

**NEW SERVOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018**

MHA MACINTYRE HUDSON
Chartered Accountants and Registered Auditor
Rutland House
148 Edmund Street
Birmingham
B3 2FD

NEW SERVOL
(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 MARCH 2018**

Trustees	M Arnett (resigned 2 May 2018) G Branch, Chair L Bugby C E Corlis (resigned 15 October 2017) M Dodson, Co-opted member L Harris M James (resigned 15 May 2017) J Roberts (appointed 5 December 2017) V Taylor (appointed 3 October 2017)
Company registered number	03470752
Charity registered number	1125896
Registered office	235-237 Dudley Road Winson Green Birmingham B18 4EJ
Company secretary	P Gayle
Chief executive officer	P Gayle
Senior management team	K Monero - London Regional Operations Manager C Leek - Birmingham Operations Manager M James - Finance and Business Manager C Corlis - H R Manager
Independent auditor	MHA MacIntyre Hudson Chartered Accountants and Registered Auditor Rutland House 148 Edmund Street Birmingham West Midlands B3 2FD
Bankers	Barclays Bank Plc 351-359 Soho Road Birmingham B21 9SE

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The chairman presents his statement for the period.

The environment in which NewServol operates has been a challenging one for some time. Yet, despite the challenges that our sector faces we have been able to continue to provide our much needed mental health services in both regions, to ensure our mental health services remain accessible to vulnerable people with mental health problems who may have experienced difficulties and require support with the aim of living independently in the community. The impact of the work that we do is recognised in both London and Birmingham by the service users, commissioners and other stake holders.

Our work is exigent but achievable with the support of our partners, and funders. We are appreciative to everyone who is involved in our work and who make the concept of all of our work a reality. At NewServol we ensure the mental health agenda is at the core of everything we do. It is with this in mind that I would like to acknowledge our amazing staff team. Their dedication and loyalty to their work is to be commended. It enables us to meet the challenges, no matter how difficult, and to celebrate success along the way.

Finally, I would like to thank my fellow trustees for their help and support during the year. I would also like to thank Cyndi Corlis who stepped down as Chair of the Board in October 2017 after being on the Board of NewServol for 9 years and chairperson for two years. It has been a year of change in which the Board also welcomed 'new' members to the Board as it seeks to meet its objective to refresh and renew - always ensuring we have the right skills to support the organisation going forward. We have welcomed Val Taylor and John Roberts. Together we are looking forward to supporting the development of our services in our current regions and new terrains.

As I have already said 2017/18 has been a successful year and much has been accomplished. I would like to express my thanks to all who have contributed to that success - to the trustees and staff. Next year we aim to report even more successes that will take us forward into the next and future years.

Name George Branch
 Chair

Date 16 November 2018

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of New Servol ('the charity') for the year ended 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) – applicable to charities preparing their accounts in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The administrative details on pages 1 form part of this report. The report and statements also comply with the Companies Act 2006 as NewServol was incorporated by guarantee on 25 November 1997, to continue the work started in 1978. It was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2018 was 6 (2017: 7).

Since the Charity qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies is not required.

Objectives and Activities

Objects

The objects of the charity are the promotion of any charitable purpose for the benefit of those living in Birmingham, nationally and internationally. Our services are particularly for those people in distress, experiencing mental illness and in the interests of social welfare provide or assist in the provision of facilities for individuals requiring support and care and for the recreation of leisure time occupation of the said inhabitants with the object of improving their condition of life.

Objectives and activities

NewServol's main strategic objectives and vision is underpinned by four strategic objectives that will be at the heart of our future success and these are:

- To provide safe high quality support to our service users across all our services and strengthen our governance processes in relation to each service;
- We will invest in staff and value our stakeholders so they recommend Servol as a place to work;
- Use resources well to ensure we are sustainable; and
- Identify new contracts to widen our service portfolio and increase the number of bed spaces by at least 5 extra per year.

The trustees review the strategic objectives and activities of the charity each year. This report looks at what we as a charity have achieved within the last twelve months. The trustees report the success of each key activity and the benefits the charity has brought to the key people we are here to support. The review also helps the trustees ensure the charity's objectives and activities remained focused on its stated purposes.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's strategic objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. The objectives are met through a variety of activities which are summarised below. Each activity, the beneficiaries and the public benefit are discussed in greater detail further in the report.

