

**Coventry Citizens Advice
Financial Statements
Year Ended 31 March 2020**

Charity registration number: 1000487
Company registration number: 02122698

Coventry Citizens Advice

Financial Statements

Year Ended 31 March 2020

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Coventry Citizens Advice

Charity Reference and Administrative Details

For the Year Ended 31 March 2020

Charity registration number	1000487
Company registration number	02122698
Trustees	
J Murphy	Independent - Chair
S Brake	Independent – Vice chair
N Smith	Independent – Vice chair
L Taylor	Independent – Treasurer
C Stephens	Independent
Cllr F Abbott	Nominated representative – Coventry City Council
B Singh	Independent
M Lloyd	Independent
Chief Executive Officer & Secretary	K Algate
Registered office	Kirby House, Little Park Street, Coventry, CV1 2JZ
Auditor	Harrison, Beale and Owen Limited, Highdown House, 11 Highdown Road, Leamington Spa, CV31 1XT
HR Consultant	LRM HR Consultancy Ltd, 74 Stratford Road, Warwick, CV34 6AT
Bankers	National Westminster Bank Plc, Priory House, 38 Colmore Circus, Queensway, Birmingham B4 6DY
Property Consultants (issues pertaining to the leases)	D&P Holt Ltd, Holt Court, 16 Warwick Row, Coventry CV1 1EJ

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

The trustees present their report and the audited financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Murphy (Appointed 11 June 2019)	Independent - Chair
S Brake	Independent – Vice chair
N Smith	Independent – Vice chair
L Taylor	Independent – Treasurer
H Hall (Deceased 20 February 2020)	Independent
C Stephens	Independent
D Lloyd (Resigned 15 November 2019)	Nominated representative – Libraries
Cllr F Abbott	Nominated representative – Coventry City Council
B Singh (Appointed 15 November 2019)	Independent
M Lloyd (Appointed 15 November 2019)	Independent

It is with great sadness that the trustees report the death of Harry Hall in February 2020, a longstanding, valuable trustee and friend of the charity.

Objectives and activities

It is a requirement of the Trustee board of Coventry Citizens Advice to ensure that the organisation continues to deliver services for public benefit and the trustees have considered the Charity Commission's guidance on public benefit. The organisation's charity objects are:

To promote any charitable purpose for the public benefit by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress in particular, but without limitation, for the benefit of the community in Coventry and the surrounding areas.

i) The principal activities of Coventry Citizens Advice are:

- To ensure that individuals do not suffer through a lack of knowledge of their rights and responsibilities, or of the service available to them, or through an inability to express their needs effectively, and equally;
- To exercise a responsible influence on the development of Social Policies and services, both locally and nationally.

ii) Strategies employed to achieve the charitable objectives during year 2019/20.

Coventry Citizens Advice conducted its prime activities through a range of advice provision at both the city centre location and at local outreach sites. Specialist and generalist advice work was undertaken in the city centre premises at Kirby House and Sun Alliance House; by telephone, email, social media, home visits and at a range of venues.

Our commitment to influencing policy change, locally and nationally, was delivered through continuous engagement with decision-makers and decision 'influencers' through issue report writing, the submission of evidence to Parliamentary enquiries and consultation exercises (local and national) and active attendance at open and closed stakeholder forums.

iii) The role and contributions of volunteers.

Coventry Citizens Advice provide opportunities for growth and giving through our volunteering programme. In 2019/20 we had 65 new or existing volunteers who gave over 7,000 hours of service across a variety of roles including Trainee and Generalist Advisers, administrators, research and campaigns, receptionists and work placements.

iv) Funding is not provided through the use of social or program related investments.

v) The Business Plan is reviewed and updated annually in line with its legal objects and business strategy. There are key objectives in the business plan that are reviewed at Board meetings. Key funding streams and projects are managed in line with the contract or grant agreement for the services. Performances of these services are reviewed by the Board.

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

Achievements and performance

We had another fantastic year of providing independent and free advice and guidance to 10,850 unique clients with 50,619 enquiries (recorded on our internal CRM system). This represents 4.7 issues per client and is a 56% increase in issues on the previous year.

