

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2018  
FOR  
COMMUNITY SUSTAINABILITY SERVICES**

Robson Laidler Accountants Limited  
Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

**COMMUNITY SUSTAINABILITY SERVICES  
CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of 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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal activity of the Charity for the year 1st April 2017 to 31st March 2018 was that of providing services for vulnerable and disadvantaged people in the North East of England.

The Charity's main objectives are:

To relieve poverty in particular by supplying and renovating furniture and household goods to those in need in the North East of England.

The relief of elderly or disabled people by participating in any charitable scheme or service intended to benefit such people in need.

To protect and safeguard the environment for the public benefit particularly through the promotion of reuse and recycling as a means of waste disposal and the provision of recycling activities.

We have worked towards our objectives by:

Collecting, renovating and distributing furniture and household goods to those in need.

Providing training and volunteering opportunities, in particular for the long term unemployed and people with learning disabilities and mental health problems.

Providing garden and handyperson services for elderly or disabled people to help them to live comfortably, securely and safely in their own homes in the community.

**Public benefit**

The Charity's activities aim to help the most vulnerable people within our community. We act to alleviate poverty, maintain people's independence within their own homes and offer support to those in long term unemployment, people with learning disabilities and people with mental health problems. All of our activities are provided whilst ensuring that the service users have a sense of dignity and we are always aware of their emotional wellbeing.

The Charity measures its success based on the number of service users helped, the feedback forms and reports received back from service users and targets being hit, and in some cases exceeded, within the relevant services.

The Charity is a public benefit entity. The trustees have had regard to the Charity Commission's guidance on public benefit.

The main activities and who the Charity helps are described below.

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018  
STRATEGIC REPORT  
Achievement and performance  
Furniture Stores**

The Charity operated out of three premises across the city, each making a valuable contribution to its overall purpose and values.

The first is based in Southwick on the North side of the River Wear, the second is in Thorney Close, on the South side of the River Wear and the third is located within the City Centre of Sunderland.

The furniture stores exist to make affordable, quality furniture available to those most in need in our community. The Charity collects donated furniture and passes it on to service users for a small charge ensuring that it is of good quality and re-usable.

Volunteers help within the furniture stores by offering their free time to assist with serving customers and basic administration work. CSS and its board of trustees are very grateful for the amount of time which is donated to the charity throughout the year.

During the period 1st April 2017 to 31st March 2018, the furniture stores have received over 10,000 visits with over 3,600 customers purchasing furniture, clothing and bric a brac items.

The Charity received over 2,100 items of donated furniture, as well as clothing and small bric a brac items, the vast majority of which were sold. As a result, 81 tonnes of bulky waste was diverted from landfill which is an increase on previous years due to more bulky items being reused and recycled.

During the year the trustees made the sad decision to close the shop in the city centre. Reduced footfall, nearby stores closing down, and the general decline of the high street has led to the reduction in sales within the city centre shop. The official date for the end of the lease is the 30th April 2018, and the shop ceased trading at the end of February 2018 to ensure any dilapidations were completed in the interim period.

#### **Furniture Restoration Workshop**

The workshop at Thorney Close provides training and volunteering opportunities and supported placements for the long term unemployed, people with disabilities and people with mental health problems. Within the furniture restoration workshop service users and volunteers learn how to restore furniture and can also acquire basic craft skills.

A tutor is employed in the workshop to support the service users and participants and encourages them to bring out their true potential. With the tutors help and guidance the participants and service users develop their basic core work and life skills which they can then take with them in order to go into further training, find permanent employment or voluntary positions. Of course, they are more than welcome to continue to volunteer at CSS too.

The workshop provides therapeutic learning; it allows the service users to obtain new skills through stress free training whilst they work. There is no better feeling to the service users than knowing that a piece of furniture they have been working on now takes pride of place in somebody's home. This greatly helps build people's confidence, which helps to improve their emotional wellbeing.

#### **Handyperson and Minor Alterations Service**

After providing a Handyperson and Minor Alterations (HPMA) Service on behalf of Sunderland Care and Support during the past five years, a tender application was submitted and the decision was made to award the new contract to the Charity in 2013.

The contract awarded was for three years running from July 2013 to June 2016.

The Charity had been awarded with a further one-year extension which expired on 30th June 2017, and it was subsequently awarded a further one-year extension which will expire on 30th June 2018.

The HPMA service provides handyperson, gardening and minor alterations work to elderly or vulnerable people within the city. The service is accessed via referral only. The HPMA contract has targets set at the start of each contracted period. CSS is proud to state that all targets set are met and exceeded.

