

**SUTTON BOROUGH CITIZENS ADVICE BUREAUX**  
Operating as CITIZENS ADVICE SUTTON

**Charity number: 1061654**  
**Company number: 03179963**

**Financial Report and Accounts**  
**for the Year Ended 31 March 2021**

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# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Reference and Administrative Details**

### **Name, Charity Number, Company Number and Registered Office**

Sutton Borough Citizens Advice Bureaux is a charitable company limited by guarantee. The registered Charity Number is 1061654 and the Company Number is 03179963. The registered office is 68 Parkgate Rd, Wallington, SM6 0AH.

### **Professional Advisers**

Bankers	CAF Bank 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ
Auditor	Myrus Smith, Chartered Accountants Norman House, 8 Burnell Road, Sutton, Surrey, SM1 4BW

## **Structure, Governance and Management**

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019, and UK Generally Accepted Accounting Practice.

### **Governing Document**

Citizens Advice Sutton is a charitable company limited by guarantee, incorporated on 29<sup>th</sup> March 1996 as amended by special resolutions dated 14<sup>th</sup> May 2003, 8<sup>th</sup> September 2004 and 8<sup>th</sup> September 2009 and registered as a charity on 2<sup>nd</sup> April 1997. 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. In the event of the company being wound up each member is required to contribute £1.

### **Trustee Board**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles as members of the Trustee Board. Citizens Advice Sutton has a broad client base, and the Trustee Board seeks to reflect the diversity of the local community.

The Trustee Board has a minimum of four and a maximum of 25 trustees who meet quarterly and are responsible for the strategic direction and policy of the charity. The trustees are from professional or business backgrounds relevant to the charity or with involvement in other voluntary sector organisations. The Finance Manager, Chief Executive Officer and a senior manager attend the Board but have no voting rights. All Board members give their time freely, no remuneration was paid in the year beyond the reimbursement of reasonable expenses. The Board members listed below have held office during the whole of the year to 31 March 2021 and to the date of this report unless otherwise stated.

### **Trustee Board Members**

Andrew Theobald - Chair	Jason Gold – Chair, Risk Committee
Phillip Ang – Chair, Planning and Finance Committee	Firas Al-Fakhri
Andrew Burchell – Vice Chair	Nigel Quinney
Ashley Thomas- Information Asset Accounting Officer	Shirley Mason
Peter Honour	

### **Principal Executives**

Steve Triner – CEO. Company Secretary from November 2020  
Sue Logan – Company Secretary to November 2020

### **Elections to the Trustee Board**

Under the requirements of the Memorandum and Articles of Association the members of the Trustee Board are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. In practice, all the members of the Trustee Board retire just before each Annual General Meeting and offer themselves for re-election if they wish to stand. At the 2020 AGM all the Trustees who stood down were re-elected.

# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Trustee Induction and Training**

The Trustee Board operates a formal selection procedure for potential new members. The procedure includes:

- Invitation to informally meet Chief Executive and Chair.
- Provision of information about the organisation including the organisation's aims and principles, research and campaigns, annual review and annual report.
- Provision of an application form and confidentiality declaration.
- Formal nomination to Trustee Board and invitation to join the next meeting.
- Provision of induction pack including welcome letter, information about Trustee Board, schedule of board meetings, details of sub committees, equalities data form, code of conduct, request for profile information and Register of Interests. New Trustees are encouraged to visit the offices, meet staff and volunteers, and observe interviews etc.

Trustees are offered opportunities to attend suitable trustee training courses either locally or at Citizens Advice head office.

## **Organisational Structure**

Day to day responsibility for running the organisation rests with the Chief Executive Officer, who works with a Senior Management Team (SMT) to ensure the service meets its aims and complies with relevant standards. The SMT includes the Chief Executive and four Senior Managers. The SMT ensures that advice is delivered to the standards required by Citizens Advice and other stakeholders. The mainstay of the service continues to be the volunteers who provide a high proportion of the advice to our clients and administrative support services.

The remuneration of the charity's SMT is set by the Trustee Board, taking into account the charity's financial position and the amount paid for similar roles in comparable organisations.

## **Related Parties**

Citizens Advice Sutton is affiliated to Citizens Advice (the National Association of Citizens Advice Bureaux) and complies with their membership scheme.

The charity was funded in 2020/21 by: the London Borough of Sutton, with whom it has a contract to provide information and advice to residents; the Legal Aid Agency, with whom it has a contract to provide housing advice; the Money and Pension Service, who fund the Debt Free London debt advice partnership of which Citizens Advice Sutton is a member; Department of Work and Pensions via Citizens Advice, who fund the Pension Wise project; The National Lottery; Trust for London; the Henry Smith Charity and the Home Office who funded our EU Settlement Scheme project.

Citizens Advice Sutton has partnership agreements with Age UK Sutton and Sutton Carers Centre for the delivery of ALPS. Citizens Advice Sutton also works with other local public services, the local voluntary sector including Sutton Mental Health Foundation, Refugee Migrant Network Sutton and local solicitors' firms to deliver advice and information services in line with its aims.

## **Internal Control**

The Trustee Board carries out the following internal control activities:

- Setting a budget for each financial year.
- Approving authorised signatories and setting limits on delegated financial authorities.
- Monitoring actual financial performance against budget.
- Reviewing the risk register.
- Reviewing the reserves policy.
- Conducting such internal reviews as it shall see fit.
- Ensuring that accounting rules are followed and that an independent audit is conducted.

The Planning and Finance Committee is a standing committee of the Trustee Board. The Planning and Finance Committee membership comprises the Trustee Board Chair, the Treasurer who chairs the Committee, and up to two other Trustees. The Chief Executive attends the Planning and Finance Committee meetings. The Committee considers financial and strategic issues and formulates recommendations to the Trustee Board. The Committee has also been given delegated authority by the Trustee Board to decide on the initiation or termination of projects where the income or expenditure in those projects is up to 10% of the total income of Citizens Advice Sutton.

## **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

The Risk Committee is a standing committee of the Trustee Board. The Risk Committee membership comprises the Trustee Board Chair, the Treasurer, and up to three other Trustees. The Chief Executive attends the Risk Committee meetings. The Committee considers non-financial risks and formulates recommendations to the Trustee Board. The role of the Risk Committee is to support the Board of Trustees in the management of risk, by helping ensure significant risks for CAS are identified and analysed and an action plan to mitigate risk is drawn up and implemented effectively.

### **Investment Policy**

Under the Memorandum and Articles of Association, the Charity has the power to make any cash investments that the Trustees see fit.

### **Reserves Policy**

The designated reserves as at 31 March 2021 stood at £38,648 (£18,783 redundancy and £19,865 equipment) and other unrestricted reserves amounted to £422,792. Total unrestricted reserves before the pension scheme deficit stood at £461,440. Restricted reserves at the year-end were fully expended. The charity has unrestricted reserves (excluding designated reserves) to provide for about three months operating costs. Citizens Advice Sutton will aim to raise the level of these reserves to about four months operating costs in the future.

