

CITIZENS ADVICE WALTHAM FOREST LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Charity Commission Registration Number: 1075780

Company Registration Number: 03696999 (England & Wales)

CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

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CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Office: 220 Hoe Street
London
E17 3AY

Local Citizens Advice Office: 220 Hoe Street
London
E17 3AY

Bankers: Barclays Bank plc
278 Hoe Street
London
E17 9QE

Auditors: MHA
910 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

| | | |
|--------------------------------|---|-----------------------------------|
| Directors and Trustees: | Rachael Agnew | Chair |
| | Susan Murray-Johnson | Treasurer |
| | Rachel Gascoigne | Trustee |
| | Neil Gerrard | Trustee |
| | James Holdcroft | Trustee |
| | Jude Lobendhan | Trustee |
| | Andrea Naylor | Trustee |
| | Hafeez Hameed | Trustee - resigned 4 January 2023 |
| | Tigho Feldman | Trustee – resigned 31 March 2023 |
| | Co-opted Trustees: | |
| | Mr Wayne R Cunningham | Trustee |
| Chief Executive: | Melissa Tettey – appointed 13 June 2022 | |
| Company secretary: | Kairen Zonena | |

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TRUSTEES' REPORT

The Trustees, who are also the Directors for the purposes of Company Law, are pleased to present their annual report and the audited financial statements for the year ended 31 March 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 (FRS 102) (effective 1 January 2015).

Structure Governance and Management

Governing document

Citizens Advice Waltham Forest Ltd (CAWF) is a registered charity (registration number 1075780) and a company limited by guarantee. The maximum liability of each member is limited to £1. The company is governed by its Memorandum and Articles of Association as amended on 19th September 2013 and 26 September 2022.

Citizens Advice Waltham Forest Ltd was incorporated as a company limited by guarantee on 18 January 1999 (registration number 03696999) and commenced operations that day. On 10th December 2016 the local Citizens Advice adopted a new name in line with the national bodies rebranding and is now known as Citizens Advice Waltham Forest.

Recruitment and appointment of Trustees

Trustees who are also Directors of the company are elected from the local community and must either live or work in the London Borough of Waltham Forest unless co-opted by the Board. A selection Committee, made up of Trustees, the Company Secretary and led by the Chair of the Trustee Board is established to oversee the elections process for Board appointments. A separate process agreed by the Trustee Board is followed for the election of the Chair. Other bodies external to the charity are entitled to nominate but not appoint persons to the Trustee Board, except for Waltham Forest Council who can appoint observers to the Board without voting rights.

Trustees are elected at the annual general meeting (there can be no more than fourteen elected Trustees in total) and they hold office from the end of that meeting, or co-opted by the Board, provided that on appointment the total number of co-opted Trustees does not exceed one third of the total number of Trustees. Each appointment of a co-opted Trustee is made at a meeting of the Trustee Board and takes effect immediately, unless the appointment is to fill a place which has not yet been vacated, in which case the appointment runs from the date when the post becomes vacant. The Trustees had indemnity insurance in place during the year. The Trustee Board and staff would like to extend their thanks to the following Trustees who have resigned from the board for their time and voluntary service to CAWF: Hafeez Hameed and Tighe Feldman.

Trustee Induction and Training

Newly appointed Trustees are provided with a comprehensive induction to Citizens Advice Waltham Forest training courses and mentoring by established Trustees. All new and prospective Trustees are also provided with an induction pack which includes the Memorandum and Articles of Association, the previous year's annual accounts and the business plan for the service together with links to the relevant governance sections of the Skillbook portal for Citizens Advice.

Organisational Structure

Citizens Advice Waltham Forest is governed by its Trustee Board who are responsible for setting the strategic direction of the organisation and its policies. The Trustees carry the ultimate responsibility for the conduct of Citizens Advice Waltham Forest and for ensuring that it satisfies its legal and contractual obligations. Trustees meet as a minimum quarterly and delegate the day-to-day operation of the organisation to the CEO who manages through a Senior Management Team. The Trustee Board is independent from the management of the organisation. Details of members' interests are maintained at the registered office, and are available to the public.

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Related Parties

Citizens Advice Waltham Forest is a member of Citizens Advice, referred to as CA. CA provides a framework for standards of advice and casework management as well as monitoring progress against these standards. Operating policies are independently determined by the Trustee Board of Citizens Advice Waltham Forest in order to fulfil its charitable objectives and comply with CA's membership requirements.

Citizens Advice Waltham Forest also co-operates and liaises with a number of other advisory services, local charities and social services departments on behalf of clients. Where one of the Trustees holds the position of Trustee of another charity or Director of a company, they may be involved in discussions regarding that other charity or company, but not in the ultimate decision-making process.

Principal risks and uncertainties

Citizens Advice Waltham Forest has a risk management strategy and risk register agreed by the Trustee Board. The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks. To that end the charity is continually monitoring and managing its risk, reviewing the corporate risk register and ensuring action plans are in place to mitigate its key risks.

Included in external risks is that of the loss of funding. The effects of this have been minimised by the procedures in place, which have resulted in funding being secured from a variety of sources and by restructuring the service in 2015. The charity continues to seek to diversify its funding sources. However, its strategic approach is to consolidate and build on core services such as Benefits and Debt and to this end additional funds have been secured from the GLA and Energy Redress.

Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for each operational work stream. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Objectives and Activities

Objectives

Citizens Advice Waltham Forest's objectives are to promote any charitable purpose for the benefit of the community in Waltham Forest, by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress. We have considered the Charity Commission's guidance on public benefit in setting our objectives.

The charity also has its own mission statement:

- To be recognised and respected as the main generalist advice agency in Waltham Forest, providing in-depth casework
- To attract additional resources into Waltham Forest to provide additional services for the benefit of its citizens, sharing our good practice and providing support to other not-for-profit organisations
- To be recognised and respected as a leading advice agency in Greater London in those areas where we have developed specialist services (pensions, welfare benefits and debt) and targeted outreach services
- To be recognised and respected by our partner organisations for the quality of the social policy information produced from the service we provide

Key management personnel remuneration

The Trustees consider the Trustee Board and the Chief Executive as key management. All Trustees give their time freely and no Trustee receives remuneration or reimbursement of expenses in the year. Remuneration is reviewed annually in the same way as remuneration for all other employees by members of the Personnel Committee. Non-salary terms and conditions for all employees are standard. Salary levels are reviewed with regard to market rates, inflation, affordability and benchmarked against pay levels in other similar organisations.