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018  
STRATEGIC REPORT  
Achievement and performance  
Welfare Reform**

The Charity was approached by Sunderland City Council to deliver part of the Council's responsibilities under the Welfare Reform Act which came into effect in April 2013. The Charity supplies low cost furniture to those who qualify under the Act. We also deliver energy and travel vouchers on their behalf.

This project fits within the Charity's aims and objectives by providing and distributing furniture and household goods to those in need.

The Welfare Reform project is due to go out to tender during the next financial year and once the tender is published CSS will see if it continues to fit in with the charity's aims and objectives before making the decision to apply.

**Financial review**

*Financial position*

The last financial year has been a challenging one for the charity. Due to the expiration of the Gentoo project, there was a £95,000 drop in income, and coupled with that the trading subsidiary did not hit its projected income due to staff sick leave. This resulted in a further £24,000 of potential income that was lost in staff sick leave and loss of earnings.

The Tutor role was envisaged to bring in additional income, however the first Tutor originally employed decided that the position was not right for them and they moved on. After employing their replacement, and going through the groundwork and planning stage again, we are now in a position to move this project forward and apply for funds and create meetings with potential partners, albeit later than initially anticipated.

Fortunately, the Charity has had many good financial years, and has therefore built up a good level of reserves which has helped to support the loss during this challenging financial year.

The Charity would like to thank the following organisations for their assistance during the year.

<b>FUNDING</b>	<b>AMOUNT</b>	<b>FUNDING PURPOSE</b>
The Rothley Trust	£1,500	Towards the purchase of a newer used van
The ACT Foundation	£5,000	Towards the purchase of a newer used van
The Albert Hunt Foundation	£5,000	Towards the purchase of a newer used van
The 29th May 1961 Charitable Trust	£3,000	Towards the salary of a tutor
The Joicey Trust	£2,000	Core Costs
Sir James Knott Trust	£4,000	Towards the salary of a tutor
Sir John Priestman Charity Trust	£8,000	Towards the purchase of a newer used van

*Reserves policy*

The Company has continued with its policy of maintaining reserves at a level approximating no more than six months unrestricted expenditure of the service.

The reserves held at the end of the reporting period are £120,823 in unrestricted funds.

This is in-line with the Charity's reserves policy and designated funds supplement for the financial year.

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018  
STRATEGIC REPORT**

**Future plans**

The Charity will continue to provide the Handyperson and Minor Alterations service on behalf of Sunderland Care and Support for the extended period.

The tutor's position will be further developed, and CSS will work towards having the training programmes that are being delivered accredited. This will help to secure further funding under training whilst ensuring we are working towards the aims and objectives of the charity. This is one of the directions where the Charity is heading, and we are looking to source funds to enable us to move the project forward.

The Charity will allocate time to develop the community garden, or at least applying for funding to enable us to develop the garden whilst creating opportunities for local residents to help us to mould the garden to what they feel they need in their neighbourhood. CSS wants to include the residents from the planning stage right through to the completion and grand opening stage, as it is their garden in their neighbourhood.

CSS will look into the possibilities of partnership working with likeminded charities, particularly with those involved in the reuse and recycling of furniture and household goods. This will help us to reach a wider client base which in turn will help to reduce the effects of poverty within the city.

The Charity will continue to seek funding for the core business to enable it to carry out the much-needed work that it does.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charity is a company Limited by Guarantee and was incorporated on the 17 August 1994. The Charity is registered as a charity under the Charities Act 1960 and was registered on 25 January 1996. The Charity is governed by its Memorandum and Articles of Association.

The Board of Trustees, whose members are Directors for the purpose of the Companies Act 2006, has overall responsibility for the direction, management and control of the Company and meets six times per year. The responsibility for the day to day operational and financial aspects of the company has been delegated to the Chief Executive Officer.

The Trustees aim is to ensure that they apply best practice and that they comply with the Charity Commission's guidelines.

**Recruitment and appointment of new trustees**

Application to become a Trustee is by means of personal invitation from the existing Trustees who take into account the relevant skills and experience of those invited.

New Trustees are invited to attend an induction for half a day at the charity in order to familiarise themselves with all aspects of the charity.

The induction covers the following:

- The obligations of the Trustees
- The Memorandum and Articles of Association
- The history of the charity
- The services that the charity offers
- The trading subsidiary company
- The current financial position of the company
- Future plans

**Organisational structure**

Community Sustainability Services (formerly known as Sunderland Community Furniture Service) has a Board consisting of at least five Trustees. The Charity also has a Company Secretary who sits in on meetings but has no voting rights.

