

**SERVOL COMMUNITY SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**

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

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Trustees	M Arnett (resigned 2 May 2018) G Branch, Chair L Bugby (resigned 31 July 2019) M Dodson, Co-opted member (resigned 31 July 2018) L Harris (resigned 28 February 2019) J Roberts V Taylor A Grant (appointed 26 July 2019)
Company registered number	03470752
Charity registered number	1125896
Registered office	11 Cannon Street Ingleby House Birmingham England B2 5EN
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 ENDED 31 MARCH 2019

The chairman presents his statement for the period.

This Annual Report sets out our achievements in 2018/19 and our ambitious plans going forward. There is recognition that mental health will affect all of us at some point in our lives. Some to a lesser degree and others may require intervention and support. Yet this increased awareness we recognise, must be utilised to the benefit of services like Servol Community Services ('Servol') providing much needed help and support for people experiencing mental health problems. Awareness of the impact that mental health problems has on individuals, their loved ones and society more broadly is more evident now than in the past.

As mentioned in previous reports a lack of sufficient funding for mental health support services has created a significant challenge in which most people living with mental health problems do not access help early enough. Although increased funding for services alone won't solve the problem, more support is needed to prevent people from becoming unwell in the first place. At Servol we continue to demonstrate effectiveness in all of our services. Our strategy is focused on providing accommodation and effective support, with a view of providing stability for our service users which contributes to their recovery journey.

Financially, the organisation is in a better place with increased reserves and improved financial information. Also new services will soon to be launched in the next financial year and our aim is to invest in delivering transformational action. We intend to grow and diversify the business so that service users with complex needs are able to receive a holistic service. Servol also benefits from a strong senior leadership team, with a growing staff base to deliver increased capacity. We are bringing new people and sources of expertise into our organisation. A committed Trustee Board is being reinforced regularly with new trustees delivering expertise and input. We have concluded a review of our governance procedures and we are confident that our new objectives and standards will be ratified by the Charities Commission. Reviewing all of our governance documents will assure all our stakeholders and staff that the charity is well placed to fulfil its goals.

Finally I would like to thank all the staff whose hard work is essential to the work Servol does. Our ability to bring about meaningful change is utterly reliant on your dedication and commitment. Also I would like to acknowledge my fellow Board members past and present. Lorrette Harris who stepped down as Trustee after being on the Board for 7 years and Marcia Arnett who resigned due to ill health. I would like to thank our stakeholders and not forgetting our service users more broadly.

Name George Branch
 Chair

Date

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TRUSTEES' REPORT
FOR THE YEAR ENDED ENDED 31 MARCH 2019

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 Servol Community Services ('the charity') for the year ended 31 March 2019. 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 Servol Community Services 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 2019 was 4 (2018: 6).

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

About us

Servol Community Services ('Servol') is a registered charity and has over 30 years' experience of providing services initially for individuals from BAME communities and latterly from all communities experiencing mental ill health, their families and carers. Servol provides long term care and support through residential homes; medium term support via supported housing services and short term support through intermediate support services. Through our work, Servol continues to promote a better understanding amongst professionals and mainstream organisations in the UK of cultural and social issues affecting those experiencing mental ill health. Since its inception, the charity has offered care and support for anyone diagnosed with a mental illness. Our aim is to deliver quality services and to be a leader in the provision of mental health services.

Objects

At our Trustees Board Away Day, as part of Servol's governance review the Board of Trustees took the view that our current wording of Servol's Objects needed some slight adjustments in order to reflect the current and future vision of the organisation.

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

Change of name

Servol have also changed their name after consulting with staff, service users and our stakeholders from NewServol to Servol Community Services.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Our objectives

Servol's Board reviewed the organisations strategic objectives and vision and have continued with the four strategic objectives that we believe still remain at the center of our future success and these are:

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

Public benefit

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

Achievements and performance

Objectives and strategies

Mission

Servol aims to deliver quality services and to be a leader in the provision of mental health care support. It is our belief that this mission statement says a great deal about our organisation and our aspirations for the future.

Our Values

Our Values have been developed with our staff and service users, which underpin our work at Servol and establish the behaviour we expect from our people. They make a commitment that our service users will feel welcomed, supported and in safe hands when using our services: That our staff will feel that they are part of a team who are fully supported to meet our high standards and that they will feel appreciated.