From this, we increased our client's income by £12,788,839 which equates to an average of £1,179 for every client irrespective of their issue.

We helped write off debts of £4,210,341 for the 1,838 clients who accessed our accredited debt service, and for those whose debts had gone beyond managing, we supported 19 clients go through bankruptcy and 84 clients obtain Debt Relief Orders.

In addition, the Big Difference Scheme processed 7,824 applications for clients which provided discounts on water bills to the value of £1.6m.

Our energy advice project, Power Up funded by Western Power Distribution helped over 1,300 energy consumers with over £303,000 of financial gains.

Our Macmillan Benefits Service saw 1,775 clients and identified financial gains of £4.8m

We saw an increase in allocating food vouchers by 42%, on behalf of Coventry Food Bank (Trussell Trust), allocating 2,515 three-day food vouchers.

We provided information, advice and advocacy in over 16 different issue areas with benefits and debt issues dominating. We continue to focus our range of services to not only deal with the immediate crisis, but to help build individual and community resilience so that vulnerable people can better deal with future challenges. We also continue to develop our research and campaigns work to ensure that the direct experience of our clients continues to have significant impact in influencing social policy both locally and nationally, and to ensure our services remain relevant to the changing needs of the people of Coventry.

We are particularly proud of the Integration Service for Syrian Refugees who arrive in Coventry via the UNHCR Vulnerable Refugees scheme. This project began in July 2014 initially as a one year trial and has, since then, influenced the development of the government's programme across the UK. The project also includes RVC cases (Resettlement of Vulnerable Children) and as such, we have received some Iraqi, Sudanese and Afghan families. We also have supported former Afghan Interpreters and their families.

Performance of all services and projects is assessed against key objectives, as agreed with the funders and Trustee Board. Performance is also reviewed at project and/or service board meetings, ensuring targets are achieved and risks are mitigated.

Long-term funding, particularly unrestricted income, remains a challenge for the organisation. The management and complexity of reporting for some of our income streams is challenging; it is essential that we ensure the balance of our funds to ensure that we are able to cover our organisational costs and deliver our commitments. We are developing new partnerships across all sectors as well as with our Citizens Advice colleagues in the West Midlands to build our future capacity and sustainability.

We continue to deliver on our business plan with funders and supporters including Coventry City Council, Severn Trent Water, Western Power, National Grid, Macmillan, Trussell Trust, Money and Pensions Service, the Department of Work and Pensions, Coventry Building Society, Orbit, Cardinal Management Ltd, European Social Fund, St Martins in the Field, National Lottery Community Fund, 29th May Charitable Trust, and the EU Horizon 2020 Research & Innovation Programme, together with the wide range of partners who together provide the support that enables Coventry Citizens Advice to make a real difference to the lives of people in Coventry.

Financial review (including reserves policy)

The general funding position for the organisation continues to be a challenge with most funding opportunities being restricted and still for fixed term periods, often for a little more than 12 months.

This brings uncertainty to staff and presents risks for us in retaining talent and commitment. This risk is being mitigated through clear and regular communications across the organisation.

The Statement of Financial Activities for the year shows net outgoing resources for the year of £7,498 and total reserves of £584,348, of which £240,773 relates to restricted funds.

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

Reserves Policy

Coventry Citizens Advice's core services are funded mainly by public grants. In recent years we, and the charitable sector in general, have seen a large reduction in the amount of public funding available to us.

The Trustees set the reserves policy in line with the guidance issued by the Charities Commission. The policy was reviewed in September 2020 as part of our risks management processes. The trustees believe that the charity should hold reserves as the charity has no endowment and has limited sources of voluntary income; the charity needs to protect itself in the event of unforeseen circumstances to continue its activities; and the need for the charity to remain flexible with an ability to maximise future opportunities as they arise.

Reserves include the general unrestricted funds available to be used in furthering the objectives of the Charity in future periods and, for the purposes of setting our reserves policy and the calculation of the target level of reserves, restricted and designated funds are excluded as these are either unavailable for general purposes or have already been committed.

