

Charity Registration No. 1100450

Company Registration No. 04794809 (England and Wales)



CITIZENS ADVICE SEFTON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

CITIZENS ADVICE SEFTON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms R Bord Mr B Culshaw Ms A M Gibbon Ms L D Gibbs Mr G Hignett Ms E Mercer Ms P Hardy Ms J Austin Ms L Heap	(Appointed 26 March 2020)
Secretary	Ms P A Killen	
Charity number	1100450	
Company number	04794809	
Registered office	297 Knowsley Road Bootle Merseyside L20 5DF	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

CITIZENS ADVICE SEFTON

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CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objects

The charity's objects are to promote any charitable purpose for the benefit of the community in Merseyside and surrounding area (the area of benefit) by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

Aims, Objectives, Strategies and Activities for the Year

The aims of Citizens Advice Sefton are to provide advice people need for the problems they face and to improve the policies and practices that affect people's lives.

The service we provide is free, independent, confidential, and impartial. We value diversity, promote equality and challenge discrimination.

Our staff and volunteers deliver a range of advice services to the public on issues that impact on the quality of people's lives such as debt, welfare benefits, housing and employment. We ran drop in and appointment services in our offices in Bootle and Southport as well as offered contact through webchat and telephone.

We work in partnership as part of a holistic programme of support to residents accessing Living Well Sefton and do this through referrals across Sefton and attending outreach sessions at the Feelgood Factory in Netherton. Our adviser's role is to deal with social welfare issues that create barriers to health and wellbeing for individuals and their families. Our advisers provide advice, advocacy, and representation to ensure that income is maximised, and people are empowered to deal with debt, employment and housing problems..

We also work in partnership across the Liverpool city region to provide a money advice casework service as part of the Greater Merseyside Money Advice Partnership, helping people tackle multiple and debilitating debt problems.

We not only tackle the money problems people bring to us but we also work with people to build confidence and skills in dealing with money and other issues through our financial capability programme , Better Off Finance; a programme of support funded by Building Better Opportunities (A National Lottery and European Social Fund programme) This project is led by The Women's Organisation and it reaches across the Liverpool City region.

During the year we were able to help people reduce energy costs and switch suppliers with support of funding from Ofgem through Citizens Advice.

CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2020**

We continue to provide advice and representation to patients at Clock View, an in-patient mental health facility. A vital lifeline for a vulnerable client group focussing primarily on welfare benefits.

We continue to provide representation at tribunal for clients who would otherwise have no voice when appealing against the refusal or reduction in welfare benefits such as Personal Independence Payments.

In April we commenced delivery of the Help to Claim Service. Our advisers helped people to navigate the universal credit system supporting people with new online claims. We did this through face to face visits at the office, via telephone and webchat and through outreach sessions in the One Stop Shops and Job Centres in Sefton.

Citizens Advice Sefton employs a Best Practice Lead for the Help to Claim service. This project is part of a network of best practice leads contracted by Citizens Advice across the UK and funded by the Department of Work and Pensions. During the year our Best Practice lead established excellent relationships with teams across the district and set up quarterly best practice meetings. Channels for sharing best practice have been established and local Citizens Advice offices support the research projects. The findings of this project during the final quarter of the year revealed a sharp rise in the numbers of people seeking advice about universal credit claims especially in relation to loss or reduction of income as a result of the need to self-isolate and stay at home due to Coronavirus (COVID19) or as a result of loss of work following lockdown.

As well as ensuring we learn about the impact of COVID19 upon people in our local communities we also gather information and client experience in other areas of work. The prevalence of scams for example continues to be highlighted by our relentless Research and Campaigns coordinator in The Champion newspaper each week.

In February 2020 we ceased drop-in services and reduced our face to face appointment services in order to protect our volunteers, staff and members of the public against the emerging pandemic, COVID19. By March our offices were closed to the public and staff and volunteers were mobilised to work from home. We continued to help clients by email, webchat, and phone.

Public Benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The principal activity of Citizens Advice Sefton is the provision of free, confidential, independent, and impartial advice, information and counsel for members of the public

Contribution of Volunteers

The charity relies on the help and support of volunteers in advising the public and administering and governing the charity. The goodwill and commitment given by volunteers is essential to the existence of the charity. Volunteers improve not just the capacity of Citizens Advice to improve lives but the communities in Sefton in general benefit. It is also well documented that volunteering improves wellbeing, strengthens communities, improves social cohesion, and gives people a greater stake in their local area.