Achievements and performance

Objectives and strategies

NewServol has a clear format for setting its objectives and devising the strategies and activities to meet those objectives which cover:

- A long term vision and values which sets out the road map for the future of NewServol.
- 3 year strategic business plans the latest being 2018 to 2021, which is reviewed and updated each year
- Annual budgets

Strategic

This year we.....

- Continued to look at different ways we can develop our services devising operational strategic plans across Birmingham and London.
- Began the consultation process of adopting an overarching name for the organisation.
- Continued to explore new ways of income generating developing a business model setting up individual business from our head office.
- Recruited individuals possessing key skills and knowledge to strengthen the composition of the board.

Supportive

This year we.....

- Have supported service users to move from our accommodation and settle successfully in the community in both Birmingham and London.
- Supported over 50 mental ill health service users to find alternative permanent accommodation.
- Supported service users through a step down model into accommodation and then preparing to reintegrate into their own accommodation in the community
- Continued to deliver effective support to people experiencing mental health problems.
- Found appropriate placements for volunteers within the organisation.

Developmental

This year we....

- Implemented the outcome recovery star approach across both regions
- Worked with our stakeholder representatives devising a 'new' ways of delivering best practice services.
- Continued to promote our services in Birmingham and London taking into account the national agenda of more step up step down mental health supported accommodation services similar to NewServol's accommodation provision.
- Increased the number of bed spaces as identified in our strategic plan.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Informs and consults

This year we.....

- Continued to send out a quality survey questionnaires across the organisation with service user, stakeholders and staff to look where we can improve services and also make our organisation attractive for employment.
- Recreated our newsletter informing both staff and service users of past and future events.

Professional and developing

This year we.....

- Supported 3 staff to begin level 3 NVQ Social Care and Health training and two member s of staff to complete level 5 leadership in NVQ level 5
- Trained staff in dispense of medication, data base training, safeguarding and outcome recovery star training.
- Further developed our IT system

NewServol Services

Our Service Aims in 2017/18

- To maintain 'Good rating in all of our Birmingham services and to maintain compliance with the Care Quality Commission's Standards.
- To comply with Local Authority Contractual Requirements.
- Increase our income from the previous year
- To meet budgetary targets and achieve a balanced budget
- To develop services in line with the needs and aspirations of service users
- To research and develop new areas of activity for the NewServol
- To maximise and develop our IT services
- Improve on outcome measures and reporting
- Increase the number of bed spaces to generate income for the business

The activities of NewServol are undertaken by dedicated full and part-time staff supported by volunteers who selflessly give their time as committee members, advisors, "panel members", project support etc. To all the staff and volunteers the trustees express their deep gratitude and acknowledge the importance of such valuable support.

NewServol provides the following accommodation, training and move on services in Birmingham and London:

Birmingham Services

Residential Unit Strensham Hill:

Strensham Hill is a large 2 storey house on the corner of Strensham Hill and Edgbaston Road. It is a registered residential home providing accommodation and support for eight adults with mental health disorders. People from any cultural background are welcome at the home, however, there is a specific focus on the needs of Caribbean people. We see it as a success if we can support someone to move onto more independent service. Strensham Hill has six standard rooms, 1 downstairs self-contained one bedroom flat. The flat has its own lounge, kitchen and bathroom. This service is for service users who are becoming more independent and are looking to move into a less supportive setting in the community. Each prospective service user receives a full and thorough assessment before they move into the property to ensure the service can meet their needs. Trial visits to the home are organised so the prospective service user can fully understand and experience living at the home, and equally existing service users can get to know the prospective service user. Before moving into the service a detailed person centred plan will be compiled with full consultation and involvement of the service user. Individual plans detail how service users will develop independence; maintain contact with friends and family with the opportunities to develop these personal networks further. This plan will identify how we will meet any identified religious and cultural needs including arrangements for service users to attend religious services

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

of their choice. Through the plan, it is aimed that service users are supported to access socially valued activities that meet their needs and wishes. Additionally it is intended that every service user has a door key to their room to enable them privacy and security.

