

Company Number: 2967121

**Citizens Advice Reading
(Limited by Guarantee)**

Report and Financial Statements

Year to 31 March 2021

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021

Reference and administrative details

Members of the Trustee Board at 31 March 2021

Chair	Ms M French
Vice Chair	Mr A. Wilson
Honorary Treasurer	Mr A. Edger FCA
Individual member	Mr R. Adams FIA
Individual member	Mr K. Cooney
Individual member	Mr I. Curtis-Nye
Individual member	Mr S. Juthani
Individual member	Ms J. Le Patourel
Individual member	Mr C. Ndro
Individual member	Ms C. O'Hare
Individual member	Ms H. Smith
Individual member	Mr D. Weekes

Member Nominated by:	
Reading Borough Council	Cllr M Leng
Reading Borough Council	Cllr E Terry
Reading Borough Council	Cllr H Manghnani

The Company Secretary position was vacant as at 31 March 2021.

Independent Examiner

Mr L. J. Baker FCA, Partner
Wenn Townsend
Chartered Accountants and Registered Auditors
30 St. Giles, Oxford, OX1 3LE

Bankers

CAF Bank Ltd 25 Kings Hill Ave, Kings Hill, West Malling ME19 4JQ	Hampshire Trust Bank, 55 Bishopsgate, London EC2N 3AS	Virgin Money UK PLC Jubilee House, Newcastle upon Tyne, NE3 4PL	Cambridge & Counties Bank Charnwood Court, 5B New Walk, Leicester, LE1 6TE
---	---	--	--

Solicitors

Dexter Montague & Partners
105 Oxford Road
Reading, Berkshire
RG1 7UD

Registered office

Minster Street
Reading, Berkshire,
RG1 2JB

Registered company number

2967121

Registered charity number

1042542

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

The Trustee Board presents its report, together with the financial statements for the year ended 31 March 2021.

Structure, governance and management

Citizens Advice Reading is a company limited by guarantee and was first incorporated in September 1994. In accordance with its Memorandum of Association, every member of the company undertakes to contribute to its assets a sum not exceeding £1 in the event of winding up, while they are members, or within one year after they cease to be members. Citizens Advice Reading is also a registered charity.

Citizens Advice Reading has its own Trustee Board and is its own autonomous unit, but by satisfying certain conditions it is also a member of the National Association of Citizens Advice. The National Association is the policy making body of Citizens Advice nationally. It sets the standards that all local Citizens Advice offices must meet in order to qualify for membership and acts as a national voice for them on issues such as national social policy. An annual appraisal of Trustee Board performance is carried out.

The Trustee Board assesses the current skills and experience of the Board, such as management, fundraising and business acumen, to identify any gaps. Prospective trustees are selected for their potential to make an effective contribution to the activities of Citizens Advice Reading through their skills, knowledge and experience. The Trustee Board recognises that diversity of membership is important and adds to its effectiveness and seeks to ensure that it is representative of the local community. New Trustee Board members complete a register of interests and receive an induction supported by an information pack and ongoing training enables them to fulfil their role.

The Trustee Board is responsible for every aspect of Citizens Advice Reading's affairs and is ultimately accountable for the conduct of the organisation. The full Board meets a minimum of four times throughout the year to discharge these responsibilities. Individual members of the Board are provided with enough and timely information to enable them to discharge their respective duties.

The Trustee Board retains responsibility for all key decisions, including approval of:

- The strategy and policies adopted by Citizens Advice Reading to achieve its charitable objects
- The annual budget
- Major capital expenditure, including property acquisition and refurbishment
- The annual financial statements

Responsibility for specific matters is allocated to named members as appropriate.

The Trustee Board is responsible for the organisation's system of internal control and for reviewing its effectiveness. It must also ensure that the organisation's system of internal control manages risk effectively. Such a system is designed to manage rather than eliminate the risk of failure to achieve the objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Trustee Board has assessed the major strategic, business and operational risks which it believes Citizens Advice Reading faces. The external risks to which the organisation is exposed are kept under constant review. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects and to ensure the highest standards in the delivery of advice services and in all operational aspects of the organisation. These procedures, including the adherence to the established financial controls, are reviewed annually as part of our overall risk management plan process, to ensure they still meet the needs of Citizens Advice Reading.

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

The Trustees consider the Board of Trustees and the Chief Executive as comprising the key management of the charity in charge of directing and controlling the charity and running the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 7 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. Trustees, in compliance with Charity Commissioners guidelines, are always expected to act in the best interest of the Charity.

The pay of the Chief Executive is reviewed annually as part of the paid staff salary review process.

Objectives and activities

Citizens Advice Reading was established for the promotion of charitable purposes and for the benefit of the community in Reading and its environs by the advancement of education, the protection of health and the relief of poverty, sickness and distress.

