

**SERVITE HOUSES CHARITABLE TRUST
(A Company Limited by Guarantee)**

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2006

Charity Registration No. 285697

Company No. 1667562

THURSDAY



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SERVITE HOUSES CHARITABLE TRUST
(A Company Limited by Guarantee)

COMPANY INFORMATION

Charity Name:	Servite Houses Charitable Trust
Charity registration number:	285697
Company registration number:	1667562
Registered Office:	2 Bridge Avenue London W6 9JP

DIRECTORS

Marta Phillips OBE	Chairman
Shaun Lansfield	
David Spencer	
Rev Patrick Ryall	
Alison Knocker	
Aisling Duffy	(resigned 07/12/2006)
Keith Jenkins	
James Macnamara	(appointed 28/04/2006)

SECRETARY

Matthew Fox	(resigned 07/12/2006)
Bridgehouse Company Secretaries Ltd	(appointed 07/12/2006)

BANKERS

Lloyds TSB Bank plc
21-25 King Street
Hammersmith
London W6 9HW

SOLICITORS

Devonshires
Salisbury House
London Wall
London EC2M 5QY

AUDITORS

BDO Stoy Hayward LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

DIRECTORS' ANNUAL REPORT

The Directors present their report and audited financial statements for the year ended 30 September 2006

GOVERNING DOCUMENT

The organization is a company limited by a guarantee, incorporated in 1982 (registered in England and Wales as company number 1667562), and registered as a charity. The company was established to provide housing and associated amenities for persons who are in need thereof, by reason of their poverty, age, infirmity, or disability. The Trust also provides funds for organisations or projects concerned with Housing need. All grant applications are considered on an individual basis.

The Trust does not have share capital and, in the event of the company being wound up, members are required to contribute an amount not exceeding £5.

The directors of the Trust are also Board members of Servite Houses, a charitable housing association.

RECRUITMENT AND APPOINTMENT OF MANAGEMENT COMMITTEE

The directors of the company are all members of the trust or are elected as members at the same time as they are elected directors of the trust. Under the requirements of the Memorandum and Article of Association no person who is not already a member of the trust shall, in any circumstances, be eligible to hold office as a director. The directors are not entitled to any remuneration in respect of their office.

TRUSTEE INDUCTION AND TRAINING

Most members of the trust are familiar with the work of the charity prior to joining the company. New trustees are encouraged to attend internal training sessions to familiarise themselves with the charity and its work. They cover:

- The obligation of the directors
- The main documents which describe the operational framework of the charity including but not limited to the review of the Memorandum and Articles
- Review of the latest published accounts.
- Review of plans and strategy

In addition each director has access to the company secretary who provides ad hoc advice when requested.

RISK MANAGEMENT

Procedures are in place to ensure compliance with Health and Safety of staff and visitors to the company premises. Internal control risks are regularly reviewed and assessed and procedures for the authorization of transactions and projects are in place.

RESULTS

The income of the Trust for the year ended 30 September 2006 amounted to £72,948 and after deducting grants for the printing of Servite Charitable Trust Christmas cards of £5,875, the net incoming resources for the year was £67,073.

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

DIRECTORS' ANNUAL REPORT
(Continued)

During the year, the level of activity was significantly reduced due to no fund raising taking place

Funds

At 30 September 2006, the Trust's total fund balance was £786,406 (2005 £719,333) Of this, £491,853 (2005 £438,771) was in unrestricted funds which should be expended on the purposes of the charity The directors are reviewing the Trust's strategy with a view to utilising a substantial proportion of these funds within the next two years For both restricted and unrestricted funds, the Trust's assets are available and adequate to fulfil its obligations

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as stated on page 1 All the directors are members of the Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust at the end of the financial year and of the surplus or deficit of the Trust for that period The directors consider that in preparing the financial statements the Trust has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable United Kingdom accounting standards have been followed The financial statements have been prepared on a going concern basis

The directors are responsible for ensuring that the Trust keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and for ensuring that the financial statements comply with the Companies Act 1985 The directors also have responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for ensuring that the directors' annual report is prepared in accordance with company law in the United Kingdom

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information The board members are not aware of any relevant audit information of which the auditors are unaware

AUDITORS

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the forthcoming annual general meeting

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

The report of the Directors was approved by the Board on 03 May 2007 and signed on its behalf by

M Phillips OBE
Director (Chairman)
Date: 03 May 2007



REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF SERVITE HOUSES CHARITABLE TRUST