The Trustees consider that the unrestricted funds should be set at the level required to cover a minimum of three months running costs, based on budget, which currently equates to £270,000.

The reserves level is calculated and reviewed annually by the Finance, Risk and Audit subcommittee. Any significant changes in activities or contractual obligations that could affect the level of reserves will be monitored as and when necessary.

Future plans and the impact of Covid-19

The trustees have a strategic aim to strengthen the charity's links with partners and existing funders to secure sustainable and longer term funding. Covid-19 has also impacted on future advice needs and a predicted increase in demand for debt, employment and housing advice, as well as how clients access our services. Prior to Covid-19, the core service was mainly delivered via 'open door' where clients would be able to obtain a face to face meeting with an advisor on the same day. This did have its disadvantages: of only being accessible to those clients who could physically come to the offices and wait for sometimes prolonged hours; and it was only available Monday to Friday in office hours. The 'open door' service ceased due to Covid-19 lockdown, with our resources being redeployed to our Advice line telephone line. Since 1st September 2020, we have introduced a limited face to face appointment system within Kirby House (Covid Secure) for those who find it difficult or require a face to face appointment due to personal circumstances.

Equality Impact Assessments have been introduced and undertaken regarding the changes in service delivery, and will be regularly monitored and reviewed in light of Government legislation. It is anticipated that the shift from 'drop in' to telephone and digital will remain in some form, but with enhanced and specialised referral processes for face to face appointments from partners for the most vulnerable and those who, for various reasons, cannot access our services by other means. Our volunteering programme has also been affected and the roles of volunteers are being reviewed to identify the most effective way forward for supervising volunteers who may be working from home.

The review may also earmark opportunities to extend our core services beyond office opening hours, to ensure that those who may be working can access our services easily too. With all of these changes, the need for city centre offices will be reviewed in 2021, with the lease for Kirby House up for renewal at the end of 2022. The termination of the lease on the second office in Sun Alliance House was completed in October 2020, reducing the overhead costs to the charity going forward, leaving only one office lease for the charity.

Structure, governance and management

i) Governing document

Coventry Citizens Advice, formerly known as Coventry Citizens Advice Bureau, is a charitable company limited by guarantee, incorporated on 13th April 1987 and registered as a charity on 2nd October 1990. The Company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. These articles were updated at Coventry Citizens Advice's AGM on 4th January 2014. Trustee Board members undertake that, under the Company Director's Disqualification Act 1986, they are not under Qualification Order, nor are they disqualified by the Charities Act 2011 (Section 178) from acting as a Charity Trustee. There are 8 Directors of the Company, and the value of each Director's liability in the event of the Charity/Company winding up is £1.

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

Structure, governance and management (continued)

ii) Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law, and under Coventry Citizens Advice articles, are known as trustee board members. Under the requirements of the Memorandum and Articles of Association, the members of the Trustee Board are elected to serve for a period of 3 years, after which they must be re-elected at the next Annual General Meeting (see articles of association, paragraphs 41 – 47).

Trustees are recruited and selected for their ability to make an effective contribution to the board through their skills, knowledge and experience, as well as having a proven interest in the work of the organisation. Appointments are approved by a meeting of the full board.

The last recruitment process of a new Chair was undertaken by a recruitment agency as the trustees felt that an external open recruitment process would add transparency and new skills and expertise to the board which were previously not present. The recruitment process brought a range of candidates which were interviewed by a panel and supported by the recruitment agency. The chair was appointed on their merit and best fit with the charity's values.

iii) Trustee Induction and Training

An initial induction meeting is held between potential trustee members and the Chief Executive, who furnishes the incoming trustee board member with the latest published accounts, the organisational chart, the previous year's annual report, and two sets of the most recent board minutes. The memorandum and articles document and standing orders for meetings are also provided.

Board members are invited to take advantage of training that is on offer by various providers. Sometimes this relates to specific funding streams but, more likely, covers the broad principles that need to be taken on board by all trustees.