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Aims, Objectives, Strategies and Activities for the year

Citizens Advice Waltham Forest (CAWF) aims to provide free, confidential, impartial and independent advice and information for the benefit of the local community, to exercise a responsible influence on the development of social policies and services and to ensure individuals do not suffer through a lack of knowledge or an inability to express their needs effectively.

Waltham Forest – Information Advice and Advocacy Service (now known as Information, Advice and Guidance Service)

The local authority continued to support the service throughout 2022/2023 and have extended funding on the current contract. During 2022/2023 staff continued their work with vulnerable families mainly over the telephone and we have maintained our close partnership with the Children and Family Centres including working closely with the Early Help Team.

Adviceline

Adviceline is covered by a team of paid staff, apprentices and volunteers and is open from 9am – 5pm Monday to Friday. A dedicated Service Manager Operations and Team Leaders are available whilst Adviceline is open to train, support and supervise both volunteers and staff. We use internal work queues and appointments to refer clients to the most suitable internal service or person to help them.

Pension Wise

Funding to run a Pension Wise project for residents wanting to find out about their pension options has been extended until 31 March 2024 and continues to be a high performing regional service.

The following running specialist projects were all renewed and continued throughout 2022/23:

Mental Health

Supported by the Clinical Commissioning Group (CCG) the project works with residents with mental ill health and who require specialist support with benefits, housing and debt. In 2022/23 the Mental Health project obtained over £333,502 in financial outcomes for our clients.

Social Housing

Supported by Waltham Forest Council and London and Quadrant Housing Trust (L&Q), we help tenants of Waltham Forest Housing and L&Q with debt and benefits advice to make sure they are able to manage their finances in order to pay their rent, receive the support they need and prevent homelessness.

Debt Project

This project is funded by the Money and Pensions Service subcontracted via Toynbee Hall - Debt Free Advice provided specialist debt advice and casework.

Household Support Fund

This project is funded by Waltham Forest Council. The project disseminates cost of living grants for residents of Waltham Forest who are facing financial hardship.

Direct Payments

This project is funded by Waltham Forest Council. It supports residents who are entitled to community care services to receive payments instead of services to arrange and to employ their own care services

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Social prescribing and Benefits project

The Social Prescribing and Benefits project provides advice and support to clients who have been referred by their GP for a non-medical need and require help and advice with benefit and debt problems. The project also takes referrals from Adult Social Care and the local MPs. The project supports vulnerable clients all of whom have mental and physical health problems. The project provides in-depth casework and support covering all benefit issues from income maximisation to representation at First Tier and Upper Tribunal. The project helps with applications for all benefits (excluding Universal Credit) and applications to Charities and the Local Welfare Assistance Fund. If the clients require debt advice, an income maximisation check is undertaken prior to a referral being made to the specialist debt team. In 2022/2023, the project raised £54,500 in financial outcomes for clients.

The Early Help Money Matters Project

This provides advice and support to vulnerable families referred by Waltham Forest Council's Early Help Service. In addition to being in financial need, clients of the project are struggling with additional issues such as ill health or disability, children with special needs and domestic violence. We provide advice and an intensive casework service in relation to all benefits issues including checks on entitlement, help with making claims and assistance in challenging decisions (including the appeals process). We also help clients to apply for other financial assistance such as charitable grants and the Local Welfare Fund. If a client needs debt advice they are referred to our specialist debt advisers. In 2022/23 the Early Help Money Matters project obtained over £1,161,721.26 actual financial outcomes for our clients.

Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken by the charity during the year. The Trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

The principal activity of Citizens Advice Waltham Forest remains the provision of free, confidential, independent, impartial advice, guidance, advocacy and information and counsel for members of the public as detailed below.

The advice service consists of:

- i) Generalist and specialist advice to all sections of the community
- ii) Service provision for mental health users in debt, welfare benefits and housing
- iii) Service provision for users with long term health issues in debt and welfare benefits
- iv) Specialist debt and money advice
- v) Specialist debt advice for tenants living in social housing
- vi) Pension guidance for people over 55 years
- vii) Social Prescribing for patients and vulnerable people
- viii) Specialist benefits casework support

Advice and casework services were provided through telephone advice lines, webchat and via video. We have reintroduced face to face appointments at our offices and outreach venues.

Contribution of Volunteers

The charity receives help and support in the form of voluntary assistance in advising the public and administering the charity.

CAWF was supported with an average of 16 (2021/22: 22) volunteers during the course of the year who gave the local Citizens Advice an average of 62.96 (2021/22: 87.45) days across the year and 755.64 (2021/22: 1,049.5) hours between them. The impact of COVID and hybrid working meant that we had a greatly reduced volunteer availability, however, this is now improving. Our volunteers were instrumental in helping us to maintain our services. Thanks are extended to these volunteers for their tremendous support.

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Achievements and Performance in the year

Charitable Activities and Achievements

- The Debt Free Advice achieved a quality score of 81% and a Trustpilot rating of 4.7
- Debt Advisor Oliver McGill was named Debt Advisor of the year 2022 at the Debt Advice Awards December 2022
- Exceeded the pass rate target of quality assessed appointments for Pension Wise. The national KPI QA pass target is 85% of all assessed appointments. Our overall pass rate for 2022/2023 was 95.4%.
- Achieved above average KPI of qualifying transactions target of 96.8 % and maintained and exceeded the Pension Wise utilisation rate KPI which stood, in the year 2022/2023, at 101%
- Waltham Forest Housing achieved financial outcomes of £578,086 for the year for local residents securing their homes and preventing homelessness.
- Distributed £220,000 (April 2022 -May 2023) from the Household Support Fund to help vulnerable local residents impacted the most from the cost of living crisis.
- Maintained opening times for the Adviceline from 9am to 5pm.
- The staff's adaptability and continued resilience in light of the drastic changes to their operating approach over the last 18 months and the ongoing uncertainty caused by the pandemic has been phenomenal.
- Worked closely with Advocate (formerly the Bar Pro Bono Unit) and have recruited undergraduates to volunteer for Adviceline. Whilst recruiting volunteers has been challenging, we continue to train and support students and local residents.

During 2022/23 15,212, (2021/22 15,596) clients contacted Citizens Advice Waltham Forest. They asked for help with 2022/23 28,948 (2021/22, 34,428) different advice issues. In 2022/23, we assisted clients to receive financial gains totalling £2,185,785 (2021/22 £4,047,750).