A valuation of the final salary pension scheme (under FRS102 rules) was carried out on 31 March 2021. The valuation determined that the deficit stood at £1,291,000, which when included in the balance sheet produces a total net liability of £793,277. The details of the pension scheme and deficit are given in Note 13 to the accounts. The Trustees believe that Citizens Advice Sutton should continue to be regarded as a going concern for the reasons given in Note 1b. The Trustee Board will continue to monitor closely the financial position and take any necessary actions to maintain its status as a going concern.

### **Risk Management**

The Trustee Board and the Risk Committee monitor the risk register regularly to ensure that action is taken or systems are in place to manage identified areas of risk. Citizens Advice Sutton continues to review its procedures and policies to ensure that they are consistent with best practices. The charity focuses on the following major areas of risk:

- Financial Control. The Finance Manager produces detailed management accounts every month which are reviewed by the Treasurer. Current management accounts are presented to the Trustee Board and the Planning and Finance Committee at every meeting. The performance against budget is monitored and any actions required to rectify underperformance are identified.
- Non-Financial Risk control. The Chair of the Risk Committee works closely with the CEO to maintain an up-to-date Risk Register. The Risk Register is reviewed by the Risk Committee.
- External Stakeholder Relationships. The Trustee Board attaches high importance to developing and maintaining good external stakeholder relationships. Citizens Advice Sutton relies on its excellent reputation for delivering timely and effective advice to members of the public to persuade stakeholders to use Citizens Advice Sutton as a prime medium of communication to the general public.

Various other key risks have been mitigated in the following ways:

- Income. Ensuring that the organisation maintains an adequate level of income to carry out its charitable objectives.
- Training. Ensuring that all staff and volunteers are properly trained, supported, and supervised as they carry out their activities.
- Financial Procedures. The Trustee Board has approved and keeps under review, a set of Financial Procedures which define the ways in which all financial transactions are to be authorised and recorded.
- Insurance. Ensuring adequate insurance provide cover for professional indemnity, assets, employees, trustees and volunteers carrying out work for and on behalf of the Citizens Advice Sutton.

# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Information Assurance**

Citizens Advice Sutton has adopted the Information Assurance (IA) policy as recommended by Citizens Advice. In summary, the way in which information risks are managed under this policy is as follows:

- A member of the board, who has undertaken appropriate training is the **Information Assurance Accounting Officer (IAAO)** and ensures that all significant information risks are discussed and approved at Trustee Board level.
- The Chief Executive is the **Senior Information Risk Officer (SIRO)** and owns the information risk policy and provides advice to the Trustee Board.
- Specific groups of information assets, for example client data, have been identified and individual members of staff are the **Information Asset Owners (IAO)** for each group.
- All staff and volunteers complete basic Information Assurance training with annual refresher training, in addition the IAAO, SIRO and all IAOs have successfully complete advanced IA training. All staff and volunteers sign, and re-sign every year, the Acceptable IT Usage policy.
- **Management of information risks** is a standing item on the agenda of all Trustee Board meetings, to ensure they are reviewed alongside other risks.

## **Objectives and Activities for the Public Benefit**

### **Strategic Objectives**

The stated objective of Citizens Advice Sutton is to promote charitable purposes for the public benefit of the community in the London Borough of Sutton and the surrounding areas by the advancement of education, the protection of health and the relief of poverty, sickness, and distress. Citizens Advice Sutton meets these objects through the following activities:

- Providing the advice people need for the problems they face.
- Working to improve the public policies and practices that affect people's lives.

The Trustee Board has complied with the duty in section 4 of 2006 Charities Act to have due regard to guidance published by the Charity Commission on public benefit, both when reviewing the Citizens Advice Sutton's aims and objectives and also in planning future activities.

### **Activities and outcomes**

The strategic objectives were supported by the following activities during the year:

#### **Advice Link Partnership Sutton**

The LB Sutton has a contract with Citizens Advice Sutton to provide information and advice services. The contract commenced in April 2016 for a term of three years with the option of extensions for a further two years. The contract has, because of the pandemic been extended to June 2022. The contract provides funding for Citizens Advice Sutton to deliver the ALPS (Advice Link Partnership Sutton) service.

Citizens Advice Sutton is the lead agency for the ALPS service and sub-contracts some of the work to Age UK Sutton and Sutton Carers Centre. The ALPS service offers one phone number for Information and Advice - 020 8254 2616. The ALPS phone menu provides access to Citizens Advice Sutton, Age UK Sutton, and Sutton Carers Centre during the core hours of 9.00 am to 5.00 pm, Monday to Friday. The phone service also provides continuous access to the Samaritans and the National Domestic Violence Helpline. The website for the ALPS service- [www.suttonalps.org.uk](http://www.suttonalps.org.uk) - includes online forms that enable people to submit enquiries to Citizens Advice Sutton, Age UK Sutton, and Sutton Carers Centre.

#### **Telephone contact centre**

The local authority funding enables us to run a telephone contact centre. During 2020/21, we adapted our telephone service to comply with lockdown and work from home requirements. Volunteers and staff answered calls working from home. For most of the year, only small numbers of people answered calls in the office. People can telephone us from 9.00 am to 5.00 pm, Monday to Friday. In 2020/21, we handled 9420 telephone calls from residents. Approximately 40% of the calls to our Contact Centre were answered by 21 carefully selected and fully trained volunteers, the remainder by paid staff. The proportion of calls answered by volunteers was much lower than in previous years due to the practical limitations of remote supervision and adapting the technology for home working.

# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Information Centre**

The Information Centre in the Sutton office is usually open from 9.00 am to 5.00 pm Monday to Friday. We had to close the Information Centre for much of 2020/21 to comply with government lockdown requirements. When we were able to open the Information Centre, we opened it for reduced hours – 10.00 am to 3.00 pm, Monday to Friday. When the Information Centre was closed, the team provided telephone advice. The volunteers and staff in the Sutton Information Centre provide information, initial advice, arrange appointments and signpost people to other sources of help. The staff and volunteers resolve enquiries at the first point of contact when appropriate and possible. In 2020/21, the Information Centre team recorded contact with 1,126 people who received information or advice. The team recorded 4,486 contacts with these clients. 18 advisers recorded contact with clients. Nine of these advisers were volunteers. Our Information Centre service is particularly important for vulnerable people including people who are homeless or have mental health difficulties.

## **Website enquiries**

People can contact Citizens Advice Sutton online at the [www.suttonalps.org.uk](http://www.suttonalps.org.uk) website. People can complete subject specific forms to submit enquiries to us. Over the year we handled 1,007 enquiries through our website. People do not need to have an email address to access our service online as we can respond to website enquiries by telephone. The number of website enquiries was, due to the pandemic, much higher in 2020/21 than in previous years.

