

REGISTERED COMPANY NUMBER: 04041962
REGISTERED CHARITY NUMBER: 1084045

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2020
FOR
CITIZENS ADVICE CAERPHILLY BLAENAU GWENT**

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 15
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Cash Flow Statement	19
Notes to the Financial Statements	20 to 37

CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

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 2020. 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 2019).

OBJECTIVES AND ACTIVITIES

Objects

The principal activities of the charity in the period under review were those of promoting any charitable purpose for the benefit of the whole community in Caerphilly and Blaenau Gwent County Boroughs and beyond by the advancement of education, the protection of health and the relief of poverty, sickness and distress.

The aim of the 2019 /20 financial year was to cement our objectives from the long-term business plan into our working practices so that we continue to serve our communities across Caerphilly and Blaenau Gwent boroughs by:

- i.) Providing an expert advisory service that focusses upon the advancement of education
- ii.) Relieving poverty, sickness, and distress across diverse groups
- iii.) Develop knowledge and focus arising from health matters.

Aims, objectives, strategies and activities for the year

Citizens Advice Caerphilly Blaenau Gwent aims to provide free, confidential, impartial and independent advice and information for the benefit of the local community. We also aim to exercise a responsible influence on the development of social policies to advance services that ensure individuals do not suffer through a lack of knowledge or an inability to express their needs effectively.

Public benefit

The organisations trustees can confirm that they have had due regard to Public Benefit guidance published by the Charity Commission. Significant plans and activities that we undertook during the year that demonstrate public benefit are set out under the Achievements and Performance section.

The Business Plan covering 2018-21 identifies 6 key objectives:

1. We want to be a leading provider of information and advice:
2. We want to be sustainable in the long term:
3. We want to achieve measurable, long-term improvements in peoples' lives:
4. We want to increase our focus on local and national research and campaigning work:
5. We want to be an excellent and effective organisation:
6. We want to improve how we communicate with our beneficiaries, stakeholders and the wider world:

The principal activity of Citizens Advice Caerphilly Blaenau Gwent remained the provision of free, confidential, independent and impartial advice, information and support for members of the public. This is provided through 3 offices in Bargoed, Brynmawr and Risca and the telephone contact centre in Caerphilly. In addition to generalist advice the following specialist advisory services were provided:

- Specialist advice in Welfare Benefit and Debt.
- Advice in health care settings.
- The provision of debt and financial capability advice to parties with diverse and specific issues.
- Welfare benefit advice, with specific support for families that have children with disabilities.
- Pension guidance to over 50 years of age with defined contribution pensions.
- Financial Advice to those at risk of the consequences of or financial decision making.
- Support to witnesses in the criminal justice system.
- Specialist telephone advice on consumer issues; and
- General advice and signposting to services as part of our Advicelink programme.

We are proud to say that we can professionally offer services across a wide matrix of channels that may include face-to-face work, telephone, digital interactions or at other outreach services across various hubs in either Caerphilly or Blaenau Gwent.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

OBJECTIVES AND ACTIVITIES

Criteria or measures to assess success

A key-element of the Citizens Advice Membership Scheme is the requirement of every member to undertake an annual Leadership Self-Assessment (LSA) covering the following nine areas:

- i) Governance;
- ii) Strategic business planning;
- iii) Risk management;
- iv) Financial management;
- v) People management;
- vi) Operational performance management;
- vii) Partnership working;
- viii) Research and campaigning;
- ix) Equality leadership

The assessment is approved by the National Citizens Advice service and any development outcomes are agreed in partnership with its members.

As the LSA aligns with external standards, compliance also indicates compliance with the minimum requirements of the Advice Quality Standard (AQS), Money Advice Service (MAS) debt quality framework and the Information and advice quality framework for Wales (IAQFW).

In 2019/20, Citizens Advice Caerphilly Blaenau Gwent underwent an on-site confirmation audit and was rated 'green' in each of the nine LSA areas indicating excellent leadership.

Contribution of volunteers

Volunteers are the vital the backbone of our organisation as they help to meet our charitable aim to reach as many people in our community as possible. Volunteering can take several forms in our charity, including administration, advice, and advocacy. As trustees we also help, support, and share essential knowledge that helps Citizens Advice Caerphilly Blaenau Gwent to exceed its charitable objectives.

In 2019/20 we estimated that there were over 18,981 hours of volunteer time spent with the charity, that in-turn helped us to service over 4,523 clients. Our volunteer programme allowed us to offer specific, individual support in surrounding areas that would otherwise be hard to reach, so that we can continue to support individuals in isolated areas, where access to information may be limited.

We have dedicated support and supervision plans in place to fully support our volunteers that takes the form of specific supervision, training plans and policies. We are also proud that we have achieved the charter mark for Investing in Volunteers as we have placed emphasis on their ongoing support and development.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As in previous years, we continued to play a significant role in the development of the national Citizens Advice service. The Chief Executive is a member of a number of committees and working groups led by National Citizens Advice and Citizens Advice Cymru. Our trustees and staff sit on a number of national committees and forums.

We continue to support and contribute to a wide range of local meetings and fora concerned with social inclusion and community development, for example;

- Caerphilly Standing Conference
- Blaenau Gwent Welfare Reform Group
- South Wales Money Advice Forum
- South Wales Financial Capability Forum

We regard as it an important part of our role to use these fora to share information arising from the problems faced by the communities we serve, so that local decision makers can develop new policies that are evidence led. Regional and local involvement is critical to our success and matches the Social Policy aim and objective of the National Citizens Advice service.

Key achievements during 2019/20

7,660 clients assisted by main services and projects

34,941 issues raised by main service and project clients

20,259 national clients provided with telephone debt advice

80,000 calls taken by the Adviceline Contract Centre

96,969 calls taken by the Consumer Service Contact Centre

24,252 referrals to the Witness Service National Contact Centre

Our advisors gained **£4,531,000** for clients

Our advisors assisted clients with **£40,000,000** of problem debt

Our advisors had **£4,563,000** of problem debt written off by creditors

61% of local clients (and 36% of all clients) were people with disabilities or long-term health conditions

The provision of our services was offered at each of our sites, across a range of channels including face-to-face work, webchat or by telephone.

Alongside these measures we also track any payments that we help our clients unlock. For example, we may track the total gain that was backdated as a single payment. Our estimate is that we helped various clients to either access or write off over **£4,416,121** via our services and support network.

In 2019/20 we delivered several new and existing projects designed to meet our charitable aims, as summarised below

- We continued to work with the Welsh Government by delivering the Better Advice Better Lives and Community Focussed Outreach projects.
- We also successfully bid for new funding for the Advicelink Cymru project that covers a range of initiatives including Debt Advice, Generalist & Specialist Advice and further added to our contact centre with the Advicelink project.
- The Money Advice & Pension Service funded face-to-face debt advice service across Caerphilly and Blaenau Gwent.
- As in previous years, we delivered Energy Best Deal advice; helping residents of Caerphilly and Blaenau Gwent make the most of their energy usage.
- We continue to work in partnership with Citizens Advice Cardiff & the Vale and Ynys Mon to deliver the Pension Wise offering pensions guidance to people aged 50+

The contact centre delivers five main services:

- Adviceline is the national Citizens Advice helpline providing information to the public and, when necessary, making appointments for them to be seen at the local Citizens Advice office.