Using a Treasury approved cost benefit analysis tool devised by New Economy we have estimated our volunteers' contribution to Citizens Advice Sefton in 2019/20 is £456,383

CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2020**

Achievements and performance

During the year our staff and volunteers helped 8,041 people with 30,472 issues. Of these issues 54% related to welfare benefits (Universal credit alone accounted for 22% of issues) and 24% related to debt issues. The income gained for clients was £7,052,549, with the value of debts written off at £3,216,729 and re-imbursements for clients valued amounting to £13,500. Debts re-scheduled to a more affordable repayment programme for clients amounted to £79,594.

Although the level of positive financial outcomes increased for clients during the year, there was actually a slight reduction in numbers of people seen (from 8,113 in the previous year) This is likely to relate to the gradual closure of the drop in service in February. This was a measure taken in response to the Coronavirus pandemic. During this time the office set up remote working for staff and volunteers so that by the time the office was closed in March due to the national lockdown we were able to switch to a remote service helping the public by phone, email and webchat.

Fundraising activities

Income from fundraising activities for the year to 31 March 2020 was £2,308 (2019 £2,308) Expenditure incurred in fundraising was £nil (2019: £nil).

Investment activities

The charity does not currently hold material investments

Factors affecting the achievements of objectives

The Coronavirus impacted on our ability to continue to deliver face to face services to clients, but the charity has worked to gain funding to ensure that staff, trustees and volunteers can work remotely with appropriate equipment, security and training. The charity will return to deliver advice from its offices, but funding will be sourced to enable remote working alongside face to face services in the future.

Financial review

The charity achieved a net income in 2019/20 of £61,904 (2018/19: £78,135). This outcome continued to validate the Board's strategic decision in earlier years to retain a core level of human resources and delivery capability despite changeability and uncertainty surrounding several projects and the impact of Covid 19 during the final quarter of the year. The strategy reflects the Board's confidence in the management team's ability to continually source replacement funding as projects expire. After adjusting for £96,075 partner receipts which were passed on, year over year income increased by just under 5% from £927,790 to £971,284.

Reserves policy

The surplus increased the general reserve to £480,225, which continues to comply with the Bureau's policy of being capable of funding 3-6 months working capital requirements. The designated premises reserve remains at £100,000. This reserve is primarily intended to fund the relocation to improved premises in Southport, which is anticipated to occur in 2021.

Funds in deficit

No funds were in deficit at the balance sheet date

CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2020**

Principal Funding Sources

The Directors extend their gratitude to:

The Big Lottery and The European Social Fund who fund the Better Off Finance project across the Liverpool City region helping us to work with our partners to support people experiencing issues including unemployment and lack of financial skills.

Sefton Borough Council who continue to support the core operating capacity of the charity and who also support the work of Citizens Advice Sefton through public health funding for Living Well Sefton.

The trustees of The Freshfield Foundation who fund Citizens Advice Sefton and Citizens Advice Liverpool to provide tribunal representation and support which is no longer funded through legal aid.

South Sefton and Southport and Formby Clinical Commissioning Groups for supporting vital work supporting a vulnerable client group in Clock View in-patient mental health facility.

Money Advice and Pensions Service who fund the Greater Merseyside Money Advice Partnership which enables Citizens Advice Sefton to deliver money advice services in Sefton.

Citizens Advice, who have supported delivery of energy advice to the public in Sefton through the Energy Advice programme funded by OFGEM, and also fund the sub- contract for the Help to Claim Service and Best Practice Lead (Merseyside)

The charity did not have any borrowings from either provider of funding or other sources at the balance sheet date.

Investment policies

As required in its Memorandum paragraph 4.15 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

Major risks

Citizens Advice Sefton has worked on a risk management exercise. A risk management strategy and risk register were agreed by the trustee board. The trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks. To that end Citizens Advice Sefton is continually monitoring and managing its risk, reviewing the corporate risk register and ensuring action plans are in place to mitigate key risks. A risk assessment took place in the final quarter of 2019/20 as a result of Coronavirus (COVID19) and the business continuity plans were put into action to allow the charity to function remotely. The trustees confirm that there were no other serious incidents or other matters relating to the charity during the financial year ending 31st March 2020.