## **Core service**

Our local authority contract funds our core advice service. Our core advice service is primarily delivered by fully trained and supervised volunteers. In 2020/21, our core advice service provided detailed advice to 540 individual clients. We provided these clients with full advice, after their initial contact with our contact centre, drop in or website. We provided 411 telephone appointments – we could not provide a significant number of appointments face to face because of pandemic restrictions. We provided 405 advice 'call-backs and 22 socially distanced face to face appointments. This core advice was provided by a team of 33 advisers which included 15 volunteers. Our volunteers provided a total of 182 advice call backs and advice appointments. Most of this advice was delivered by people working from home. The number of appointments and call-backs delivered by volunteers was lower than in previous years because of the practical limitations of remote supervision.

## **Healthwatch Sutton**

Citizens Advice Sutton delivered an Information Service on behalf of Healthwatch Sutton. We responded to 386 unique enquiries about health and social care.

## **Energy Advice Programme**

Citizens Advice provides Citizens Advice Sutton with funding from the Energy Advice Programme. A Citizens Advice Sutton adviser provided advice to consumers on how to obtain a service from the most cost-effective suppliers. In 2020/21, Citizens Advice Sutton staff and volunteers provided Energy Advice to 153 individual clients. We had a total of 1009 contacts with those clients.

## **Legal Aid Agency**

Citizens Advice Sutton has a contract with the Legal Aid Agency to provide housing advice to clients eligible for legal help. We opened 45 Legal Aid housing cases out of which 5 clients were advised under a legal aid certificate. The Citizens Advice Sutton housing solicitor and caseworker also handled 115 housing cases that were outside of the scope of legal aid. We increased the number of clients we advised under a legal aid certificate. Certificated cases are more complex cases that usually involve disbursements to other professionals such as barristers, health professionals and surveyors. The Legal Aid Agency reimburse those fees at the conclusion of the case.

## **Pension Wise**

Citizens Advice Sutton is a Pension Wise delivery centre. Pension Wise provides people with free and impartial guidance on their defined contribution pension options. The Pension Wise service is usually a face to service, but due to the pandemic we delivered the service exclusively by telephone, as part of a national Pension Wise telephone service.

## **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

### **Debt Free London**

Citizens Advice Sutton is a member of the Debt Free London (DFL) debt advice partnership, funded by the Money and Pension Service and led by Toynbee Hall. The DFL project is primarily a face-to-face service, but due to the pandemic, we provided a telephone-based service. In 2020/21, our DFL debt advice team provided full debt advice to 1251 individual clients. Most of the DFL clients were given advice on complex debt cases involving priority debts such as Council Tax arrears, utilities, and rent. The debt team includes staff who are 'approved intermediaries' for Debt Relief Orders. In 2020/21, the CAS debt team arranged for £348,570 of debt to be written off in Debt Relief Orders. The debt team also negotiated reduced payments or informal write offs of £364,855 of debt.

### **Reaching Communities**

The National Lottery provided us with funding under the Reaching Communities programme. The grant started on 13<sup>th</sup> May 2019. The funding supports our outreach work. In 2020/21, we were, due to the pandemic unable to provide our usual outreach services. We worked through the year with our partner organisations, providing advice by telephone and online. We worked with Sutton Mental Health Foundation, Sutton Carers Centre, and the Domestic Violence One Stop Shop. We also work with Age UK Sutton and Refugee Migrant Network Sutton to deliver the project. Over the year, the National Lottery grant enabled us to provide advice to 1,538 individual residents. We had 2,396 contacts with those clients. Our specialist domestic violence adviser supported 56 women who were living with or escaping from domestic abuse. The adviser had 280 contacts with those clients.

### **Henry Smith Charity**

The Henry Smith Charity provided us with funding for welfare benefits advice and casework. The funding enabled us to support 438 people in 2020/21. We had 3,561 contacts with those clients.

### **Trust for London**

The Trust for London funded us through 2020/21 to deliver a Universal Credit project. The project supported 134 individual clients. We had 994 contacts with or on behalf of those clients. The Trust for London grant includes funding for a Research & Campaigns Worker who focusses on Universal Credit.

### **Universal Credit – Help to Claim**

Citizens Advice provided us with funding to support people with Universal Credit claims. We participate in a national telephone and webchat service. Over the year the year, we supported 143 Sutton residents to claim Universal credit. We had 615 contacts with those clients.

### **EU Settlement Scheme**

The Home Office provided us with a grant to support vulnerable EU Nationals with their applications to the EU Settlement Scheme. The project ran through the year. We supported 184 individual people to apply to the project and engaged with 364 people. We worked on the project with Refugee Migrant Network Sutton.

### **Citizens Advice Sutton in the Community**

Over the course of the year, Citizens Advice Sutton staff and volunteers provided presentations, talks and training sessions to a wide range of local community groups including the Sutton Mental Health Foundation, Sutton Social Services, the parent's forum and more. These events would usually be delivered in person, but in 2020/21, we provided online presentations, talks and training sessions. A member of CAS staff with expertise in welfare benefits chairs the local Welfare Reform Advice Forum.

### **Free advice from local solicitors**

Local solicitors usually provide free advice, by appointment, in our offices. People access the free service by appointment. The appointments are offered to people with advice needs that can be most appropriately met by a solicitor. The solicitors provide advice on issues including family, children, landlord and tenant, housing, civil litigation, immigration, clinical negligence, personal injury, wills and probate, debt recovery and employment. In 2020/21, we were unable, due to the pandemic to provide this face-to-face service, but local solicitors provided a total of 160 telephone advice appointments.



# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Volunteering**

Citizens Advice Sutton is one of the largest providers of volunteering opportunities in the boroughs. During 2020/21 approximately 40 individual people volunteered for CAS, in a variety of roles including advisers, contact centre team members and providing administration support. 35 individual volunteers recorded at least one contact with a client. Our volunteers recorded a total of 5,901 client contacts in the year. We estimate that volunteers contributed approximately 14,000 hours of time to Citizens Advice Sutton. The volunteer hours are the equivalent of 8 FTE members of staff.

Our volunteers delivered a substantial amount of work from their own homes. Volunteers took incoming calls from clients, via an app that diverted client calls to the contact centre to mobile phones. Volunteers provided full telephone advice by appointment and provided substantial amounts of casework. Our volunteers are carefully selected and fully trained for their roles.

## **Research and Campaigns**

Citizens Advice Sutton, like every Local Citizens Advice service, undertakes 'Research and Campaigns' work. We use the information from our case records etc. to make recommendations to public authorities to improve the policies and practices that affect people's lives. In 2020/21, a significant amount of our Research and Campaigns activity was focussed on Universal Credit. Our Trust for London project includes funding for a Universal Credit research & campaigns worker who worked on issues including the retention of the £20 per week Universal Credit uplift and Universal Credit entitlement for EU nationals with 'pre-settled status.'