Respite Services

Summerfield Crescent and Gillot Road are two large three storey houses that are next door to each other in Edgbaston. The service at Summerfield Crescent provides a respite service for five male people. Gillot Road provides a crisis service for six female individuals. There is little difference between the two units in relation to the care and support offered. The main difference is that the clients are referred from different mental health teams within the City of Birmingham and people from any cultural background are welcome at the service, however, there is a specific focus on the needs of Black Minority Ethnic groups. The emphasis at our respite step up step down service is on maintaining and developing independence for people to move back into a community setting as soon as possible. Each prospective service user receives a full and thorough assessment before they move in, to ensure the service can meet their needs. From this assessment a person centered plan is completed with the client, to ensure their needs can be met. This is completed with full involvement from the service user and clinical team. All service users have a key to their bedroom to ensure privacy and security of their belongings. Staff possess spare keys in case of emergencies and maintenance work is required.

100 School Road Supported Living Unit

School Road is a 9 bedded self-contain Flat/bedsit, with kitchenette, individual en-suite toilet and shower. There are 2 communal rooms, 1 communal toilet and a separate bathroom for individuals who would prefer to have a bath. There is a large laundry room housing washing machines and dryers. The property is in a nice location. Individuals with learning disabilities will receive support to help them to develop the skills to enable them to live independently. Once they are ready to move onto their own tenancy NewServol will provide floating support to assist their transition. We are committed to providing support, and enabling adults with a mental health problems to fulfill their potential in life. We have a wealth of experience in Adult Mental Health residential and respite Care service.

Community Support Homes

NewServol utilise private accommodation in the community. The purpose is to provide two and three bedroom homes for clients living with mental health issues: who have been assessed, can live semi/independently and want to move out of large residential home to:

- move into smaller units where they can live semi/independently with a minimum of support
- To integrate into their local community

Some of our accommodation services are short term to a maximum of two years and to facilitate their recovery a number of clients need to move into their own tenancies. Having a home to call your own is a vital step towards a better quality of life. It is the springboard for getting back into employment, education and training, and above all engaging with the local community.

Supported Accommodation Units London

Bickersteth Road

This unit consists of nine self-contained flats within a fully supported accommodation scheme. The unit is staffed twenty-four hours per day, by a team of dedicated support workers, and a manager who has a deep understanding of all our clients' needs. All clients at Bickersteth have had enduring mental illness and the majority of clients are referred directly from the psychiatric units by CPN's or Social Workers or the Forensic Teams. NewServol's Bickersteth scheme is for vulnerable individuals who may have struggled to maintain previous tenancies in the independent living sector, but just need some additional support as preparation re-integration into the community following a long period of illness while still connected to mental health services. Whilst providing a secure and homely environment at this scheme, the support team work through individually tailored assessments and support plans with clients. Working alongside health care professionals and Social Services, the support team is able to monitor and maintain the mental health of our clients.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Trinity Road

This unit consists of twelve rooms. All of the clients at Trinity Road have had enduring mental illness and the majority of clients are referred directly from the psychiatric units by CPN's or Social Workers and homeless support teams. NewServol Trinity scheme is for vulnerable individuals who need some additional support to prepare them to be re-integrated back into the community following a long period of illness while still connected to mental health services and they are assessed.

Whilst providing a secure and homely environment at this scheme, the staff work through individually tailored assessments and support plans with clients. Working alongside health care professionals and Social Services, the support team is able to monitor and maintain the mental health of our clients. Our London service provides a range of support and the duration stay is up to a maximum period of two years.

Thurleigh Road

Thurleigh Road Housing Support Service is for people living with long term mental health conditions. The service provides accommodation and support with the purpose of developing the client's capacity to live independently in accommodation or their capacity to do so. The service works with new tenants in their accommodation and provides support staff. The service also has access to a 24 hour on call service (senior manager) for serious incidents and issues and is linked to one of NewServol's schemes located in Tooting Wandsworth. The service provides a list of emergency contacts that can be used; if the need arises. The accommodation unit is supported by The London Borough of Wandsworth. Support is given to individuals for up to 12 months.

Plans for future periods

Future activities

In line with our 3 year strategic business plan our organisational activities for the next year will be to continue to provide safe high quality support to our service users, and continue to improve and strengthen our governance process across all services.

The organisation will also be changing its name going forward and reviewing its governing documents with regards to the Articles of Association to ensure it reflects the growth and development of the organisation.