Coventry Citizens Advice is a member of Citizens Advice, the national association. The organisation meets the quality standards set out in Citizens Advice's Membership Scheme, and is audited by Citizens Advice to these standards, by way of the Leadership Self-Assessment.

The trustee board is responsible for making policies to ensure that the organisation complies with the Citizens Advice Membership Scheme, with charity law, company law, employment law, health and safety law, and with the organisation's memorandum and articles of association.

iv) Organisation

The trustees are collectively responsible for the governance of the organisation, and for its effective management. Trustees are aware of their legal responsibilities and liabilities and act reasonably and prudently in the interests of the organisation and avoid conflicts with other interests. The latter is checked at every board meeting.

With the Chief Executive, the board maps out its strategies, setting aims and objectives and agrees a business plan within available resources. The board approves an annual budget and has financial controls and reporting procedures that enable it to ensure appropriate use of resources and financial stability. This includes an annual review of remuneration for all staff, in line with the current HR policies and procedures. There are two sub-committees, who meet bi-monthly: Finance, Risk and Audit committee; and a Human Resources, Health and Safety committee. The Finance, Risk and Audit committee is responsible for making recommendations on the level of resource allocation required to meet the policy objectives of the board, and on the utilisation of such resources. It also reviews monthly management accounts against budget. The Human Resources, Health and Safety committee is responsible for all human resources/staffing issues, health and safety issues, equal opportunities in relation to all aspects of employment and service delivery.

Strategy and Policy is discussed at board meetings. The sub-committees meet separately and make recommendations to the board. The full board meet bi-monthly, or monthly if it so dictates.

Trustees are kept informed about the business and activities of the organisation by the Chief Executive and are accountable for governance without being directly involved in its day to day running. The board is the employer of the organisation's paid staff, and directly recruits, supports and monitors the Chief Executive. It delegates the recruitment, support and supervision of other staff and volunteers to the Chief Executive. The Chief Executive delegates a range of responsibilities to members of the senior management team. A scheme of delegation is in place, and day to day responsibility for the provision of the service rests with the Chief Executive, who is responsible for ensuring that the charity delivers the services specified. The Chief Executive has responsibility for the day to day operational management of the organisation, ensuring that the team continue to develop their skills and working practices in line with good practice and funders' requirements.

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

Structure, governance and management (continued)

v) Related Parties

Coventry Citizens Advice is a member of Citizens Advice, the national association, who provide support at a national level to all individual organisations. However, individual organisations are autonomous in generating their own income, and managing projects, and Coventry Citizens Advice is an independent charity in its own right.

Coventry Citizens Advice is an active member of the Advice Services Coventry (ASC) which encompasses partnership working with other organisations including the Law Society, Coventry Independent Advice Services and Age UK.

vi) Risk Management

Coventry Citizens Advice has completed a corporate risk management exercise which cannot entirely eliminate all risks but should provide reasonable assurance that problems are identified on a timely basis. Major risks to which the charity is exposed have been reviewed and systems put in place to mitigate those risks. The board will continue to review the corporate risk register and ensure that action plans are in place to mitigate its key risks. Included in external risks is that of the loss of funding. The effects of this have been minimised by funds being secured from a variety of sources. The charity continues to seek to further diversify its funding sources. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity. Citizens Advice also carry out an annual liaison visit where risks are identified and assessed.

The organisation has adopted the recommended Citizens Advice policy for information assurance. All staff, volunteers and trustees have to complete annual training on: Information Management, Health and Safety, Safeguarding, Equality and Diversity, GDPR and Financial Conduct Authority procedures. A quarterly risk assessment is also carried out by each team within the organisation.

vii) Pay policy for senior staff

The pay of the senior staff is reviewed by the board (at least annually) and normally increased in line with average earnings or review against performance objectives. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, these are considered to be on a very small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

Trustees' responsibilities

The trustees (who are also directors of Coventry Citizens Advice for the purposes of company law) are responsible for preparing the Trustees' Annual 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 period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Coventry Citizens Advice

Trustees' Annual Report (Including Directors' Report)

For the Year Ended 31 March 2020

Trustees' responsibilities (continued)

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Directors' report included therein, in our capacity as company directors.