The trustees confirm they have given due consideration to the information contained in the Charity Commission's published guidance on public benefit when reviewing the aims and objectives of Citizens Advice Reading and in planning activities and setting its policies and priorities.

As well as offering generalist advice in several fields, it was able to offer a range of specialist services focussed on providing housing and debt advice to address complex situations; securing Debt Relief Orders and supporting clients with employment issues.

The organisation continued to offer a specialist benefits advice service, funded by Macmillan Cancer Support, for people living or receiving treatment for cancer in Berkshire. This service principally operated supporting clients in two health settings – the Royal Berkshire Hospital in Reading and the Wexham Park Hospital in Slough.

Citizens Advice Reading led the UK's contribution to a new European-wide project, funded by the European Commission, to provide advice on energy saving and delivered the national Energy Best Deal project in Reading, which entailed a programme of activities to promote the importance of making sure that clients have the necessary information to secure the most appropriate tariff to meet their circumstances.

Due to the pandemic, Citizens Advice Reading discontinued access to specialist legal clinics at its Minster Street Reading offices, however referrals for expert help were still made when necessary.

An essential part of the organisation's work was that of research and campaigns. Through its advice work it had the opportunity to gather an enormous amount of evidence about clients' experiences, of the way a wide range of services and legislation operated both locally and nationally. By collecting and collating such evidence it was possible to identify local issues and take appropriate action to raise these issues with local policy makers and respond to requests from Citizens Advice nationally to supply evidence on issues which it was monitoring.

Citizens Advice Reading is a founder member of the Reading Advice Network which is the organisation set up following the highly successful and Citizens Advice Reading led Big Lottery funded project of the same name, which ended in December 2015. An early achievement for the Network was the creation of a local advice and information quality standard consisting of two separate assessment and audit processes. Citizens Advice Reading has subsequently been judged as meeting the necessary standards for both.

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

Throughout the year, the organisation successfully delivered against a range of ongoing and new contracts including the major partnership arrangement to provide services for the local council under Maximising Income and a trust funded commission to provide specialist support for housing related debt issues.

Existing service level agreements with Thames Water Trust continued to provide debt advice to pay water bills and support clients with more complex cases.

The Big Lottery funded partnership project (Routes to Resilience) with the British Red Cross and Sanctuary Hosting continued with the aim of increasing the resilience and wellbeing of refugees, asylum seekers and vulnerable migrants with Citizens Advice Reading providing specialist level 1 and level 2 immigration advice.

People and performance

At any one time the organisation typically operates with around 25 paid staff and 90 volunteers. However, there is significant turnover, particularly amongst the volunteers, so during the financial year a total of 109 people worked for Citizens Advice Reading in different capacities:

- 1 person full-time as a paid staff member (two part time roles)
- 32 people part-time as paid staff members
- 56 people as volunteer advisers (level 1 and level 2) or trainee advisers
- 18 people as volunteer reception or administration workers
- 2 people as volunteer life coaches

Between April 2020 and March 2021, 12 volunteers and 7 paid members of staff joined the organisation. During this period 3 trustees resigned, and 5 new trustees were appointed to the Board of Trustees, with 15 trustees on the Board at the 31 March 2021. The 12 non-RBC trustees were members of the company, and there were 4 other members of the company who were not trustees.

The focus on providing a concise initial assessment of a client's needs and subsequent work to resolve or progress their issue in one call, with all but the most complex cases needing follow up, has continued throughout the year. This has been achieved via telephone or online due to the restrictions imposed by the pandemic.

Citizens Advice Reading has an appropriate staffing policy which is approved and audited by the Citizens Advice national organisation.

Citizens Advice Reading is subjected to an ongoing performance and quality regime by its national organisation. This entails quarterly audits on quality of advice and financial performance and annual assessment of nine leadership areas: governance; risk management; financial management; people management; operational performance management; partnership working; research, campaigns and equality.

An independent audit is undertaken annually and in February 2021 Citizens Advice Reading was again rated as excellent.

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

During the year Citizens Advice Reading responded to 16,805 advice request issues which resulted in 23,751 contacts for 4,461 unique clients. Of the clients seen 57% were female and 43% male. Our services continued to be used extensively by all nationalities, ethnic groups and people with disabilities or health problems. In terms of ethnicity 13% were Asian, 13% were Black, 66% were White, 4% were of mixed origin and 4% identified themselves as other. 39% of clients described themselves as disabled or living with a long-term health problem - all these client profile statistics were broadly similar to 2019/20. The number of people under 25 accessing our services slightly increased to 7.4% (from 5.8% during 19/20), probably due to the changes in ways of accessing the service i.e. mainly telephone and some online. The breakdown of main enquiry issues was benefits, including Universal Credit (38%), housing (10%) debt (8% - significantly lower than previous years due to the pandemic related repayment holidays and lack of enforcement), employment (9%), relationships & family (5%), immigration and asylum (5%) and utilities (7%).