- We are caring and kind to all who come into contact with our services;
- We value and respect everyone we come into contact with;
- We are welcoming and friendly organisation;
- We work together to improve the lives of those experiencing mental health problems.

We are guided by the things that people have told us are important to them. We have found that the following aspirations are reasonable expectations for any of us to have in life, regardless of whether or not we are experiencing mental health problems.

We believe everyone should have:

- A sense of meaning and purpose in life
- Good personal relationships and social networks
- Hope and good self-esteem
- Independence, choice and control
- Contact with one's local community, and to be an active citizen
- Stability and consistency in life.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Strategies

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

- A long term vision and values which sets our improvement and development journey;
- 3 year strategic business plans, the latest being 2018 to 2021, which is reviewed and updated each year;
- Annual budgets.

Our Service Aims in 2018/19

- 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 Servol
- To maximise and develop our IT services
- Improve on outcome measures and reporting
- Increase the number of bed spaces to generate income for the business.

Performance Review & Achievements

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 a more independent service. Strensham Hill has six standard rooms, and 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. We have had no voids this year within this unit. David, the unit manager, left the organisation in December 2018 to pursue a new career path and we wish him well. We have since recruited a new registered manager, Jade, who is settling well into the post.

Respite Services

Summerfield Crescent and Gillott Road are two large three storey houses that are next door to each other in Edgbaston. The service at Summerfield Crescent provides a respite service for five male people. Gillott Road provides a crisis service for six female individuals. There is little difference between the two units in relation to the care and support offered. The 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. We were fortunate this year to have financial non-current investment from our commissioners to recruit waking night staff and work in partnership with Better Pathway having one of their staff based within our respite service to work on a 'new' model of solely working with the service user around move on and securing longer term suitable accommodation once the 3 week period with Servol comes to an end. This model has worked very well and we have benefited from the joint working with Better Pathway. This new model of working may not continue past August 2019 but the commissioners are reviewing this. The main service we have received continuation rolled over funding for a further 18 months.

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TRUSTEES' REPORT (continued)
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100 School Road Supported Living Unit

School Road is a 9 bedded self-contained 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 they need to live independently. Once they are ready to move onto their own tenancy Servol provides floating support to assist their transition. This service continues to work well and be commended for their work by senior clinicians.

Community Support Homes

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

- move into smaller units where they can live semi- or fully independently with minimal 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. Servol'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 for 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. We are currently in the process of changing the sleep in service we offer to only having concierge staff at night. This will fall in line with our other services in London.

Trinity Road

This unit consists of twelve rooms. All of the clients at Trinity Road have had enduring mental illness and the majority of clients are referred directly from the psychiatric units by CPN's or Social Workers and homeless support teams. Servol Trinity scheme is for vulnerable individuals who need some additional support to prepare them to be re-integrated back into the community following a long period of illness while still connected to mental health services and they are assessed. Whilst providing a secure and homely environment at this scheme, the staff work through individually tailored assessments and support plans with clients. Working alongside health care professionals and Social Services, the support team 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 Servol's schemes located in Tooting Wandsworth. The service provides a list of emergency contacts that can be used; if the need arises. The accommodation unit is supported by The London Borough of Wandsworth. Support is given to individuals for up to 12 months.

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TRUSTEES' REPORT (continued)
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Friends House

We are pleased that we have a new service based in Balham. This service was launched in 2018 and it comprises of 12 one bedroom flats. This is staffed with concierge and one member of staff.

Head Office

In July 2018 we moved our head office from 235 Dudley Road to 11 Cannon Street where we are now City Centre based. The head office is now more accessible to staff, visitors and stakeholders and we believe this was a positive move for the organisation.

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 has reviewed its governing documents with regards to the Articles of Association and changes have been made in reference to our objects and the functions of our Trustees.

Financial review

Overview of performance

Servol's income is mainly in the form of care and support fees towards the cost of services provided. Such fees are charged for the provision of residential and supported living accommodation services and are paid by local and health authorities mainly in London and Birmingham. Staff costs are by far the biggest item of expenditure for the organisation averaging around 60% annually. Servol 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. Servol staff are registered with our pension scheme NEST. All staff undergo a formal induction programme, have regular supervision and staff meetings, and receive staff newsletters bi-monthly. Inflation is an issue for Servol with salary costs as well as 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 rates, and certainly not in line with the specific inflation incurred with social care projects. Whilst Servol has made some considerable progress in reducing operating deficits and achieving surpluses over the past two (2) financial years, the present economic climate makes further progress difficult without affecting quality of service. This is not acceptable to Servol.