The Trustees' Annual Report has been prepared in accordance with the special provisions of the Companies Act, relating to small entities.

On behalf of the board



K Algate, Secretary

29 October 2020

Coventry Citizens Advice

Independent Auditor's Report to the trustees of Coventry Citizens Advice

For the Year Ended 31 March 2020

Opinion

We have audited the financial statements of Coventry Citizens Advice (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 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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

However, not all future events or conditions can be foreseen. The COVID-19 viral pandemic is one of the most significant economic events there has been in the UK for many years, with unprecedented levels of uncertainty in predicting outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's activities, beneficiaries, suppliers and the wider economy. The trustees' views on the impact of COVID-19 are disclosed in note 1 (I) of the notes to the financial statements.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

Coventry Citizens Advice

Independent Auditor's Report to the trustees of Coventry Citizens Advice

For the Year Ended 31 March 2020

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Harrison Beale & Owen Limited
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Date: 29 October 2020

Statutory auditor
Eligible to act as auditors in terms of Section 1212 of the Companies Act 2006

Coventry Citizens Advice

Statement of Financial Activities (Including Income and Expenditure Account)

For the Year Ended 31 March 2020

		2020			2019
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income and endowments from:					
Donations and legacies	2	1,428	-	1,428	1,120
Charitable activities	3	502,084	2,506,360	3,008,444	3,155,334
Other trading activities	4	4,938	-	4,938	6,659
Investments	5	997	-	997	648
Total Income and endowments		509,447	2,506,360	3,015,807	3,163,761
Expenditure on:					
Charitable activities	6	485,258	2,538,047	3,023,305	2,998,601
Total expenditure		485,258	2,538,047	3,023,305	2,998,601
Net income/ (expenditure)		24,189	(31,687)	(7,498)	165,160
Transfers between funds	15	(13,615)	13,615	-	-
Net movement in funds		10,574	(18,072)	(7,498)	165,160
Reconciliation of funds:					
Total funds brought forward	15	333,001	258,845	591,846	426,686
Total funds carried forward	15	343,575	240,773	584,348	591,846

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Balance Sheet

As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	-	1,165
		<hr/> -	<hr/> 1,165
Current assets			
Debtors	12	346,647	202,309
Cash at bank and in hand		363,275	494,280
		<hr/> 709,922	<hr/> 696,589
Creditors: amounts falling due within one year	13	(125,574)	(105,908)
Net current assets		<hr/> 584,348	<hr/> 590,681
Net assets		<hr/> 584,348	<hr/> 591,846
Charity Funds			
Restricted funds	15	240,773	258,845
Unrestricted funds	15	343,575	333,001
Total charity funds		<hr/> 584,348	<hr/> 591,846

For the year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:


- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006;
- The directors acknowledge their responsibilities for complying with the requirements of the Acts with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board on 29 October 2020.

Signed on behalf of the board of trustees.


L Taylor, Trustee


J Murphy, Trustee

The notes on pages 15 to 24 form part of these financial statements.

Coventry Citizens Advice

Statement of Cash Flows

For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flow from operating activities	17	(132,002)	395,442
Cash flow from Investing activities			
Interest received		997	648
Net cash flow from investing activities		997	648
Net increase / (decrease) in cash and cash equivalents		(131,005)	396,090
Cash and cash equivalents at 1 April		494,280	98,190
Cash and cash equivalents at 31 March		363,275	494,280

Analysis of changes in net funds

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Net cash			
Cash at bank and in hand	494,280	(131,005)	363,275
Bank overdrafts	-	-	-
	494,280	(131,005)	363,275

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

1 Summary of significant accounting policies

(a) General Information and basis of preparation

Coventry Citizens Advice is a private company limited by guarantee, incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The company number and the address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are detailed on page 4.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

1 Summary of significant accounting policies (continued)

(c) Income recognition (continued)

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established. This is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that relate directly to an activity and those of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources. The bases on which support costs have been allocated are: the length of the project; & the number of FTE employed on the project. The analysis of these costs is included in note 6.