Citizens Advice Sefton has adopted the recommended Citizens Advice information risk policy. The trustees review any non- compliance with procedures. There were no incidences of data breaches to report

Plans for the future

The impact of COVID19 has meant that the charity has adopted new ways of working which can be sustainable in the future. We will continue to develop channels of communication with clients such as video conferencing as this provides a potentially wider reach to clients. We are of course mindful that face to face services remain important and that there is a digital divide within the borough, so we intend to offer a mix of channels and will work to ensure that people who need our help are not excluded.

In order to be successful in reaching out to more people who will need help we will invest more in recruiting , training and developing volunteers.

CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

Citizens Advice Sefton is a registered charity and a company limited by guarantee. It is also known and referred to as Sefton CAB. The maximum liability of each member is limited to one pound. It is governed by a Memorandum and Articles of Association 2003 as amended on 15th January 2008 and was incorporated under the Companies Act as a private company on 11th June 2003.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms R Bord

Mr B Culshaw

Ms A M Gibbon

Ms L D Gibbs

Mr G Hignett

Mr E J Murty

(Resigned 14 February 2020)

Ms E Mercer

Ms P Hardy

Ms J Austin

Ms L Heap

(Appointed 26 March 2020)

Recruitment, Appointment and Induction of Trustees

Trustees, who are also Directors of the Company, are elected in accordance with the Articles and Memorandum of Association. An Executive Group made up of Trustees, the Company Secretary and chaired by the Chair is established to oversee the elections process for Board appointments. A separate process agreed by the Trustee Board is followed for the election of the Chair. No other persons or bodies external to the charity were entitled to appoint persons to the Trustee Board.

New Trustees follow a programme of induction into the CAB service and are issued with an induction pack.

The Chair of the Trustee Board is Alison Gibbon. The Treasurer of the Trustee Board is Linda Heap.

Organisational Structure

Citizens Advice Sefton is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Citizens Advice Sefton and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet at 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 Directors' interests is maintained at the registered office and is available to the public.

Key management remuneration

Pay scales for senior staff are benchmarked against similar posts in the Citizens Advice network.

Related parties

Citizens Advice Sefton is a member of Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux, 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 Sefton in order to fulfil its charitable objects and comply with the national membership requirements.

The charity also co-operates and liaises with a number of other statutory and voluntary services, local and national charities on behalf of clients. Where one of the Trustees holds the position of Trustee/Director of another charity they may be involved in discussions regarding that other charity but not in the ultimate decision-making process.

CITIZENS ADVICE SEFTON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Auditor

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Pauline Ann Killen

Ms P A Killen

Trustee

Dated: 10 December 2020

CITIZENS ADVICE SEFTON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of Citizens Advice Sefton for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year 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 year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

CITIZENS ADVICE SEFTON

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITIZENS ADVICE SEFTON

Opinion

We have audited the financial statements of Citizens Advice Sefton (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

CITIZENS ADVICE SEFTON

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CITIZENS ADVICE SEFTON

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

CITIZENS ADVICE SEFTON

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CITIZENS ADVICE SEFTON

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.



**Andrew Moss BA FCA (Senior Statutory Auditor)
for and on behalf of DSG**

10 December 2020

**Chartered Accountants
Statutory Auditor**

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

CITIZENS ADVICE SEFTON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	952	-	952	1,485	-	1,485
Charitable activities	4	276,228	787,678	1,063,906	248,335	764,833	1,013,168
Other trading activities	5	2,308	-	2,308	2,308	-	2,308
Investments	6	193	-	193	6,903	-	6,903
Total income		279,681	787,678	1,067,359	259,031	764,833	1,023,864
Expenditure on:							
Charitable activities	7	217,777	787,678	1,005,455	175,132	770,597	945,729
Net income for the year/ Net movement in funds		61,904	-	61,904	83,899	(5,764)	78,135
Fund balances at 1 April 2019		518,321	-	518,321	434,422	5,764	440,186
Fund balances at 31 March 2020		580,225	-	580,225	518,321	-	518,321

