

Company number: 03324794  
Charity Number: 1082193

# East End Citizens Advice Bureaux

## (A company limited by guarantee)

Report and financial statements  
For the year ended 31 March 2021

East End Citizens Advice Bureaux

Contents

For the year ended 31 March 2021

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## East End Citizens Advice Bureaux

### Reference and administrative information

For the year ended 31 March 2021

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| Company number                            | 03324794  |
| Charity number                            | 1082193   |
| Registered office and operational address | 300 Mare Street<br>London<br>E8 1HE   |
| Country of registration                   | England & Wales   |
| Country of incorporation                  | United Kingdom  |
| Trustees                                  | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:   |
| Chair                                     | David Ross JP   |
| Joint Vice Chairs                         | Jennifer Chung<br>Edward Fry  |
|   | Muddassar Ahmed (appointed 9 June 2021)<br>Hazel Capper<br>Matthew Downer (appointed 3 March 2021)<br>Paul Everitt (appointed 3 March 2021)<br>Denise Halton<br>James Ludlam MBE, JP<br>Jessica Mann (appointed 3 March 2021)<br>Yemi Mustapha<br>Councillor James Peters (Hackney)<br>Jeremy Shapiro<br>Sharmin Takin<br>Councillor Daniel Tomlinson (Tower Hamlets) (appointed 2 December 2020)<br>Stephen Vaudrey (resigned 2 December 2020) |
| Secretary                                 | Yasmin Alam   |
| Key management personnel                  | Yasmin Alam<br>Rashid Seedat<br>Georgia Walker<br>Andrew Skipper<br>Miles Metcalfe<br>Louise Skinner  |
|   | Chief Executive<br>Project manager<br>Service manager<br>Training and development manager<br>IT manager<br>Finance manager  |

East End Citizens Advice Bureaux

Reference and administrative information

For the year ended 31 March 2021

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|                |  |
|----------------|--|
| <b>Bankers</b> | Barclays Bank plc<br>The Holloway & Kingsland Group<br>PO Box 3628<br>London E8 2JX  |
| <b>Auditor</b> | RPG Crouch Chapman LLP<br>Chartered Accountants and Statutory Auditor<br>5 <sup>th</sup> Floor, 14-16 Dowgate Hill<br>LONDON<br>EC4R 2SU |



## **East End Citizens Advice Bureaux**

### **Trustees' annual report**

#### **For the year ended 31 March 2021**

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The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013) is not needed.

## **Objectives and activities**

### **Purposes and aims**

The objectives for which the charitable company, East End Citizens Advice Bureaux (EECABx), also known as Citizens Advice East End, was established as defined in the Memorandum and Articles of Association, are the promotion of any charitable purposes. This is for the public benefit of the community in Greater London and surrounding areas by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

The charity's principal activity is the provision of information, advice and advocacy services within the London Boroughs of Hackney, Newham and Tower Hamlets.

East End Citizens Advice Bureaux works together with local and national partners to provide accessible, high quality and holistic advice and information services, advocacy, and training to empower and enable our communities. Our clients' experiences guide us to try and influence policy at a local and national level.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Strategies and activities for achieving objectives and delivering public benefit

The charity's main activities and who it tries to help are described below. All its charitable activities focus on providing advice and information to clients and are undertaken to further East End Citizens Advice Bureaux charitable purposes for the public benefit.

### Overview

We provide free, confidential and impartial services accessible to all. Many of our clients are from some of the poorest and most deprived parts of the population.

In 2020/2021, we helped over 25,000 clients with over 64,000 enquiries. We continue to have capacity constraints and the excessive demand is generated in part because of the ongoing impact of the Government's Welfare Reform and in part due to the Covid-19 pandemic. There were thousands more requests for advice and information than we were able to meet. Of those clients we were able to serve, the most common enquiries related to welfare, debt, employment and housing, all pivotal in allowing individuals and families to enjoy a decent standard of living.

We try and reach as many clients as possible, from all parts of our community by working in over 40 different venues across the East End in addition to our main advice centres in Hackney, Newham and Tower Hamlets. These outreach services are delivered through Children Centres, Local Authority offices, Job Centres, GP Health Centres, hospitals, Housing Associations, and estate-based community centres, as well as a variety of unique locations. We have been unable to offer a face-to-face service in our co-locations due to the pandemic, but we continue to offer support to residents digitally.