(f) Tangible fixed assets

Tangible fixed assets are capitalised where expenditure exceeds £1,000 and are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold premises	Over the period of the lease
Computer equipment	3 years straight line
Fixtures and fittings	3 - 5 years straight line

Where assets are project specific they are depreciated in line with the life of the project.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value.

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

1 Summary of significant accounting policies (continued)

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(j) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Redundancy/termination payments are charged to the SoFA in the period to which they relate, once there is a legal or constructive obligation to make the payment.

(k) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern and trustees have incorporated the possible impact of the COVID-19 pandemic into their assumptions underlying the preparation of the budget.

(m) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual accounts. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made.

2 Income from donations and legacies

	2020 £	2019 £
Gifts	1,428	1,120
	<u>1,428</u>	<u>1,120</u>

2019 comparatives include gifts of £1,120 in unrestricted funds.

3 Income from charitable activities

	2020 £	2019 £
Advice and information services		
Unrestricted	502,084	648,753
Restricted	2,506,360	2,506,581
	<u>3,008,444</u>	<u>3,155,334</u>

Income from charitable activities includes government grants of £1,560,765 (2019: £1,695,725).

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

4 Income from other trading activities

	2020 £	2019 £
Room hire	4,938	6,659
	<u>4,938</u>	<u>6,659</u>

2019 comparatives include room hire income of £6,659 in unrestricted funds.

5 Income from Investments

	2020 £	2019 £
Interest - deposits	997	648
	<u>997</u>	<u>648</u>

2019 comparatives include interest of £648 in unrestricted funds.

6 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support and governance costs £	Total 2020 £	Total 2019 £
Charitable activities – advice and information services				
Staff costs	1,605,690	250,621	1,856,311	1,700,877
Recruitment costs	2,359	-	2,359	1,124
Training	5,467	4,541	10,008	10,695
Travel	16,730	3,587	20,317	14,967
Client expenses	94,722	-	94,722	113,905
Volunteer expenses	11,890	31	11,921	11,730
Translation costs	37,990	-	37,990	46,231
Publicity	817	1,357	2,174	2,335
Subscriptions and licences	4,218	13,352	17,570	21,170
Printing, postage and stationery	20,176	4,001	24,177	21,731
Telephone	20,532	2,808	23,340	20,679
Insurance	1,547	6,295	7,842	8,320
Rent, rates and service charges	23,813	80,713	104,526	130,066
Heat and light	689	8,712	9,401	13,978
Premises and equipment repairs and maintenance	8,326	27,998	36,324	43,952
Computer costs	30,368	14,070	44,438	25,227
Settlement costs	590,118	-	590,118	704,825
Partnership payments	55,475	-	55,475	47,118
Professional fees	4,180	26,087	30,267	16,668
Depreciation	-	1,165	1,165	4,908
Other costs	20,338	22,522	42,860	38,095
	<u>2,555,445</u>	<u>476,860</u>	<u>3,023,305</u>	<u>2,998,601</u>

2019 comparatives include expenditure on activities undertaken directly of £2,576,956 and support and governance costs of £421,645. Of this expenditure, £594,476 was incurred within unrestricted funds and £2,404,125 within restricted funds.

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

7 Governance costs

	2020 £	2019 £
Auditor's remuneration	4,730	4,770
Professional fees	26,087	9,615
Staff costs	52,723	49,561
Other	3,335	2,096
	<u>86,875</u>	<u>66,042</u>

8 Net income for the year

Net income is stated after charging / (crediting):

	2020 £	2019 £
Auditor's remuneration	4,730	4,770
Depreciation	1,165	4,908
Operating lease rentals	85,935	103,230

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019: £nil).

One (2019: nil) trustee had expenses of £31 (2019: £nil) for travel reimbursed during the year.

The charity considers its key management personnel to comprise the trustees and the Chief Executive Officer. The total employment benefits including pension contributions of key management personnel was £65,956 (2019: £62,400).