Citizens Advice Reading achieved financial gains for our clients totalling £3,302,658 in benefit entitlements, employment related awards, charity awards and compensation. We also had £129,211 in debts rearranged or written off (again significantly lower than in 2020/21 due to the impact of the pandemic and associated government measures relating to debts) as well as £479,393 in other gains.

Financial review

a) Financial Performance in 2021

Citizens Advice Reading maintained its stable financial position in 2021.

Total income increased to £668,000, an increase of £106,000 compared to 2020. Whilst unrestricted income reduced by £47,000 to £225,000, restricted income increased by £153,000 to £443,000. The restricted income growth was driven mainly by the receipt of a National Lottery COVID community fund grant of £89,000, EU Energy funding of £35,000 to support activities addressing energy poverty, and income of £16,000 from a consortium of local charities to provide support for families with respect to end of life planning.

Total expenditure increased to £659,000, an increase of £89,000 compared to 2020. The increase in restricted income was reflected partially by a related increase in restricted expenditure of £101,000, rising to £418,000 for the year.

Overall the growth in income has resulted in a net surplus of £9,000 for the year, of which £24,000 related to a restricted surplus, and the balancing -£15,000 related to an unrestricted deficit. A net £11,000 was transferred from restricted to unrestricted reserves, as detailed in Note 15 to the Financial Statements.

Consequently, the unrestricted funds available at the end of March 2021 reduced £4,000 to £203,000 compared to prior year, whilst the restricted reserves increased to £14,000 at the end of the year.

The cash balance remains strong at the end of March 2021 at £304,000, following a small positive cash flow of £2,000 for the year.

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

b) Reserves Policy

Each year the Trustee Board reviews its reserves policy and considers the appropriate level of reserves for the charity to hold, in the light of the risks that it faces and the economic environment in which it is operating. The Board's key priority remains to ensure the continuity of the charity's operations to meet the needs of the community.

Based on this year's review the Trustee Board's reserve policy is to hold funds which have not been designated for a specific use ("free reserves") at the equivalent of between 4- and 6-months' anticipated cash expenditure. The Board considers that this level of free reserves will ensure that in the event of a major shortfall of funding enough time will be available to consider and implement mitigating steps, allowing Citizens Advice Reading to continue its charitable activities.

As at 31st March 2021 the free reserves (unrestricted funds) totalled £203,000 and lay within the target range of 4 to 6 months' anticipated cash expenditure.

c) Investment Policy

As at 31 March 2021 the policy of the Trustee Board is to hold most of its cash assets in Bank Accounts providing immediate access to funds, whilst agreeing to hold a portion of the funds in Deposit Accounts requiring no more than 100 days' Notice of Withdrawal in order to increase interest income. This approach is subject to periodic review.

Further, the policy of the Trustee Board is to limit deposits with any Bank to no more than the amount provided for under the Financial Services Compensation Scheme (FSCS), currently £85,000.

Citizens Advice Reading was entitled to exemption from taxation on its income and capital gains to the extent that its funds were used for charitable purposes.

d) Going Concern

The financial position and performance have been summarized in the Financial Review. The Trustees have assessed our position and concluded that Citizens Advice Reading is able to meet all its liabilities as they fall due. As a result, we have adopted the going concern basis of preparation of our financial statements and conclude there is a reasonable expectation that we have enough resources to continue in operational existence for at least 12 months from the date of approval of these Financial Statements.

Plans for future periods

Citizens Advice Reading intends to continue the provision of a high standard of advice services to people in the Reading area and, where appropriate, of specialist services across Berkshire. It is actively pursuing new ways of delivering and extending the services offered and these are reflected in robust three-year strategic planning and implementation action processes. It will rigorously pursue further funded projects where they meet the aims and principles of Citizens Advice.

As with many other services, the Covid-19 pandemic forced us to close our offices and to move to a mixture of telephone and online advice services. It is likely that the learning from this experience will lead to a significant reshaping of the way we deliver our services in the future as we return to the office later in 2021.

Citizens Advice Reading (Limited by Guarantee)

Report of the Trustees for the year to 31 March 2021 (continued)

Furthermore, in view of uncertainty and the potential risk to income generation in the next years Citizens Advice Reading conducted a review of its structures shortly after the year end and identified and implemented a number of restructuring changes, mostly in support functions, in order to help ensure ongoing financial sustainability.

Trustees' responsibilities in relation to the financial statements

The Trustee Board constitutes the directors for the purposes of company law.

Company law requires the directors to prepare Financial Statements for each financial period which give a true and fair view of the company and of the surplus or deficit of the company for that period. In preparing those Financial Statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going-concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that applicable accounting standards have been followed and that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 2006.