- The Money Advice & Pension Service fund us to deliver specialist debt advice by telephone, webchat, and email to clients across England and Wales. The project also provides specialist advice to more than **25,600** clients across England and Wales.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- We provide the National Contact Centre for the Witness Service where the team takes referrals from the CPS, Witness Care. Units, police forces and other prosecuting authorities in England and Wales and contact people who are required to appear to give evidence criminal cases. Our staff can talk them through the process, arrange pre-trial visits to the court and can request special measures for vulnerable witnesses. Over **17,000** referrals were dealt with during the year.

- The Consumer Service Contact Centre works in partnership with six other suppliers across England and Wales. A dedicated consumer helpline number and provide information advice and support to members of the public with consumer issues.

- Many people, particularly young people, use their Citizens Advice experience to move into paid employment. In this financial year we helped 9 people used their experience and training in Citizens Advice Caerphilly Blaenau Gwent to move directly into employment.

Investment policy

As required in its Memorandum paragraph 4.17, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

Key performance Indicators

Each year the bureau confirms its performance by undertaking a Leadership Self-Assessment, as part of the membership with the wider Citizens Advice National organisation. In previous financial years we have scored 'green' across all key indicators and the 2019/20 financial year is no exception.

Furthermore, Citizens Advice Caerphilly Blaenau Gwent works to a wide range of KPIs agreed with its various funders and appropriate to the services funded. In 2019/20 we met or exceeded the great majority of our funder KPIs; the only occasions on which we did not meet agreed KPIs were in circumstances that were agreed and sanctioned by the funder or were given flexibility as we had started to move into the Covid19 lock down.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

FINANCIAL REVIEW

Financial position

In summary we would like to present the headlines from our financial accounts, where further detail can be found in the Statement of Financial Activity on page 13. This has been another successful year for the charity financially where we have increased our revenue and exercised effective controls to ensure that all funded programs realised their financial cost. We are also pleased to continue to increase our reserves and manage them effectively via some new designated provisions in the accounts.

The headlines from the financial accounts are as follows:

- Income has increase to £3,760,967 compared to £3,295,942 in the previous financial year.
- Of the total income £3,341,462 was restricted funds and a further £419,505 was unrestricted
- Unrestricted reserves have increased by £397,145 since the previous financial year, of which £350,000 have been placed into Designated Funds
- We have now assigned two Designated Funds in total:
 - i.) £250,000 has been Designated for Organisational Development to allow for future growth and any potential restructure of the charity; and
 - ii.) a further £100,000 has been Designated to maintain our infrastructure including our property at Church Place.
- In the year we secured £256,658 of new funding from the Advicelink Cymru project to fund general, specialist and debt advice. The fund also allows for further resourcing in our contact centre by funding additional posts in our Advicelink project.
- In the year we also received £150,000 additional funding for the Consumer Service in the Contact Centre to provide guidance and support in preparation for the UK's withdrawal from the European Union (Brexit).
- We also received a further £74,673 funding for the Consumer Service for project development and to launch a new initiative to aid parties defend against online scams.
- Core council grants were equal or greater than the funds received from the previous financial year, but we do expect some funding cuts to occur in the 2020/21 financial year.

Our expenses profile is carefully monitored via our budget management systems with 88% of all costs devoted to front line service delivery. We have seen a modest surplus arising from our Unrestricted Funds due partly to the revaluation of our Pension Liability that has been specifically moved into Designated Funds.

Other headlines relating to our costs are as follows:

- We have paid a further £99,000 in the year towards our Defined Benefit Pension scheme to manage the deficit based on Actuarial calculations. This repayment amount has been agreed for the next 3 financial years and can be managed as part of overall financial and budget management practices.
- Staff costs remains one of our biggest expenses accounting for just over 85% of our total profile of costs. This includes pension costs and other supplementary costs of staffing and management.
- 12% of our other costs arise from contracts that have been agreed and approved with strict oversight and in line with our scheme of delegation

In total the charity had access to £1.5 million cash funds at the end of the financial year which means that we have approximately £2 cash for every £1 liabilities (excluding the pension deficit)

Reserves policy

In accordance with good corporate governance and Charity Commission guidelines, the charity has always maintained a minimum level of free reserves.

Charity Commission guidelines stress that there is "no single level, or even a range of, reserves that is right for all charities". Any target set for the level of reserves to be held, should reflect the organisations particular circumstances.

CACBG wishes to move away from a simplistic approach based upon three six months of operating costs towards a target reserve level bespoke to our exposure and risk as an organisation. The charity holds reserves for a number of reasons.

- They help provide short-term cash flow to allow expenditure to be incurred ahead of income being received.
- They can provide contingency to help mitigate the impact of unexpected/unforeseen expenditures; they assist budget management, by allowing pressures to be dealt with, or investment in services made, whilst a longer-term solution is found; and they can help commitments to be met in the event of a cessation of funding.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

FINANCIAL REVIEW

Financial position

The charity recognises that strategic and financial planning informs the development of our reserves policy. Effective risk management is key to this entire process. Alongside a review of our internal financial management, the Board has recently re-evaluated its existing reserves policy having considered, in particular, the following:

- The level of reserves is appropriate for the current size and complexity of the organisation given our significant growth over recent years.
- The increasing level of reserves required to cash flow our projects on a quarterly basis to ensure the continuance of service delivery. We need scope to manage short term budgetary issues on a day to day basis, especially given the extent of our funding that is received in arrears.
- Protection needed against the immediate impact of funding changes.
- To cover unforeseen or unavoidable costs that are inherent to any organisation.
- To take advantage of opportunities as and when presented to aid development of the organisation.
- Reserves that are needed to cover planned IT and equipment-based investment.
- Fulfilment of our current commitments should the organisation cease to operate. This would include contractual commitments and exposure to dilapidation and associated costs.
- Own reserves required to cover project costs should be we in a position where full cost recovery is not possible.

The 1st of January 2021 represents a time of significant change and movement to the external landscape in the United Kingdom. Our balance of Reserves will ensure that we are able to appropriately respond to these changes. Alongside the UKs withdrawal from the European Union we are also faced with the uncertainty that has arisen due to the Covid19 pandemic and the expected levels of unemployment and drop in GDP that is expected as a result. We are confident that we can maintain significant funding for the next two financial years to be able to travel through this uncertainty with confidence whilst still providing an excellent standard of service to our clients. Our Reserves balance works in tandem with our plans to mitigate risk and to help us manage through this economic turbulence should funding for our services become scarce or should fluctuations in the stock markets further impact the valuation of our pension liability.