10 Staff costs and employee benefits

The average monthly number of employees during the year, expressed as full time equivalents, was as follows:

	2020 Number	2019 Number
Charitable activities	59	56
Management and administration	6	6
	<u>65</u>	<u>62</u>

The total staff costs and employees' benefits was as follows:

	2020 £	2019 £
Wages and salaries	1,651,640	1,509,243
Social security	131,880	124,410
Defined contribution pension costs	72,791	67,225
Bureau agency costs	5,661	5,072
	<u>1,861,972</u>	<u>1,705,950</u>

Total redundancy / termination payments amount to £nil (2019: £2,253 related to Central Services)

One (2019: nil) employee received total employee benefits (excluding employer pension costs) of more than £60,000.

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

11 Tangible fixed assets

	Leasehold premises £	Computer equipment £	Fixtures and fittings £	Total £
Cost or valuation:				
At 1 April 2019 and 31 March 2020	166,946	120,375	66,673	353,994
Depreciation:				
At 1 April 2019	165,781	120,375	66,673	352,829
Charge for the year	1,165	-	-	1,165
At 31 March 2020	166,946	120,375	66,673	353,994
Net book value:				
At 31 March 2020	-	-	-	-
At 31 March 2019	1,165	-	-	1,165

12 Debtors

	2020 £	2019 £
Trade debtors	312,652	164,119
Prepayments and accrued income	33,995	38,190
	<u>346,647</u>	<u>202,309</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	36,394	40,908
Other tax and social security	29,333	38,638
Other creditors	20,875	16,929
Deferred income	28,553	5,000
Accruals	10,419	4,433
	<u>125,574</u>	<u>105,908</u>

Deferred income comprises amounts received in advance where the performance conditions of the grant have not been met.

	2020 £	2019 £
Balance at 1 April	5,000	13,953
Amounts released to incoming resources	(5,000)	(13,953)
Amounts deferred in year	28,553	5,000
	<u>28,553</u>	<u>5,000</u>

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

14 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than one year	86,249	89,414
Later than one and not later than five years	131,964	209,213
	<u>218,213</u>	<u>298,627</u>

The charity has a financial commitment in the region of £70,000 to paint the interior and exterior of the building under the terms of its lease. At the balance sheet date this commitment was not deemed to meet the criterion of being a present obligation and accordingly no provision has been made in the accounts.

15 Funds

	Balance at 01/04/2019	Income	Expenditure	Transfers	Balance at 31/03/2020
	£	£	£	£	£
Unrestricted funds					
General funds	285,527	508,019	(485,258)	(14,404)	293,884
Designated funds:					
Lease reserve	24,000	-	-	-	24,000
Maintenance reserve	13,093	-	-	-	13,093
IT reserve	8,793	-	-	-	8,793
Hardship fund	1,588	1,428	-	789	3,805
Total unrestricted funds	<u>333,001</u>	<u>509,447</u>	<u>(485,258)</u>	<u>(13,615)</u>	<u>343,575</u>
Restricted funds					
CitA – Money Advice Service	-	260,159	(254,767)	(5,392)	-
Healthwatch Services	-	42,164	(42,715)	551	-
STEP	-	108,015	(21,421)	-	86,594
Severn Trent – Big Difference	789	-	-	(789)	-
NHS Coventry – CCG/HIV/TB	14,589	15,392	(23,410)	-	6,571
Macmillan	-	296,379	(313,683)	17,304	-
Resilience	82,183	42,500	(114,842)	-	9,841
CitA – Help to Claim	3,437	107,189	(107,189)	-	3,437
Quality of Life Hardship Fund	16,169	-	(10,298)	-	5,871
Cardinal Ltd – Major Trauma	-	58,385	(46,327)	-	12,058
Help in Crisis	31,226	93,978	(105,048)	-	20,156
St Martin in the Fields - Frontline	4,370	20,848	(21,153)	-	4,065
CitA – Pension Wise	5,255	163,942	(151,498)	(3,696)	14,003
Big Lottery – BBO Breakthrough	-	47,728	(53,365)	5,637	-
Integration 1	-	1,161,088	(1,157,947)	-	3,141
Integration 2	100,827	88,593	(114,384)	-	75,036
Total restricted funds	<u>258,845</u>	<u>2,506,360</u>	<u>(2,538,047)</u>	<u>13,615</u>	<u>240,773</u>
Total funds	<u>591,846</u>	<u>3,015,807</u>	<u>(3,023,305)</u>	<u>-</u>	<u>584,348</u>