This report was approved by the Trustee Board and signed on its behalf.

.....
Signature

.....
Marie French
Print name

.....
Chair
Position on Trustee Board

.....
9/09/2021
Date

Citizens Advice Reading (Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the charity trustees on my examination of the accounts of the company for year ended 31st March 2021, which are set out on pages 9 to 18.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

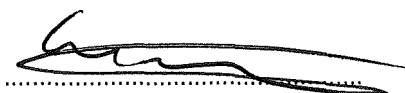
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



9th September 2021

Lee Baker FCA
Partner
Wenn Townsend
30 St Giles
Oxford
OX1 3LE

Citizens Advice Reading (Limited by Guarantee)

Statement of Financial Activities Year to 31 March 2021 (including income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
INCOME FROM							
Donations and legacies	2	90,148	11,903	102,051	89,749	-	89,749
Investments	3	1,720	-	1,720	3,249	-	3,249
Charitable Activities	4	133,520	430,759	564,279	157,588	289,691	447,279
Other Income		77	-	77	21,930	-	21,930
TOTAL INCOME		<u>225,465</u>	<u>442,662</u>	<u>668,127</u>	<u>272,516</u>	<u>289,691</u>	<u>562,207</u>
EXPENDITURE ON							
Raising Funds	5	21,128	-	21,128	17,787	-	17,787
Charitable Activities:	6						
Staff Costs	7	140,328	322,059	462,387	124,631	267,466	392,097
Premises Costs		65,856	47,268	113,124	74,249	39,285	113,534
Support costs	8	13,369	38,157	51,526	35,809	10,200	46,009
Payments to Third Parties	9	-	10,525	10,525	-	-	-
TOTAL EXPENDITURE		<u>240,681</u>	<u>418,009</u>	<u>658,690</u>	<u>252,476</u>	<u>316,951</u>	<u>569,427</u>
NET INCOME/(EXPENDITURE)	10	(15,216)	24,653	9,437	20,040	(27,260)	(7,220)
TRANSFERS BETWEEN FUNDS	11	10,954	(10,954)	-	(23,011)	23,011	-
NET MOVEMENT IN FUNDS		<u>(4,262)</u>	<u>13,699</u>	<u>9,437</u>	<u>(2,971)</u>	<u>(4,249)</u>	<u>(7,220)</u>
RECONCILIATION OF FUNDS:							
TOTAL FUNDS BROUGHT FORWARD		207,136	-	207,136	210,107	4,249	214,356
TOTAL FUNDS CARRIED FORWARD		<u>202,874</u>	<u>13,699</u>	<u>216,573</u>	<u>207,136</u>	<u>-</u>	<u>207,136</u>

All of the above results for the years ended 31 March 2021 and 31 March 2020 are derived from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Citizens Advice Reading (Limited by Guarantee)

Balance Sheet at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible Assets	12	-	-
Current assets			
Debtors	13	41,622	48,230
Cash at bank and in hand		<u>304,126</u>	<u>301,760</u>
		345,748	349,990
Less: Liabilities			
Amounts falling due within one year	14	<u>(129,175)</u>	<u>(142,854)</u>
NET CURRENT ASSETS		216,573	207,136
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>216,573</u>	<u>207,136</u>
Funds of the Charity	15		
Unrestricted funds		202,874	207,136
Restricted funds		13,699	-
TOTAL FUNDS		<u>216,573</u>	<u>207,136</u>

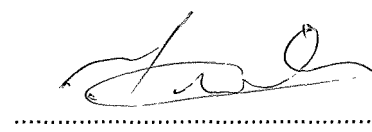
The directors are satisfied that the company is entitled to exemption from the requirements to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to small companies regime.

These accounts were approved by the Trustees and signed on their behalf.


Marie French – Chair


Alex Wilson – Vice Chair

9/09/2021
Date

09 SEP 2021
Date

Company Registration Number: 02967121
Charity Registration Number: 1042542

The notes on pages 12 to 18 form part of these financial statements.

Citizens Advice Reading (Limited by Guarantee)

Statement of Cash Flows for the year ended 31 March 2021

Reconciliation of increase in funds to net cash flow from operating activities

	2021	2020
	£	£
Increase (Decrease) in funds	9,437	(7,220)
Depreciation charge	-	515
Decrease/(increase) in debtors	6,608	(40,145)
(Decrease)/ Increase in creditors	(13,679)	72,116
Interest received	(1,720)	(3,249)
Net cash flow from operating activities	<u>646</u>	<u>22,017</u>

Cash flow statement

Net cash flow from operating activities	646	22,017
--	-----	--------

Investing activities

Interest received	1,720	3,249
Fixed assets addition	-	-

Increase /(Decrease) in cash	<u>2,366</u>	<u>25,266</u>
-------------------------------------	--------------	---------------

Movement in cash	2,366	25,266
Net cash 1 April	301,760	276,494
Net cash at 31 March	<u>304,126</u>	<u>301,760</u>

The notes on pages 12 to 18 form part of these financial statements.