### Who did we help?

In 2020/2021 a total of 10,274 clients were seen by Hackney Citizens Advice Bureau. We helped them with 24,555 enquiries and increased their income by £5,215,751. We also supported them to write off £209,392 of debt and to move a further 596,834 onto more manageable payment plans.

Tower Hamlets Citizens Advice Bureau saw a total of 8,913 clients in 2020/2021, handling 23,231 enquiries. We increased their income by £10,091,152 and helped move £1,058,610 of debt onto more manageable plans. We were also able to get £504,673 of debt written off.

## East End Citizens Advice Bureaux

### Trustees' annual report

#### For the year ended 31 March 2021

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At Newham Citizens Advice Bureau, we saw 6,326 clients and handled a total of 16,416 enquiries. We were able to secure income gains for these clients of £9,861,109 and to write off £246,728 of debt. £241,113 of debt was moved onto more manageable plans.

What issues did our clients raise?

Across East End Citizens Advice Bureau, our clients most often asked for help with welfare benefits, housing, debt, employment and immigration. The demand in our top five categories of work increased compared to 2019/20.

The demand for support in relation to welfare benefits increased by 46% over the previous year totalling 31,248 enquiries. Debt enquiries increased by 12% totalling 6002 issues. However, the largest increase of 114% in our top 5 categories was in employment because of people being made redundant during of the covid-19 pandemic.

The number of housing issues we dealt with increased by 86% reaching 9,074 in total. Many of these clients came to ask for our support because of the poor standards of housing in the three boroughs as well as bad agent and landlord practices which affected tenants' rights. We also provided residents in the 3 boroughs with support over evictions during the covid-19 pandemic.

Finally, Immigration issues remain in our top five categories with an increase of 40%. We are currently supporting European Union residents in all three boroughs apply for settled status in the UK through a Home Office funded project. This funding will finish on 30 September 2021.

Change in issues from 2019/2020 to 2020/2021

| Top 5 Categories                         | 2019/20 | 2020/21 | % Change |
|--|---------|---------|----------|
| Welfare Benefits inc. (Universal Credit) | 7,796   | 11,346  | 46%      |
| Housing                                  | 2,126   | 3,963   | 86%      |
| Debt                                     | 1,882   | 2,115   | 12%      |
| Employment                               | 792     | 1,695   | 114%     |
| Immigration                              | 589     | 827     | 40%      |

How did we help them?

Following support from East End Citizens Advice Bureau in 2020/2021:

We generated a total amount of £25,196,013 income for our clients and £954,794 debts written off.

We also used our statistics and evidence to undertake research and campaign work, using clear data from clients to illustrate the impact of policy decisions and to advise public service providers

## East End Citizens Advice Bureaux

### Trustees' annual report

#### For the year ended 31 March 2021

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of systemic difficulties. We have appointed a best practice lead who also works as the research and campaign lead for East End Citizens Advice Bureaux.

We have worked on several Research campaigns – Homeless Access to Benefits and Banking, Scam Awareness, Big Energy Saving Network – publicising and working with residents to lower their energy bills and claim Warm Home Discounts etc.

Our ongoing work with Hackney Food Poverty Alliance, included making closer alliance with food banks, mutual aid groups and small charities and other organisations to tackle poverty.

We worked within the "Neighbourhood Conversations" mapping and planning better ways for the third sector and NHS Public Health and CCGs to work together for clients.

We worked closely with the councils on their Covid help for vulnerable residents and advising other agencies, including NHS Mental Health teams on practical help we can offer.

We have identified issues across all three boroughs with claiming Universal credit and talked directly to Department of Work and Pensions managers to resolve issues. We have also worked closely with the local Job Centre Plus to identify issues with the claiming process and managing claims.

In Tower Hamlets and Hackney, we take part in several forums that seek to raise awareness of changes, challenge new practices and find workable solutions. One example is the Welfare Rights Forum, which consists of representatives from Local Authority and the Department for Work & Pensions (Job Centre Plus), Third Sector and any other interested party that may be invited. Several issues have been discussed and addressed during the year, including Universal credit, Housing benefit issues, misleading or incorrect information, statutory changes, and their impact on the community and much more. We are pleased that our participation ensures that our views are listened to by statutory bodies.

Specific examples of help we provided to clients are as follows:

The husband of an elderly female client died in May 2020. When the client reported her husband's death all the benefits, including housing benefit, pension credit and council tax reduction, which had been in the husband's name, were suspended. The client was scared that she was going to lose her home and become homeless. Although the client received letters from the benefit office and her landlord, she did nothing about them until she received a call from her landlord informing her that she was in arrears. She thought that the benefit office and her landlord would sort it out between them.