Principal funding sources

- The Welsh Government in support of the following projects
 - Advicelink Cymru - Generalist & Specialist Advice
 - Advicelink Cymru - Debt Service
 - Advicelink Cymru - Advice Link
 - Better Advice Better Lives
- National Citizens Advice in support of the following projects
 - Advice Line
 - Big Energy Savings Network
 - Consumer Service
 - The Money Advice Service
 - Pension Wise
 - Witness Services
- Caerphilly council in support of the following projects
 - Core services and general outreach in the locality
 - Confident with cash
- Blaenau Gwent council in support of local outreach and services

Funds in deficit

No funds were in significant deficit at the balance sheet date.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FUTURE PLANS

Our new Business and Development Plan contains the following key themes:

1. We want to be a leading provider of information and advice:
2. We want to be sustainable in the long term:
3. We want to achieve measurable, long-term improvements in peoples' lives:
4. We want to increase our focus on local and national research and campaigning work:
5. We want to be an excellent and effective organisation:
6. We want to improve how we communicate with our beneficiaries, stakeholders and the wider world:

Objective 1: We want to be a leading provider of information and advice

Rationale: Citizens Advice Caerphilly Blaenau Gwent will deliver specialist advice in debt and welfare benefits and generalist advice across the full range of social welfare law. Our advice services will be client focused, responsive to changing needs and will adopt a multi-channel approach to maximise accessibility. We will:

Maintain and improve the range of advice services that we offer.

Ensure that equality is at the heart of everything that we do.

Endeavour to resolve as many enquiries as possible at the first point of contact, regardless of which channel the client chooses to use.

We will ensure that self-help is an effective route for clients who choose it.

Short term targets for this objective include:

Our current range of services has been maintained or extended Quarterly self-assessment results in 70%+ classified and verified by national CA as 'good'.

Delivery includes face-to-face, telephone, web chat and email

We will identify the most important equality policy issues nationally and locally and use this to inform our campaigns.

60% of enquiries dealt with at first point of contact.

90% of clients satisfied with the service

70% of self-help clients surveyed reporting needs as met.

60% of clients surveyed reporting increased confidence.

Longer term targets for this objective include:

Delivery includes Skype and video conferencing

65% of enquiries dealt with at first point of contact.

80% of self-help clients surveyed reporting needs as met.

70% of clients surveyed reporting increased confidence.

Objective 2: We want to be sustainable in the long term:

Rationale: Over the last ten years Citizens Advice Caerphilly Blaenau Gwent has developed a diverse funding base, a strong management team and a skilled and well supported staff and volunteer team. We will put in place the funding, premises and development strategies which will allow us to maintain and build on that strong base and meet the challenges of changing needs and new ways of working. We will:

Develop a long-term funding strategy.

Become an indispensable partner.

Develop a long-term premises strategy to include office and public space and clear policies on the use of outreach premises.

Ensure that the Business 8 Development Plan and operational plans are updated and widely communicated.

Short term targets for this objective include:

220,000 new unrestricted income generated.

1 new service developed and submitted to funders

Use Impact Assessment Toolkit to assess impact of our work and share with funders.

Plans are signed off, reviewed by Trustee Board and are made meaningful and realistic through the PDR process.

Longer term targets for this objective include:

E40,000 new unrestricted income generated.

2 new services developed and submitted to funders

Develop Blaenau Gwent premises into multi agency hub

Develop new Bargoed premises into multi agency hub

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

Objective 3: We want to achieve measurable, long-term improvements in peoples' lives

Rationale: Increasingly funders are placing great emphasis on the outcomes of the programmes they fund, not simply on the activities that precede the outcomes. Consequently, we need to be better able to evidence the short, medium and long-term benefits that our services achieve for clients and the community. We will:

We will trial improved procedures for tracking client outcomes and inviting client feedback.
We will introduce new methods of identifying and tracking all our contributions to the local economy.
Offer a range of accredited debt and financial capability training courses to the public and agencies.
We will introduce new methods of identifying and tracking the benefits of volunteering.

Short term targets for this objective include:

Outcome tool developed, installed and implemented.
Annual impact report produced.

Longer term targets for this objective include:

Outcome tool finalised, evaluated and in use in enhanced impact reporting.

Objective 4: We want to increase our focus on local and national research and campaigning work

Rationale: We need to be clearer about the impacts of our campaigning work. We will improve and share with partners our data-gathering. The information gathered from clients' experiences will be used to campaign locally, regionally, and nationally. We will:

Achieve improvements in people's lives through R8C work.
We will identify an R&C lead in the SMT and ensure that they have the resources to deliver.
We will ensure that we provide a bilingual service appropriate to the area.
We will ensure that our clients' voices and our R8C data are available to local and national decision makers through inclusion in regular publications.

Short term targets for this objective include:

Participation in 2 national campaigns; 1 local SP report produced.
Research & Campaigning Development Plan signed off by Trustee Board.
We will translate the non-dynamic areas of our website.
Quarterly and annual statistical reports produced.
Longer term targets for this objective include:
Participation in 3 national campaigns; 2 local SP reports produced.
Research & Campaigning Development Plan in effective operation.
Sufficient Welsh speaking staff to meet local demand.

Objective 5: We want to be an excellent and effective organisation

Rationale: We want to be an organisation that embeds excellence at its heart. To deliver the best services in the best way and to be the best partner that we can, we need to attract and retain excellent staff by being an excellent employer. We want to be an organisation that people are proud to be associated with as volunteers, employees, or partners.

Prioritise continuous improvement in all that we do.
Invest in the development of our people and plan for succession.
Ensure that staff and volunteers are valued and continue to be integral to the running of the service at all levels.
We will value diversity as an employer and a voluntary sector agency.

Short term targets for this objective include:

Change management process in place and changes documented.
Bi-annual report made to Trustee Board on feedback, complaints and praise and our responses.
TNA completed and Organisational Training Plan in place.
Staff Representatives in place and involved in a range of TB and consultation activities.

Longer term targets for this objective include:

TNA and Organisational Training Plan updated
Investing in Volunteers award successfully renewed.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

Objective 6: We want to improve how we communicate with our beneficiaries, stakeholders and the wider world

Rationale: We want to make sure that our aims, objectives, principles and values are widely known and understood. Raising our profile will encourage a higher level of interaction with stakeholders and help identify where the service may be improved. We will:

Develop a communications and marketing plan.

We will ensure that the outcomes of our services are rigorously evaluated and publicised.

We will seek the views of partners and stakeholders about our activities and impact.

Short term targets for this objective include:

Communications strategy signed off by Trustee Board

New website up and running and social media engagement plan in place

Annual advice trends and impacts reports produced for each of our core counties

Stakeholder survey developed and 85% positive responses received

Longer term targets for this objective include:

More in-depth impact reporting established.

Communications strategy reviewed and updated.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Citizens Advice Caerphilly Blaenau Gwent is a registered charity and a company limited by guarantee. The maximum liability of each member is limited to one pound. The organisation is governed by its Memorandum and Articles of Association as amended in July 2012.

Citizens Advice Caerphilly Blaenau Gwent was incorporated as a company limited by guarantee on 27 July 2000.

The operating name Citizens Advice Caerphilly Blaenau Gwent has been in use since 2016.

Recruitment and appointment of new trustees

Trustees, who are also directors of the company, are individuals who have an interest in furthering the work of the charity and are mainly drawn from the local area. A separate process agreed by the Trustee Board is followed for the election of the Chair.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Citizens Advice Caerphilly Blaenau Gwent has a Trustee Board of up to 15 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the Board has 10 members who bring a range of skills to the organisation.