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CITIZENS ADVICE SEFTON

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		20,140		13,814
Current assets					
Debtors	12	43,524		66,221	
Cash at bank and in hand		602,277		454,419	
		<u>645,801</u>		<u>520,640</u>	
Creditors: amounts falling due within one year	13	<u>(85,716)</u>		<u>(16,133)</u>	
Net current assets			560,085		504,507
Total assets less current liabilities			<u>580,225</u>		<u>518,321</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	100,000		100,000	
General unrestricted funds		<u>480,225</u>		<u>418,321</u>	
			580,225		518,321
			<u>580,225</u>		<u>518,321</u>

The financial statements were approved by the Trustees on 10 December 2020

Alison Maria Gibbon

Linda Heap

Ms A M Gibbon
Trustee

Ms L Heap
Trustee

Company Registration No. 04794809

CITIZENS ADVICE SEFTON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	20		166,233		86,530
Investing activities					
Purchase of tangible fixed assets		(18,568)		(3,718)	
Interest received		193		6,903	
		<hr/>		<hr/>	
Net cash (used in)/generated from investing activities			(18,375)		3,185
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net increase in cash and cash equivalents			147,858		89,715
Cash and cash equivalents at beginning of year			454,419		364,704
			<hr/>		<hr/>
Cash and cash equivalents at end of year			602,277		454,419
			<hr/> <hr/>		<hr/> <hr/>

CITIZENS ADVICE SEFTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Citizens Advice Sefton is a private company limited by guarantee incorporated in England and Wales. The registered office is 297 Knowsley Road, Bootle, Merseyside, L20 5DF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's [governing document], the Companies Act 2006 and "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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis as the charity will be able to meet its liabilities as they fall due. In making this assessment the trustees have considered the impact of the Coronavirus which is prevalent at the time of approval of these accounts and are confident that they have adequate resources to continue to operate having taken account of current and future income streams and expenditure commitments.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CITIZENS ADVICE SEFTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Grants receivable to finance the bureau's activities are credited to the income and expenditure account in the period to which they relate. Revenue grants received in advance are held as deferred income within creditors in the balance sheet and released to income and expenditure account in the relevant period.

Capital grants are credited to restricted funds when receivable and transferred to unrestricted funds when the asset is purchased. Depreciation on the fixed assets purchased with such grants is charged against unrestricted funds.

Bank interest, donations and the proceeds of fundraising events are credited as income on receipt. Lottery subscriptions are credited in the period to which they relate, with advance payments held in the balance sheet within creditors.

The bureau also benefits enormously from voluntary assistance in carrying out its activities. This voluntary contribution is not included in the financial statements but its value to the bureau has been estimated and is disclosed in the Directors' report.

1.5 Expenditure

All expenditure is accounted for on an accruals basis. Direct staff costs relating to each area of service provision are attributed to the relevant activity. Other costs including general management, finance and administration, together with overhead costs, have been apportioned to the core activities on the basis of their actual or estimated share of resource utilisation, as appropriate.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years (or life of lease if shorter)
Fixtures, fittings & equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CITIZENS ADVICE SEFTON

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

1 Accounting policies

(Continued)

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CITIZENS ADVICE SEFTON

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

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The bureau offers defined contributions to employees' personal pension funds at the rate of 7% of gross salary and these are charged to expenditure in the period to which they relate.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The trustees consider that there are no key sources of estimation uncertainty.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Donations and gifts	952	1,485

CITIZENS ADVICE SEFTON

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

4 Charitable activities

	2020 £	2019 £
Services provided under contract	1,063,906	1,013,168
Analysis by fund		
Unrestricted funds	276,228	248,335
Restricted funds	787,678	764,833
	1,063,906	1,013,168

5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Activities for generating funds	2,308	2,308