The Directors have overall responsibility for the direction, management and control of the Charity and meet 6 times per year while responsibility for the day to day operational and financial aspects of the Charity is delegated to the Chief Executive Officer.

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018  
STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Related parties**

The Charity also operates a wholly owned subsidiary Company, SCFS Contracts Ltd., which carries out gardening, handyperson and decorating work but on a non-subsidised basis. During the coming year it is anticipated that the Company will expand further by offering services to businesses as well as continuing to offer a much valued service to domestic customers. Any profit accruing to the Company is pledged to the Charity.

**Risk management**

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. They have considered risks which could have a negative effect on the Company's ability to pursue its aims, both in terms of the likelihood of their occurring and the probable impact of such events. Risks identified include legal compliance, insurance, financial loss, continuity of personnel, accidents, property, IT and general governance. The Directors continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

02959482 (England and Wales)

**Registered Charity number**

01052262

**Registered office**

Unit 13C  
Southwick Industrial Estate  
North Hylton Road  
Sunderland  
Tyne and Wear  
SR5 3TX

**Trustees**

**Going concern**

P V Blyth  
G H Parr  
P Hepworth (Resigned 29 January 2018)  
T Bowen  
D Cleghorn

**Company Secretary**

M I Cleghorn

**Auditors**

Robson Laidler Accountants Limited  
Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

**COMMUNITY SUSTAINABILITY SERVICES  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018  
STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Community Sustainability Services for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 2 October 2018 and signed on the board's behalf by:

M I Cleghorn - Secretary



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNITY SUSTAINABILITY SERVICES**

### **Opinion**

We have audited the financial statements of Community Sustainability Services (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the 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 Report of the Trustees.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNITY SUSTAINABILITY SERVICES**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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.

### **Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

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

M Moran (Senior Statutory Auditor)  
for and on behalf of Robson Laidler Accountants Limited  
Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

8 October 2018

**COMMUNITY SUSTAINABILITY SERVICES  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2018**

		<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>2018 Total funds £</b>	<b>2017 Total funds £</b>
	<b>Notes</b>				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	<b>49,342</b>	<b>28,500</b>	<b>77,842</b>	70,579
<b>Charitable activities</b>	5				
Provision of services to the disadvantaged and vulnerable		<b>27,031</b>	<b>198,500</b>	<b>225,531</b>	383,270
Other trading activities	3	<b>118,116</b>	-	<b>118,116</b>	111,591
Investment income	4	<b>216</b>	-	<b>216</b>	231
Other income		<b>1,130</b>	-	<b>1,130</b>	-
<b>Total</b>		<b>195,835</b>	<b>227,000</b>	<b>422,835</b>	565,671
<b>EXPENDITURE ON</b>					
Raising funds	6	<b>211,368</b>	-	<b>211,368</b>	201,490
<b>Charitable activities</b>	7				
Provision of services to the disadvantaged and vulnerable		<b>105,950</b>	<b>215,499</b>	<b>321,449</b>	354,877
Other		-	-	-	1
<b>Total</b>		<b>317,318</b>	<b>215,499</b>	<b>532,817</b>	556,368
<b>NET INCOME/(EXPENDITURE)</b>		<b>(121,483)</b>	<b>11,501</b>	<b>(109,982)</b>	9,303
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>242,306</b>	<b>28,990</b>	<b>271,296</b>	261,993
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>120,823</b>	<b>40,491</b>	<b>161,314</b>	271,296

**COMMUNITY SUSTAINABILITY SERVICES  
BALANCE SHEET  
AT 31 MARCH 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	<b>18,006</b>	<b>12,381</b>	<b>30,387</b>	22,491
Investments	14	<b>60</b>	<b>-</b>	<b>60</b>	60
		<b>18,066</b>	<b>12,381</b>	<b>30,447</b>	22,551
<b>CURRENT ASSETS</b>					
Stocks	15	<b>8,089</b>	<b>-</b>	<b>8,089</b>	9,796
Debtors	16	<b>20,697</b>	<b>-</b>	<b>20,697</b>	58,509
Cash at bank and in hand		<b>119,986</b>	<b>28,110</b>	<b>148,096</b>	280,433
		<b>148,772</b>	<b>28,110</b>	<b>176,882</b>	348,738
<b>CREDITORS</b>					
Amounts falling due within one year	17	<b>(46,015)</b>	<b>-</b>	<b>(46,015)</b>	(99,993)
<b>NET CURRENT ASSETS</b>		<b>102,757</b>	<b>28,110</b>	<b>130,867</b>	248,745
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>120,823</b>	<b>40,491</b>	<b>161,314</b>	271,296
<b>NET ASSETS</b>		<b>120,823</b>	<b>40,491</b>	<b>161,314</b>	271,296
<b>FUNDS</b>	20				
Unrestricted funds				<b>120,823</b>	242,306
Restricted funds				<b>40,491</b>	28,990
<b>TOTAL FUNDS</b>				<b>161,314</b>	271,296