In the year ended 31 March 2019 Servol had an increase in total income of £315,622, as total income for the year reached £2.043M (2018 £1.727M). However, total expenditure also increased significantly by £336,072 to £1.960M. (2018 £1.627M). Net surplus was £79.85K (2018: £100.30K). Total funds carried forward was therefore £465.89K (2018 £386.04K). Average surplus over the past two (2) financial years is £90.07K. This is due to very prudent management of financial resources as Servol continues to face rising costs in especially salary and wages, pensions, rental and other suppliers' costs. We have continued to seek more cost efficient and cheaper alternatives to, especially utilities (Gas & Electricity) by switching to suppliers who offer better rates. Cost reviews is an ongoing process and will continue as the need for constant savings remain. We have seen the positive impact of adding more units to our overall services, with the introduction of Friends House, which has contributed significantly to our growth over the £2M barrier, and reducing the rate of our fixed costs this year. We will continue to seek further opportunities for growth. The Alcester Road project, an imitation of the School Road project will definitely, finally begin this financial year. Other projects are also in the pipeline.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Reserves policy

The Trustees of Servol have established a reserves policy that reflects the long-term nature of much of the work of the organisation. Servol has a long history of providing residential care and supported living schemes to people experiencing enduring mental health problems. It is the Trustees intention that Servol should hold a reserve sufficient to allow it to operate effectively for a period of time given the current practice of most of our contracting bodies making payments in arrears (generally on a four weekly basis). The objective is that Servol would be able to carry on its work, even if faced with a combination of difficult circumstances, and have the time to adjust its strategy to meet these changing circumstances. The Trustees are mindful that any such reserve needs to be monitored carefully so that funds are not retained unnecessarily, where funds could be otherwise utilised in other income generating financial instruments. The level of any reserves will be reviewed on an annual basis to ensure that it is appropriate to the expected level of income. Should it be identified that the reserve exceeds the agreed level any excess will be applied to the organisation's charitable purposes. In the event the reserves fall below its operational costs, immediate measures will be implemented to prevent further loss and we will make every effort to rebuild it. In relation to our reserves policy Servol is exposed to financial and operational risks. The Trustees assess the risks to which Servol could be exposed and the appropriate systems are in place to mitigate these identified risks. Servol's major financial risks continues to come from running services with high voids and the high use of agency staff.

Free Reserves

Free Reserves are those funds available to meet the day-to-day needs of the organisation's work. The Trustees have decided that given the long-term commitments in the organisation's work, the fragility of external funding for some of its services and the uncertainty of voluntary income and legacies, free reserves should be held for not less than 3 and not more than 6 months' expenditure.

At the balance sheet date free reserves amounted to £180,222 (2018 £89,972) (which is the excess of unrestricted funds and net funds held as fixed assets), equivalent to 1.00 (2018 0.66) of an average month's unrestricted expenditure. The free reserves are still below the reserves policy minimum levels, (which is currently £543,000 (2018 £407,000) based on the average budgeted expenditure for three months). We have steadily been rebuilding our reserves which had been totally depleted in the past few years.

The growth in the current year has been quite phenomenal in comparison to two (2) years ago when there were literally no reserves. This is partly due to the implemented tighter budgetary control measures allowing Managers to feel more responsible for their own unit's budgets, which are being monitored and regularly checked for accountability. This has resulted in improvements and cost savings all-round. In addition, we received a significant boost to our income with the addition of Friends House, the Metropolitan Housing contract. Based on our current contract renewals and commitment to the services provided by Servol, as well as plans for future growth and cost improvement the Trustees foresee a bright future and continuous improvement in the building of our reserves.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Structure, governance and management

Constitution

The charitable company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 25 November 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. Servol has also successfully advertised for Trustees to replace retiring Trustees. Appointments are made by the board with the approval of the chair in line with identified skills gaps in the existing board or through retirement. New Trustees undergo a formal induction, managed by the Chief Executive, into their responsibilities, the varied activities and the ethos of the organisation. Professional advice is 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 Servol and approves annual budgets. Implementation and day to day management is delegated to the Chief Executive and through him to the senior management team. The Board constantly reviews its governance structure to ensure that it complies with best practice and is committed to achieving compliance with the Good Governance Code.