Citizens Advice Waltham Forest service delivery model continues to be a telephone model whereby advisers seek to support and help clients over the phone. Call back appointments are made via a work queue for more specialist support if required and face to face appointments made where necessary. Face to face appointments are made with a Money Matters Coach or referred to our specialist debt or benefits projects if the client is vulnerable, or where the presenting issues are complex and where it is clear that the client would not be able to resolve them without further or intensive support.

Summary of issues dealt with in **2022/23**:

| Issue Type | No. of issues | No. of clients |
|---------------------------------|---------------|----------------|
| Financial services & capability | 10,144 | 6,968 |
| Benefits Universal Credit | 1,936 | 905 |
| Benefits & tax credits | 6205 | 2,213 |
| Debt | 3,485 | 1,405 |
| Charitable Support & Food Bank | 1,264 | 945 |
| Housing | 2,178 | 833 |
| Health & community care | 541 | 282 |
| Employment | 669 | 289 |

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| Issue Type | No. of issues | No. of clients |
|----------------------------|---------------|----------------|
| Relationships and family | 423 | 219 |
| Other | 250 | 144 |
| Immigration and asylum | 461 | 242 |
| Legal | 489 | 234 |
| Education | 64 | 38 |
| Consumer goods & services | 178 | 69 |
| Tax | 248 | 174 |
| Utilities & communications | 248 | 141 |
| Travel and transport | 126 | 83 |
| GVA and Hate Crime | 39 | 28 |
| Grand Total | 28,948 | 15,212 |

The most common issues dealt with were Pensions, Benefits and Debt, followed by Housing, Health and Community Care and Employment.

Factors Affecting the Achievement of Objectives

The charity is only too well aware of the financial pressures experienced by its major funders, and in view of this has taken active measures to seek additional sources of funding for its services and to develop advice partnerships in Waltham Forest. Core funding from the local authority has been static in inflationary times. Our local authority funding has been extended and is called Information, Advice and Guidance (IAG).

The charity continues to play an effective role as a community based, quality assured and advice, information, and guidance with specialist projects in Debt, Social Housing, Pension Wise, Early Help, Mental health and Social Prescribing. T

Financial review

Incoming resources in the year were £1,670,239 (2021/2022: £1,916,673). Of this £1,139,259 (2021/2022: £1,371,214) related to project restricted activities.

A deficit of (£32,270) was made in the year (2021/22: £2,755 surplus). At 31 March 2023 total funds were £414,336 (2022: £446,606). This represented £321,060 (2022: £335,179) unrestricted fund balances and £93,276 (2021/22: £111,427) restricted funds.

Principal Funding Sources

The Trustees extend their gratitude to the London Borough of Waltham Forest who continued to support the core operating capacity of the charity and so that we can support families who need intensive support due to complex difficulties (Early Help). Additionally, project-specific funding was received from Waltham Forest Housing and London and Quadrant Housing Trust in support of the debt and benefit advisory work for their tenants, debt advice funding from Debt Free London (Toynbee Hall), the London Borough of Waltham Forest and the Clinical Commissioning Group in support of benefits and debt advisory work for clients with mental ill health and the Social Prescribing project, and Citizens Advice for funding Pension Wise and Help to Claim Universal Credit projects, and the Department of Health for supporting the Waltham Forest Social Prescribing partnership. We also extend our thanks and gratitude to the GLA for supporting our Advice in the Community Project and funding from Energy Redress to support client's facing fuel poverty.

For the period 2023/24 Citizens Advice Waltham Forest intends to further build on their work in the following way:

The CEO will continue to take forward CAWF's strategic aims:

- Focus on consolidating its core services and infrastructure, in line with local and CA strategic objectives, with the aim of continuing to increase quality and reach and ensuring staff well-being
- Continue to seek funding that builds on existing services and expand reach, but will not seek to offer new services in 2023/24
- Establish advocacy as an ongoing & systematic process by focusing on one campaign at a time and working across the staff team and Board to leverage local relationships and influence.
- Investigating scope to do more in relation to housing advice, due to an increase in demand.

Investment Policy

As required in its Memorandum paragraph 3.19 in furtherance of its objects, and for no other purposes, the charity has the power to invest the monies of the charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law. The charity does not currently hold material investments.

Going Concern

After making appropriate enquiries, the Trustees are confident that the Trust has sufficient resources to continue to operate for the foreseeable future. The Financial Statements have therefore been prepared on a going concern basis. The Statement of Accounting Policies gives further information.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Citizens Advice Waltham Forest for purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP; make judgements and accounting estimates that are reasonable and prudent;

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Engagement with employees

The Company's policy is to consult and discuss with employees at meetings, as well as through an established Joint Negotiation and Consultation committee (with representatives elected from the staff matters likely to affect employees' interests). Information of matters of concern to employees is given through information emails and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the organisation's performance. Employee views are further sought via an annual People Survey undertaken by national Citizens Advice.

Engagement with suppliers, customers and others

The Trustees recognise the importance of fostering good business relationships with all stakeholders and our choice of suppliers is no different in that regard. Wherever possible, local suppliers for services and products are sought in accordance with our values & constitution to support the local economy. In addition, directors aim to engage with companies whose values and commitment to effective customer relationship management align to ours. We survey our client for feedback on a quarterly basis for their views and use this feedback to improve services where we need to.

Members of the Board

Members of the Board who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 17 December 2023 and signed on its behalf on 21 December 2023 by:



Rachael Agnew

Chair of Board of Trustees

Independent Auditor's Report to the Members of Citizens Advice Waltham Forest Ltd

Opinion

We have audited the financial statements of Citizens Advice Waltham Forest Ltd (the 'charitable company') for the year ended 31 March 2023 which comprise Statement of Financial Activities, Balance Sheet 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 FRS 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 2023 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 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 audit 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 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. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Citizens Advice Waltham Forest Ltd (continued)

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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 8, the trustees 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.

Independent Auditor's Report to the Members of Citizens Advice Waltham Forest Ltd (continued)

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- 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.

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. The 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 Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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.