The financial statements were approved by the Board of Trustees on 2 October 2018 and were signed on its behalf by:

G H Parr -Trustee

**COMMUNITY SUSTAINABILITY SERVICES  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(114,962)</u>	<u>(55,585)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(114,962)</u>	<u>(55,585)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(20,672)	(8,267)
Sale of tangible fixed assets		<u>1,133</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(19,539)</u>	<u>(8,267)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		2,205	-
Proceeds from loans from group		<u>-</u>	<u>(360)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>2,205</u>	<u>(360)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(132,296)</u>	<u>(64,212)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>280,392</u>	<u>344,604</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>148,096</u>	<u>280,392</u>

## COMMUNITY SUSTAINABILITY SERVICES

### NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

#### 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(109,982)</b>	<b>9,303</b>
<b>Adjustments for:</b>		
Depreciation charges	12,773	8,182
(Profit)/loss on disposal of fixed assets	(1,130)	1
Decrease/(increase) in stocks	1,707	(1,737)
Decrease/(increase) in debtors	37,812	(39,017)
Decrease in creditors	(56,142)	(32,317)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(114,962)</u></b>	<b><u>(55,585)</u></b>

#### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,625	2,621
Notice deposits (less than 3 months)	146,471	277,812
Overdrafts included in bank loans and overdrafts falling due within one year	-	(41)
<b>Total cash and cash equivalents</b>	<b><u>148,096</u></b>	<b><u>280,392</u></b>

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

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Income**

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Investment income is included when receivable.

Income from charitable trading activity is accounted for when earned.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

**COMMUNITY SUSTAINABILITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES - continued**

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% straight line basis
Fixtures and fittings	- 15% straight line basis
Motor vehicles	- 20% straight line basis
Equipment	- 33% straight line basis

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the purposes of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the Trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.



**COMMUNITY SUSTAINABILITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

There are no material uncertainties about the charity's ability to continue.

**Consolidation**

The charity is not required to prepare consolidated accounts in accordance with the Charities Act 2011, and has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity and its subsidiary undertakings comprise a small group.

**Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

**Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

**Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**2. DONATIONS AND LEGACIES**

	2018	2017
	£	£
Gifts	1	-
Cash donations	641	79
Management charges	48,700	55,500
Sobell Foundation	-	10,000
Hadrian Trust	-	1,000
Sir James Knott Trust	4,000	4,000
The Rothley Trust	1,500	-
The ACT Foundation	5,000	-
Sir John Priestman Charity Trust	8,000	-
The 29th May 1961 Charitable Trust	3,000	-
The Albert Hunt Trust	5,000	-
The Joicey Trust	2,000	-
	<u>77,842</u>	<u>70,579</u>

**3. OTHER TRADING ACTIVITIES**

	2018	2017
	£	£
Sale of donated goods	75,957	71,755
Sale of new goods	39,880	35,989
Delivery charges	689	936
Sundry income	1,590	2,911
	<u>118,116</u>	<u>111,591</u>

**4. INVESTMENT INCOME**

	2018	2017
	£	£
Bank interest receivable	<u>216</u>	<u>231</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	2018	2017
		£	£
Provision of services to the disadvantaged and vulnerable	Provision of services to the disadvantaged and vulnerable	<u>225,531</u>	<u>383,270</u>

**COMMUNITY SUSTAINABILITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**6. RAISING FUNDS**

**Other trading activities**

	2018 £	2017 £
Purchases	24,272	36,534
Staff costs	101,598	105,358
Rent	28,546	19,438
Rates & water	2,326	2,277
Light & heat	9,405	7,716
Repairs & maintenance	6,444	6,694
Insurance	7,083	5,887
Motor vehicle expenses	14,513	5,733
Telephone	1,985	1,929
Printing, postage & stationery	593	854
Canteen expenses	98	277
Training & travel	2,347	2,082
Miscellaneous	3,453	800
Bank charges	1,041	1,002
Depreciation	7,664	4,909
	<u>211,368</u>	<u>201,490</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Support costs (See note 8) £	Totals £
Provision of services to the disadvantaged and vulnerable	<u>161,437</u>	<u>160,012</u>	<u>321,449</u>