6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	193	6,903

CITIZENS ADVICE SEFTON

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

7 Charitable activities

	2020 £	2019 £
Staff costs	685,911	645,545
Depreciation and impairment	11,263	7,955
Premises costs	52,043	51,767
Telephone	8,226	8,645
Printing, postage and stationery	18,195	18,701
Training and travel	26,752	19,845
Publicity and information	8,437	10,068
Equipment, support and leases	13,421	6,258
Sundry expenses	5,030	5,490
Bank charges	205	253
Partner payments	96,075	96,074
	<u>925,558</u>	<u>870,601</u>
Share of support costs (see note 8)	72,129	67,304
Share of governance costs (see note 8)	7,768	7,824
	<u>1,005,455</u>	<u>945,729</u>
Analysis by fund		
Unrestricted funds	217,777	175,132
Restricted funds	787,678	770,597
	<u>1,005,455</u>	<u>945,729</u>

CITIZENS ADVICE SEFTON

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

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	59,644	-	59,644	56,134	-	56,134
Depreciation	979	-	979	692	-	692
Premises costs	4,526	-	4,526	4,501	-	4,501
Telephone	716	-	716	752	-	752
Printing, postage and stationery	1,582	-	1,582	1,580	-	1,580
Training and travel	2,326	-	2,326	1,726	-	1,726
Publicity and information	734	-	734	876	-	876
Equipment, support and leases	1,167	-	1,167	544	-	544
Sundry expenses	437	-	437	477	-	477
Bank charges	18	-	18	22	-	22
Audit fees	-	6,217	6,217	-	6,201	6,201
Payroll fees	-	1,551	1,551	-	1,623	1,623
	<u>72,129</u>	<u>7,768</u>	<u>79,897</u>	<u>67,304</u>	<u>7,824</u>	<u>75,128</u>
Analysed between						
Charitable activities	<u>72,129</u>	<u>7,768</u>	<u>79,897</u>	<u>67,304</u>	<u>7,824</u>	<u>75,128</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2019: £nil).

During the year, the trustees received a total of £nil (2019: £nil) in expenses from the charity.

CITIZENS ADVICE SEFTON

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Direct charitable activities	25	21
Management and administration	4	4
	<u>29</u>	<u>25</u>

Employment costs

	2020 £	2019 £
Wages and salaries	643,351	604,435
Social security costs	56,108	53,291
Other pension costs	46,096	43,953
	<u>745,555</u>	<u>701,679</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2019	72,302	124,000	196,302
Additions	-	18,568	18,568
	<u>72,302</u>	<u>142,568</u>	<u>214,870</u>
At 31 March 2020	72,302	142,568	214,870
Depreciation and impairment			
At 1 April 2019	62,930	119,558	182,488
Depreciation charged in the year	2,849	9,393	12,242
	<u>65,779</u>	<u>128,951</u>	<u>194,730</u>
At 31 March 2020	65,779	128,951	194,730
Carrying amount			
At 31 March 2020	<u>6,523</u>	<u>13,617</u>	<u>20,140</u>
At 31 March 2019	<u>9,372</u>	<u>4,442</u>	<u>13,814</u>

CITIZENS ADVICE SEFTON

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

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	850	14,650
Prepayments and accrued income	42,674	51,571
	<u>43,524</u>	<u>66,221</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	4,310	3,205
Accruals and deferred income	81,406	12,928
	<u>85,716</u>	<u>16,133</u>

14 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £46,096 (2019: £43,953).

CITIZENS ADVICE SEFTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 March 2020
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Greater Merseyside Money Advice Project	-	178,854	(178,854)	-	185,617	(185,617)	-
Mersey Care	-	22,588	22,588	-	-	-	-
The Freshfield Foundation	-	158,110	(158,110)	-	158,110	(158,110)	-
Energy Best Deal	-	3,375	3,375	-	3,000	(3,000)	-
Best Practice Leads	-	11,451	11,451	-	39,000	(39,000)	-
Help to Claim Grant	-	12,380	12,380	-	96,234	(96,234)	-
Personal Budgeting Support	-	47,912	(47,912)	-	-	-	-
Advice Skills Academy	-	20,720	(20,720)	-	10,380	(10,380)	-
The Better Off Project (Building Better Opportunities)	-	56,149	(56,149)	-	60,013	(60,013)	-
South Sefton CCG/Southport & Formby CCG	-	37,200	(37,200)	-	37,200	(37,200)	-
Intermediate Labour Market	-	8,400	(8,400)	-	6,469	(6,469)	-
Life Rooms	-	14,340	(14,340)	-	7,800	(7,800)	-
Enterprise Hub	-	28,440	(28,440)	-	10,250	(10,250)	-
Living Well Sefton	5,764	172,914	(178,678)	-	167,005	(167,005)	-
New Project	-	(8,000)	(8,000)	-	-	-	-
Energy Advice Programme	-	-	-	-	6,600	(6,600)	-
	<u>5,764</u>	<u>764,833</u>	<u>(707,339)</u>	<u>-</u>	<u>787,678</u>	<u>(787,678)</u>	<u>-</u>

CITIZENS ADVICE SEFTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Restricted funds

(Continued)

Greater Merseyside Money Advice Project - a restricted fund for the provision of money advice services.