In addition to this we recognise the importance of having highly skilled staff and it is our endeavour to invest in training and development of our staff in order to continue providing the highest level of care and support to our service users. Also we know through our supported living scheme model we have developed at School Road, we are looking to secure more properties like these replicating this model across the West Midlands to increase our unrestricted income.

Finally we feel it is important to continue to increase the number of bed spaces we have and widen our portfolio in other areas outside the West Midlands region which we are actively pursuing.

Financial review

Review of finances

A high proportion of the NewServol's income is in the form of care and support fees towards the cost of services. Such fees are charged for provision of residential and supported living accommodation services. They are paid by local and health authorities. Staff costs are by far the biggest item of expenditure for the organisation. NewServol strives to give residents, and service users the highest standard of service and care and relies on the hard work and dedication of its staff for that. It operates in a very competitive environment for staff and therefore offers staff as best as it can competitive rates of pay and fair leave and sickness benefits.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

NewServol staff are registered with our pension scheme. All staff undergo a formal induction programme, have regular supervision and staff meetings, and receive staff newsletters. Inflation is an issue for NewServol with major costs on gas, electricity, water and food continuing to increase. Local Authorities which are under financial constraints are not generally offering increases in fees in line with headline inflation, and certainly not in line with the specific inflation incurred with social care projects. Whilst NewServol has made some considerable progress in reducing operating deficits, the present economic climate makes further progress difficult without impacting on quality of service which is not acceptable to NewServol.

In 2018, there was an increase in income of £178,379. Total expenditure was only 1% above the budgeted mark as we continued to review our cost expectations. This was a particularly good outcome especially with NewServol experiencing a 2.5% increase in salaries and wages applicable from the beginning of the year. We also implemented overtime rates of £1.00 per hour (weekdays) and £2.00 per hour (weekends) for hourly paid staff since September 2017. We have also reviewed and implemented some of our printer contracts which have led not only to cost savings but also to improvement in our work processes. These reviews will continue into the next financial year as the need for savings become more essential due to increases in salary and wages, pensions, rental and other suppliers' costs. We will combat this not only by continuous cost improvement but also by seeking further opportunities for lateral and vertical growth.

Reserves policy

The Trustees of NewServol have established a reserves policy which reflects the long term nature of much of the work of the organisation. NewServol has a long history of providing residential care and supported living schemes to people experiencing enduring mental health problems. It is the Trustees intention that NewServol should hold a reserve sufficient to allow it to operate effectively for a period of time given the current practice of contracting bodies making payments in arrears (generally per quarter). The objective is that NewServol would be able to carry on its work, even if faced with a combination of difficult circumstances, and have the time to adjust its strategy to meet these changing circumstances. The Trustees are mindful that any such reserve needs to be carefully monitored so that funds are not retained unnecessarily. The level of any reserves will be reviewed on an annual basis to ensure that it is appropriate to the expected level of income. Should it be identified that the reserve exceeds the agreed level any excess will be applied to the organisation charitable purposes. In the event the reserves fall below its operational costs, immediate measures will be implemented to prevent further loss and we will make every effort to rebuild it.

In relation to our reserves policy NewServol is exposed to financial and operational risks. The Trustees assess the risks to which NewServol could be exposed and the appropriate systems are in place to mitigate these identified risks. NewServol's major financial risks continues to come from running services with high voids and the use of agency staff.

Free Reserves

Free Reserves are those funds available to meet the day to day needs of the organisation's work. The Trustees have decided that given the long-term commitments in the organisation's work, the fragility of external funding for some of its services and the uncertainty of voluntary income and legacies, free reserves should be held for not less than 3 and not more than 6 months' expenditure. At the balance sheet date free reserves amounted to £89,972 (unrestricted funds of £383,456 less £293,484 of funds held as fixed assets), equivalent to 0.66 months unrestricted expenditure. The free reserves are below the reserves policy minimum levels, (which is currently £407,000 for three months), as NewServol has steadily been rebuilding our reserves which had been totally depleted in the past few years. The growth in the current year has been quite phenomenal especially in relation to past two (2) years when there were literally no reserves. We have implemented tighter budgetary control measures. Managers are now feeling more responsible for their budgets, which are being monitored and checked for accountability. This has resulted in improvements and cost savings all-round. Based on our current contract renewals and commitment to the service provided by NewServol, as well as future plans for growth and cost improvement the trustees foresee a bright future and continuous improvement in the building of our reserves.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 25 September 1997. The charity initially began its work as an unincorporated charity in 1983.