**8. SUPPORT COSTS**

	Other £
Provision of services to the disadvantaged and vulnerable	<u>160,012</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Depreciation - owned assets	12,773	8,182
(Surplus)\deficit on disposal of fixed asset	<u>(1,130)</u>	<u>1</u>

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**11. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	278,049	295,933
Social security costs	19,232	19,913
Other pension costs	1,534	1,462
	<u>298,815</u>	<u>317,308</u>

In addition, a great amount of time, the value of which is impossible to reflect in these financial statements, is donated by volunteers.

Key management personnel received remuneration of £40,746 in the year.

The average monthly number of employees during the year was as follows:

	2018	2017
Managerial	1	1
Administration	3	3
Other staff	10	11
	<u>14</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	55,579	15,000	70,579
<b>Charitable activities</b>			
Provision of services to the disadvantaged and vulnerable	36,401	346,869	383,270
Other trading activities	111,591	-	111,591
Investment income	231	-	231
<b>Total</b>	<u>203,802</u>	<u>361,869</u>	<u>565,671</u>

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>EXPENDITURE ON</b>			
Raising funds	201,490	-	201,490
<b>Charitable activities</b>			
Provision of services to the disadvantaged and vulnerable	21,998	332,879	354,877
Other	1	-	1
<b>Total</b>	<u>223,489</u>	<u>332,879</u>	<u>556,368</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>(19,687)</u>	<u>28,990</u>	<u>9,303</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>261,993</u>	<u>-</u>	<u>261,993</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>242,306</u>	<u>28,990</u>	<u>271,296</u>

**13. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
<b>COST</b>					
At 1 April 2017	27,445	19,385	93,851	17,211	157,892
Additions	-	1,180	9,495	9,997	20,672
Disposals	-	-	(31,020)	-	(31,020)
At 31 March 2018	<u>27,445</u>	<u>20,565</u>	<u>72,326</u>	<u>27,208</u>	<u>147,544</u>
<b>DEPRECIATION</b>					
At 1 April 2017	27,440	18,501	72,469	16,991	135,401
Charge for year	-	523	8,821	3,429	12,773
Eliminated on disposal	-	-	(31,017)	-	(31,017)
At 31 March 2018	<u>27,440</u>	<u>19,024</u>	<u>50,273</u>	<u>20,420</u>	<u>117,157</u>
<b>NET BOOK VALUE</b>					
At 31 March 2018	<u>5</u>	<u>1,541</u>	<u>22,053</u>	<u>6,788</u>	<u>30,387</u>
At 31 March 2017	<u>5</u>	<u>884</u>	<u>21,382</u>	<u>220</u>	<u>22,491</u>

**14. FIXED ASSET INVESTMENTS**

The investment relates to the purchase of 100% of the issued share capital of SCFS (Contracts) Limited for £60. SCFS (Contracts) Limited is a company registered in England and Wales (Company number 04300961), its principal activity being that of general building work, maintenance and recycling.

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**14. FIXED ASSET INVESTMENTS - continued**

**Aggregate capital and reserves**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
SCFS (Contracts) Limited	19,664	18,865

**Profit and (loss) for the year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
SCFS (Contracts) Limited	799	786

Under the provision of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information for the company as an individual entity.

**15. STOCKS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Stocks	<u>8,089</u>	<u>9,796</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,331	48,602
Prepayments	<u>10,366</u>	<u>9,907</u>
	<u>20,697</u>	<u>58,509</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 18)	-	41
Trade creditors	22,996	12,675
Amounts owed to group undertakings	13,360	11,155
Social security and other taxes	4,703	4,888
VAT	187	16,905
Net wages	29	34
Accruals and deferred income	<u>4,740</u>	<u>54,295</u>
	<u>46,015</u>	<u>99,993</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank overdraft	<u>-</u>	<u>41</u>

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	27,993	8,325
Between one and five years	36,168	-
	<u>64,161</u>	<u>8,325</u>