## **Achievements and Performance**

### **Key Statistics**

The key statistics measuring the achievements and performance of Citizens Advice Sutton during the year are given below: In 2020/21 we advised 7,074 individual people included 5,471 named individual clients and 1,603 anonymous clients.

### **Financial gains**

We record the financial gains for individual clients that directly result from our advice services. The total financial gains of £1,255,718 break down as follows:

Type	Total
Benefits and tax credits	£870,753
Debt (reduced or written off)	£348,570
Employment	£ 22,762
Tax	£ 250
Utilities and Communications	£2600
Other	£10,783
Total	£ 1,255,718

In addition to this £1,255,718 our specialist debt team arranged for reduced payments or informal write offs on £364,855 of client debt.

### **Feedback from clients and Impact of our services**

In 2020/21 as part of the national Citizens Advice Performance Quality Framework, Citizens Advice contacted 364 clients who participated in a survey. The survey is anonymous in that Citizens Advice provides the full set of responses but does not disclose the identity of individual clients. The survey is comprised of three questions. The proportions of clients who gave positive responses to the questions were as follows.

Ease of access to the service:	83.6%
The service helped [you] to find a way forward:	85.4%
Problem resolution:	77.9%
Recommend the service:	92.1%

# Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021

## Enquiries by Type

In 2020/21, we handled 11,191 distinct enquiries. Some people contacted us over the year with more than one distinct enquiry. The issues that residents brought to Citizens Advice Sutton in 2020/21 break down as follows:

Enquiry type	Number of enquiries	Enquiry type as percentage of total enquiries
Benefits (excluding Universal Credit)	2,385	21.3
Universal Credit	963	8.6
Consumer	378	3.4
Debt	781	7
Discrimination, Gender Based Violence & Abuse	217	1.9
Education	84	0.8
Employment	1,098	9.8
Financial services	103	0.9
Health & Community Care	386	3.4
Housing	1,667	14.9
Immigration	447	4
Legal	387	3.5
Other	975	8.7
Relationships	773	6.9
Tax	50	0.4
Travel	211	1.9
Utilities	286	2.6
<b>Total</b>	<b>11,191</b>	<b>100</b>

## Plans for Future Periods

2021/22 is the final year of our contract with the London Borough of Sutton to provide information and advice services. The council is commissioning services to help residents to 'Make Informed Choices' – we do not currently know how this will impact on our future funding. We also face, considerable uncertainty about the future of our funding for debt advice as the Money and Pension Service is recommissioning face to face debt advice.

## Financial Review

Total income increased by £122,552 (8%) to £1,727,308 compared with the previous year's £1,604,756. Grant income increased by £79,954 (8%) to £1,107,204 from £1,027,250. This was due to increased income in the Pension Wise, Debt Free London projects and additional funding from London Borough of Sutton to help us meet the additional operational challenges / demand from the pandemic. Contract income increased by £28,813 (5.5%) to £551,968 from £523,155.

Costs increased by £55,267 (3%) to £1,678,307 from £1,623,040. This was due largely to increased staff costs in Debt Free London due to further expansion of that programme with the recruitment of trainee debt advisers. The net result for the year was a surplus of £49,001 before other recognised gains and losses.

The deficit on the pension scheme has increased to £1,291,000 which resulted in a recognised loss in the accounts of £213,000. The result is a net deficit for the year of £163,999 and a net liability in the balance Sheet of £793,277. The deficit of the scheme does not result in an immediate cash flow impact on the charity. This deficit will be cleared with an increase in pension contributions over the remaining working lives of the employees, as determined by the Trustees of the Pension Scheme.

# **Sutton Borough Citizens Advice Bureaux (Citizens Advice Sutton) Trustees' Report 1 April 2020 to 31 March 2021**

## **Statement of Directors' Responsibilities**

The Trustees (who are also the directors of Sutton Borough Citizens Advice Bureaux for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

The directors are responsible for maintaining proper accounting records which 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.

## **Auditor**

Myrus Smith, Chartered Accountants are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

## **Small Company Provision**

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

## **Approval**

This report was approved by the trustees and signed on their behalf by:

2021

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Andrew Theobald - Trustee

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON BOROUGH CITIZENS ADVICE BUREAUX (Citizens Advice Sutton)**

## **Opinion**

We have audited the financial statements of Sutton Borough Citizens Advice Bureaux (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2021, 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The trustees are responsible for the other information contained within the Trustees' Report. The other information comprises the information included in the Trustees' 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 this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON BOROUGH CITIZENS ADVICE BUREAUX (Citizens Advice Sutton)**

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

## **Responsibilities of trustees**

As explained more fully in the Directors' Responsibilities Statement (set out on page 10), 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON BOROUGH CITIZENS ADVICE BUREAUX (Citizens Advice Sutton)**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Jones FCA (Senior Statutory Auditor)  
For and on behalf of Myrus Smith  
Chartered Accountants and Statutory Auditors  
Norman House  
8 Burnell Road  
Sutton, Surrey  
SM1 4BW

Date: 2021

**SUTTON BOROUGH CITIZENS ADVICE BUREAUX**  
**Statement of Financial Activities and Income & Expenditure Report**  
**For the year to 31 March 2021**

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
<b>Income</b>					
Donations	3	-	-	-	1,995
Activities for generating funds					
Investment income	4	300	-	300	812
Income from charitable activities					
Grants	5	-	1,107,204	1,107,204	1,027,250
Contracts and service level agreements	6	551,968	-	551,968	523,155
Fee income	7	66,319	-	66,319	51,166
Other	8	1,517	-	1,517	378
Total income		620,104	1,107,204	1,727,308	1,604,756
<b>Expenditure</b>					
Cost of raising funds		-	-	-	-
Charitable activities	9	607,386	1,070,921	1,678,307	1,623,040
Total expenditure		607,386	1,070,921	1,678,307	1,623,040
Net income/(expenditure) for the year before transfers	12	12,718	36,283	49,001	(18,284)
Gross transfers between funds	21	-	-	-	-
Net income/(expenditure) before other recognised gains and losses		12,718	36,283	49,001	(18,284)
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension scheme	13	(272,000)	-	(272,000)	296,000
Other (losses)/gains	13	59,000	-	59,000	(119,000)
<b>Net movement in funds</b>		(200,282)	36,283	(163,999)	158,716
<b>Reconciliation of funds</b>					
Total funds brought forward	21	(629,278)	-	(629,278)	(787,994)
Total funds carried forward	21	(829,560)	36,283	(793,277)	(629,278)

This statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 29 form part of these accounts

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

Balance Sheet as at 31 March 2021

Company Number 03179963

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	15	-	-
<b>Currents assets</b>			
Debtors	16	200,344	144,211
Short term deposits		200,000	200,000
Cash at bank and in hand		367,392	251,375
		<b>767,736</b>	595,586
<b>Creditors: amounts falling due within one year</b>	17	<b>(270,013)</b>	(146,864)
<b>Net current assets</b>		<b>497,723</b>	448,722
<b>Provision for liabilities</b>	13	<b>(1,291,000)</b>	(1,078,000)
<b>Total assets less current liabilities</b>	20	<b>(793,277)</b>	(629,278)
<b>Funds</b>			
Unrestricted:			
Designated funds	19	38,648	38,648
Other unrestricted funds	21	422,792	410,074
Total unrestricted	21	461,440	448,722
General fund defined benefit pension scheme	13	(1,291,000)	(1,078,000)
Restricted	21	36,283	-
<b>Total funds</b>	21	<b>(793,277)</b>	<b>(629,278)</b>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Charities Act 2011.