We have audited the financial statements of Servite Houses Charitable Trust for the year ended 30 September 2006 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the trustee directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the report of the trustees is consistent with those financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the report of the trustee directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

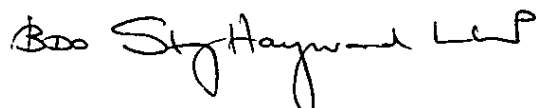
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF SERVITE HOUSES
CHARITABLE TRUST
(Continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2006, and of its incoming resources and resources expended, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information in the report of the trustees is consistent with the financial statements



BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
Epsom, Surrey

Date 03 May 2007

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Unrestricted funds (Note 2) £	Restricted funds (Note 3) £	Total funds 2006 £	Total funds 2005 £
Incoming resources				
Donations and gifts	7,135	-	7,135	5,808
Legacies	29,183	-	29,183	-
Investment income	<u>22,639</u>	<u>13,991</u>	<u>36,630</u>	<u>44,997</u>
Total incoming resources available for charitable application	<u>58,957</u>	<u>13,991</u>	<u>72,948</u>	<u>50,805</u>
Resources expended				
Grants	(5,875)	-	(5,875)	(344,278)
Donations	-	-	-	-
Development projects	-	-	-	-
Management and administration	-	-	-	(29)
Total resources expended	<u>(5,875)</u>	<u>-</u>	<u>(5,875)</u>	<u>(344,307)</u>
Net incoming / (outgoing) resources Transferred to Funds	53,082	13,991	67,073	(293,502)
Funds brought forward 1 October 2005	<u>438,771</u>	<u>280,562</u>	<u>719,333</u>	<u>1,012,835</u>
Funds carried forward 30 September 2006	<u>491,853</u>	<u>294,553</u>	<u>786,406</u>	<u>719,333</u>

All activities are continuing and the retained surplus for the year was the only recognised gain or loss in the year


Notes on pages 8 to 12 form part of the financial statements

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)
BALANCE SHEET AT 30 SEPTEMBER 2006

	Note	2006 £	2005 £
CURRENT ASSETS			
Debtors	6	344	1,767
Short term investments	7	664,737	973,864
Cash at bank and in hand		<u>121,325</u>	<u>88,098</u>
		<u>786,406</u>	<u>1,063,729</u>
CURRENT LIABILITIES:			
Amounts falling due within one year	8	-	344,396
		-	<u>344,396</u>
NET CURRENT ASSETS		<u>786,406</u>	<u>719,333</u>
FUNDS			
Unrestricted	2	491,853	438,771
Restricted	3	<u>294,553</u>	<u>280,562</u>
		<u>786,406</u>	<u>719,333</u>

The Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies

Approved by the Board on 03 May 2007 and signed on its behalf by -



M Phillips OBE

Director



A Knocker

Director

Notes on pages 8 to 12 form part of the financial statements

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

1 ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards, the Companies Act 1985 and the recommendations contained within the Statement of Recommended Practice "Accounting and Reporting by Charities' 2005"

1.2 Income

Donations are taken to the credit of the revenue account when received, as in common with many other charities voluntary donations cannot be fully controlled until received by the Trust Other income is credited on an accruals basis

1.3 Expenditure

Expenditure including grants is charged to the revenue account on an accruals basis with the exception of donations which are accounted for when payment is made

1.4 Investments

Current assets investments are included at market value

1.5 Restricted funds

Commitments for specific charitable projects are dealt with by making allocations to restricted funds

1.6 Designated funds

Unrestricted funds set aside by the Trustees for some particular purpose

1.7 Interest income

Interest income is allocated to each individual fund on a pro rata basis using the average of the opening and closing balances of the current period.