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

15 Funds (continued)

Fund descriptions

Lease Reserve	Funds set aside to mitigate the risk of rent in years 6 to 10 of the lease that may not be covered by contract income.
Maintenance Reserve	Funds set aside for reinstating building on expiry of lease.
IT Reserve	Funds set aside to maintain the current computer system.
Hardship Fund	Funds raised by donation to help clients in great need.
CitA – MAS	Funding from the Money Advice Service for the provision of debt advice.
Healthwatch Services	Grant enables the charity to run a telephone information enquiry line for people seeking advice with issues relating to health or social care.
STEP	Grant towards working with clients and frontline workers to reduce fuel poverty and increase the energy efficiency of people's homes.
Severn Trent – Big Difference	Charitable donation to deliver the Big Difference Fund Project. The project was designed to help Severn Trent Water's most vulnerable customers in Coventry, Leicester and Stoke on Trent with grants towards their water debts and also offer support and advice with managing money and utility bills.
NHS - CCG/HIV TB	Grant towards provision of outreach services.
Macmillan	Grant towards advice service for cancer patients and their families.
Resilience	Funding to cover costs of providing support to those in food crisis who are transferring to Universal Credit in Coventry.
CitA – Help to Claim	Grant to support those in the early stages of making a Universal credit claim from application through to the first payment.
Quality of Life Hardship fund	Grant to help and support those who are struggling with living costs.
Cardinal Ltd – Major Trauma	Funds towards the delivery of Signposting Partnership Service that aims to facilitate access to advice on matters such as welfare benefits, housing, legal services and rehabilitation to Major Trauma Centre (MTC) patients and/or their families and carers whilst in hospital.
Help in Crisis	Grant enables the charity to provide practical and emotional support to clients who are homeless or vulnerably housed. The project is between Coventry Citizens Advice and Valley House.

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

15 Funds (continued)

Fund descriptions

St Martin in the Fields – Frontline Network	Funds to build up a network of housing and homelessness workers across the city.
CitA - Pension Wise	Grant towards the Pension Wise Service, to ensure that consumers who are approaching retirement with defined contribution pension pots will be offered guidance on how to make informed and confident decisions on how to use their contribution savings in retirement. It is designed for those over the age of 55.
Big Lottery - BBO Breakthrough	Grant towards work with clients offering individual support with finding employment and accessing training, offer support with debts and access to the benefits to help maximise clients' income, wellbeing, confidence, and self-esteem.
Integration Syria and Afghan	Grants towards the delivery of resettlement services to individuals and families from Syria and Afghanistan, including compliance with Home Office requirements.

16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Cash and current assets	365,705	49,691	294,526	709,922
Current liabilities	(71,821)	-	(53,753)	(125,574)
Total	293,884	49,691	240,773	584,348

17 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net movement for the year	(7,498)	165,160
Interest receivable	(997)	(648)
Depreciation and impairment of tangible fixed assets	1,165	4,908
(Increase)/ decrease in debtors	(144,338)	219,622
Increase in creditors	19,666	6,400
Net cash flow from operating activities	(132,002)	395,442

Coventry Citizens Advice

Notes to the Financial Statements

For the Year Ended 31 March 2020

18 Pensions and other post-retirement benefits

The charitable company makes contributions to defined contribution personal pension plans for the employees whereby payments are made to an insurance company independent from the finances of the charitable company. Contributions are charged to the statement of financial activities as and when incurred. The charge for the year was £72,791 (2019: £67,225). At 31 March 2020 £10,537 (2019: £7,741) was due to the scheme.

19 Related party transactions

There are no related party transactions during the period (2019: £nil).