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

1. Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the Bureau's financial statements.

Basis of accounting

These accounts have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is paid and received. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1st October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011."

The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts include all transaction, assets and liabilities for which the Charity is responsible for.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

i) Recognition of Incoming Resources

These are included in the statement of financial activities when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain that they will receive the resources; and
- the monetary value can be measured with reasonable accuracy.

ii) Grants and donations

Grants are only included in the statement of financial activities when the charity has unconditional entitlement to the resources.

iii) Gifts in kind

Gifts in kind are accounted for when receivable, at a reasonable estimate of their value to the charity.

iv) Investment income

Bank and building society interest is included in the statement of financial activities when receivable except for the interest on our Virgin Money account which is accrued.

c) Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

d) Fixed assets

Tangible fixed assets for use by the charity are capitalised if they can be used by the charity for more than one year and cost at least £1,000. They are valued at cost or, if gifted, at the value to the charity on acquisition. Assets costing less than £1,000 are written off in the year of acquisition.

Fixtures, fittings and equipment (none of which individually cost more than £1,000) have been purchased during the year in the total amounting to £14,569 (2020 £2,428)

e) Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

IT Equipment	3 years straight line
Other furniture and equipment	5 years straight line

f) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets these criteria is allocated to the fund, together with a fair allocation of support costs.

g) Debtors and Creditors

Debtors and creditors receivable or payable within one year are recognised at transaction price. Any losses arising from impairment are recognised in expenditure.

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
2 INCOME FROM DONATIONS AND LEGACIES						
Benefit in Kind	50,000	-	50,000	50,000	-	50,000
Reading B. Council, provision of Premises occupied by Reading Citizens Advice on a Rent Free Basis (see also Note 19)						
Corporate						
London Legal	-	-	-	419	-	419
TDK Epcos (UK) Ltd.	700	-	700	1,000	-	1,000
Waitrose	333	-	333	300	-	300
Parish Councils						
Earley	800	-	800	876	-	876
Holybrook	-	-	-	350	-	350
Purley on Thames	-	-	-	826	-	826
Shinfield	-	-	-	1,000	-	1,000
Tilehurst	500	-	500	1,000	-	1,000
Twyford	-	-	-	350	-	350
Trust Funds and Other Organisations						
Englefield Trust	3,000	-	3,000	-	-	-
J Davy Foundation	30,000	-	30,000	25,000	-	25,000
Reading Rotary Club	200	-	200	-	-	-
St. Michael's Church Congregation	375	-	375	-	-	-
Other Voluntary Income						
Restricted	-	-	-	-	-	-
Unrestricted	4,240	-	4,240	7,994	-	7,994
Coronavirus Job Retention Scheme	-	11,903	11,903	-	-	-
Gift Aid Recoveries from HMRC	-	-	-	634	-	634
	90,148	11,903	102,051	89,749	-	89,749
3 INVESTMENT INCOME						
Interest on Bank Deposits	1,720	-	1,720	3,249	-	3,249
4 INCOME FOR CHARITABLE ACTIVITIES						
Reading Borough Council Maximising Income	101,000	-	101,000	101,000	-	101,000
Big Lottery / Red Cross Immigration Advice	-	38,480	38,480	-	35,720	35,720
Catalyst Housing	1,260	-	1,260	15,613	-	15,613
Energy / Financial Capability	15,260	-	15,260	40,975	-	40,975
Energy Savings Trust	-	12,691	12,691	-	-	-
EU Energy (STEP)	-	35,780	35,780	-	36,691	36,691
Macmillan	-	103,354	103,354	-	96,687	96,687
Thames Water Trust Fund	-	35,000	35,000	-	35,000	35,000
Henry Smith Charity	-	57,325	57,325	-	56,475	56,475
Peace of Mind Matters - see Note 15 for Funders	-	16,119	16,119	-	-	-
Help to Claim	-	32,110	32,110	-	29,118	29,118
National Lottery Community Fund	-	89,008	89,008	-	-	-
Equipment Upgrade - see Note 15 for Funders	-	10,892	10,892	-	-	-
Others	16,000	-	16,000	-	-	-
TOTAL	133,520	430,759	564,279	157,588	289,691	447,279

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

	Unrestricted Funds £	Restricted Funds £	2021 Funds £	Unrestricted Funds £	Restricted Funds £	2020 Funds £
5 COSTS OF RAISING FUNDS						
COSTS OF RAISING VOLUNTARY INCOME						
Direct and Overhead Expenses	-	-	-	-	-	-
Staff Costs	21,128	-	21,128	17,787	-	17,787
TOTAL	21,128	-	21,128	17,787	-	17,787

Staff Costs are for two part-time staff members.