The memorandum of association sets out the objects and powers of the charitable company and it is governed by its articles of association.

Recruitment, appointment and training of Trustees

Nominations for trustees have been made by existing trustees and other supporters of the organisation. NewServol has also successfully advertised for trustees to replace retiring trustees. Appointments are made by the board with the approval of the chair in line with identified skills gaps in the existing board or through retirement. New trustees undergo a formal induction, managed by the Chief Executive, into their responsibilities, the varied activities and the ethos of the organisation. Professional advice is made available to the trustees at all times and appropriate trustee training is provided.

Organisational structure

The Board of Trustees has established sub-committees to examine areas of work in more detail and to advise the senior management team and report to the full board. Occasionally the board delegates specific issues and decisions to sub-committees when deemed appropriate. The board of trustees sets the strategic direction of NewServol and approves annual budgets. Implementation and day to day management is delegated to the Chief Executive and through him to the senior management team. The board constantly reviews its governance structure to ensure that it complies with best practice and is committed to achieving compliance with the Good Governance Code.

Governance and internal controls

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of NewServol and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of NewServol and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

They include:

- A strategic plan and an annual budget approved by the trustees.
- Regular consideration by the trustees of the financial results, variances from budgets, non- financial performance indicators and benchmarking reviews.
- Delegation of authority, segregation of duties and formal supervision structures.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Strategic risk management 2017/18

The CEO and the Trustee considered the strategic risks facing the organisation. As a result of this deliberation certain strategic risks were identified where different or additional management actions could be put in place. The CEO was tasked with producing a more detailed set of actions to respond to and manage these risks. Some of the strategic risks from the previous year have been removed, due to the management actions taken in 2017-18. The following were agreed for 2017-18:

Reputation for safeguarding vulnerable adults

It had been agreed in the previous year that inspected services still presented a risk. It was acknowledged that a robust process be put in place to review non-inspected services (community homes). However since this process has just begun this will remain a highlighted risk.

Risk	Risk at start of year	Risk at end of year
Reputation for safeguarding vulnerable adults	Low	Low
Non inspected services Community Empty Homes Houses that do not require to be regulated by CQC or any other regulator	Low	Low
Financial management - income generation and expenditure control - this needs to be considered project by project		
NewServol - risk of new fee structure leading to more vacant places	Low	Low
Adult care - impact of national living wage	Medium	Medium
NewServol have struggled with the high use of agency staff costs	Medium	Low
Re-tender of any contracts	Moderate	Low
A need to ensure that the organisation has sufficient management and workforce capability to deliver the new services being undertaken. Increased capacity is in the process of being put in place.	Moderate	Low/Moderate
Pension Fund liability	Low	Low
Governance		
Recruitment of new Trustees with appropriate expertise	Moderate	Low
Strategic vision and new three year business plan	Low	Low
Service growth	Moderate	Low
Breach of Data Protection Act	Medium	Moderate

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Going concern

After reviewing the organisation's budgets and projections, the Trustees have a reasonable expectation that NewServol has adequate resources to continue in operational existence for the foreseeable future. NewServol therefore continues to adopt the going concern basis in preparing the financial statements.

Key management personnel remuneration

The Trustees consider the Senior Management Team, comprising the Principal Staff listed on page 1, as being the key management personnel of NewServol is in charge of running and operating the charity on a day to day basis. All trustees give of their time freely and no trustees' remuneration was paid in the year. Details of trustees' reimbursed expenses and related party transactions are disclosed in the financial statements. Trustees are required to disclose all relevant interests and register them in accordance with the organisation's policy and highlight them during discussions where a conflict of interest arises. The pay of the charity's management team is reviewed annually. The remuneration is bench- marked with other charities of a similar size and activity in the West Midlands area to ensure that the remuneration is fair and not out of line with that paid for similar roles.

Trustees' responsibilities statement

The Trustees (who are also directors of New Servol for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 Trustees 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditor

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees, on 16 November 2018 and signed on their behalf by:

G Branch
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SERVOL

Opinion

We have audited the financial statements of New Servol (the 'charitable company') for the year ended 31 March 2018 set out on pages 16 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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

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.