Governance and internal controls

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

They include:

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

Strategic risk management 2018/19

The Board considered the strategic risks facing the organisation. The purpose of risk management is to identify risks as early as possible, adjust the development strategy to mitigate those risks, and develop and implement a risk management process as an integral part of Servol's overall management process. Each Manager is responsible for implementing this policy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

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 the start of year	Risk at the end of year
Reputation for safeguarding vulnerable adults	Low	Low
Non inspected services Community Empty Homes Houses that do not required to be regulated by CQC or any other regulator	Low	Medium
Financial management -income generation and expenditure control-this needs to be considered project by project		
Servol-risk of new fee structure leading to more vacant places	Low	Low
Impact of national living wage increase	Medium	Medium
Servol have struggled with the high use of agency staff costs.	Medium	High
Re-tender of any contracts	Moderate	Medium
A need to ensure that the organisation has sufficient management and workforce capability to deliver the new services being undertaken. Increased capacity is in the process of being put in place.	Moderate	Medium
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

Going concern

After reviewing the organisation's budgets and projections, the Trustees have a reasonable expectation that Servol has adequate resources to continue in operational existence for the foreseeable future. Servol 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 Servol 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Trustees' responsibilities statement

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

Disclosure of information to auditor

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

- so far as that Trustee is aware, there is no relevant audit information of which the 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED ENDED 31 MARCH 2019

Auditor

MHA MacIntyre Hudson was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

Preparation of the report

The trustees' annual report which includes the strategic report has been approved by the trustees. This report of the Board has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 18 October 2019 and signed on their behalf by:

G Branch
Trustee

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

Opinion

We have audited the financial statements of Servol Community Services (the 'charitable company') for the year ended 31 March 2019 set out on pages 16 to 30. 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 2019 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 SERVOL COMMUNITY SERVICES

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.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

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

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 LLB, 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

18 October 2019

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	-	-	-	150
Charitable activities	3	2,019,275	-	2,019,275	1,703,527
Investments	4	23,842	-	23,842	23,818
Total income		<u>2,043,117</u>	<u>-</u>	<u>2,043,117</u>	<u>1,727,495</u>
Expenditure on:					
Charitable activities		1,963,044	226	1,963,270	1,627,198
Total expenditure	7	<u>1,963,044</u>	<u>226</u>	<u>1,963,270</u>	<u>1,627,198</u>
Net income before other recognised gains and losses		80,073	(226)	79,847	100,297
Net movement in funds		80,073	(226)	79,847	100,297
Reconciliation of funds:					
Total funds brought forward		383,456	2,588	386,044	285,747
Total funds carried forward		<u>463,529</u>	<u>2,362</u>	<u>465,891</u>	<u>386,044</u>

The notes on pages 19 to 30 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019		2018
		£	£	£
Fixed assets				
Tangible assets	11	133,307	143,484	
Investment property	12	150,000	150,000	
Total tangible assets			283,307	293,484
			283,307	293,484
Current assets				
Debtors	13	157,652	111,571	
Cash at bank and in hand		204,865	114,636	
		362,517	226,207	
Creditors: amounts falling due within one year	14	(177,798)	(127,851)	
Net current assets			184,719	98,356
Total assets less current liabilities			468,026	391,840
Creditors: amounts falling due after more than one year	15	(2,135)	(5,796)	
Net assets			465,891	386,044
Charity Funds				
Restricted funds	16	2,362	2,588	
Unrestricted funds	16	463,529	383,456	
Total funds			465,891	386,044

The charitable 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 18 October 2019 and signed on their behalf, by:

G Branch
Trustee

The notes on pages 19 to 30 form part of these financial statements.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	75,815	45,278
Cash flows from investing activities:			
Dividends, interest and rents from investments		23,842	23,818
Purchase of tangible fixed assets		(5,767)	(20,341)
Net cash provided by investing activities		18,075	3,477
Cash flows from financing activities:			
Repayments of borrowings		(3,661)	(1,525)
Cash inflows from new borrowing		-	10,983
Net cash (used in)/provided by financing activities		(3,661)	9,458
Change in cash and cash equivalents in the year ended		90,229	58,213
Cash and cash equivalents brought forward		114,636	56,423
Cash and cash equivalents carried forward	19	204,865	114,636

The notes on pages 19 to 30 form part of these financial statements.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

1. Accounting Policies

1.1 General information

Servol Community Services is a charitable company limited by guarantee, incorporated and domiciled in England and Wales and registered with Companies House and the Charity Commission. The charitable company's principal place of business and registered office is 11 Cannon Street, Ingleby House, Birmingham, England, B2 5EN.