We made a new claim for housing benefit and council tax reduction and successfully applied for them to be backdated. We assisted the client to contact the Pension Service and made a single claim for pension credit.

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We also contacted her landlord and informed him that it would take around four to five weeks to get a decision on the benefit claims and asked him not to take any action over the arrears in the meantime.

The client also mentioned that she had arthritis, which makes it difficult to walk but does not stop her carrying out daily activities. We advised her about Attendance Allowance in case she should need it in the future.

The client, a Muslim male, had been living with his mother as her carer for many years. The mother died from Covid-19. The client had no contact with his sister who was working. The client, who was receiving Universal Credit, applied for a funeral payment from the Department of Work and Pensions. His claim was refused on the grounds that his sister was working, and she could have arranged and paid for the funeral. The funeral needed to take place quickly on religious grounds, so he had to negotiate with a funeral home to arrange the funeral then accept payment when he received the funeral payment.

We assisted the client with a request for mandatory reconsideration on the grounds that the sister had no relationship with her brother or mother and could not be expected to arrange or pay for the funeral. After five weeks they changed their decision and made the award. The client was extremely grateful that we were even able to assist him during the pandemic in an extremely stressful time.

The client is a Portuguese widow living in private accommodation with her ten-year-old daughter. She has been living in the United Kingdom since 2007 but her English is poor, and she relies on her friends and daughter for help with translation.

The client lost her job during the covid-19 pandemic. She received housing benefit and council tax credit, but these benefits stopped when she made an application for universal credit. The claim for universal credit was refused on the grounds that she failed the habitual residency test, and she was told she could not return to the legacy benefit system. Rent arrears were accumulating and she was heavily reliant on friends for financial support.

We supported the client with a mandatory reconsideration of her previous claim, having established that she had settled status. She showed prospects of employment whilst living in the United Kingdom and provided several pieces of evidence. She believed she was discriminated against when she attended the habitual residence test because she struggles to communicate in English.

While waiting for the decision we supported the client with a food voucher and a £49 fuel voucher and made successful applications to the Biscuit Fund for £50 and to the British Red Cross hardship fund for £240.

The claim for mandatory reconsideration was successful and the client received a backdated universal credit payment of £12,225.99 and monthly payments thereafter of £1,746.57 per month. The client was incredibly pleased with the result and is now able to afford her accommodation and provide a better life for her and her daughter.

## Our vision

Our vision is to become the main hub for advice services in each of the three boroughs we serve. We interpret advice broadly to encompass preventative work and skills training as well as more traditional information, advice, and casework services. To achieve this vision, the Board will be working on the following goals:

- 1) Meet the changing needs of our clients by providing high quality advice and information services.
- 2) Address our clients' needs through consolidating our current partnerships and developing new partnerships.
- 3) Meet the changing needs of our communities by sustaining and developing funding.
- 4) Strengthen our organisation through effective people management and good governance.
- 5) Influence policy locally, regionally, and nationally.

The objectives are further explained on the following pages:

## Meeting the changing needs of our clients by providing high quality advice and information services.

East End Citizens Advice Bureaux is committed to quality, and we have robust systems in place to ensure clients are receiving high quality advice services and outcomes.

We have a pool of Quality Control Assessors who check client files and conduct independent file reviews on a regular basis. We work closely with our National Citizens Advice Assessor in managing the quality standards for the entire service. This has been extremely useful as the work of the internal assessors is checked and feedback is provided on a quarterly basis. Citizens Advice, as required by the new membership scheme, is required to carry out annual client feedback surveys in addition to the internal feedback surveys and feedback through focus groups.

## **East End Citizens Advice Bureaux**

### **Trustees' annual report**

**For the year ended 31 March 2021**

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Through providing high quality advice, we have been successful in securing high volumes of financial and non-financial outcomes for our clients. Our client feedback surveys on delivery of services have been extremely positive and clearly present a demand for more Citizens Advice services.

### **Address our clients' needs through consolidating our current partnerships and developing new partnerships.**

We regularly attend various partnership meetings with the Local Authority, Public Health, Statutory Departments and Housing Associations in Hackney, Newham and Tower Hamlets. Through our continuous work in these boroughs, we are at the forefront of advice delivery. We welcome collaborative working which cuts down on duplication of services, clients going to the wrong door and achieves longer term outcomes.