Cara Miller ACCA, Senior Statutory Auditor

For and on behalf of MHA Statutory Auditor
Colchester, United Kingdom

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Date: 22 December 2023

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YEAR ENDED 31 MARCH 2023

Charity Commission Registration Number: 1075780
 Company Registration Number: 03696999 (England & Wales)

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH
2023

| | Notes | 2023 Unrestricted funds £ | 2023 Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations | 2 | - | - | - | - |
| Charitable activities | 2 | 530,328 | 1,139,259 | 1,669,587 | 1,910,622 |
| Investment Income | 2 | 652 | - | 652 | - |
| Other | 2 | - | - | - | 6,051 |
| Total Income | | <u>530,980</u> | <u>1,139,259</u> | <u>1,670,239</u> | <u>1,916,673</u> |
| Expenditure on: | | | | | |
| Charitable activities | 3 | 491,966 | 1,210,543 | 1,702,509 | 1,913,918 |
| Total Expenditure | | <u>491,966</u> | <u>1,210,543</u> | <u>1,702,509</u> | <u>1,913,918</u> |
| Net income/(expenditure) | | 39,014 | (48,826) | (32,270) | 2,755 |
| Transfers between funds | 12 | (53,133) | 53,133 | - | - |
| Net movement in funds | | (14,119) | 4,307 | (32,270) | 2,754 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 12 | <u>335,179</u> | <u>111,427</u> | <u>446,606</u> | <u>443,851</u> |
| Total funds carried forward | 12 | <u>321,060</u> | <u>115,734</u> | <u>414,336</u> | <u>446,605</u> |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 20 to 35 form an integral part of these accounts.

CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income & Expenditure Account)
prior year.
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 Unrestricted funds £ | 2022 Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | - | - | - | - |
| Charitable activities | 539,408 | 1,371,214 | 1,910,622 | 2,078,622 |
| Other (including fundraising) | 6,051 | - | 6,051 | 6,552 |
| Total Income | 545,459 | 1,371,214 | 1,916,673 | 2,085,174 |
| Expenditure on: | | | | |
| Raising funds | - | - | - | - |
| Charitable activities | 554,796 | 1,359,123 | 1,913,918 | 2,059,182 |
| Other | - | - | - | - |
| Total Expenditure | 554,796 | 1,359,123 | 1,913,918 | 2,059,182 |
| Net income/(expenditure) before transfers | (9,337) | 12,091 | 2,755 | 25,992 |
| Transfers between funds | (54,917) | 54,917 | - | 0 |
| Net movement in funds for the year | (64,254) | 67,008 | 2,755 | 25,992 |
| Reconciliation of funds: | | | | |
| Balances brought forward | 399,431 | 44,420 | 443,851 | 417,859 |
| Balances carried forward | 335,177 | 111,428 | 446,606 | 443,851 |

CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

BALANCE SHEET AS AT 31 MARCH 2023

Company Registration Number: 03696999

| | Notes | Unrestricted Funds | Restricted Funds | 2023 Total funds £ | 2022 Total funds £ |
|--|-------|--------------------|------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible Fixed Assets | 7 | 11,484 | - | 11,484 | 17,061 |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 13,474 | 28,909 | 42,383 | 313,882 |
| Cash at bank and in hand | | 479,182 | 186,638 | 665,820 | 478,158 |
| | | 492,656 | 215,547 | 708,203 | 792,040 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | 56,987 | 122,271 | 179,258 | 217,145 |
| NET CURRENT ASSETS | | 435,669 | 93,276 | 528,945 | 574,895 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 447,153 | 93,276 | 540,429 | 591,956 |
| CREDITORS | | | | | |
| Amounts falling due after one year | 10 | 126,093 | - | 126,093 | 145,350 |
| NET ASSETS | | 321,060 | 93,276 | 414,336 | 446,606 |
| FUNDS | | | | | |
| Restricted | 12 | - | 93,276 | 93,276 | 111,427 |
| Unrestricted funds | 12 | 447,153 | - | 447,153 | 480,529 |
| Pension reserve | 12 | (126,093) | - | (126,093) | (145,350) |
| | | 321,060 | 93,276 | 414,336 | 446,606 |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved by the Trustees on 17 December 2023 and signed on their behalf by:



Rachael Agnew

CITIZENS ADVICE WALTHAM FOREST LTD

YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| Operating activities | | |
| Net cash provided by (used in) operating activities | 187,010 | (215,133) |
| Investing activities | | |
| Payments for tangible fixed assets | - | (3,420) |
| Investment income | 652 | 51 |
| Financing activities | | |
| Change in cash and cash equivalents in the year | <u>187,662</u> | <u>(218,502)</u> |
| Cash and cash equivalents at beginning of the year | 478,158 | 696,660 |
| Total cash and cash equivalents at end of the year | <u>665,820</u> | <u>478,158</u> |

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

| | 2023 | 2022 |
|--|----------------|------------------|
| Statement of financial Activities: Net movement in funds | (32,270) | 2,755 |
| Adjustments for: | | |
| Depreciation charges | 5,577 | (652) |
| Interest from investments | (652) | (51) |
| Loss on disposal of fixed assets | | |
| (Increase)/decrease in debtors | 271,499 | (207,501) |
| Increase/(decrease) in creditors | (57,144) | (9,684) |
| Net cash provided by (used in) operating activities | <u>187,010</u> | <u>(215,133)</u> |

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

1.1 General information

Citizens Advice Waltham Forest Ltd is incorporated in the United Kingdom as a private charitable company limited by guarantee. The liability of each member in the event of winding up is limited to £1. The registered office address is detailed on page 1 of the accounts.

The charity aims to provide free, confidential, impartial and independent advice and information for the benefit of the local community, to exercise a responsible influence on the development of social policies and services and to ensure individuals do not suffer through a lack of knowledge or an inability to express their needs effectively.

1.2 Basis of preparation of financial statements

The financial statements of the charitable company which meets the definition of a public benefit entity under FRS 102 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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements are presented in pound sterling (GBP) as that is the currency in which all the company's transactions are denominated. These financial statements are rounded to the nearest pound.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In the course of preparing the financial statements, no critical judgements have been made by management in applying the charity's accounting policies. There are no accounting estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.3 Going Concern

The trustees have considered the financial position of the company, its future plans and believe there are adequate resources to continue to fulfil its charitable objectives for the foreseeable future. The principle risk is its ability to generate sufficient income to cover the costs of meeting these objectives. In the current year and committed for next year there has been an increase in the size and volume of amounts from funders and there are no material uncertainties that would impact on the charity's ability to continue. Accordingly the going concern basis is adopted in preparing this annual report and accounts.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.4 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes

Restricted funds are to be used for specific purposes as laid down by the donor.