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

<u>Year to 31 March 2021</u>	Reading BC Narrowing The Gap	Macmillan	Henry Smith	National Lottery Fund	BIG Lottery /Red Cross Immigration	Help to Claim
Staff cost	90,229	89,608	47,074	36,343	41,916	27,491
Premises cost	50,288	10,889	7,110	5,657	3,498	9,491
Support cost	9,242	1,756	1,976	8,094	722	1,875
Payments to Third Parties	-	-	-	-	-	-
Sub-Total	149,759	102,253	56,160	50,094	46,136	38,857
	Wider Advice	Thames Water	EU STEP	Others		Total
Staff cost	25,908	32,205	19,948	51,665		462,387
Premises cost	10,183	4,399	4,987	6,622		113,124
Support cost	1,885	749	10,845	14,382		51,526
Payments to Third Parties	-	-	-	10,525		10,525
Sub-Total	37,976	37,353	35,780	83,194		637,562
<u>Year to 31 March 2020</u>	Reading B C Max. Income	Macmillan	Henry Smith	Thames Water Trust Fund	Wider Advice Service	EU (STEP)
Staff cost	86,670	88,391	55,212	31,884	6,770	28,848
Premises cost	55,128	12,018	7,452	4,386	11,705	7,186
Support cost	14,089	4,671	1,759	1,035	12,604	657
Sub-Total	155,887	105,080	64,423	37,305	31,079	36,691
	BIG Lottery/ Red Cross	Others		Total		
Staff cost	35,821	58,501		392,097		
Premises cost	5,184	10,475		113,534		
Support cost	1,612	9,582		46,009		
Sub-Total	42,617	78,558		551,640		

7 STAFF AND VOLUNTEER COSTS

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Wages and Salaries	145,029	278,864	423,893	119,698	243,589	363,287
Social Security Costs	7,456	14,266	21,722	5,998	12,205	18,203
Other Pension Costs (Note 17)	5,315	10,170	15,485	4,317	8,785	13,102
Other Staffing Costs						
Paid Staff (expenses, recruitment, training)	2,924	5,622	8,546	3,563	2,887	6,450
Volunteers (expenses)	732	-	732	8,842	-	8,842
Redundancy Payments	-	13,137	13,137	-	-	-
TOTAL	161,456	322,059	483,515	142,418	267,466	409,884
Split:						
Raising funds	21,128	-	21,128	17,787	-	17,787
Charitable activities	140,328	322,059	462,387	124,631	267,466	392,097

As at 31st March 2021 the number of staff employed was 28 (= 16.8 Full Time Equivalent).

The corresponding numbers as at 31st March 2020 were 26 (= 15.1 Full Time Equivalent).

No employee earned more than £60,000 in the current or preceding year.

The pay of the Key Manager during the year totalled £33,240, two incumbents (2020: £29,350)

No trustee received a salary during the year (2020: Nil)

No Trustee received any expenses of in the year ending 31st March 2021(31st March 2020: Nil)

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

8 SUPPORT COSTS

The charity allocates its support costs as shown in the table below. Both Independent Examination and AGM Expenses are treated as Governance costs; all Consulting costs are allocated directly to the relevant Project; whilst General Office and Payroll costs are charged on a basis consistent with the use of resources.

The method of support cost allocation in the current year is unchanged from that used in the prior year.

	General support	Governance	2021 Total	General support	Governance	2020 Total
	£	£	£	£	£	£
Independent Examination	-	775	775	-	775	775
AGM Expenses	-	167	167	-	341	341
General office	48,728	-	48,728	36,016	-	36,016
Payroll cost	1,152	-	1,152	1,248	-	1,248
Consulting	704	-	704	7,114	-	7,114
Depreciation	-	-	-	515	-	515
	<u>50,584</u>	<u>942</u>	<u>51,526</u>	<u>44,893</u>	<u>1,116</u>	<u>46,009</u>

Support costs includes £38,157 (2020: £10,200) of restricted expenditure

9 PAYMENTS TO THIRD PARTIES

The Energy Savings Trust Contract includes £10,525 which represents the total cost of Energy Vouchers distributed to those local clients identified as being eligible to receive them.

10 NET INCOMING/(OUTGOING) RESOURCES FOR THE

	2021	2020
	£	£
This is stated after charging:		
Depreciation	-	515
Independent examination	<u>775</u>	<u>775</u>

11 FUND TRANSFER

Transfers to (and from) restricted funds are made at the discretion of the Trustees. Transfers from restricted funds of £10,954 were made resulting in a net transfer of £10,954 to unrestricted funds (please see note 15). Additionally, the £69,000 previously held within the unrestricted fund as a designated fund was fully incorporated within the unrestricted funds.