Approved by the Board on 2021 and signed on its behalf by

\_\_\_\_\_  
Andrew Theobald - Trustee

The notes on pages 17 - 29 form part of these accounts



**SUTTON BOROUGH CITIZENS ADVICE BUREAUX**  
**Cash Flow Statement**  
**For the year to 31 March 2021**

	£	£
<b>Reconciliation of changes in resources to net cash inflow from operations</b>		
Net incoming resources (as reported)	(163,999)	158,716
Plus/(less): FRS102 operating pension adjustment	213,000	(177,000)
Less income from interest and dividends	(300)	(812)
Decrease/(increase) in debtors	(56,133)	6,339
Increase/(decrease) in short term creditors	123,149	87,650
<b>Net cash inflow from operating activities</b>	<b>115,717</b>	<b>74,893</b>
<b>Cash flow statement</b>		
Net cash inflow from operating activities	115,717	74,893
Returns on investments (Note 4)	300	812
<b>Increase in cash</b>	<b>116,017</b>	<b>75,705</b>
<b>Reconciliation of net cash flow to movement in net cash</b>		
Increase in cash in the period	116,017	75,705
Net cash at 1 April 2020	451,375	375,670
<b>Net cash at 31 March 2021</b>	<b>567,392</b>	<b>451,375</b>

The notes on pages 17 - 29 form part of these accounts.

# **SUTTON BOROUGH CITIZENS ADVICE BUREAUX**

## **Notes to the financial statements for the year ended 31 March 2021**

### **1. Accounting Policies**

Sutton Borough Citizens Advice Bureaux is registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements.

#### **a) Basis of preparation**

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

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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

#### **b) Going Concern**

The Trustees consider it appropriate for the financial statement for the year ended 31 March 2021 to be prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The portion of the pension deficit of the London Borough of Sutton which is allocated to Citizens Advice Sutton has been calculated at £1,291,000.

The balance sheet shows net liabilities for the year end of £793,277; however, this includes the pension scheme liability of £1,291,000 which when excluded leaves net assets of £497,723. The pension shortfall is being funded via future contributions, the rates of which have been set by the pension scheme actuary. The objective of the pension scheme is to clear the deficit over a period of 12 years beginning on 31 March 2020.

The deficit of the scheme does not result in an immediate cashflow impact on the charity. This deficit will be cleared with an increase in pension contributions over the remaining working lives of the employees, as determined by the Trustees of the Pension Scheme.

#### **c) Fund Accounting**

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 are those received which have been earmarked by the Trustees for special purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

#### **d) Incoming Resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of donations and is included in full the Statement of Financial Activities when received.

Activities for generating funds consist of room hire and are accounted for on a receivable basis. Surplus funds are invested in a bank deposit account to earn interest. Interest is also earned on the bank current account. Interest is accounted for when receivable by the Charity.

Incoming resources from the charitable activities consist of Grants which are recognised as received or receivable, whichever is earlier, unless they relate to a future period in which case they are deferred.

Other Income consists of fees receivable, salary reimbursement and other income from the Legal Services Commission. These other sources of income are earned on a receivable basis.

#### **e) Resources Expended**

Expenditure and liabilities are recognised on an accrual basis as soon as there is a legal or constructive obligation committing the charity to that expenditure. Cost of generating funds comprises those costs associated with attracting future income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities.

# **SUTTON BOROUGH CITIZENS ADVICE BUREAUX**

## **Notes to the financial statements for the year ended 31 March 2021**

### Resources Expended (Cont'd)

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity. Overheads including Staff costs, accommodation costs and office running expenses have been charged to both the restricted and unrestricted funds and matched with the grant which have been provided under a service level agreement and contracts for this purpose. Salaries are allocated to the activity in the restricted and unrestricted funds on a time basis. Accommodation costs are allocated to each activity on a staff time basis and office running costs are allocated on a usage basis. Governance costs have been allocated to the general fund on a staff time basis.

#### f) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The costs of assets below £2,000 are not capitalised. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its useful life. For rates see note 15.

#### g) Pension Costs

Pension contributions payable are accounted for in the period to which they relate. The Charity makes contributions to defined benefit multi-employer pension scheme see note 13 of the accounts. The assets of the schemes are held separately from those of the charity in independently administered funds.

#### h) Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure account on a straight line basis over the lease term.

#### i) Deferred Grants

Deferred grants are credited to the Statement of Financial Activities when receivable unless they relate to a specific future period in which case the relevant part is deferred and is recognised in that future period.

#### j) Taxation

As the company is a registered Charity (Registration Number 1061654/0), carrying out charitable purposes, it is exempt from corporation tax.

#### k) Transfers Between Funds

Trustees have the authority to transfer amounts from the general unrestricted funds to restricted and unrestricted funds when required.

#### l) 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.

## **2. Legal Status of the Charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

### SUTTON BOROUGH CITIZENS ADVICE BUREAUX

Notes to the financial statements for the year ended 31 March 2021

	Unrestricted Funds £	Restricted Funds £	Totals 2021 £	Totals 2020 £
<b>Note 3 - Voluntary income</b>				
Donations	-	-	-	1,995
	-	-	-	1,995

All voluntary income is recognised as unrestricted for current and prior years.

### Note 4 - Investment income

Interest on bank deposits	300	-	300	812
	300	-	300	812

Of the £812 recognised in 2020, £745 was unrestricted funds and £67 was restricted funds.

### Note 5 - Grants

Pensionwise	-	480,322	480,322	469,419
Capitalise	-	314,760	314,760	233,805
Reaching Communities	-	158,757	158,757	166,616
Henry Smith Project	-	51,400	51,400	38,550
Trust for London	-	45,500	45,500	44,500
EU Settlement Grant	-	26,746	26,746	38,498
CitA Universal Support	-	29,719	29,719	27,544
TD Charitable Foundation	-	-	-	8,318
	-	1,107,204	1,107,204	1,027,250

All of the £1,027,250 recognised in 2020 was restricted funds.