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 auditor's 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SERVOL

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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to 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.

NEW SERVOL

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SERVOL

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.

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

Use of our report

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

Helen Blundell FCA, FCIE, DChA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants and Registered Auditor

Rutland House

148 Edmund Street

Birmingham

West Midlands

B3 2FD

19 November 2018

NEW SERVOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	150	-	150	-
Charitable activities	4	1,703,527	-	1,703,527	1,537,870
Investments	3	23,818	-	23,818	11,246
Total income		<u>1,727,495</u>	<u>-</u>	<u>1,727,495</u>	<u>1,549,116</u>
Expenditure on:					
Charitable activities		1,626,906	292	1,627,198	1,529,614
Total expenditure	7	<u>1,626,906</u>	<u>292</u>	<u>1,627,198</u>	<u>1,529,614</u>
Net income before other recognised gains and losses		100,589	(292)	100,297	19,502
Net movement in funds		100,589	(292)	100,297	19,502
Reconciliation of funds:					
Total funds brought forward		282,867	2,880	285,747	266,245
Total funds carried forward		<u>383,456</u>	<u>2,588</u>	<u>386,044</u>	<u>285,747</u>

The notes on pages 19 to 31 form part of these financial statements.

NEW SERVOL
(A company limited by guarantee)
REGISTERED NUMBER: 03470752

BALANCE SHEET
AS AT 31 MARCH 2018

		2018			2017
	Note	£	£	£	£
Fixed assets					
Tangible assets	11	143,484		138,347	
Investment property	12	150,000		150,000	
			293,484		288,347
Total tangible assets			293,484		288,347
Current assets					
Debtors	13	111,571		60,634	
Cash at bank and in hand		114,636		56,423	
		226,207		117,057	
Creditors: amounts falling due within one year	14	(127,851)		(119,657)	
Net current assets/(liabilities)			98,356		(2,600)
Total assets less current liabilities			391,840		285,747
Creditors: amounts falling due after more than one year	15		(5,796)		-
Net assets			386,044		285,747
Charity Funds					
Restricted funds	16		2,588		2,880
Unrestricted funds	16		383,456		282,867
Total funds			386,044		285,747

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

The financial statements were approved and authorised for issue by the Trustees on 16 November 2018 and signed on their behalf, by:

G Branch
Trustee

The notes on pages 19 to 31 form part of these financial statements.

NEW SERVOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	45,278	37,177
Cash flows from investing activities:			
Dividends, interest and rents from investments		23,818	11,246
Purchase of tangible fixed assets		(20,341)	-
Net cash provided by investing activities		3,477	11,246
Cash flows from financing activities:			
Repayments of borrowings		(1,525)	-
Cash inflows from new borrowing		10,983	-
Net cash provided by financing activities		9,458	-
Change in cash and cash equivalents in the year		58,213	48,423
Cash and cash equivalents brought forward		56,423	8,000
	19	114,636	56,423

The notes on pages 19 to 31 form part of these financial statements.

NEW SERVOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

1.1 General information

New Servol is a charitable company limited by guarantee, incorporated and domiciled in England and Wales and registered with Companies House and the Charity Commission.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

New Servol 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.

1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity is registered in England, its principle place of business and registered office is 235-237 Dudley Road, Winson Green, Birmingham B18 4EJ.

1.4 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.

1.5 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 from charitable activities is recognised when the service is provided. Renal income is recognised when recoverable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting Policies (continued)

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

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.7 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to leasehold property	-	over the lease term
Motor vehicles	-	10% on reducing balance
Fixtures and fittings	-	10% on cost
Office equipment	-	33.3% on cost

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting Policies (continued)

1.9 Investment Property

Investment property is carried at fair value determined annually by either external valuers or the trustees and is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any differences in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.10 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.11 Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating the income and expenditure account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.12 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 Bank.

1.13 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.

1.14 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.

1.15 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.

NEW SERVOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting Policies (continued)

1.16 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.