Mersey Care - a restricted fund for the provision of social welfare law advice to in-patients at Clockview, Aintree and The Hesketh Centre, Southport by an experienced adviser with a specialist knowledge of mental health issues.

The Freshfield Foundation - a restricted fund for the provision of welfare rights advice with Liverpool Citizens Advice Partnership.

Energy Best Deal - a restricted fund for the provision of advice around energy efficiency and finding the best energy deal.

Best Practice Leads - a restricted fund for the provision of a new Help to Claim service, with funds provided to set up Best Practice Leads, to gather and share information about the performance of Universal Credit and Help to Claim, build local relationships and to develop and share best practice.

Help to Claim Grant - a restricted fund sub-grant to set up a Universal Support: Help to Claim service. The funding allows services to be delivered including recruiting appropriate numbers of staff and volunteers for the project, training these staff and volunteers and setting up infrastructure needed for the delivery of phone and chat.

Personal Budgeting Support - a restricted fund to deliver personal budgeting support to claimants on universal credit within Job centres and our Advice Centres.

Advice Skills Academy - a project supported by the European Social Fund with the aim to build the skills and knowledge of staff within the Citizens Advice services in the Liverpool City Region.

The Better Off Project - a restricted fund to enable people from diverse profiles support.

South Sefton CCG/Southport & Formby CCG - a restricted fund for an NHS standard contract.

CITIZENS ADVICE SEFTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Restricted funds

(Continued)

Intermediate Labour Market - To offer financial grants to employers to create jobs that support the recruitment and employment of residents currently not in employment, education and/or training (NEET).

Life Rooms - a restricted fund for the provision of advice sessions in Walton and Southport Life Rooms

Enterprise Hub - Provision of better off calculations and budgeting advice for people thinking of moving into self-employment or starting a business.

Living Well Sefton - a restricted fund for the provision of both; social welfare advice across Healthy Living Centres, the Living Well Centre and three GP hubs; and health and wellbeing assessments supporting people who may experience stress, anxiety or depression and who are at risk at developing mental health problems.

New Project - this figure is included in the yearly budget to allow for new projects which are usually identified during the year. Previous years have all seen such a project come to fruition, however this year did not.

Energy Advice Programme - a restricted fund for the provision of energy advice to advise clients on energy related matters.

CITIZENS ADVICE SEFTON

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

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 April 2018	Incoming resources	Balance at 1 April 2019	Incoming resources	Balance at 31 March 2020
	£	£	£	£	£
Designated premises fund	100,000	-	100,000	-	100,000
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>

Designated premises fund - these reserves have been designated by Trustees for the purpose of securing improved Bureau premises.

17 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	16,000	16,000
Between two and five years	28,000	44,000
	<u>44,000</u>	<u>60,000</u>

18 Events after the reporting date

Since the year-end date, but prior to signing these financial statements, there has been a global pandemic outbreak of COVID19. The trustees continue to assess and react to the unprecedented impact of COVID19.

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	147,873	142,555

There have been related party transactions in accordance with FRS 102. There were transactions between Citizens Advice Sefton and Citizens Advice in relation to insurance and information systems.

CITIZENS ADVICE SEFTON

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

20	Cash generated from operations	2020 £	2019 £
	Surplus for the year	61,904	78,135
	Adjustments for:		
	Investment income recognised in statement of financial activities	(193)	(6,903)
	Depreciation and impairment of tangible fixed assets	12,242	8,647
	Movements in working capital:		
	Decrease in debtors	22,697	6,764
	Increase/(decrease) in creditors	69,583	(113)
	Cash generated from operations	<u>166,233</u>	<u>86,530</u>