Expenditure which meets these criteria is charged to the fund.

1.5 Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

Donations and grants are split between restricted and unrestricted funds in accordance with the terms of the grant or donation.

Donations and gifts are recognised in the Statement of Financial Activities when receivable.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. However, its value to the charity has been estimated and disclosed in the Report of the Directors and Trustees.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

1.6 Expenditure

Expenditure, including redundancy costs, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, for example hours spent on the activity as set out in Note 3.

1.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

| | | |
|-------------------------|---|-------------------|
| Improvement to property | - | 10% straight line |
| Fixtures and fittings | - | 25% straight line |

1.8 Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period they are incurred.

1.9 Pension costs

The charity participates in two defined contribution scheme and one defined benefit scheme. The cost of the contributions made by the charity to the contribution scheme are charged as an expense when incurred. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The defined benefit scheme is a multi-employer scheme, the assets and liabilities are not individually identifiable. It is regarded as a defined contribution scheme. As such the contributions paid in the year are charged as an expense when incurred. The charity is recognising in their balance sheet the net present value of their share of the payments (deficit contributions) to the closed pension scheme over the life of the recovery plan.

1.10 Financial instruments*Classification*

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts

NOTES TO THE FINANCIAL STATEMENTS (Continued)

and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 Income from Charitable Activities**

| | Unrestricted Funds | Restricted Funds | Total 2023 Funds | Total 2022 Funds |
|--|-----------------------|---------------------|------------------------|------------------------|
| | £ | £ | £ | £ |
| Voluntary income | | | | |
| Donations | - | - | - | - |
| Local authority and other contracts | | | | |
| Grants from London Borough of Waltham Forest - core services | 530,328 | - | 530,328 | 460,944 |
| Household Support | - | 95,838 | 95,838 | 41,743 |
| Grants for extended services | | | | |
| Waltham Forest Primary Care Trust/North East London Foundation Trust (Mental Health Project) | - | 28,728 | 28,728 | 27,360 |
| Waltham Forest Housing | - | 95,447 | 95,447 | 90,902 |
| Toynbee Hall project | - | 190,918 | 190,918 | 218,693 |
| London & Quadrant Housing Association | - | 36,414 | 36,414 | 22,240 |
| Citizens Advice - Pension Wise | - | 454,691 | 454,691 | 412,217 |
| Citizens Advice - Universal Support | - | - | - | 220,231 |
| SEN | - | 3,825 | 3,825 | 60,000 |
| City Trust | - | - | - | 12,450 |
| Direct Payments | - | 59,987 | 59,987 | 80,032 |
| DHSS | - | 97,582 | 97,582 | 138,463 |
| Energy redress | - | 2,496 | 2,496 | 24,956 |
| Immigration fee income | - | - | - | 21,927 |
| Energy Saving Trust | - | 22,458 | 22,458 | - |
| Advice in Community | - | 73,333 | 73,333 | - |
| Other grants for advisory services | - | - | - | 78,464 |
| | 530,328 | 1,161,717 | 1,692,045 | 1,910,622 |
| Other Income | | | | |
| Bank interest | 652 | - | 652 | 51 |
| Miscellaneous income | - | - | - | 6,000 |
| Total Other Income | 652 | - | 652 | 6,051 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 Analysis of expenditure

| | Unrestricted Generalist Advisory Services | Unrestricted Advice and Information | Restricted Specialist Advisory Services | Pension Reserve | 2023 Total | 2022 Total |
|------------------------------|--|---|--|--------------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Charitable activities | | | | | | |
| Staff costs | 404,600 | | 914,640 | (19,257) | 1,299,983 | 1,642,203 |
| Other direct costs | 6,615 | | 120,079 | | 126,694 | 164,467 |
| Support costs (see below) | 100,008 | | 175,824 | - | 275,832 | 252,512 |
| | 511,223 | - | 1,210,543 | (19,257) | 1,702,509 | 2,059,182 |
| Support Costs | | | | | | |
| Management & administration | 45,470 | | 80,549 | | 126,019 | 92,123 |
| Office, IT & communications | 32,104 | | 56,580 | | 88,684 | 74,806 |
| Premises | 17,999 | | 30,923 | | 48,922 | 71,130 |
| Governance | 4,379 | | 7,666 | | 12,045 | 14,306 |
| Other | 56 | | 106 | | 162 | 147 |
| | 100,008 | - | 175,824 | - | 275,832 | 252,512 |

The basis of allocation of support costs is hours worked

| | Unrestricted Generalist Advisory Services | Unrestricted Advice and Information | Restricted Specialist Advisory Services | Pension Reserve | 2022 Total | 2021 Total |
|------------------------------|--|---|--|--------------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Charitable Activities | | | | | | |
| Staff costs | 457,816 | 1,814 | 1,073,159 | (7,694) | 1,525,095 | 1,642,203 |
| Other direct costs | 5,200 | 373 | 109,651 | | 115,224 | 164,467 |
| Support costs (see below) | 97,128 | 159 | 176,313 | - | 273,600 | 252,512 |
| | 560,144 | 2,346 | 1,359,123 | (7,694) | 1,913,919 | 2,059,182 |
| Support Costs | | | | | | |
| Management & administration | 32,878 | 114 | 59,990 | | 92,982 | 92,123 |
| Office, IT & communications | 29,888 | 35 | 53,616 | | 83,539 | 74,806 |
| Premises | 28,576 | 21 | 52,768 | | 81,365 | 71,130 |
| Governance | 5,747 | (11) | 9,869 | | 15,605 | 14,306 |
| Other | 39 | - | 70 | | 109 | 147 |
| | 97,128 | 159 | 176,313 | - | 273,600 | 252,512 |

The basis of allocation of support costs is hours worked
Governance cost are mainly comprised of the annual audit fee.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**4 Net expenditure for the year**

| | 2023 | 2022 |
|--------------------------------|--------|--------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 5,577 | (652) |
| Auditors' remuneration | 10,620 | 10,080 |
| Operating lease costs | 37,815 | 59,480 |

5 Staff Costs and Numbers

| Staff costs include: | 2023 | 2022 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Wages and salaries | 1,255,015 | 1,441,133 |
| Social security costs | 128,839 | 137,882 |
| Defined benefit pension costs | 37,518 | - |
| Defined contribution pension costs | - | 41,703 |
| Pension provision | (19,257) | (7,694) |
| Other staff costs | 10,859 | 5,054 |
| | 1,412,974 | 1,618,077 |

The charity contributed to a defined benefit scheme during the year on behalf of 4 employees and to stakeholder pension schemes on behalf of 5 employees.