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

2 UNRESTRICTED FUNDS

	Designated funds				2006	2005
	Unrestricted funds	Overseas projects	Development fund	Improvements to homes	Total Unrestricted funds	Total Unrestricted funds
	£	£	£	£	£	£
Incoming resources						
Donations and gifts	7,135	-	-	-	7,135	5,808
Legacies	29,183	-	-	-	29,183	-
Investment income	<u>13,063</u>	<u>3,877</u>	<u>5,699</u>	<u>-</u>	<u>22,639</u>	<u>30,790</u>
Total incoming available for charitable application	<u>49,381</u>	<u>3,877</u>	<u>5,699</u>	<u>-</u>	<u>58,957</u>	<u>36,598</u>
Grants	(5,875)	-	-	-	(5,875)	(344,278)
Donations	-	-	-	-	-	-
Development projects	-	-	-	-	-	-
Management & Administration	-	-	-	-	-	(29)
Total Resources Expended	<u>(5,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,875)</u>	<u>(344,307)</u>
Net incoming (outgoing) resources transferred to funds	43,506	3,877	5,699	-	53,082	(307,709)
Transfers between funds	-	-	-	-	-	-
Funds brought forward 1 October 2005	<u>246,743</u>	<u>77,745</u>	<u>114,283</u>	<u>Nil</u>	<u>438,771</u>	<u>746,480</u>
Funds carried forward 30 September 2006	<u>290,249</u>	<u>81,622</u>	<u>119,982</u>	<u>Nil</u>	<u>491,853</u>	<u>438,771</u>

Overseas projects: This fund is set aside to assist housing projects overseas

Development fund: This fund is set aside to carry out housing development work including development work in Romania

Improvement to homes: This fund is set aside to carry out improvements to the Servite Houses existing care homes and approved general needs stock

These funds are represented by net current assets

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

3 RESTRICTED FUNDS

	Carter fund	Improvements to care homes	Homes and day care	Total 2006	Total 2005
	£	£	£	£	£
Incoming resources					
Donations and gifts	-	-	-	-	-
Legacies	-	-	-	-	-
Investment Income	<u>4,921</u>	<u>11</u>	<u>9,059</u>	<u>13,991</u>	<u>14,207</u>
Total incoming resources available for charitable application	<u>4,921</u>	<u>11</u>	<u>9,059</u>	<u>13,991</u>	<u>14,207</u>
Resources expended					
Development projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total resources expended	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming resources transferred to funds	4,921	11	9,059	13,991	14,207
Funds brought forward 1 October 2005	<u>98,684</u>	<u>215</u>	<u>181,663</u>	<u>280,562</u>	<u>266,355</u>
Funds carried forward 30 September 2006	<u>103,605</u>	<u>226</u>	<u>190,722</u>	<u>294,553</u>	<u>280,562</u>

Homes and day care:

The purpose of this fund is to provide care, attention, warmth to the elderly during the day

Carter fund:

This was a specific legacy left by Mrs Carter to benefit the Elderly

Improvements to care homes:

The purpose of this fund is to carry out improvements to Servite Houses existing care homes

These funds are represented by net current assets

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

4 TOTAL RESOURCES EXPENDED

	2006			2005		
	Unrestricted funds	Designated funds	Restricted funds	Unrestricted funds	Designated funds	Restricted funds
	£	£	£	£	£	£
Grants - Servite Houses	-	-	-	-	343,072	-
Donations - Romania appeal	-	-	-	-	-	-
- Overseas projects	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Bank charges	-	-	-	29	-	-
Other	5,875	-	-	-	1,206	-
	<u>5,875</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>344,278</u>	<u>-</u>

5 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No Trustees or Directors received any remuneration or reimbursement of expenses during the year

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2005 NIL)

6 DEBTORS

	2006	2005
	£	£
Income tax recoverable	344	443
Servite Houses	-	1,324
Due in more than one year	10,000	10,000
Less Provision	<u>(10,000)</u>	<u>(10,000)</u>
	<u>344</u>	<u>1,767</u>

The amount due in more than one year relates to a loan made available to Homeless International, a registered charity, as part of the Homeless Families in India project

Full provision has also been made against this balance as it is not certain whether this money will be recovered

7 SHORT TERM INVESTMENTS

	2006	2005
	£	£
Deposit fund	<u>664,737</u>	<u>973,864</u>

SERVITE HOUSES CHARITABLE TRUST
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

8 CREDITORS

Amounts falling due within one year

	2006	2005
	£	£
Accruals	-	-
Other creditors	-	-
Servite Houses	<u>-</u>	<u>344,396</u>
	<u>-</u>	<u>344,396</u>

9 CONNECTED PARTIES TRANSACTIONS

The Trustees of Servite Houses Charitable Trust are the Board members of Servite Houses, and during the year the Trust made a grant of £NIL (2005 £344,278) to Servite Houses

10 LEGAL STATUS

The Trust was incorporated on 27 September 1982 as a company limited by guarantee (registered in England & Wales as Company Number 1667562) and not having a share capital. The Trust is also a registered charity, number 285697. The liability of each member is limited to £5.