12 TANGIBLE FIXED ASSETS

Cost	2021	2020
	£	£
Cost at 1 April 2020	16,002	16,002
Additions	-	-
At 31 March 2021	<u>16,002</u>	<u>16,002</u>
Depreciation		
At 1 April 2020	16,002	15,487
Charge for the year	-	515
At 31 March 2020	<u>16,002</u>	<u>16,002</u>
Net Book Value		
At 31 March 2020	-	515
At 31 March 2021	<u>-</u>	<u>-</u>

13 DEBTORS

	2021	2020
	£	£
Funding Payments outstanding	24,542	42,002
Prepayments	16,163	3,921
Other debtors	917	2,307
	<u>41,622</u>	<u>48,230</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Taxation and social security	7,242	7,136
Other creditors	37,439	3,565
Accruals	1,017	1,017
Funding payments received in advance	83,477	131,136
	<u>129,175</u>	<u>142,854</u>

Citizens Advice Reading (Limited by Guarantee)

Reading Citizens Advice Bureau (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

15 MOVEMENT IN FUNDS

<u>Year to 31 March 2021</u>	As at 31st March 2020	Incoming Resources	Outgoing Resources	Transfers 2021	As at 31st March 2021
£	£	£	£	£	£
RESTRICTED FUNDS					
Thames Water Trust Fund	-	35,000	37,353	2,353	-
Red Cross - Immigration	-	38,480	46,136	7,656	-
Macmillan	-	103,354	102,253	-	1,101
EU Energy (STEP)	-	35,780	35,780	-	-
Henry Smith Charity	-	57,325	56,160	-	1,165
Help to Claim	-	32,110	38,857	6,747	-
Peace of Mind Matters	-	16,119	15,981	-	138
Equipment Upgrade	-	10,892	10,397	-	495
Energy Savings Trust	-	12,691	10,525	(2,166)	-
National Lottery Community Fund	-	89,008	50,094	(28,114)	10,800
Coronavirus Job Retention Scheme	-	11,903	14,473	2,570	-
TOTAL RESTRICTED FUNDS	-	442,662	418,009	(10,954)	13,699

The £10,800 Reserve as at 31st March 2021 within the National Lottery Community Fund refers to a new Telephone System purchased in March 2021 but yet to be delivered

UNRESTRICTED FUNDS

Designated Funds

Income Shortfall Fund	69,000	-	-	(69,000)	-
Total Designated Funds	69,000	-	-	(69,000)	-

General Fund	138,136	225,465	240,681	79,954	202,874
TOTAL UNRESTRICTED FUNDS	207,136	225,465	240,681	10,954	202,874
TOTAL FUNDS	207,136	668,127	658,690	-	216,573

CURRENT RESTRICTED FUND PROJECTS

Thames Water Trust Fund: This is to help customers find ways of resolving their water debt problems. Extended Contract terminates March 2023.

Red Cross - Immigration: Funded by the Big Lottery, this is a partnership between the British Red Cross, Citizens Advice Reading and Sanctuary Hosting to develop services for improving the lives of refugees and others in the Thames Valley area. Extended Contract terminates April 2021.

Macmillan: Funded by Macmillan Cancer Support this service provides advice on benefit entitlements for cancer sufferers and their families. Extended Contract terminates December 2024.

EU Energy (STEP): Funded by the EU, this is a partnership of 11 consumer and research organisations from across the EU, working together to provide solutions to help people who face energy poverty. Contract terminates May 2022.

Henry Smith Project: Funded by the Henry Smith Charity, this is a direct replacement for the previous Lloyds Housing project, helping individuals facing severe housing issues. Contract terminates June 2021.

Help to Claim Project: Funded via resources provided by the Government and administered centrally by National Citizens Advice; the Help to Claim service offers support with making a new claim for Universal Credit. This replaces support previously provided by local authorities. Contract terminates no earlier than March 2021.

Peace Of Mind Matters - funded by The Earley Charity £20,000; Berkshire Community Foundation £9,737; and The Shanley Foundation £2,500; this one year project (50% of the Funding being used in 20/21) is a new service which can help support with advice and guidance around End of Life planning. Contract terminates September 2021.

Equipment Upgrade - with funding provided by National Citizens Advice (£5,445) and The Berkshire Community Foundation (£3,800), the monies were used to help support remote working during the Covid-19 pandemic. Contract terminated March 2021

Energy Savings Trust Project - with money provided from OFGEM's Energy Redress Fund this Fuel Voucher Scheme provides targeted help for people using prepayment meters. Contract terminated January 2021.