The average number of employees, analysed by function was:

| | 2023 | 2022 |
|-------------------------------|------|------|
| Advisory services | 29 | 36 |
| Management and administration | 12 | 14 |
| | 41 | 50 |

One employee received a salary of more than £60,000

6 Trustee Remuneration & Related Party Transactions

Citizens Advice Waltham Forest Ltd considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive. The aggregate remuneration, including employer national insurance contributions, of those personnel for services to the Charity in the year amounted to £71,182 (2022: £58,570). In addition, employer's pension contributions were £2,007 (2022: £1,576). Of these amounts £Nil (2022: £Nil) related to the Trustees.

No trustee was remunerated for any services. All payments were by way of reimbursement for expenses which totalled £Nil (2022: £Nil). The trustees had indemnity insurance in place during the year.

During the year 2022/23 a close family member of the management team was employed by the organisation. The total gross remuneration received by the close family member was £26,659 (2022: £19,454).

There are no related parties to report in the current or preceding year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**7 Tangible Fixed Assets**

| | Improvements to Property | Fixtures, fittings and equipment £ | Total £ |
|-----------------------|-----------------------------|--|---------------|
| Cost | | | |
| At 1 April 2022 | 26,230 | 40,172 | 66,402 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 March 2023 | <u>26,230</u> | <u>40,172</u> | <u>66,402</u> |
| Depreciation | | | |
| At 1 April 2022 | 20,984 | 28,357 | 49,341 |
| Charge for the year | 2,623 | 2,954 | 5,577 |
| Disposals | - | - | - |
| At 31 March 2023 | <u>23,607</u> | <u>31,311</u> | <u>54,918</u> |
| Net book value | | | |
| At 31 March 2023 | <u>2,623</u> | <u>8,861</u> | <u>11,484</u> |
| At 31 March 2022 | <u>5,246</u> | <u>11,815</u> | <u>17,061</u> |

8 Debtors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|----------------|---------------|----------------|
| Prepayments | 12,024 | 14,220 |
| Accrued income | 30,359 | 299,662 |
| | <u>42,383</u> | <u>313,882</u> |

9 Creditors - amounts falling due within one year

| | 2023 £ | 2022 £ |
|---------------------------------------|----------------|----------------|
| Trade creditors | | 15,219 |
| Fee income received in advance | 4,774 | 4,774 |
| Prepaid grant funding | 54,667 | 45,000 |
| PAYE | 29,836 | 32,105 |
| Other creditors | 36,296 | 33,243 |
| Accrued expenses | 16,477 | 15,335 |
| Pension contributions - recovery plan | 12,000 | 12,000 |
| Client monies | 25,208 | 59,469 |
| | <u>179,258</u> | <u>217,145</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| Deferred income | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Deferred income at 1 April | 49,774 | 88,073 |
| Resourced deferred in the year | 15,000 | 45,000 |
| Amounts released from previous periods | (49,774) | (83,299) |
| Deferred income at 31 March | <u>15,000</u> | <u>49,774</u> |

Deferred income comprises fee income received in advance of services and prepaid grant funding received in advance of services to be provided.

10 Creditors - amounts falling due after one year

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Provision brought forward | 145,350 | 153,044 |
| Employer contributions relating to the pension recovery plan | (12,000) | (12,000) |
| Unwinding of the discount rate | (11,327) | 4,306 |
| current year | | |
| prior year adj. | 4,070 | |
| Provision c/fwd. | <u>126,093</u> | <u>145,350</u> |

The above provision relates to the requirement under the charity SORP that charities must recognise as a liability the present value of future contribution relating to the funding of a pension deficit.

The provision is calculated on a recovery plan, agreed in April 2019, to eliminate the funding deficit by 31st March 2037

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| 11 Financial instruments | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through net income or expenditure | <u>665,820</u> | <u>478,158</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>179,258</u> | <u>217,145</u> |

Financial assets measured at fair value through net income or expenditure comprises cash held at bank and in hand

Financial liabilities measured at amortised cost comprise PAYE, other creditors, accrued expenses and pensions contributions.

12 Statement of funds

| | At 31 March 2022 £ | Income £ | Expenditure £ | Transfer s £ | At 31 March 2023 £ |
|--|---------------------------------------|---------------------|--------------------------|-----------------------------|-----------------------------------|
| Restricted Funds | | | | | |
| Toynbee Hall Project (Capitalise) | (39,373) | 190,918 | (214,089) | 62,544 | - |
| Waltham Forest Housing | 4,480 | 95,447 | (96,087) | | 3,840 |
| London & Quadrant Housing Association | (10,070) | 36,414 | (28,782) | 2,438 | - |
| London Borough of Waltham Forest Direct Payments | 18,881 | 59,987 | (48,009) | | 30,859 |
| SENDIASS | - | 3,825 | - | | 3,825 |
| Clinical CG | 6,049 | 28,728 | (25,786) | | 8,991 |
| Citizens Advice - Pension Wise | 2,480 | 454,691 | (459,971) | 2,800 | - |
| Citizens Advice - Universal Support | 48,260 | - | (22,330) | (25,930) | - |
| Social Prescribing (LB WF) | 66,074 | 97,582 | (123,899) | | 39,757 |
| Household support | 15,880 | 95,838 | (115,869) | 4,151 | - |
| Energy redress | (1,579) | 2,496 | (8,047) | 7,130 | - |
| Advice in Community | 345 | 73,333 | (67,674) | | 6,004 |
| Energy Saving Trust | | 22,458 | | | 22,458 |
| Other | - | - | - | | - |
| Total Restricted Funds | <u>111,427</u> | <u>1,161,717</u> | <u>(1,210,543)</u> | <u>53,133</u> | <u>93,276</u> |
| Unrestricted Funds: | | | | | |
| London Borough of Waltham Forest General Funds | 307,281 | 530,328 | (511,223) | (53,133) | 273,253 |
| Other Unrestricted funds | 173,248 | 652 | - | - | 173,900 |
| Pension reserve | (145,350) | - | 19,257 | - | (126,093) |
| Total Unrestricted funds | <u>335,179</u> | <u>530,980</u> | <u>(491,966)</u> | <u>(53,133)</u> | <u>321,060</u> |
| Total funds | <u>446,606</u> | <u>1,670,239</u> | <u>(1,702,509)</u> | <u>-</u> | <u>414,336</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The restricted funds relate to monies granted by the following bodies:

| | |
|--|---|
| Toynbee Hall Project (Debt Free London) | - to provide a service to assess client's needs and lead to a resolution of their over-indebtedness. |
| Waltham Forest Housing | - to provide money and debt management advice to tenants living in social housing. |
| London & Quadrant Housing Association | - to support the local office in its work with debt advice for tenants living in social housing. |
| London Borough of Waltham Forest Direct Payments | - to process Direct Payments and provide support for clients entitled to Direct Payments |
| Clinical CG – Debt Advice | - to provide debt, benefits and housing advice to mental health clients living in the community. |
| Citizen Advice – Pension Wise | - to empower users to make informed decisions about how to use their pension. |
| Special Educational Needs | - to provide services and develop services for families with children with special educational needs and disabilities |
| Social Prescribing-LB Waltham Forest | - to provide social prescribing help and support to residents |

The unrestricted general funds represent the funds of Citizens Advice Waltham Forest that are not designated for particular purposes.

12 Statement of funds - comparative information in respect of the preceding period is as follows

| | At 31 March 2021 £ | Income £ | Expenditure £ | Transfer s £ | At 31 March 2022 £ |
|--|-----------------------------|------------------|--------------------|--------------------|-----------------------------|
| Restricted Funds: | | | | | |
| Toynbee Hall, Capitalise project | (7,758) | 218,693 | (250,308) | | (39,373) |
| WF Housing | 4,853 | 90,902 | (91,275) | | 4,480 |
| London & Quadrant Housing Assoc | 4,616 | 22,240 | (36,926) | | (10,070) |
| City Trust | 3,908 | 12,450 | (19,409) | 3,051 | - |
| London Borough of Waltham Forest Debt advice | 3,822 | 80,032 | (64,973) | | 18,881 |
| Trust for London | (25,919) | - | (4,346) | 30,265 | - |
| SENDIASS | 2,855 | 60,000 | (84,456) | 21,601 | - |
| Clinical CG | 4,756 | 27,360 | (26,067) | | 6,049 |
| Citizens Advice - Pension Wise | 14,604 | 412,217 | (424,341) | | 2,480 |
| Citizens Advice - Universal Support | 26,511 | 220,231 | (198,482) | | 48,260 |
| Social Prescribing | 12,172 | 138,463 | (84,561) | | 66,074 |
| Household Support | - | 41,743 | (25,863) | | 15,880 |
| Energy redress | - | 24,956 | (26,535) | | (1,579) |
| Advice in Community | - | 21,927 | (21,582) | | 345 |
| Other | - | - | - | | - |
| Total Restricted Funds | 44,420 | 1,371,214 | (1,359,124) | 54,917 | 111,427 |
| Unrestricted Funds: | | | | | |
| London Borough of Waltham Forest General Funds | 461,395 | 460,944 | (552,454) | (54,917) | 314,968 |
| Other Unrestricted funds | 91,080 | 84,515 | (2,347) | | 173,248 |
| Pension reserve | (153,044) | | 7,694 | | (145,350) |
| Total Unrestricted funds | 399,431 | 545,459 | (547,107) | (54,917) | 342,866 |
| Total funds | 443,851 | 1,916,673 | (1,906,231) | - | 454,293 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The restricted funds relate to monies granted by the following bodies:

| | |
|---|---|
| Toybee Hall Project (Debt Free London) | - to provide a service to assess client's needs and lead to a resolution of their over-indebtedness. |
| Waltham Forest Housing | - to provide money and debt management advice to tenants living in social housing. |
| London & Quadrant Housing Association | - to support the local office in its work with debt advice for tenants living in social housing. |
| Trust for London | - to provide advice for clients with immigration issues. |
| London Borough of Waltham Forest | - to process Direct Payments and provide support for clients entitled to Direct Payments |
| Direct Payments | - to provide debt, benefits and housing advice to mental health clients living in the community. |
| Clinical CG – Debt Advice | - to empower users to make informed decisions about how to use their pension. |
| Citizen Advice – Pension Wise | - to provide services and develop services for families with children with special educational needs and disabilities |
| Special Educational Needs | - to provide social prescribing help and support to residents |
| Department of Health (Social Prescribing) | |

The unrestricted general funds represent the funds of Citizens Advice Waltham Forest that are not designated for particular purposes. At the year-end there were 2 restricted funds in deficit due to the timing of additional income expected into those funds. It is anticipated that during the following year either additional restricted income will be received to balance those funds or a transfer from the unrestricted fund will be made.

13 Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | Total funds |
|---|---------------------------|-------------------------|--------------------|
| | £ | £ | £ |
| Fund balances at 31 March 2023 are represented by: | | | |
| Tangible fixed assets | 11,484 | - | 11,484 |
| Current assets | 492,656 | 215,547 | 708,203 |
| Current liabilities | (56,987) | (122,271) | (179,258) |
| Long term liabilities | (126,093) | - | (126,093) |
| Total Funds | 321,060 | 93,276 | 414,336 |
| | Unrestricted Funds | Restricted Funds | Total funds |
| | £ | £ | £ |
| Fund balances at 31 March 2022 are represented by: | | | |
| Tangible fixed assets | 17,061 | - | 17,061 |
| Current assets | 526,406 | 265,634 | 792,040 |
| Current liabilities | (62,945) | (154,200) | (217,145) |
| Long term liabilities | (145,350) | - | (145,350) |
| Total Funds | 335,172 | 111,434 | 446,606 |

The unrestricted funds represent the free funds of Citizens Advice Waltham Forest, which are not designated for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14 Operating lease commitments**

At 31 March 2022 Citizens Advice Waltham Forest had total commitments under non-cancellable operating leases as follow:

| | 2023 £ | 2022 £ |
|------------------------------|---------------|----------------|
| Land and buildings | | |
| Due within one year | 32,000 | 53,650 |
| Due within two to five years | 32,000 | 49,000 |
| Due in over five years | - | - |
| | <u>64,000</u> | <u>102,650</u> |
| Other leases | | |
| Due within one year | 5,815 | 6,322 |
| Due within two to five years | 9,304 | 14,222 |
| Due in over five years | - | - |
| | <u>15,119</u> | <u>20,544</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)**15 Pension cost note**
FRS 102 disclosures for the 12 months ended 31 March 2023

Citizens Advice ('the Principal Employer') operates a defined benefit scheme ('the Plan') in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salaries at retirement and their length of service at the date they retired or left pensionable service. The Plan closed to future accrual on 31 March 2008. The Plan also contains some money purchase AVCs and protected rights funds, which are not included in these disclosures.