### Note 6 - Contracts and service level agreements

General Fund:

LBS I&A	517,058	-	517,058	481,104
General Fund	517,058	-	517,058	481,104
Health Watch	20,000	-	20,000	25,011
Energy Best Deal	14,910	-	14,910	17,040
	551,968	-	551,968	523,155

All of the £523,155 recognised in 2020 was unrestricted funds.

### Note 7 - Fee income

Legal Aid Agency Housing	66,319	-	66,319	51,166
	66,319	-	66,319	51,166

All of the £51,166 recognised in 2020 was unrestricted funds.

### Note 8 - Other incoming resources

Sundry Income	1,517	-	1,517	378
	1,517	-	1,517	378

All of the £378 recognised in 2020 was unrestricted funds.

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

### Note 9 - Charitable activities

	Direct Costs	Support Costs	Total 2021	Total 2020
	£	£	£	£
<b>Advice and Guidance Services</b>				
Staff Costs	1,187,679	-	1,187,679	1,111,481
Staff and Volunteer Expenses	6,322	-	6,322	14,217
Partners' Payments	274,826	-	274,826	295,486
Office Costs	-	122,478	122,478	100,056
Premises Costs	-	82,884	82,884	93,939
Governance Costs	-	4,118	4,118	7,861
	1,468,827	209,480	1,678,307	1,623,040

Of the £1,623,040 expenditure recognised in 2020, £546,326 was charged to unrestricted funds and £1,076,714 was charged to restricted funds.

### Note 10 - Governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Accounting and Salary costs	-	-	-	3,360
Audit fee	3,900	-	3,900	3,698
Trustee Indemnity Insurance				635
AGM	98	-	98	72
Other (See Note 14)	120	-	120	96
	4,118	-	4,118	7,861

All of the £7,861 expenditure recognised in 2020 was charged to unrestricted funds.

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

<b>Note 11 - Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	997,393	916,034
Employer's NI costs	89,000	82,455
Staff pension costs	101,286	112,992
<b>Total*</b>	<b>1,187,679</b>	<b>1,111,481</b>

The average number of employees was:	<b>33</b>	<b>30</b>
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No employees earned £60,000 per annum or more

No trustee received any remuneration in respect of services as a trustee during the year (2020 £Nil).

The total amount of employee benefits received by key management personnel was £292,928 (2020: £207,606).

Under FRS 102 employee benefits include gross pay, benefits in kind, employer's National Insurance Contributions and employer's pension costs.

<b>Note 12 - Net incoming/(outgoing) resources for the year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Operating Lease	46,970	46,959
Audit Fee	3,900	3,698

### Note 13 – Pension Costs and Liabilities

The disclosures below relate to funded liabilities within the London Borough of Sutton Pension Fund (the Fund) which is part of the Local Government Pension Scheme (LGPS). Sutton Borough Citizens Advice Bureaux (SBCAB) participates in the Fund which up to 31 March 2021 provided defined benefits based on members' final pensionable salary. From 1 April 2014 the scheme provides benefits based on members' career average salary, with preserved rights for benefits earned under the final salary provisions.

SBCAB closed the scheme to new members with effect from 1 January 2011 although existing members were permitted to accrue service benefits during their employment with SBCAB. The SBCAB's contribution for 2020/21 was 21.6% plus a fixed contribution of £33,000 and the employees' contribution was 6.5% of gross salary.

In accordance with Financial Reporting Standard No. 102 (FRS102) disclosure of certain information concerning assets, liabilities, income and expenditure related to pension schemes is required. This is set out below in pages 21 to 25.

#### SBCAB membership statistics

The table below summarises the SBCAB membership data, as at 31 March 2019 for members receiving funded benefits.

<b>Member data summary</b>	<b>Number</b>	<b>Salary/Pension £000</b>	<b>Average age</b>
Actives	5	178	57
Deferred pensioners	8	28	56
Pensioners	16	56	73

The service cost for the year ending 31 March 2021 is calculated using an estimate of the total pensionable payroll during the year. From the contribution information provided by SBCAB, the estimated total pensionable payroll during the year is £99,000. The projected service cost for the year ending 31 March 2022 has been calculated assuming the payroll remains at this level over the year.

#### Scheduled contributions

The table below summarises the minimum employer contributions due from SBCAB to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 21.6% of payroll p.a. The monetary amounts are due to be paid in monthly instalments.

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

Minimum employer contributions due for the period beginning	1 Apr 2020	1 Apr 2021	1 Apr 2022
Percent of payroll	21.6%	21.6%	21.6%
Plus monetary amount (£000s)	33	35	36

SBCAB may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by the actuary.

### Contributions for the accounting period ending 31 March 2022

SBCAB's regular contributions to the Fund for the accounting period ending 31 March 2022 are estimated to be £32,596. There will be an additional fixed contribution of £35,000.

### Assumptions

The latest actuarial valuation of the London Borough of Sutton Pension Fund and SBCAB's liabilities took place on 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the Fund for FRS102 purposes were:

### Financial assumptions

The financial assumptions used to calculate the results are as follows:

As at 31 March	2021 % p.a.	2020 % p.a.	2019 % p.a.
Discount rate	1.95%	2.35%	2.40%
Pension increases	2.85%	1.90%	2.40%
Salary increases	3.85%	2.90%	3.90%

These assumptions are set with reference to market conditions at 31 March 2021.

The actuary's estimate of SBCAB's past service liability duration is 17 years.

An estimate of SBCAB's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach at the previous accounting date.

Similarly to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, the actuary has made a further assumption about CPI which is that it will be 0.4% p.a. below RPI i.e. 2.85% p.a. The actuary believes that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts and the duration of the Employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the anticipated reform of RPI inflation following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor suggesting this reform is now likely to take effect from 2030. The impact of this change in derivation on the liability value is shown in Table 3.

Salaries are assumed to increase at 1.0% p.a. above CPI. This is consistent with the approach at the previous accounting date.