1.17 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. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	150	-	150	-

3. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rents receivable	23,756	-	23,756	11,216
Deposit account interest	62	-	62	30
	<u>23,818</u>	<u>-</u>	<u>23,818</u>	<u>11,246</u>
Total 2017	<u>11,246</u>	<u>-</u>	<u>11,246</u>	

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Community & Residential Care - Local authority	1,413,643	-	1,413,643	1,248,161
Community & Residential Care - CCG	289,884	-	289,884	289,709
	<u>1,703,527</u>	<u>-</u>	<u>1,703,527</u>	<u>1,537,870</u>
Total 2017	<u>1,537,870</u>	<u>-</u>	<u>1,537,870</u>	

5. Direct costs

	Total 2018 £	Total 2017 £
Agency staff and training	66,632	77,293
Business development consultancy	5,720	19,550
Property costs	301,761	320,003
Office costs	16,584	12,506
Telephone	28,114	26,408
Postage and stationery	22,426	17,164
Advertising	-	678
Sundries	1,825	4,276
Motor and travelling expenses	7,959	7,339
Bad debts write off	7,751	2,969
Food, cleaning and laundry	23,554	20,108
Wages and salaries	784,576	685,047
National insurance	64,153	51,989
Pension cost	6,759	5,837
Depreciation	15,186	12,599
	<u>1,353,000</u>	<u>1,263,766</u>
Total 2017	<u>1,263,766</u>	

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Support costs

	Governance	Activities	Total 2018	Total 2017
	£	£	£	£
Recruitment expenses	-	8,823	8,823	25,349
Office costs	-	5,868	5,868	4,569
Insurance	-	28,404	28,404	28,659
Bank charges	-	588	588	798
Legal and professional fees	-	15,110	15,110	20,159
Trustees training and expenses	2,858	-	2,858	-
Auditor's remuneration	6,480	-	6,480	7,300
Loss on disposal of fixed assets	-	18	18	-
Wages and salaries	-	187,637	187,637	163,834
National insurance	-	18,412	18,412	15,180
	<u>9,338</u>	<u>264,860</u>	<u>274,198</u>	<u>265,848</u>
Total 2017	<u>7,300</u>	<u>258,548</u>	<u>265,848</u>	

7. Analysis of Expenditure by expenditure type

	Staff costs 2018	Depreciation 2018	Other costs 2018	Total 2018	Total 2017
	£	£	£	£	£
Community & Residential Care	1,061,537	15,186	541,137	1,617,860	1,522,314
Expenditure on governance	-	-	9,338	9,338	7,300
	<u>1,061,537</u>	<u>15,186</u>	<u>550,475</u>	<u>1,627,198</u>	<u>1,529,614</u>
Total 2017	<u>921,887</u>	<u>12,599</u>	<u>595,128</u>	<u>1,529,614</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets: - owned by the charity	<u>15,186</u>	<u>12,599</u>

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Auditor's remuneration

The auditor's remuneration amounts to a fee for the audit of the financial statements of £5,480 (2017: £6,300) and accounts preparation of £1,000 (2017: £1,000).

10. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	972,213	848,881
Social security costs	82,565	67,169
Other pension costs	6,759	5,837
	<hr/>	<hr/>
	1,061,537	921,887
	<hr/>	<hr/>

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

	2018	2017
	No.	No.
Administration	6	6
Care and support	44	39
	<hr/>	<hr/>
	50	45
	<hr/>	<hr/>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprises trustees and the senior management team. Remuneration and benefits received by key management personnel during the year amounted to £178,076 (2017: £154,375).

None of the trustees received any remuneration or reimbursement of expenses from the charity.

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Tangible fixed assets

	Improvement to leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2017	196,783	24,740	14,146	18,144	253,813
Additions	-	-	-	20,341	20,341
Disposals	-	(24,740)	-	-	(24,740)
At 31 March 2018	196,783	-	14,146	38,485	249,414
Depreciation					
At 1 April 2017	76,052	24,100	2,538	12,776	115,466
Charge for the year	5,763	622	4,237	4,564	15,186
On disposals	-	(24,722)	-	-	(24,722)
At 31 March 2018	81,815	-	6,775	17,340	105,930
Net book value					
At 31 March 2018	114,968	-	7,371	21,145	143,484
At 31 March 2017	120,731	640	11,608	5,368	138,347

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017 and 31 March 2018	150,000

The property was formally valued in June 2015 by Marwood Surveyors at a market value of £150,000. The 2018 valuations were made by the board, taking into consideration the current market and previous formal valuation.