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.

Servol Community Services meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Company status

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

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 charitable 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 charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from charitable activities is recognised when the service is provided. Rental 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.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

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 charitable 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
Fixtures and fittings	-	10% on cost per annum
Office equipment	-	33.3% on cost per annum

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

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 financial activities.

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 charitable company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities 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 charitable 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.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

1. Accounting Policies (continued)

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 charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.16 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.17 Pensions

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

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	-	-	150
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	150	-	150	
	<hr/>	<hr/>	<hr/>	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Community & Residential Care - Local authority	1,687,823	-	1,687,823	1,413,643
Community & Residential Care - CCG	331,452	-	331,452	289,884
	<hr/>	<hr/>	<hr/>	<hr/>
	2,019,275	-	2,019,275	1,703,527
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	1,703,527	-	1,703,527	
	<hr/>	<hr/>	<hr/>	

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rents receivable	23,695	-	23,695	23,756
Deposit account interest	147	-	147	62
	<u>23,842</u>	<u>-</u>	<u>23,842</u>	<u>23,818</u>
Total 2018	<u>23,818</u>	<u>-</u>	<u>23,818</u>	

5. Direct costs

	Total 2019 £	Total 2018 £
Agency staff and training	76,766	66,632
Business development consultancy	15,131	5,720
Property costs	447,339	301,761
Office costs	28,855	16,584
Telephone	24,682	28,114
Postage and stationery	23,896	22,426
Advertising	3,447	-
Sundries	2,674	1,825
Motor and travelling expenses	4,875	7,959
Bad debts write off	180	7,751
Food, cleaning and laundry	26,665	23,554
Wages and salaries	1,012,785	784,576
National insurance	82,840	64,153
Pension cost	16,087	6,759
Depreciation	15,944	15,186
	<u>1,782,166</u>	<u>1,353,000</u>
Total 2018	<u>1,353,000</u>	

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

6. Support costs

	Governance	Activities	Total 2019	Total 2018
	£	£	£	£
Recruitment expenses	-	12,977	12,977	8,823
Office costs	-	7,531	7,531	5,868
Room hire	-	840	840	-
Insurance	-	30,893	30,893	28,404
Bank charges	-	506	506	588
Legal and professional fees	-	25,384	25,384	15,110
Trustees' training and expenses	1,793	-	1,793	2,858
Auditor's remuneration	6,761	-	6,761	6,480
Loss on disposal of fixed assets	-	-	-	18
Wages and salaries	-	87,216	87,216	187,637
National insurance	-	7,203	7,203	18,412
	<u>8,554</u>	<u>172,550</u>	<u>181,104</u>	<u>274,198</u>
Total 2018	<u>9,338</u>	<u>264,860</u>	<u>274,198</u>	

7. Analysis of expenditure by expenditure type

	Staff costs 2019	Depreciation 2019	Other costs 2019	Total 2019	Total 2018
	£	£	£	£	£
Community & Residential Care	1,206,131	15,944	732,641	1,954,716	1,617,860
Expenditure on governance	-	-	8,554	8,554	9,338
	<u>1,206,131</u>	<u>15,944</u>	<u>741,195</u>	<u>1,963,270</u>	<u>1,627,198</u>
Total 2018	<u>1,061,537</u>	<u>15,186</u>	<u>550,475</u>	<u>1,627,198</u>	

8. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	12,284	15,186
- held under finance leases	3,660	-
	<u>15,944</u>	<u>15,186</u>

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

9. Auditor's remuneration

The auditor's remuneration amounts to a fee for the audit of the financial statements of £5,731 (2018: £5,480) and accounts preparation of £1,030 (2018: £1,000).

10. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	1,100,001	972,213
Social security costs	90,043	82,565
Other pension costs	16,087	6,759
	<u>1,206,131</u>	<u>1,061,537</u>

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

	2019	2018
	No.	No.
Administration	8	6
Care and support	44	44
	<u>52</u>	<u>50</u>

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 £172,332 (2018: £178,076).