### Demographic/Statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2019, except for the CMI projection model. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 105% for females. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.5 and an initial addition parameter of 0.5% p.a. and a 2020 weighting of 25%.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI\_2020, which was released in March 2021. This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI\_2020 Model introduces a "2020 weight parameter" for the mortality

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. The actuary's view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data, however, the overall outlook for best-estimate future mortality improvements looks less positive as a result of the pandemic. Therefore the actuary has updated to use the CMI\_2020 Model with a 2020 weight parameter of 25%. At the last accounting date, the CMI\_2018 Model was adopted. The effect on CAS's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure in Table 3 and Table 5, and the effect on the assumed life expectancies is demonstrated in the table below

Assumed life expectancy from age 65 years		31 Mar 2021 (after CMI 2020 update)	31 Mar 2021 (before CMI 2020 update)	31 Mar 2020
Retiring today	Males	21.6	21.9	21.8
	Females	24.3	24.5	24.4
Retiring in 20 years	Males	22.9	23.3	23.2
	Females	25.7	25.9	25.8

The following assumptions have also been made:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

### Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2021 is estimated to be 26.22%. The actual return on Fund assets over the year may be different. The estimated asset allocation for Citizens Advice Sutton as at 31 March 2021 is as follows:

Asset breakdown	31 Mar 2021		31 Mar 2020	
	£000	%	£000	%
Equities	1,301	64%	908	58%
Gilts	304	15%	283	18%
Other bonds	160	8%	129	8%
Property and infrastructure	199	10%	193	12%
Cash	38	2%	44	3%
Absolute return portfolio	16	1%	21	1%
<b>Total</b>	<b>2,018</b>	<b>100%</b>	<b>1,578</b>	<b>100%</b>

The actuary has estimated the bid values where necessary, the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2021 may be different from that shown due to estimation techniques. Based on the above, CAS's share of the assets of the Fund is approximately 0.25%.

### Results and disclosures for the year to 31 March 2021

The actuary estimates that the value of the net liability as at 31 March 2021 is a liability of £1,291,000 (2020: £1,078,000). The results of the actuary's calculations for the year ended 31 March 2021 are set out in the tables below:

**Table 1: Statement of financial position as at 31 March 2021**

Net pension asset as at	31 Mar 2021 £000	31 Mar 2020 £000	31 Mar 2019 £000
Present value of the defined benefit obligation	3,309	2,656	2,865
Fair value of Fund assets (bid value)	2,018	1,578	1,610
<b>Net defined benefit liability / (asset)</b>	<b>1,291</b>	<b>1,078</b>	<b>1,255</b>

**Table 2: Statement of profit and loss for the year to 31 March 2021**

The amounts recognised in the profit and loss statement are:

	Year to 31 Mar 2021 £000	Year to 31 Mar 2020 £000
Service cost	31	88
Net interest on the defined liability (asset)	25	29
Administration expenses	3	2
<b>Total loss (profit)</b>	<b>59</b>	<b>119</b>



# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

**Table 3: Asset and benefit obligation reconciliation for the year to 31 March 2021**

Reconciliation of opening and closing balances of the present value of the defined benefit obligations	Year to 31 Mar 2021 £000	Year to 31 Mar 2020 £000
<b>Opening defined benefit obligation</b>	<b>2,656</b>	<b>2,865</b>
Current service cost	31	71
Interest cost	62	68
Change in financial assumptions	634	(229)
Change in demographic assumptions	(29)	(76)
Experience loss/(gain) on defined benefit obligation	(35)	(10)
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(19)	(60)
Past service costs, including curtailments	-	17
Contributions by Scheme participants and other employers	9	10
Unfunded pension payments	-	-
<b>Closing defined benefit obligation</b>	<b>3,309</b>	<b>2,656</b>

The change in financial assumptions item includes the impact of the change in derivation of future assumed RPI and CPI inflation. These changes have resulted in a loss of £99,000 on the defined benefit obligation; comprising a gain of £121,000 from the change in assumed IRP and a loss of £220,000 from the change in the assumed gap between RPI and CPI inflation. The change in demographic assumptions figure in the table above reflects the update to use the CMI\_2020 Model.

Reconciliation of opening and closing balances of the fair value of Fund assets	Year to 31 Mar 2021 £000	Year to 31 Mar 2020 £000
<b>Opening fair value of Fund assets</b>	<b>1,578</b>	<b>1,610</b>
Interest on assets	37	39
Return on assets less interest	380	(110)
Other actuarial gains/(losses)	-	8
Administration expenses	(3)	(2)
Contributions by employer including unfunded	36	83
Contributions by Scheme participants and other employers	9	10
Estimated benefits paid plus unfunded net of transfers in	(19)	(60)
Settlement prices received / (paid)	-	-
<b>Closing Fair value of Fund assets</b>	<b>2,018</b>	<b>1,578</b>

The total return on the fund assets for the year to 31 March 2021 is £417,000.

**Table 4: Sensitivity analysis**

Sensitivity analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,254	3,309	3,365
Projected service cost	41	42	43
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,314	3,309	3,304
Projected service cost	42	42	42
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	3,359	3,309	3,260
Projected service cost	43	42	41
Adjustment to life expectancy assumptions	+1 Year	None	- 1 Year
Present value of total obligation	3,461	3,309	3,164
Projected service cost	44	42	41

**Table 5: Re-measurements in other comprehensive income**

Remeasurement of the net assets / (defined liability)	Year to 31 Mar 2021 £000	Year to 31 Mar 2020 £000
Return on Fund assets in excess of interest	380	(110)
Other actuarial gains/(losses) on assets	-	8
Change in financial assumptions	(634)	229
Change in demographic assumptions	29	76
Experience gain/(loss) on defined benefit obligation	35	10
Changes in effect of asset ceiling	-	-
<b>Remeasurement of the net assets / (defined liability)</b>	<b>(190)</b>	<b>213</b>

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

Table 6: Projected pension expense for the year to 31 March 2022

Projection for the year to 31 March 2022	Year to 31 Mar 2022 £000
Service cost	42
Net interest on the defined liability/(asset)	24
Administration expenses	4
Total loss/(profit)	70
Employer contributions	56

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021. These projections are based on the assumptions as at 31 March 2021.

### Note 14 - Trustees expenses

	2021		2020	
	Number	£	Number	£
Travel and subsistence expenses	1	120	1	96

A Trustee was paid travelling expenses to attend meetings during the year - £120 (2019/20: £96).

### Note 15 - Tangible fixed assets

	Lift	Computer Equipment	Fixtures & Fittings Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	86,297	13,560	28,704	128,561
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	86,297	13,560	28,704	128,561
<b>Accumulated depreciation</b>				
At 1 April 2020	86,297	13,560	28,704	128,561
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	86,297	13,560	28,704	128,561
<b>Net Book Values</b>				
At 31 March 2021	-	-	-	-
At 31 March 2020	-	-	-	-
Depreciation has been calculated on a straight- line basis as follows				
Computer equipment		33.3%		
Fixtures and fittings		20.0%		
Lift		12.5%		

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

<b>Note 16 - Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accrued Income	177,490	70,550
Other debtors and prepayments	22,854	73,661
	<b>200,344</b>	<b>144,211</b>

### Note 17 - Creditors: amounts falling due within one year

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred income	154,089	36,652
Other creditors	115,924	110,212
	<b>270,013</b>	<b>146,864</b>

### Deferred income analysis

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balances Brought Forward	36,652	32,055
Additions during the year	154,089	36,652
Amounts released to income	(36,652)	(32,055)
	<b>£154,089</b>	<b>£36,652</b>

Deferred income of £154,089 (2020 : £36,652) included above relates to grant income received during the year but relating to a future accounting period