The historical cost of the property is £300,000 (2017: £300,000).

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Debtors

	2018	2017
	£	£
Trade debtors	77,284	40,614
Other debtors	817	565
Prepayments and accrued income	33,470	19,455
	<u>111,571</u>	<u>60,634</u>

14. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Net obligations under finance leases and hire purchase contracts	3,661	-
Trade creditors	46,938	51,358
Other taxation and social security	23,299	17,543
Other creditors	2,220	1,422
Accruals and deferred income	51,733	49,334
	<u>127,851</u>	<u>119,657</u>

Deferred income

	£
Deferred income at 1 April 2017	-
Resources deferred during the year	4,306
Amounts released from previous years	-
Deferred income at 31 March 2018	<u>4,306</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Deferred income represents service user income received in advance.

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	5,796	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2018 £	2017 £
Between one and five years	5,796	-

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 As restated £	Income £	Expenditure £	Balance at 31 March 2018 £
Unrestricted funds				
General fund	282,867	1,727,495	(1,626,906)	383,456
Restricted funds				
Capital fund	2,880	-	(292)	2,588
Total of funds	285,747	1,727,495	(1,627,198)	386,044

Capital Fund

This represents restricted funding in relation to capital items less the associated depreciation.

Empty Homes

This fund represents amounts received for the renovation and use of properties under the Empty Homes Scheme.

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Prior year adjustment £	Balance at 31 March 2017 As restated £
General funds						
General fund	125,202	1,549,116	(1,525,764)	24,508	109,805	282,867
Revaluation reserve	109,805	-	-	-	(109,805)	-
Restricted funds						
Capital fund	27,748	-	(360)	(24,508)	-	2,880
Empty homes	3,490	-	(3,490)	-	-	-
	31,238	-	(3,850)	(24,508)	-	2,880
Total of funds	266,245	1,549,116	(1,529,614)	-	-	285,747

The prior year adjustment releases the revaluation reserve into the general fund as the property is stated below cost. There is no impact on the net income/expenditure for the year.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	140,896	2,588	143,484
Investment property	150,000	-	150,000
Current assets	226,207	-	226,207
Creditors due within one year	(127,851)	-	(127,851)
Creditors due in more than one year	(5,796)	-	(5,796)
	383,456	2,588	386,044

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	135,466	2,880	138,346
Investment property	150,000	-	150,000
Current assets	117,057	-	117,057
Creditors due within one year	(119,656)	-	(119,656)
	<u>282,867</u>	<u>2,880</u>	<u>285,747</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	100,297	19,502
Adjustment for:		
Depreciation charges	15,186	12,599
Dividends, interest and rents from investments	(23,818)	(11,246)
Loss on the sale of fixed assets	18	-
Increase in debtors	(50,937)	(17,694)
Increase in creditors	4,532	34,016
Net cash provided by operating activities	<u>45,278</u>	<u>37,177</u>

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	114,636	56,423
Total	<u>114,636</u>	<u>56,423</u>

20. Pension commitments

The company operates a defined contributions 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 £6,759 (2017: £5,837). Contributions totalling £838 (2017: £2,837) were payable to the fund at the balance sheet date and are included in creditors.

NEW SERVOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Operating lease commitments

At 31 March 2018 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	95,892	119,570
Between 1 and 5 years	42,769	109,024
Total	<u>138,661</u>	<u>228,594</u>

22. Related party transactions

During the year the daughter of the Chief Executive was employed by the charity and received remuneration of £15,528 (2017: £13,583).

Expenses of £2,858 (2017: £1,192) were paid on behalf of trustees travel and meetings.

During the financial year the charity had two significant senior management team vacancies where we found it difficult to recruit following the departure of the Finance Manager in April 2017 and the HR Manager in July 2017. Mark James and Cyndi Corlis who had come to the end of their fixed tenure as Board members within the financial year expressed an interest in applying for these positions. To ensure transparency and robust governance procedures the organisation approached the charities commission regarding this matter who had no objections to this as the recruitment did not contravene our own governing documents. Both individuals applied for the positions and were interviewed along with other candidates and were appointed based on their skills, qualifications and experience.