We will continue to work with local and national partners to provide integrated, accessible, and high-quality cross-borough advice, advocacy, training, and information services to meet the changing needs of their communities.

Hackney and Tower Hamlets local authorities have awarded contracts to us that involve a range of other partner advice agencies. This has assisted in increasing access for our clients to a whole range of additional advice and support services as well as increased awareness of the various services other advice agencies provide.

### **Meet the changing needs of our communities by sustaining and developing funding.**

Sustaining and developing services is extremely important for East End Citizens Advice to enable us to continue our services and support our communities with their changing needs. The current climate of reductions in public services, ongoing welfare reform, unemployment, financial difficulties, lack of housing, inequalities in health, lack of literacy and numeracy skills etc. makes this a challenging task as the demand on our services is increasing rapidly. People access our services with a multitude of enquires, which are interlinked and create complexities and, as a result have a devastating impact on people's lives.

The client statistical data presented in this report shows the demand on our services, the impact on our clients following our intervention and, clearly makes the case for sustaining and developing our services to meet the needs of the communities.

### **Strengthen our organisation through effective people management and good governance.**

We have a strong governance structure in place that ensures the adherence of all organisational legal requirements, policies, and procedures. Our Trustees and Senior Management Team possess

## East End Citizens Advice Bureaux

### Trustees' annual report

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extensive experience in all aspects of organisational leadership, effective delivery of services and financial control.

We are a people's organisation putting the needs of our clients at the heart of all we do. We can manage change, respond quickly to service user needs due to changes in law, and funder requirements. We have strong processes in place to support our paid staff and volunteers. Our Trustees undertake an annual skills audit to ensure their skills and expertise meet current organisational requirements as well as any developmental areas.

### **Influence policy locally, regionally, and nationally.**

We continue to undertake research and campaign work both at local and national level. Our advice team gather evidence from client cases, on policies or legislation that is causing detriment and complete bureau evidence forms which are submitted to National Citizens Advice.

We supported National Citizens Advice initiatives to raise awareness of 'Digital inclusion,' 'Smart meters,' 'Universal Credit issues' and 'Council tax and use of bailiffs.

### **Future plans**

We will continue to work closely with our Local Authorities and various other funders to deliver services in line with our three-yearly business plan. The impact of our work will continue to contribute towards their corporate strategic objectives. We will also be focusing on health-related projects as a high volume of our clients suffer from health problems.

Our aim is to become a hub for advice, specialist support services and training. This will require working in collaboration with other organisations as well as ensuring our own services are tailored towards clients' needs. We will continue to develop joint working processes to make access to a range of public services for people who lack ability or find it difficult to navigate to them. Our Strategic plan to deliver digital advice for people to increase accessibility to our services has been implemented following Covid-19, we are now delivering telephone, email and web-chat support for some offices and services. We aim to develop our digital support to complement face to face services further in our future planning and development.

We are developing various evaluation mechanisms to ensure we continue to demonstrate the impact of our services to our funders and strengthen collaborative working with the necessary departments and agencies.



## East End Citizens Advice Bureaux

### Trustees' annual report

For the year ended 31 March 2021

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#### 2020/21 – 2021/22

The five main developments we see next year are:

- Work collaboratively with as many services as possible to ensure clients have easy access to public services and benefits with particular attention to the rollout of Universal Credit in Hackney and Newham. We have commenced this work alongside a range of partner organisations in both Hackney and Tower Hamlets.
- Develop our new Hackney partnerships with the 'Systems Thinking Approach' that we helped to develop with the Council and local partners, whilst expanding the 'Multi agency team' with various public departments to improve the access to support for residents.
- Lead and manage our Tower Hamlets partnership efficiently to improve advice service provision in the Borough and instil a collaborative approach to service design.
- Maintain and strengthen existing projects and develop new projects from them.
- Continue to develop digital channels for service delivery. We aim to build on our current delivery and learn from this, to improve services and access to our services further.
- Increase research and campaign work to identify, quantify and raise awareness of service need among our communities to assist with design of future services.

The Citizens Advice Bureaux closed its offices on 17 March 2020 because of the Covid-19 epidemic to ensure the safety of clients and staff. Staff started working from home on 18 March providing advice by telephone, phone and webchat but not face to face advice. We have been in constant touch with our main funders, the London boroughs of Hackney and Tower Hamlets, the National Lottery Community Fund and the Department of Work and Pensions through Citizens Advice to gain their support to provide services in different ways to meet the changing needs of the people of the three boroughs. The demand for telephone advice exceeds our capacity and we have secured £100,000 additional funding for the next eleven months from The National Lottery Community Fund so that we can temporarily increase our staffing. Many of our experienced volunteer advisers are continuing to assist us in delivering our services and their support has been invaluable in helping to meet demand.