### Note 18 - Obligations under leases

At 31 March 2021 the charity was committed to making the following payments:  
under non-cancellable operating leases

	<b>Photocopier</b>	<b>2021</b>	<b>Photocopier</b>	<b>2020</b>
		<b>Land &amp; Buildings</b>		<b>Land &amp; Buildings</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating lease which is renewable within				
One year	1,970	<b>45,000</b>	492	45,000
Two to five years	-	<b>180,000</b>	-	180,000
Total	1,970	<b>225,000</b>	492	225,000

### Note 19 - Designated funds

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Replacement of Equipment fund	<b>19,865</b>	19,865
Redundancy Fund	<b>18,783</b>	18,783
Balance at 31 March	<b>38,648</b>	<b>38,648</b>

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

### Note 20 - Analysis of fund assets

2021	Unrestricted funds	Designated funds	Total Unrestricted funds	Restricted funds	Pension fund	Total funds 2021	Total funds 2020
	£	£	£	£		£	£
Fixed Assets							-
Debtors	97,274	-	97,274	103,070	-	200,344	144,211
Deposits	200,000	-	200,000	-	-	200,000	200,000
Cash	314,593	38,648	353,241	14,151	-	367,392	251,375
Creditors	(189,075)	-	(189,075)	(80,938)	-	(270,013)	(146,864)
Provision	-	-	-	-	(1,291,000)	(1,291,000)	(1,078,000)
	422,792	38,648	461,440	36,283	(1,291,000)	(793,277)	(629,278)

Comparison information from the analysis of net assets between funds is as follows:

### Note 20 - Analysis of fund assets

2020	Unrestricted funds	Designated funds	Total Unrestricted funds	Restricted funds	Pension fund	Total funds 2020	Total funds 2019
	£	£	£	£		£	£
Fixed Assets	-	-	-	-	-	-	-
Debtors	72,547	-	72,547	71,664	-	144,211	150,550
Deposits	200,000	-	200,000	-	-	200,000	200,000
Cash	222,391	38,648	261,039	(9,664)	-	251,375	175,670
Creditors	(84,864)	-	(84,864)	(62,000)	-	(146,864)	(59,214)
Provision	-	-	-	-	(1,078,000)	(1,078,000)	(1,255,000)
	410,074	38,648	448,722	-	(1,078,000)	(629,278)	(787,994)

# SUTTON BOROUGH CITIZENS ADVICE BUREAUX

## Notes to the financial statements for the year ended 31 March 2021

### Note 21 - Movement in funds

2021	Balance 31/03/2020	Incoming resources	Resources expended	Transfers between funds	Balance 31/03/2021
<b>Unrestricted funds</b>					
Designated funds	38,648	-	-	-	38,648
Other unrestricted funds:					
General Fund and Other Income	437,589	518,875	(521,504)	-	434,960
Health Watch	-	20,000	(17,632)	-	2,368
Energy Best Deal Extra Project	-	14,910	(14,910)	-	-
Legal Aid Agency Housing	(27,515)	66,319	(53,340)	-	(14,536)
Total Other Unrestricted Funds	410,074	620,104	(607,386)	-	422,792
Total unrestricted funds	448,722	620,104	(607,386)	-	461,440
<b>Restricted Funds</b>					
Pension Wise	-	480,322	(480,322)	-	-
Capitalise	-	314,760	(314,977)	-	(217)
Reaching Communities	-	158,757	(131,476)	-	27,281
Henry Smith Project	-	51,400	(42,181)	-	9,219
Trust for London	-	45,500	(45,500)	-	-
EU Settlement Grant	-	26,746	(26,746)	-	-
Help to Claim Project	-	29,719	(29,719)	-	-
Total Restricted Funds	-	1,107,204	(1,070,921)	-	36,283
Defined benefit pension scheme	(1,078,000)	-	(213,000)	-	(1,291,000)
Total funds	(629,278)	1,727,308	(1,891,307)	-	(793,277)

Transfers have been made to reallocate costs charged to restricted funds and to cancel the designation of funds for the Building Repair and Redecoration Fund.

Comparative information for the movement in funds is as follows:

2020	Balance 31/03/2019	Incoming resources	Resources expended	Transfers between funds	Balance 31/03/2020
<b>Unrestricted funds</b>					
Designated funds	48,392	-	-	(9,744)	38,648
Other unrestricted funds:					
General Fund and Other Income	417,845	484,222	(436,196)	(28,282)	437,589
Health Watch	-	25,011	(23,750)	(1,261)	-
Energy Best Deal Extra Project	12,089	17,040	(14,373)	(14,756)	-
Legal Aid Agency Housing	(6,674)	51,166	(72,007)	-	(27,515)
Total Other Unrestricted Funds	423,260	577,439	(546,326)	(44,299)	410,074
Total unrestricted funds	471,652	577,439	(546,326)	(54,043)	448,722
<b>Restricted Funds</b>					
Pension Wise	6,070	469,419	(477,646)	2,157	-
Capitalise	(6,266)	233,805	(249,221)	21,682	-
Reaching Communities	(500)	166,683	(186,321)	20,138	-
Henry Smith Project	-	38,550	(51,479)	12,929	-
Trust for London	-	44,500	(36,887)	(7,613)	-
EU Settlement Grant	-	38,498	(35,862)	(2,636)	-
Help to Claim Project	-	27,544	(29,282)	1,738	-
TD Charitable Foundation	(3,950)	8,318	(10,016)	5,648	-
Total Restricted Funds	(4,646)	1,027,317	(1,076,714)	54,043	-
Defined benefit pension scheme	(1,255,000)	-	177,000	-	(1,078,000)
Total funds	(787,994)	1,604,756	(1,446,040)	-	(629,278)

The individual funds are described in the trustees' report

# **SUTTON BOROUGH CITIZENS ADVICE BUREAUX**

## **Notes to the financial statements for the year ended 31 March 2021**

### **Note 22 - Related parties**

CAS is a member of Citizens Advice and is subject to Citizens Advice audit every three years. Membership entitles CAS to access the support systems provided by Citizens Advice, including the AdviserNet Information System, Bureaux Management Information System, Bureaux Management Consultancy Line and the Volunteer Training Information System.

CAS has the Specialist Quality Mark in housing (awarded by the SQM Delivery Partnership on 4th March 2013 as a condition of holding a Legal Aid Agency contract). CAS also holds the Advice Quality Standard with casework in employment, welfare benefits and housing awarded on 16th January 2013 by the Citizens Advice Audit Service and the Advice Quality Standard with casework in housing awarded on 19th September 2013.

There are no other related party transactions to report.

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### **Note 23 – Contingent assets**

The charitable company has been awarded multi-year grants with specified or implied timeframes which preclude recognition of the full amount.

The total amount recognised as contingent assets at 31 March 2021 was £319,939.