National Lottery Community Fund - with money provided by the Government, this funding helped support charities and communities impacted by Covid-19, CAR were awarded £89,008 to help update our dated telephony system, recruit a mental health worker and a welfare benefits caseworker, whilst also covering our expected annual deficit due to funding difficulties as a result of Covid-19. Contract terminated March 2021.

Coronavirus Job Retention Scheme - funded by HMRC this Scheme provided 80% of the salary cost for those staff members unable to work during the early part of the Pandemic.

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

CURRENT DESIGNATED FUNDS

Income Shortfall Fund: To cover expected near-term shortfalls between Income and Expenditure, the Trustees resolved to set aside £100,000 from the General Fund effective 31st March 2018 which was being drawn down as needed to a value of £69,000 as at 31st March 2020. With changes this year to the Reserves Policy, the Trustees determined that a specific Income Shortfall was no longer required, resulting in the £69,000 now being undesignated and fully incorporated within the unrestricted reserve fund.

<u>Year to 31 March 2020</u>	As at 31st March 2019 £	Incoming Resources £	Outgoing Resources £	Transfers 2020 £	As at 31st March 2020 £
RESTRICTED FUNDS					
Thames Water Trust Fund	-	35,000	37,305	2,305	-
Red Cross - Immigration	506	35,720	42,617	6,391	-
Macmillan	3,743	96,687	105,080	4,650	-
Lloyds Housing Debt Project	-	36,691	36,691	-	-
Henry Smith Charity	-	56,475	64,423	7,948	-
Help to Claim	-	29,118	30,835	1,717	-
TOTAL RESTRICTED FUNDS	4,249	289,691	316,951	23,011	-
UNRESTRICTED FUNDS					
Designated Funds					
Income Shortfall Fund	80,000	-	-	(11,000)	69,000
Total Designated Funds	80,000	-	-	(11,000)	69,000
General Fund	130,107	272,516	252,476	(12,011)	138,136
TOTAL UNRESTRICTED FUNDS	210,107	272,516	252,476	(23,011)	207,136
TOTAL FUNDS	214,356	562,207	569,427	-	207,136

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

<u>Year to 31 March 2021</u>	Tangible Fixed Assets £	Net Current Assets £	Total 2021 £
Restricted Income Funds			
Thames Water Trust Fund	-	-	-
Red Cross - Immigration	-	-	-
MacMillan	-	1,101	1,101
EU Energy (STEP)	-	-	-
Henry Smith Charity	-	1,165	1,165
Help to Claim	-	-	-
Peace of Mind Matters	-	138	138
Equipment Upgrade	-	495	495
Energy Savings Trust	-	-	-
National Lottery Community Fund	-	10,800	10,800
Furlough Payments from HMRC	-	-	-
Unrestricted Funds			
Designated Fund	-	-	-
General Fund	-	202,874	202,874
Totals	-	216,573	216,573
<u>Year to 31 March 2020</u>			
Restricted Income Funds			
Thames Water Trust Fund	-	-	-
Red Cross - Immigration	-	-	-
MacMillan	-	-	-
Lloyds Housing Project	-	-	-
Unrestricted Funds			
Designated Fund	-	69,000	69,000
General Fund	-	138,136	138,136
Totals	-	207,136	207,136

Citizens Advice Reading (Limited by Guarantee)

Notes to the Financial Statements Year to 31 March 2021

17 PENSION FUND

The company operates a defined contribution scheme for the benefit of paid employees. The assets of the scheme are administered in a fund independent from those of the company.

The pension cost charge for the year payable by the company was £15,486 (2019/20: £13,102)

18 OPERATING LEASE COMMITMENTS

At the year end the charity had annual commitments under non-cancellable

Operating lease agreements as follows:-

	Total 2021 £	Total 2020 £
Operating leases which expire		
Within one year	-	-
Within two to five years	4,063	6,931

19 BENEFIT IN KIND

The premises used by Reading Citizens Advice Bureau (with an assessed Rental Value of £50,000 p.a.) are, and have been, provided to the Charity as a "Benefit in Kind" by Reading Borough Council and is shown as "Voluntary Income" within the SOFA.

In turn this total cost is re-apportioned to each of our various Projects – using an allocation formula based upon a corresponding estimate of relevant floor usage during the Financial Year. The total Premises cost shown within the SOFA (2020/21: £ 113,124) incorporates this £50,000 cost.

20 RELATED PARTY TRANSACTIONS

There were no related party transactions during 2020/21; nor were there any in the previous year.

21 TRUSTEE DONATIONS

Trustees have made small Donations to the Charity in both 2020/21 and the previous year. These donations are already included within the "Other Donations - Unrestricted" figures totalling £4,240 (2019/20 £7,994) detailed in Note 2.

Of these, identifiable donations from Trustees in 2020/21 amounted to £600 (2019/20: £775)