Angela Jones	Chair
Gordon Pankhurst	Deputy Chair
Mostyn Davies	Elected
Tudor Davies	Elected
Glyn Jones	Elected/Treasurer
Colin Mann	Elected
Julia Rose	Elected
Steve Skivens	Elected
Jackie Dix	Elected
Jan Channing	Co-Opted

The role of Company Secretary is filled by the Chief Executive who attends Board meetings but has no voting rights. A schedule of delegation is in place and day to day responsibility for the organisation rests with the Chief Executive supported by a management team.

The Chief Executive is responsible for ensuring that the terms of contracts and other funding agreements are adhered to and that all key performance indicators are met. The members of the Senior Management Team have responsibility for the day to day operational management of all services and line management of staff.

Overall responsibility for the management of Citizens Advice Caerphilly Blaenau Gwent rests with the Trustee Board which is responsible for setting the strategic direction of the organisation and the policies of the charity. Board members are charity trustees and company directors. The trustees carry the ultimate responsibility for the conduct of Citizens Advice Caerphilly Blaenau Gwent and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum quarterly and delegate the day-to-day operation of the organisation to senior management. The Trustee Board is independent from management. A register of members' interests is maintained at the registered office and is available to the public.

Summary of Responsibilities

- Operational responsibility for the service lies with the Chief Executive who is based in the Bargoed office. - Financial and resource management is provided by the Resources Manager and Finance Manager, who are also based in Bargoed.
- Day-to-day line management of the service is the responsibility of the Operations Managers.
- There are three main offices operating in Bargoed, Brynmawr and Risca and a multi-channel contact centre in Caerphilly.
- Citizens Advice Caerphilly Blaenau Gwent offers a range of service delivery methods including, open door in our main offices and at outreach venues, appointments, telephone, letter, email and webchat advice. We offer home visits for specific projects and client groups. There are approximately 50 volunteers, excluding trustees. Funding for the core service comes predominantly from Caerphilly and Blaenau Gwent local authorities.
- Arrangements for setting pay and remuneration
- The Chief Executive's salary is reviewed periodically and is set by the Finance and Personnel Committee of the Trustee Board.
- Salaries of other senior managers are reviewed periodically and are set by the Finance and Personnel Committee of the Trustee Board in consultation with the Chief Executive.

In setting salaries, the committee has regard to comparable third-sector salaries and advertised local Citizens Advice salaries in particular.

Induction and training of new trustees

Newly appointed trustees are provided with a comprehensive induction to Citizens Advice Caerphilly Blaenau Gwent through the provision of written induction materials, training courses and mentoring by established trustees.

Related parties

Citizens Advice Caerphilly Blaenau Gwent is a member of Citizens Advice, which provides a framework for standards of advice and casework management as well as monitoring progress against these standards. Operating policies are independently determined by the Trustee Board of Citizens Advice Caerphilly Blaenau Gwent in order to fulfil its charitable objects and comply with the national membership requirements.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

Risk management has been a key focus for the organisation and compliments the overall strategic plan and our aims for Business Development. As an organisation we evaluate risk using a specifically designed register that is part of our overall performance management framework (the framework also includes our Business Continuity plan). The risk register is reviewed at least quarterly at both senior management and board level. Assessment of internal and external risks are evaluated as part of the risk management framework. Using feedback from key stakeholders we are able to score the potential impact and likelihood of the risk; whilst ensuring that suitable mitigation measures are in place.

Currently there are three main focus areas within our risk register that we are closely monitoring:

1. We continue to diversify our portfolio of investment to ensure the continuity of services and the overall charity.
2. Ensuring good governance remains in place by having a robust Business Strategy for the charity whilst ensuring that we have diversity of skills and experience across our board.
3. Ensuring that we have appropriate Business Continuity measures in place to respond to major changes in the external environment such as pandemics.

Covid19 and the associated lockdown

On the 23rd March 2020 the United Kingdom officially went into lock down where almost all face-to-face interactions were halted, unless they were deemed critical. This was an incredibly concerning time for us as an organisation and the trustees are pleased to report that we were able to rise to the challenge.

Within the first week all services were available to our clients on a remote, 'arms length' basis. We achieved this by shifting our contact centre and local team members to home working and provided the suitable Information technology for them to interact with clients in need. Managers and supervisor conducted daily performance and support meetings across our teams to ensure that all members of the organisation were supported. As a result, we have been able to ensure a continuation of service that meets the needs and expectations of our funders.

From the 23rd March onwards, we have also ensured good governance of the charity by holding regular meetings with the trustees either via telephone or by using other digital meeting platforms. The trustees are pleased to report that all board meetings and sub committees have still taken place to ensure appropriate oversight and support during these unusual times.

Finally, we have been able to successfully move all support functions such as Finance, HR and IT to remote working platforms to ensure the continuation of front-line services. The Covid19 lockdown was a test of our continuity planning and risk management framework that was successfully managed.

Early indications are that we will not be impacted financial and expect funds and projects to continue. We have been in close contact with our funding providers and have confidence that we can still meet our performance objects to provide ongoing services in our community. Going into the 2020/21 financial year we have already agreed 92% of all income in the budget with funders and have also agreed 'in principle' 48% of the expected funding in the next financial year.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04041962

Registered Charity number

1084045

Registered office

1-2 Church Place
BARGOED
CF81 8RP

CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

The following people were directors/trustees of the charity during the year:

Directors/Trustees	Role	Date became director	Date of resignation
Angela Jones	Chair	11/02/2010	30/09/2020
Gordon Pankhurst	Deputy Chair	24/04/2004	
Mostyn Davies	Elected	03/09/2001	
Tudor Davies	Elected	18/12/2011	
Glyn Jones	Treasurer	27/10/2011	
Colin Mann	Elected	26/07/2012	
Julia Rose	Elected	25/07/2013	
Steven Skivens	Elected	12/10/2003	
Jackie Dix	Elected	08/02/2018	
Jan Channing	Elected	06/12/2018	

Company Secretary: Simon Ellington

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Bankers

Unity Trust Bank PLC
Nine Brindleyplace
BIRMINGHAM
B1 2HB

CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Caerphilly County Borough Citizens Advice Bureau 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

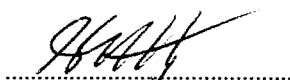
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate 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.

Approved by order of the Board of Trustees on11/12/20..... and signed on its behalf by:



.....
S Ellington – Company Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

Opinion

We have audited the financial statements of Citizens Advice Caerphilly Blaenau Gwent (the 'charitable company') for the year ended 31 March 2020 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 2020 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.