**20. MOVEMENT IN FUNDS**

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
<b>Unrestricted funds</b>			
General fund	242,306	(121,483)	120,823
<b>Restricted funds</b>			
Handy Person and Minor Alterations	18,610	-	18,610
The Sobell Foundation	6,380	(1,595)	4,785
Sir James Knott Foundation	4,000	(4,000)	-
Vehicle Fund	-	17,096	17,096
	<u>28,990</u>	<u>11,501</u>	<u>40,491</u>
<b>TOTAL FUNDS</b>	<u>271,296</u>	<u>(109,982)</u>	<u>161,314</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	195,835	(317,318)	(121,483)
<b>Restricted funds</b>			
Handy Person and Minor Alterations	198,500	(198,500)	-
The Sobell Foundation	-	(1,595)	(1,595)
Sir James Knott Foundation	4,000	(8,000)	(4,000)
Vehicle Fund	19,500	(2,404)	17,096
Tutor fund	3,000	(3,000)	-
The Joicey Trust Fund	2,000	(2,000)	-
	<u>227,000</u>	<u>(215,499)</u>	<u>11,501</u>
<b>TOTAL FUNDS</b>	<u>422,835</u>	<u>(532,817)</u>	<u>(109,982)</u>

**COMMUNITY SUSTAINABILITY SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
**20. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	<b>At 1.4.16</b>	<b>Net movement in funds</b>	<b>At 31.3.17</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>			
General fund	261,993	(19,687)	242,306
<b>Restricted Funds</b>			
Handy Person and Minor Alterations	-	18,610	18,610
The Sobell Foundation	-	6,380	6,380
Sir James Knott Foundation	-	4,000	4,000
	-	28,990	28,990
<b>TOTAL FUNDS</b>	<b>261,993</b>	<b>9,303</b>	<b>271,296</b>

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General fund	203,802	(223,489)	(19,687)
<b>Restricted funds</b>			
Handy Person and Minor Alterations	251,869	(233,259)	18,610
Gentoo	95,000	(95,000)	-
The Sobell Foundation	10,000	(3,620)	6,380
Hadrian Trust	1,000	(1,000)	-
Sir James Knott Foundation	4,000	-	4,000
	361,869	(332,879)	28,990
<b>TOTAL FUNDS</b>	<b>565,671</b>	<b>(556,368)</b>	<b>9,303</b>



**COMMUNITY SUSTAINABILITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**20. MOVEMENT IN FUNDS - continued**

The Sobell Foundation provided a grant of £10,000 towards the capital cost of a new van and associated costs. The balance at the year end of £4,785 (2017 : £6,380) is in respect of the net book value of the van in the accounts at 31 March 2018.

The Sir James Knott Trust provided a grant of £4,000 towards the salary of a tutor at Thorney Close.

The Handyperson and Minor Alterations (HPMA) funds relate to a three year service contract to provide handyperson and minor alterations service to the disadvantaged and vulnerable within Sunderland. The contract has specific targets that are to be met.

The contractual amount relates to salaries of the handypersons, administration staff, management charges, materials for providing the service and a contribution towards the overheads.

The Vehicle fund relate to monies received from the funders below to purchase new vehicles for use within the charity. The balance at the year end relates to the net book value of the vans purchased and amounts remaining to be invested in vans in the following financial year.

	<b>Funding received</b>	<b>Balance at 31.03.18</b>
	<b>£</b>	<b>£</b>
The ACT Foundation	5,000	3,798
The Albert Hunt Foundation	5,000	3,798
The Rothley Trust	1,500	1,500
Sir John Priestman Charity Trust	8,000	8,000

The Tutors fund relates to monies received of £3000 from The 29th May 1961 Charitable Trust towards the salary of a tutor at Thorney Close.

The Joicey Trust fund provided a grant of £2,000 towards the core costs of the charity.

**21. RELATED PARTY DISCLOSURES**

During the year Community Sustainability Services received from SCFS (Contracts) Limited amounts relating to management charges of £48,700 (2017 - £55,500) and were charged direct costs of £45,419 (2017 - £50,925) from SCFS (Contracts) Limited. At 31 March 2018 Community Sustainability Services owed SCFS (Contracts) Limited the sum of £13,360 (2017 - £11,155).

Mr G H Parr, a director of SCFS (Contracts) Limited is also a trustee/director within Community Sustainability Services .

SCFS (Contracts) Limited is a wholly owned subsidiary of Community Sustainability Services.

**22. LIMITED BY GUARANTEE**

The company is incorporated under the Companies Act 2006. The company has no share capital and is limited by guarantee. Therefore each member undertakes to contribute such amounts as may be required in the event of the company being wound up, for the purposes of payment of debts, liabilities and costs of winding up, not exceeding £1 per member.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.