Referrals for some of our outreach services, particularly those which normally take place at GP surgeries have dropped due to the increased workload on GP staff and we are trying to find other ways of reaching this client group. The Children's Centres have reopened and we have been providing advice digitally to this client group. We plan to return to working in our offices and outreach venues once Government guidelines allow and we can ensure the safety of our staff and clients. We will consider whether we can incorporate any of the method of working we have adopted during the home working period into our work in our offices on our return to improve the service we offer to our clients.

## Fundraising

We receive funding from local authorities, health authorities, central government, The National Lottery Community Fund, housing associations, corporate donors and Trusts and Foundations. We identify funders who may be prepared to support our work and make applications to them following their application procedures and timescales, soliciting feedback on unsuccessful applications. The applications are prepared jointly by our fundraiser and Chief Executive. We are usually only awarded grants or contracts after a rigorous selection process. We also solicit funds from organisations where we perceive a need for our services and think we can achieve positive outcomes. We do not carry out other fundraising activities and we do not solicit gifts from members of the public or clients to protect vulnerable people. Our service is free at the point of delivery. We are not members of any scheme for regulating fundraising and have not received any complaints about our fundraising activities.

## Investment policy and performance

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are no funds for long term investment. The policy of the Trustees is to invest the amount that it has available, and grants received in advance in short term bank deposits.

## Financial review

The charity's results for the year are set out in the Statement of Financial Activities on page 22. The charity had net incoming resources on unrestricted funds of £137,355 for the year before an increase in the NACAB defined benefit pension liability of £129,728 (2020 £95,329 net incoming resources on unrestricted funds and £nil increase in the NACAB defined benefit pension liability). Together with the accumulated surplus brought forward from previous years and transfers, the charity had an accumulated surplus on unrestricted funds of £475,347 (2020 £467,220). Restricted funds carried forward on 31 March 2021 amounted to £305,475 (2020 £162,358). This is sufficient for the activities for which the funds were provided.

The charity received 44% of its funding from the London Boroughs of Hackney and Tower Hamlets (2020 42%), both directly and via partnership working with other organisations to provide advice and support at its offices and at outreach sites.

The funding scene is becoming ever more challenging. We received two grants of £100,000 each from the National Lottery Community Fund so that we could expand our telephone advice line service to help meet the increased demand on our services during the Covid-19 pandemic. This funding will continue into 2021/22. However, our five-year funding for the Crisis, Empowerment and Change project will finish in June 2021. We were also awarded two grants from the Energy

## East End Citizens Advice Bureaux

### Trustees' annual report

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Saving Trust and two grants from London Borough of Hackney to provide energy vouchers to clients with prepaid meters. We were successful in obtaining renewal funding of £50,000 each year for three years from Trust for London to provide employment advice. We also gained £50,732 in funding from Access to Justice Foundation which will continue into 2021/22 to provide extra specialist advice in employment and welfare benefits.

The charity accrued in full the deficit reduction payments in respect of the NACAB defined benefit pension scheme of which East End CAB (Citizens Advice Bureau) is a member in 2016. Deficit reduction contributions of £22,800 were payable annually from 2011 for 20 years. The triennial valuation on 31 March 2016 revealed an increase of £67,447 in the deficit using the charity's elected discount rate of 2%. We were required to make deficit reduction contributions of £22,800 for a further three years to 2034. The triennial valuation on 31 March 2019 revealed a further increase in the deficit of £129,728 using a discount rate of 2% and we are required to increase our contributions by 25% to £28,500 per annum and to make further contributions until March 2037. Further details are given in note 24 on page 45.

## Principal risks and uncertainties

The Trustees have assessed the principal risks to which East End CAB is exposed and are satisfied that systems are in place to mitigate our exposure to them. The Trustees recognise the potential financial risks on some of the bureaux services that are dependent on a single major funder. East End CAB is actively seeking to address the dependency by securing additional funding sources to support those services. We endeavour to achieve this by generating additional business and income as well as providing the highest possible level of service to both our clients and funders.

The Trustees formally review risk on an annual basis and at regular intervals throughout the year in the following areas and did so during the year under review under the following main headings:

Compliance

Finance

Governance

External developments and relationships.

