within Grants there is £2,011,624 from Arts Council England, £709,200 from the Culture Recovery Fund and £13,750 from Birmingham City Council.

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

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Music	2,969,233	2,969,233
School support	1,100,899	1,100,899
Other	316,394	316,394
	<u>4,386,526</u>	<u>4,386,526</u>

Included within Other is income of £316,250 claimed under the Government's Coronavirus Job Retention Scheme (CJRS).

	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
	<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).

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Music	4,136,659	1,229,365	5,366,024
School support	719,940	196,413	916,353
Other	-	952	952
	<u>4,856,599</u>	<u>1,426,730</u>	<u>6,283,329</u>

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure by activities (continued)

	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
	<u>5,234,480</u>	<u>1,587,068</u>	<u>6,821,548</u>

Analysis of direct costs

	Direct costs - Music 2021 £	Direct costs - School Support 2021 £	Total funds 2021 £
Staff costs	3,670,598	547,750	4,218,348
Depreciation	224,823	-	224,823
Music resources	54,761	-	54,761
Performance costs	114,421	-	114,421
Venue hire	9,989	-	9,989
Project costs	-	72,394	72,394
Travel & subsistence	25,734	72	25,806
Training	6,230	-	6,230
Consultancy	30,103	99,724	129,827
	<u>4,136,659</u>	<u>719,940</u>	<u>4,856,599</u>

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	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
	<u>4,522,620</u>	<u>711,860</u>	<u>5,234,480</u>

Analysis of support costs

	Direct costs - Music 2021 £	Direct costs - School Support 2021 £	Direct costs - Other 2021 £	Total funds 2021 £
Staff costs	855,140	116,610	-	971,750
Depreciation	14,076	1,919	-	15,995
Project costs	21,942	13,792	-	35,734
Travel & subsistence	3,714	507	-	4,221
Training	19,740	2,960	-	22,700
Office costs	46,660	24,067	-	70,727
Premises costs	103,048	14,052	-	117,100
Insurance	18,036	2,460	-	20,496
Marketing and publicity	34,796	4,745	-	39,541
Professional fees	29,388	4,007	-	33,395
Bank charges	642	87	952	1,681
Irrecoverable VAT	71,878	9,802	-	81,680
Governance costs	10,305	1,405	-	11,710
	<u>1,229,365</u>	<u>196,413</u>	<u>952</u>	<u>1,426,730</u>

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	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
	<u>1,369,012</u>	<u>212,263</u>	<u>5,793</u>	<u>1,587,068</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10,500	10,500
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>1,000</u>	<u>-</u>

SERVICES FOR EDUCATION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Staff costs

	2021 £	2020 £
Wages and salaries	4,461,618	4,535,650
Social security costs	344,592	359,965
Contribution to defined contribution pension schemes	383,888	460,796
	<u>5,190,098</u>	<u>5,356,411</u>

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

	2021 No.	2020 No.
Music	203	227
School support	9	10
Administration	18	18
Fundraising	1	2
	<u>231</u>	<u>257</u>

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	-

Two additional employees are disclosed in the £60k-£70k banding this year. These two employees would have also been disclosed in the previous year however, salaries were reduced for all employees by 20% between June and August 2020 as a result of the pandemic. This meant the salaries for the two employees in question fell below £60k.

The total employee benefits received by key management personnel in the year was £648,217 (2020: £628,410).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Musical Instruments £	Total £
Cost or valuation					
At 1 September 2020	93,406	124,839	93,919	3,211,832	3,523,996
Additions	-	7,707	-	13,015	20,722
At 31 August 2021	93,406	132,546	93,919	3,224,847	3,544,718
Depreciation					
At 1 September 2020	93,406	100,246	93,919	2,454,765	2,742,336
Charge for the year	-	15,995	-	224,823	240,818
At 31 August 2021	93,406	116,241	93,919	2,679,588	2,983,154
Net book value					
At 31 August 2021	-	16,305	-	545,259	561,564
At 31 August 2020	-	24,593	-	757,067	781,660

11. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	585,487	433,125
Other debtors	23,698	68,651
Prepayments and accrued income	35,604	20,770
	644,789	522,546

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	25,000	-
Trade creditors	37,592	44,131
Other creditors	166,047	147,446
Accruals and deferred income	913,704	775,101
	<u>1,142,343</u>	<u>966,678</u>
	2021 £	2020 £
Deferred income at 1 September 2020	718,491	935,634
Resources deferred during the year	990,932	871,954
Amounts released from previous periods	(894,427)	(1,089,097)
	<u>814,996</u>	<u>718,491</u>

Deferred income relates to income received in advance of service delivery for 2021/2022.

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

	2021 £	2020 £
Bank loans	225,000	-

The above Bank loan is a CBILS Loan with Lloyds Bank for £250,000 repayable over a period of 60 months commencing 13 months after the drawdown date. The interest rate is 2.48% plus the base rate. The amount repayable after more than 5 years is £25,000. After the balance sheet date it was agreed that the CBILS Loan would be repaid in full within 1 year. The loan of £250,000 was repaid in full to Lloyds in February 2022 before interest became chargeable.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
General Funds	1,496,795	4,432,137	(3,985,971)	1,942,961
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Arts Council England	166,825	2,011,624	(2,011,624)	166,825
SACRE	5,480	-	-	5,480
Other	67,668	63,253	(35,734)	95,187
Culture Recovery Fund	-	709,200	(250,000)	459,200
	<hr/>	<hr/>	<hr/>	<hr/>
	239,973	2,784,077	(2,297,358)	726,692
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	1,736,768	7,216,214	(6,283,329)	2,669,653
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Statement of funds (continued)

Statement of funds - prior 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
	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>
	211,597	2,170,952	(2,142,576)	239,973
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> <hr/> 1,627,709	<hr/> <hr/> 6,930,607	<hr/> <hr/> (6,821,548)	<hr/> <hr/> 1,736,768

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.

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

The Culture Recovery Fund provided emergency funding to support the charity with the financial impact of Covid-19 pandemic and to be able to continue its charitable activities.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	561,564	-	561,564
Current assets	2,748,740	726,692	3,475,432
Creditors due within one year	(1,142,343)	-	(1,142,343)
Creditors due in more than one year	(225,000)	-	(225,000)
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/> 1,942,961	<hr/> <hr/> 726,692	<hr/> <hr/> 2,669,653

SERVICES FOR EDUCATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	932,885	109,059
Adjustments for:		
Depreciation charges	240,818	368,228
Decrease/(increase) in debtors	(122,243)	154,610
Increase/(decrease) in creditors	150,665	(415,054)
Net cash provided by operating activities	<u>1,202,125</u>	<u>216,843</u>

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	2,830,643	1,399,240
Total cash and cash equivalents	<u>2,830,643</u>	<u>1,399,240</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,399,240	1,431,403	2,830,643
Debt due within 1 year	-	(25,000)	(25,000)
Debt due after 1 year	-	(225,000)	(225,000)
	<u>1,399,240</u>	<u>1,181,403</u>	<u>2,580,643</u>

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 £383,888 (2020: £333,182).

20. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	89,045	65,000
Later than 1 year and not later than 5 years	113,090	130,000
	<u>202,135</u>	<u>195,000</u>

During the year £65,000 (2020: £65,000) has been recognised as an expense in the Statement of financial activities.

21. Related party transactions

There were no related party transactions during the year (2020: none).