In accordance with the schedule of contributions in force over the 2023/24 accounting year, the contributions to the Plan for the year ending 31 March 2024 are expected to be £2,579,000, which includes £2,279,000 towards the deficit and £300,000 as an allowance for administration expenses and all scheme levies. The 31 March 2022 valuation is currently underway and a new schedule of contributions will be put in place at its completion.

The Plan is a registered scheme under UK legislation. The Plan is subject to the scheme funding requirements outlined in UK legislation. The Plan is governed by the Plan's Trust Deed and Rules dated 4 April 2011. The Trustee is responsible for the operation and the governance of the Plan, including making decisions regarding the Plan's funding investment strategy (although they are required to consult the Principal Employer).

A full actuarial valuation of the Plan was carried out as at 31 March 2023 by a qualified independent actuary, based upon membership data as at 31 March 2022, allowing for assumed membership movements over the period from this date, and any material membership movements significantly different from those assumed (e.g. transfers out).

The most recent formal actuarial valuation of the Plan was as at 31 March 2019 and revealed a funding deficit of £68,501,000. In the recovery plan agreed following the valuation, the Principal Employer and other participating employers agreed to pay deficit reduction contributions of £2,279,000 per annum with the view to eliminating the deficit by 31 March 2037. The 31 March 2022 valuation is currently underway.

The liabilities of the Plan are based on the current value of expected benefit payment cashflows to members of the Plan over the next 60 or more years. The average duration of the liabilities is approximately 12 years.

The Plan is exposed to actuarial risks such as market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk.

The major assumptions used by the actuary were (in nominal terms) as follows:

| | As at 31/03/2023 | As at 31/03/2022 |
|---|--------------------------------|--------------------------------|
| Discount rate | 4.80% | 2.80% |
| Inflation assumption (RPI) | 3.30% | 3.70% |
| Inflation assumption (CPI) | 2.85% | 3.25% |
| Revaluation of deferred pensions in excess of GMP | 2.85% | 3.25% |
| Pension in payment increases of: | | |
| - CPI or 5% p.a. if less | 2.85% | 3.25% |
| - CPI inflation since retirement or 5% p.a. compound if less | 2.85% | 3.25% |
| - CPI or 3% p.a. if less | 2.50% | 2.70% |
| | 75% of HMRC maximum | 75% of HMRC maximum |
| Commutation of pension for cash at retirement | As at 31/03/2023 | As at 31/03/2022 |
| Assumed life expectancies on retirement at age 65 are: | | |
| Retiring today - Males | 20.8 | 21.3 |
| Retiring today - Females | 23.6 | 24.2 |
| Retiring in 20 years time - Males | 22.0 | 22.6 |
| Retiring in 20 years time - Females | 24.7 | 25.7 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Pension cost (Continued)

| | Value at 31/03/2023 £000s | Value at 31/03/2022 £000s |
|---|---------------------------------|---------------------------------|
| The assets in the Plan were: | | |
| Multi asset funds | 24,903 | 68,955 |
| Structured equity and LDI | 35,116 | 27,488 |
| Cash | 726 | 5,771 |
| Fair value of Plan assets | 60,745 | 102,214 |
| The actual return on assets over the period was: | (37,084) | 5,301 |
| Present value of funded obligations | 111,169 | 148,768 |
| Fair value of Plan assets | 60,745 | 102,214 |
| Surplus/(deficit) in funded scheme | (50,424) | (46,554) |
| Present value of unfunded obligations | 0 | 0 |
| Unrecognised actuarial gains (losses) | 0 | 0 |
| Adjustment in respect of asset ceiling | 0 | 0 |
| Net liability in balance sheet | 50,424 | 46,554 |

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| | 31/03/2023 £000s | 31/03/2022 £000s |
|--|---------------------|---------------------|
| Benefit obligation at beginning of year | 148,768 | 161,415 |
| Current service cost | 832 | 771 |
| Interest cost | 4,074 | 3,346 |
| Contributions by Plan participants | 0 | 0 |
| Actuarial (gains)/losses | (35,041) | (11,745) |
| Benefits paid and expenses | (7,464) | (5,019) |
| Past service cost | 0 | 0 |
| Settlements | 0 | 0 |
| Business combinations | 0 | 0 |
| Exchange rate | 0 | 0 |
| Benefit obligation at end of year | 111,169 | 148,768 |

Reconciliation of opening and closing balances of the fair value of Plan assets

| | 31/03/2023 £000s | 31/03/2022 £000s |
|---|---------------------|---------------------|
| Fair value of Plan assets at beginning of year | 102,214 | 99,353 |
| Interest income on Plan assets | 2,801 | 2,061 |
| Return on assets, excluding interest income | (39,885) | 3,240 |
| Contributions by employers | 3,079 | 2,579 |
| Contributions by Plan participants | 0 | 0 |
| Benefits paid and expenses | (7,464) | (5,019) |
| Business combinations | 0 | 0 |
| Settlements | 0 | 0 |
| Exchange rate | 0 | 0 |
| Fair value of Plan assets at end of year | 60,745 | 102,214 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)**15 Pension cost (Continued)****The amounts recognised in profit or loss:**

| | 31/03/2023 | 31/03/2022 |
|---|-------------------|-------------------|
| | £000s | £000s |
| Service cost - inc. current & past service costs, settlements | - | - |
| Service cost - administrative cost | 832 | 771 |
| Net interest on the net defined benefit liability | 1,273 | 1,285 |
| Total expense | 2,105 | 2,056 |

Remeasurements of the net defined benefit liability (asset) to be shown in OCI:

| | 31/03/2023 | 31/03/2022 |
|--|-------------------|-------------------|
| | £000s | £000s |
| Actuarial (gains)/losses on the liabilities | (35,041) | (11,745) |
| Return on assets, excluding interest income | 39,885 | (3,240) |
| Changes in the effect of the asset ceiling excluding interest income | - | - |
| Total remeasurement of the net defined benefit liability (asset) to be shown in OCI | 4,844 | (14,985) |