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

Included within wages and salary costs is an amount of £6,059 relating to an ex-gratia settlement payment to an employee made during the financial year.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

11. Tangible fixed assets

	Improvement to leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2018	196,783	14,146	38,485	249,414
Additions	-	-	5,767	5,767
At 31 March 2019	196,783	14,146	44,252	255,181
Depreciation				
At 1 April 2018	81,815	6,775	17,340	105,930
Charge for the year ended	6,199	1,415	8,330	15,944
At 31 March 2019	88,014	8,190	25,670	121,874
Net book value				
At 31 March 2019	108,769	5,956	18,582	133,307
At 31 March 2018	114,968	7,371	21,145	143,484

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Office equipment	7,322	10,982

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018 and 31 March 2019	150,000

The property was formally valued in June 2015 by Marwood Surveyors at a market value of £150,000. The 2019 valuations were made by the Board of Trustees, taking into consideration the current market value and previous formal valuation.

The historical cost of the property is £300,000 (2018: £300,000).

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

13. Debtors

	2019	2018
	£	£
Trade debtors	128,454	77,284
Other debtors	-	817
Prepayments and accrued income	29,198	33,470
	<u>157,652</u>	<u>111,571</u>

14. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Net obligations under finance leases	3,661	3,661
Trade creditors	68,465	46,938
Other taxation and social security	26,125	23,299
Other creditors	9,001	2,220
Accruals and deferred income	70,546	51,733
	<u>177,798</u>	<u>127,851</u>

Net obligations under finance leases are secured on the assets to which they relate.

	£
Deferred income	
Deferred income at 1 April 2018	4,306
Resources deferred during the year	9,100
Amounts released from previous years	(4,306)
Deferred income at 31 March 2019	<u>9,100</u>

Deferred income represents service user income received in advance.

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019**

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

	2019	2018
	£	£
Net obligations under finance leases	2,135	5,796

Obligations under finance leases, included above, are payable as follows:

	2019	2018
	£	£
Between one and five years	2,135	5,796

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2018	Income	Expenditure	Balance at 31 March 2019
	£	£	£	£
Unrestricted funds				
General fund	383,456	2,043,117	(1,963,044)	463,529
Restricted funds				
Capital fund	2,588	-	(226)	2,362
Total of funds	386,044	2,043,117	(1,963,270)	465,891

Capital fund

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

Statement of funds - prior year

	Balance at 1 April 2017	Income	Expenditure	Balance at 31 March 2018
	£	£	£	£
General funds				
General fund	282,867	1,727,495	(1,626,906)	383,456
Restricted funds				
Capital fund	2,880	-	(292)	2,588

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	130,945	2,362	133,307
Investment property	150,000	-	150,000
Current assets	362,517	-	362,517
Creditors due within one year	(177,798)	-	(177,798)
Creditors due in more than one year	(2,135)	-	(2,135)
	<u>463,529</u>	<u>2,362</u>	<u>465,891</u>

Analysis of net assets between funds - prior 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)
	<u>383,456</u>	<u>2,588</u>	<u>386,044</u>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	79,847	100,297
Adjustment for:		
Depreciation charges	15,944	15,186
Interest and rents from investments	(23,842)	(23,818)
Loss on the sale of fixed assets	-	18
Increase in debtors	(46,081)	(50,937)
Increase in creditors	46,286	4,532
Finance lease costs	3,661	-
Net cash provided by operating activities	<u>75,815</u>	<u>45,278</u>

SERVOL COMMUNITY SERVICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 MARCH 2019

19. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	204,865	114,636
Total	<u>204,865</u>	<u>114,636</u>

20. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £16,087 (2018: £6,759). Contributions totalling £2,941 (2018: £838) were payable to the fund at the balance sheet date and are included in creditors.

21. Operating lease commitments

At 31 March 2019 the total of the charitable company's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts payable:		
Within 1 year	337,546	95,892
Between 1 and 5 years	13,654	42,769
Total	<u>351,200</u>	<u>138,661</u>

22. Related party transactions

During the year the daughter of the Chief Executive was employed by the charitable company and received remuneration of £8,316 (2018: £15,528).

Expenses of £1,793 were paid on behalf of Trustees' travel and meetings during the year (2018: £2,858).