Opinions 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.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

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. 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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

10 December 2020

CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Note	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	198,167	-	198,167	227,155
Charitable activities	5				
Generalist advice		219,945	3,135,244	3,355,189	2,853,970
Specialist advice		-	206,218	206,218	207,562
Training projects		-	-	-	6,042
Investment income	4	<u>1,393</u>	<u>-</u>	<u>1,393</u>	<u>1,213</u>
Total		419,505	3,341,462	3,760,967	3,295,942
EXPENDITURE ON					
Charitable activities	6				
Generalist advice		102,061	3,134,697	3,236,758	2,868,834
Specialist advice		16,712	206,848	223,560	234,390
Training projects		-	-	-	1,025
Other	9	<u>(5,411)</u>	<u>-</u>	<u>(5,411)</u>	<u>47,748</u>
Total		113,362	3,341,545	3,454,907	3,151,997
Net gains/(losses) on investments		<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>(112,000)</u>
NET INCOME/(EXPENDITURE)		381,143	(83)	381,060	31,945
Transfers between funds	22	<u>16,002</u>	<u>(16,002)</u>	<u>-</u>	<u>-</u>
Net movement in funds		397,145	(16,085)	381,060	31,945
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,132,055</u>	<u>40,671</u>	<u>1,172,726</u>	<u>1,140,781</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,529,200</u>	<u>24,586</u>	<u>1,553,786</u>	<u>1,172,726</u>

The notes form part of these financial statements

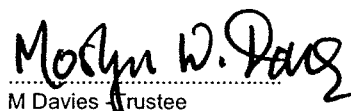
CITIZENS ADVICE CAERPHILLY BLAENAU GWENT

**BALANCE SHEET
AT 31 MARCH 2020**

	Note	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	14	403,323	-	403,323	414,774
CURRENT ASSETS					
Debtors	15	61,232	13,834	75,066	156,659
Cash at bank		<u>1,513,665</u>	<u>40,624</u>	<u>1,554,289</u>	<u>1,363,652</u>
		1,574,897	54,458	1,629,355	1,520,311
CREDITORS					
Amounts falling due within one year	16	(170,131)	(29,872)	(200,003)	(333,732)
NET CURRENT ASSETS		<u>1,404,766</u>	<u>24,586</u>	<u>1,429,352</u>	<u>1,186,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,808,089	24,586	1,832,675	1,601,353
CREDITORS					
Amounts falling due after more than one year	17	(52,889)	-	(52,889)	(57,627)
PROVISIONS FOR LIABILITIES	21	(226,000)	-	(226,000)	(371,000)
NET ASSETS		<u>1,529,200</u>	<u>24,586</u>	<u>1,553,786</u>	<u>1,172,726</u>
FUNDS	22				
Unrestricted funds				1,529,200	1,132,055
Restricted funds				<u>24,586</u>	<u>40,671</u>
TOTAL FUNDS				<u>1,553,786</u>	<u>1,172,726</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 11/12/20 and were signed on its behalf by:


M Davies Trustee


G T Jones Trustee

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

		2020 £	2019 £
Cash flows from operating activities:	Notes		
Cash generated from operations	1	<u>236,166</u>	<u>479,005</u>
Net cash provided by (used in) operating activities		<u>236,166</u>	<u>479,005</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(42,249)	(120,395)
Sale of tangible fixed assets		-	690
Interest received		<u>1,393</u>	<u>1,213</u>
Net cash provided by (used in) investing activities		<u>(40,856)</u>	<u>(118,492)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(4,673)</u>	<u>(4,437)</u>
Net cash provided by (used in) financing activities		<u>(4,673)</u>	<u>(4,437)</u>
Change in cash and cash equivalents in the reporting period		190,637	356,076
Cash and cash equivalents at the beginning of the reporting period		<u>1,363,652</u>	<u>1,007,576</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,554,289</u></u>	<u><u>1,363,652</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	381,060	31,945
Adjustments for:		
Depreciation charges	53,701	39,595
Loss on disposal of fixed assets	-	1,402
Interest received	(1,393)	(1,213)
Increase/(decrease) in provisions	(145,000)	30,000
Impairment of freehold property	-	47,748
Decrease in debtors	81,592	168,510
(Decrease)/increase in creditors	(133,794)	161,018
Net cash provided by (used in) operating activities	<u>236,166</u>	<u>479,005</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank	1,363,652	190,637	1,554,289
Debt			
Debts falling due within one year	(4,608)	(65)	(4,673)
Debts falling due after one year	<u>(57,627)</u>	<u>4,738</u>	<u>(52,889)</u>
	<u>(62,235)</u>	<u>4,673</u>	<u>(57,562)</u>
Total	<u>1,301,417</u>	<u>195,310</u>	<u>1,496,727</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Citizens Advice Caerphilly Blaenau Gwent is a registered charity and private company limited by guarantee having no share capital. Members have agreed to contribute £1 in the event of a winding up.

The company is incorporated in Wales in the United Kingdom and its registered office is 1-2 Church Place, Bargoed, Caerphilly, CF81 8RP.

The nature of the company's operations and principal activities is disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 2019)', 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.

There have been no material departures from the standard.

Going concern

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised where there is entitlement, when the receipt is probable and the amount can be measured reliably. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Other trading activities is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the delivery of the service or event to which it relates.

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show income net of expenditure.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities 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 to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories 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.

Tangible fixed assets

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

Freehold property	- 2% on cost
Improvements to leasehold property	- in accordance with the lease
Fixtures and fittings	- straight line 25%
Computer equipment	- straight line 33.33%

Depreciation on the freehold property commenced on 1 October 2018 once the repairs had been completed. Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Taxation

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

Pension costs and other post-retirement benefits

The charity is part of a multi-employer defined benefit pension scheme. Rates are set by the scheme actuary. This scheme is being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the scheme shown in the accounts as part of unrestricted funds. The trustees note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect upon short term cashflows. This scheme was closed to new entrants during 2007/08.

The charity contributes to the personal pension schemes of some of its employees. Contributions payable to the schemes are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the statement of financial activities over the lease period.

Basis of recognition of liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation which commits the charity to the expenditure.

Funds structure

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the board for particular purposes.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Financial Instruments

The charity 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.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. An losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Significant accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**3. DONATIONS AND LEGACIES**

	2020	2019
	£	£
Grants	196,714	224,244
Sundry donations	<u>1,453</u>	<u>2,911</u>
	<u>198,167</u>	<u>227,155</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Caerphilly County Borough Council - core funding	136,714	164,244
Blaenau Gwent County Borough Council - core funding	<u>60,000</u>	<u>60,000</u>
	<u>196,714</u>	<u>224,244</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest receivable	<u>1,393</u>	<u>1,213</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
Grants and contract funding	Generalist advice	3,355,189	2,853,970
Grants and contract funding	Specialist advice	206,218	207,562
Training income	Training projects	<u>-</u>	<u>6,042</u>
		<u>3,561,407</u>	<u>3,067,574</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

5. INCOME FROM CHARITABLE ACTIVITIES - continued

Further analysis of grants and contract funding:

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Citizens Advice - Better Advice : Better Lives	-	143,651	143,651	191,534
Citizens Advice - Energy Best Deal	-	-	-	1,200
Citizens Advice - Energy Best Deal Extra	-	17,640	17,640	18,000
Citizens Advice - Communities First Shared Outcomes	-	172,500	172,500	230,000
Citizens Advice - Phone Strategy Implementation	-	380,000	380,000	380,000
Citizens Advice - Brexit Fund	-	150,000	150,000	-
Citizens Advice - Pension Wise	-	118,028	118,028	113,727
Citizens Advice - Witness Service	-	330,371	330,371	372,816
Citizens Advice - Consumer Service	-	667,358	667,358	633,111
Citizens Advice - Consumer Service (Development funds)	-	52,047	52,047	-
Citizens Advice - Consumer Service (Scams Awareness)	-	22,626	22,626	-
Citizens Advice - Help to Claim: Pilot support service	-	153,634	153,634	52,978
Citizens Advice - Help to Claim: Pilot service set up costs	-	22,053	22,053	13,730
Citizens Advice - Help to Claim - full delivery set up costs	-	-	-	18,839
Citizens Advice - Help to Claim - Provision of national webchat & telephone backup service	-	-	-	28,828
Citizens Advice - Big Energy Saving Week	-	9,000	9,000	4,000
Caerphilly County Council - Confident with Cash	163,368	-	163,368	160,616
MASDAP F2F Wales	-	155,946	155,946	207,562
MASDAP contact centre	-	689,950	689,950	615,971
Caerphilly County Council - Debt Relief Order Intermediary service	27,916	-	27,916	15,505
Welsh Government - Advice Link Cymru (Remote fund)	-	126,382	126,382	-
Welsh Government - Advice Link Cymru (Generalist fund)	-	80,004	80,004	-
Welsh Government - Advice Link Cymru (Debt fund)	-	8,515	8,515	-
Welsh Government – Advice Link Cymru (Specialist fund)	-	41,757	41,757	-
Other	28,661	-	28,661	-
	<u>219,945</u>	<u>3,341,462</u>	<u>3,561,407</u>	<u>3,061,532</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Generalist advice	2,899,525	337,233	3,236,758
Specialist advice	<u>206,848</u>	<u>16,712</u>	<u>223,560</u>
	<u>3,106,373</u>	<u>353,945</u>	<u>3,460,318</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020 £	2019 £
Staff costs	2,760,218	2,386,998
Rent, rates & service charge	49,043	65,618
Light & heat	21,137	11,539
Insurance	8,989	12,472
Repairs & maintenance (including cleaning)	56,033	62,312
Staff & volunteer travel expenses	25,069	31,563
Printing & stationery	11,289	14,438
Telephone & postage	69,403	52,440
Exceptional item - Dilapidation claim	-	26,000
Funding clawbacks	34,861	26,743
Impairment	-	20,000
Reference materials & subscriptions	22,829	13,815
Other staff related costs	6,553	3,587
Depreciation	40,949	26,210
	<u>3,106,373</u>	<u>2,753,735</u>

8. SUPPORT COSTS

	Staff costs £	Depreciation £	Other costs £	Governance costs £	Totals £
Generalist advice	223,816	12,150	93,912	7,355	337,233
Specialist advice	<u>11,087</u>	<u>602</u>	<u>4,659</u>	<u>364</u>	<u>16,712</u>
	<u>234,903</u>	<u>12,752</u>	<u>98,571</u>	<u>7,719</u>	<u>353,945</u>

The charity allocates its support costs as shown in the table and then further apportions those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources based on the number of employee hours spent in each area.

9. OTHER

	2020 £	2019 £
Impairment losses	<u>(5,411)</u>	<u>47,748</u>

A professional valuation of 1-2 Church Place was completed in June 2018. This valuation resulted in a property impairment expense of £817,778.

The property, which was acquired in December 2014, is a substantial building which previously operated as Bargoed Social Club. It was however, in need of extensive refurbishment and required conversion to a three storey quality office base in order to meet the needs of the organisation.

The building marks a significant milestone for the organisation, being the first owned property and also representing a commitment to a permanent home and presence in Bargoed town centre with easy access and transport links for the local community.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**10. NET INCOME/(EXPENDITURE)**

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

	2020	2019
	£	£
Auditors' remuneration	3,450	5,858
Depreciation - owned assets	53,700	39,595
Deficit on disposal of fixed asset	-	1,402
Staff pension contributions	184,256	146,214
Auditors' remuneration - other financial services	3,434	3,881
Freehold property impairment	-	47,748
	<u> </u>	<u> </u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 or for the year ended 31 March 2019.

Trustees' expenses

During the year no expenses were paid to trustees. In 2019, £540 was paid to 1 trustee in relation to travel expenses.

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	2,607,950	2,298,348
Social security costs	202,915	177,366
Other pension costs	184,256	149,982
	<u>2,995,121</u>	<u>2,625,696</u>

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

	2020	2019
Number of administrative staff	9	10
Number of management staff	8	5
Number of caseworker/advisors	114	102
Number of training & recruitment	1	1
Number of other staff	1	1
	<u>133</u>	<u>119</u>

No employees received emoluments in excess of £60,000

The number of full-time equivalent employees during the year was 105 (2019 - 110).

The total key management personnel remuneration benefits during the year was £275,406 (2019 - £268,896).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	227,155	-	227,155
Charitable activities			
Generalist advice	179,527	2,674,443	2,853,970
Specialist advice	-	207,562	207,562
Training projects	6,042	-	6,042
Investment income	<u>1,213</u>	<u>-</u>	<u>1,213</u>
Total	413,937	2,882,005	3,295,942
EXPENDITURE ON			
Charitable activities			
Generalist advice	336,792	2,532,042	2,868,834
Specialist advice	26,828	207,562	234,390
Training projects	1,025	-	1,025
Other	<u>47,748</u>	<u>-</u>	<u>47,748</u>
Total	412,393	2,739,604	3,151,997
Net gains/(losses) on investments	<u>(112,000)</u>	<u>-</u>	<u>(112,000)</u>
NET INCOME/(EXPENDITURE)	(110,456)	142,401	31,945
Transfers between funds	<u>125,722</u>	<u>(125,722)</u>	<u>-</u>
Net movement in funds	15,266	16,679	31,945
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,116,789</u>	<u>23,992</u>	<u>1,140,781</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,132,055</u>	<u>40,671</u>	<u>1,172,726</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

14. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2019	1,190,526	39,282	56,591	103,997	1,390,396
Additions	-	-	7,450	34,799	42,249
At 31 March 2020	<u>1,190,526</u>	<u>39,282</u>	<u>64,041</u>	<u>138,796</u>	<u>1,432,645</u>
DEPRECIATION					
At 1 April 2019	868,776	26,406	18,739	61,701	975,622
Charge for year	<u>6,500</u>	<u>7,856</u>	<u>14,463</u>	<u>24,881</u>	<u>53,700</u>
At 31 March 2020	<u>875,276</u>	<u>34,262</u>	<u>33,202</u>	<u>86,582</u>	<u>1,029,322</u>
NET BOOK VALUE					
At 31 March 2020	<u>315,250</u>	<u>5,020</u>	<u>30,839</u>	<u>52,214</u>	<u>403,323</u>
At 31 March 2019	<u>321,750</u>	<u>12,876</u>	<u>37,852</u>	<u>42,296</u>	<u>414,774</u>

A professional valuation of 1-2 Church Place was completed in June 2018. This valuation resulted in a property impairment expense of £817,778 in 2018 and an additional impairment of £47,748 in 2019. See note 9 for further details.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayments and accrued income	<u>75,066</u>	<u>156,659</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts (see note 18)	4,673	4,608
VAT	16,740	8,395
Other creditors	62,553	1,202
Accruals and deferred income	<u>116,037</u>	<u>319,527</u>
	<u>200,003</u>	<u>333,732</u>

Included within Accruals and deferred income above is the following deferred income:

	2020 £	2019 £
Supporting Justice Consultation - Witness	25,022	-
Additional computer equipment for ALC	4,850	-
Phone strategy implementation - Adviceline Brexit team	-	150,000
Consumer service - one off development grant	-	<u>52,047</u>
	<u>29,872</u>	<u>202,047</u>

The deferred income relates to income received in advance of entitlement.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Bank loans (see note 18)	<u>52,889</u>	<u>57,627</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Mortgage loan	<u>4,673</u>	<u>4,608</u>
Amounts falling due between two and five years:		
Mortgage loan	<u>18,692</u>	<u>13,824</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Mortgage loan	<u>34,197</u>	<u>43,803</u>

19. LEASING AGREEMENTS

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

	2020 £	2019 £
Within one year	31,522	45,441
Between one and five years	<u>11,891</u>	<u>51,175</u>
	<u>43,413</u>	<u>96,616</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>57,562</u>	<u>62,235</u>

The bank loan is secured by a first and only legal charge over the freehold property.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Pension scheme funding deficit	<u>226,000</u>	<u>371,000</u>
	2020 £	2019 £
Provision brought forward	371,000	341,000
Contributions paid	(167,000)	(166,000)
Actuarial gain	(75,000)	(112,000)
Current service cost	89,000	76,000
Finance costs	<u>8,000</u>	<u>8,000</u>
Provision carried forward	<u>226,000</u>	<u>371,000</u>

Further details regarding pension commitments are given in note 23.

22. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	1,132,055	381,143	(333,998)	1,179,200
Designated fund - Organisational development	-	-	250,000	250,000
Designated fund - Asset management and development	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
	1,132,055	381,143	16,002	1,529,200
Restricted funds				
MASDAP F2F Wales	-	(630)	-	(630)
Phone Strategy Implementation	-	2,025	(2,025)	-
MASDAP Contact Centre	-	(7,115)	(1,419)	(8,534)
Witness Service	21,832	(15,928)	(5,904)	-
Consumer Service	-	33,750	-	33,750
Help to Claim - Full service set up costs	18,839	(18,839)	-	-
Welsh Government - Advice Link Cymru (Remote Fund)	<u>-</u>	<u>6,654</u>	<u>(6,654)</u>	<u>-</u>
	40,671	(83)	(16,002)	24,586
TOTAL FUNDS	<u>1,172,726</u>	<u>381,060</u>	<u>-</u>	<u>1,553,786</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	419,505	(113,362)	75,000	381,143
Restricted funds				
Better Advice : Better Lives	143,651	(143,651)	-	-
Communities First Shared Outcomes	172,500	(172,500)	-	-
Big Energy Savings week	9,000	(9,000)	-	-
Pensionwise	118,028	(118,028)	-	-
MASDAP F2F Wales	155,946	(156,576)	-	(630)
Phone Strategy Implementation	380,000	(377,975)	-	2,025
Energy Best Deal Extra	17,640	(17,640)	-	-
MASDAP Contact Centre	689,950	(697,065)	-	(7,115)
Witness Service	330,371	(346,299)	-	(15,928)
Consumer Service	667,358	(633,608)	-	33,750
Help to Claim - Pilot set up costs	22,053	(22,053)	-	-
Help to Claim - Pilot project	153,634	(153,634)	-	-
Help to Claim - Full service set up costs	-	(18,839)	-	(18,839)
Welsh Government - Advice Link Cymru (Remote Fund)	126,382	(119,728)	-	6,654
Welsh Government - Advice Link Cymru (Generalist Fund)	80,004	(80,004)	-	-
Welsh Government - Advice Link Cymru (Specialist Fund)	50,272	(50,272)	-	-
Citizens Advice - Brexit Fund (Advice Line)	150,000	(150,000)	-	-
Citizens Advice - Consumer Service (Development Funds)	52,047	(52,047)	-	-
Citizens Advice - Consumer Service (Scams Awareness)	22,626	(22,626)	-	-
	3,341,462	(3,341,545)	-	(83)
TOTAL FUNDS	<u>3,760,967</u>	<u>(3,454,907)</u>	<u>75,000</u>	<u>381,060</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted Funds				
General fund	1,096,789	(90,456)	125,722	1,132,055
Designated fund - Property relocation fund	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
	1,116,789	(110,456)	125,722	1,132,055
Restricted Funds				
Communities First Shared Outcomes	8,435	(8,726)	291	-
Big Energy Savings week	-	600	(600)	-
Pensionwise	-	(4,073)	4,073	-
MASDAP Contact Centre	-	115,273	(115,273)	-
Witness Service	15,242	16,670	(10,080)	21,832
Consumer Service	315	(314)	(1)	-
Help to Claim - Pilot set up costs	-	4,132	(4,132)	-
Help to Claim - Full service set up costs	<u>-</u>	<u>18,839</u>	<u>-</u>	<u>18,839</u>
	23,992	142,401	(125,722)	40,671
TOTAL FUNDS	<u>1,140,781</u>	<u>31,945</u>	<u>-</u>	<u>1,172,726</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	413,937	(392,393)	(112,000)	(90,456)
Designated fund - Property relocation fund	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
	413,937	(412,393)	(112,000)	(110,456)
Restricted funds				
Better Advice : Better Lives	191,534	(191,534)	-	-
Communities First Shared Outcomes	230,000	(238,726)	-	(8,726)
Big Energy Savings week	4,000	(3,400)	-	600
Pensionwise	113,436	(117,509)	-	(4,073)
MASDAP F2F Wales	207,562	(207,562)	-	-
Phone Strategy Implementation	380,000	(380,000)	-	-
Energy Best Deal Extra	18,000	(18,000)	-	-
MASDAP Contact Centre	615,971	(500,698)	-	115,273
Energy Best Deal	1,200	(1,200)	-	-
Witness Service	372,816	(356,146)	-	16,670
Consumer Service	633,111	(633,425)	-	(314)
Help to Claim - Pilot set up costs	13,730	(9,598)	-	4,132
Help to Claim - Pilot project	52,978	(52,978)	-	-
Help to Claim - Full service set up costs	18,839	-	-	18,839
Help to Claim - National webchat & telephone back up service	<u>28,828</u>	<u>(28,828)</u>	<u>-</u>	<u>-</u>
	2,882,005	(2,739,604)	-	142,401
TOTAL FUNDS	<u>3,295,942</u>	<u>(3,151,997)</u>	<u>(112,000)</u>	<u>31,945</u>

22. MOVEMENT IN FUNDS - continued

Restricted funds

Better Advice : Better Lives (incorporating Adviceline Cymru)

Designed to address poverty issues, the BA:BL project has three strands; the first provides a welfare rights and generalist CAB service in GP surgeries and other primary health care settings across Caerphilly and Blaenau Gwent in order to target the link between poverty and ill-health, the second aims to maximise the income of families that include children with disabilities, the third strand promotes the take-up of council tax and housing benefits. Funded by the Welsh Government, the service runs across the counties of Caerphilly, Blaenau Gwent and Monmouthshire.

Adviceline Cymru - We have a contract with Citizens Advice Cymru to deliver bilingual national Adviceline team leader support to paid assessors in LCA across Wales with the aim of improving the quality of their telephone advice services. This funding ended 31 March 2018.

Energy Best Deal extra

This project is to make consumers aware of the savings that can be made by switching fuel providers or negotiating with providers and to inform consumers about how they might be able to save money. Funded by Citizens Advice.

Communities First Shared Outcomes

This project is funded by Welsh Government via Citizens Advice. Communities First is a community focussed tackling poverty programme. The purpose of the project is to deliver outreach advice and financial capability sessions in those Community First clusters in Wales which currently lack dedicated provision.

Pensionwise

On 6 April 2015 new pension reforms came into effect which included new freedoms giving people the opportunity to decide what they do with their pension pot. Pension Wise is a government service set up to help people understand the pension options available to them. It offers guidance to help empower people to make informed decisions about their pension which are best for their personal circumstances. We are working in partnership with Citizens Advice Cardiff & Vale (Lead partner) and Citizens Advice Ynys Mon.

MASDAP F2F Wales

This project provides face-to-face debt advice aiming to increase capacity of the provision of debt advice within defined geographical areas of high financial exclusion. We currently deliver this project in Caerphilly and Blaenau Gwent.

Phone Strategy Implementation (PSI)

Funded by Citizens Advice, for the provision of tier one phone services of an Adviceline Specialist Provider.

MASDAP Contact Centre

This is a Money Advice Service funded Debt Advice Project in partnership with Citizens Advice. This project funds a team of 11.5 full time equivalent employees, based at our Caerphilly call centre, who provide initial advice to callers to the national Adviceline helpline.

Witness Service

This project is funded by the Ministry of Justice via Citizens Advice. The project provides free and independent support for both prosecution and defence witnesses. Serviced from our Caerphilly contact centre, our team provide practical information about the process, as well as emotional support to help witnesses feel more confident when giving evidence.

Consumer Service

Following a stringent tendering process, we were successful in securing funding to establish and deliver one of five Consumer Service contact centres. Our team take calls on a dedicated consumer helpline number and provide information advice and support to members of the public with consumer issues. We work closely with Trading Standards and many callers are referred through to their local trading standard officers.

Money Talks project

Funding was received by Citizens Advice Cymru from the Money Advice Service to provide grant funding for a 9 month period from April 2017 - December 2017 for the delivery of face to face money guidance. The service aimed to equally target clients within three life event groups - those with health issues, those who have a change in employment circumstances and those experiencing a relationship breakdown.

22. MOVEMENT IN FUNDS - continued

Restricted funds relating to the prior year

Energy best deal

Citizens Advice has been working in partnership with the energy regulator Ofgem on this public awareness campaign to inform mainly low income consumers about how they could save on their energy costs and the help available to pay their bills. The current campaign is funded by EDF Energy and EON.

Help to Claim (Pilot project/set up costs)

Funded by The Department for Work and Pensions (DWP), via Citizens Advice the provision of Help to Claim. This project is aimed to support clients in the early stages of a Universal Credit claim, from the application through to first payment. Help to Claim delivered across multi-channels to increase accessibility and meet support need. This includes face to face support and phone/webchat that is delivered through a single national queue with a national Help to Claim dedicated phone line.

Following a successful application, we were chosen to be on the two Welsh pilots for the new service. Delivery commenced at the beginning of January 2019 and the pilot phase ran until March 2019 before moving into full service delivery. The pilot phase attracted funding of £52,978 plus set up costs of £13,730. Full service delivery commenced 1 April 2019. This attracted further set up costs of £18,839.

22. MOVEMENT IN FUNDS - continued

Transfers between funds

The majority of transfers relate to restricted funds used to purchase fixed assets. Provided the expending of the fund meets the restrictions placed by the funders a transfer is made from the restricted fund to the general fund.

Transfers are also made from the general fund to a restricted fund if there is an overspend on any particular project.

MASDAP F2F Wales and MASDAP Contact Centre are required to be treated as restricted funds as stated in the funding agreements, however it is permissible under the financial reporting guidance provided by the funder to transfer any underspend to general funds at the year end.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**23. PENSION COMMITMENTS**

The Charity is part of a multi-employer, funded, defined benefits scheme. The scheme is part of the Greater Gwent (Torfaen) Pension Fund. The charge for the year, against which employer contributions were paid over to the scheme, amounted to £167,000 (2019 - £166,000), together with the actuarial gain on the scheme for the year of £75,000, compared with a loss of £112,000 in 2019 are recognised in the Statement of Financial Activities in accordance with FRS102.

A full valuation of the Greater Gwent (Torfaen) Pension Fund was carried out as at 31 March 2019, updated to 31 March 2020. The major assumptions used in the valuation were:

	2020	2019
Rate of increase in salaries	2.2%	2.9%
Rate of increase in pensions	1.9%	2.5%
Discount rate	2.3%	2.4%

The split of assets between investment categories is:

	2020		2019	
	£	%	£	%
Equities	1,435,910	73	1,531,000	78
Bonds	452,410	23	392,000	20
Property	59,010	3	39,000	2
Cash	19,670	1	-	-

	2020	2019
	£	£
Fair value of plan assets	1,967,000	1,962,000
Present value of scheme liabilities	(2,193,000)	(2,333,000)
Deficit in the scheme	(226,000)	(371,000)

Amounts included within the income and expenditure account for the year are:

	2020	2019
	£	£
Current service cost	<u>89,000</u>	<u>76,000</u>

Finance (income)/costs for the year are:

	2020	2019
	£	£
Expected return on assets	(49,000)	(48,000)
Interest on pension liabilities	<u>57,000</u>	<u>56,000</u>
Finance cost recognised in the Statement of Financial Activities	<u>8,000</u>	<u>8,000</u>

Statement of recognised gains/(losses):

	2020	2019
	£	£
Return on assets	(179,000)	58,000
Change in financial assumptions	198,000	(170,000)
Change in demographic assumption	111,000	-
Other	<u>(55,000)</u>	<u>-</u>
Actuarial net gain/(loss)	<u>75,000</u>	<u>(112,000)</u>

The charity made contributions of £92,561 (2019 - £73,769) to the pension plans of employees during the year. At the year end there were contributions of £Nil outstanding (2019 - £Nil).

24. CONTINGENT LIABILITIES

During the year to 31 March 2017, the charity received a capital grant of £500,000 under the Welsh Government Community Facilities Programme. Under the terms and conditions, part, or all, of the grant would become repayable if the property was disposed of, or the charity ceased to operate within 5 years from completion of the funding purpose.

During the year to 31 March 2017, Caerphilly County Borough Council submitted an application on behalf of the Bureau to the Welsh Government as part of their Vibrant and Viable Places ("VVP") programme. The application was successful and capital grant funding of £111,122 was claimed under the programme. A condition of the grant is that a legal charge and restriction in favour of the council shall be registered against the associated freehold property. Should the property be sold with there being insufficient equity for the Council to be repaid from any proceeds of sale then it is agreed that the Council shall be entitled to reduce the amount of any core funding it awards annually to the bureau each year until the grant monies which have been paid by the Council have been fully recovered.

25. RELATED PARTY DISCLOSURES

During the year, the aggregate value of donations made by trustees was £Nil (2019 - £1,264).