We have a business continuity plan that manages all the identified organisational risks and is reviewed on a regular basis.

## Reserves policy and going concern

The trustees believe that East End Citizens Advice Bureaux should hold unrestricted reserves to ensure that the charity can continue to operate and meet the needs of its clients in the event of unforeseen circumstances. Given the vulnerability of many of our clients, our long-term ambition is to set aside sufficient liquid reserves to continue delivering essential services in the face of

## East End Citizens Advice Bureaux

### Trustees' annual report

#### For the year ended 31 March 2021

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funding shortfalls, cash flow issues, and numerous other setbacks which might befall the organisation.

We would like to have sufficient cash reserves to cover the cost of maintaining a physical presence across all three boroughs should we lose funding from the relevant local authorities. Long-term, we also aim to build a development fund to enable us to be better able to respond to opportunities as they arise, including providing match funding if required, or to fund staff posts which are beneficial to the long-term strategy and resilience of the organisation, but which are not included in the agreed annual budget.

However, our immediate focus is to continue to deliver our much-needed core services whilst building our essential reserves, particularly those necessary to cover the cost of an orderly winding up of East End Citizens Advice Bureaux.

The current reserves policy comprises:

- Sufficient cash reserves to cover the cost of an orderly winding up of East End Citizens Advice Bureaux. During 2020/21, based on organisation headcount and employees' length of service, and including redundancy costs plus notice pay: £462,000.
- Sufficient cash reserves to ensure East End Citizens Advice Bureaux can meet its outgoings in the case of delayed payments, equivalent to the monthly expenditure against our largest grant: £39,000
- Sufficient cash reserves for operational emergencies (flooding, heating failure, broken doors, or windows), some of which may be covered by insurance but might need immediate funds to address problems and/or involve an excess: £10,000.
- Sufficient cash reserves for unexpected operational costs which would impact upon service delivery and which would require significant outlay. In particular: recruitment, IT costs (new server, new copier etc.) ~ £5,000.

This gives a total reserves policy target for liquid assets of £516,000.

In note 18, the analysis of net assets between funds, the charity's free reserves, the unrestricted funds less the unrestricted fixed assets are £473,668. However, this includes a £386,490 pension deficit, which is negative as it represents the discounted total liability arising from the need to make payments of £28,500 per annum from April 2021 until March 2037. The trustees are confident that, on current projections, the charity will be able to continue to fund this obligation out of cash reserves for the foreseeable future. The balance of unrestricted reserves is a positive £861,837 in general funds which shows total unrestricted reserves less the pension deficit is slightly less than the Trustees' reserves policy. Trustees will review the level of necessary reserves on at least an annual basis with the aim of increasing it to meet the required level over then next year or two.

After making appropriate enquiries and after careful consideration of the charity's reserve position (above) and after cash flows and commitments, the trustees have a reasonable expectation that

## **East End Citizens Advice Bureaux**

### **Trustees' annual report**

#### **For the year ended 31 March 2021**

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the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Principal funding sources are shown in notes 2 and 3. Further details of grants receivable are given in note 7.

## **Structure, governance, management, and related parties**

### **Constitution**

East End Citizens Advice Bureaux, which also operates under the name of Citizens Advice East End, was formally created on 1 April 2004 following the merger of Hackney CAB, Newham CAB and Tower Hamlets CAB. It is a company limited by a guarantee and is a registered charity.

As part of the merger, Hackney CAB, a company limited by guarantee, changed its name to become East End Citizens Advice Bureaux. Newham CAB and Tower Hamlets CAB, both companies limited by guarantee, became dormant and were subsequently dissolved.

On 30 November 2013, the charity adopted a new Memorandum and Articles of Association which was agreed by the Charity Commission and registered with Companies House.

The company is governed by its Memorandum and Articles of Association and registered under the number 03324794. The company is registered as a charity under number 1082193. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The total number of such guarantees on 31 March 2021 was 15 (2020: 12). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

### **Governance**

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of its Articles of Association. Trustees are selected and recruited using a standard selection and recruitment process following a skills audit of the exiting Trustees. At the time of appointment or co-option of a new Trustee, a skills analysis is undertaken, and a tailored induction and training programme is put in place.

### **Management**

The charity is governed by a Board of Trustees who normally meet quarterly. A Human Resources and Finance Sub-committee, also meets quarterly and exists to further oversee the charity's financial position and decision making. A Governance Sub-committee meets quarterly to oversee

the governance of the charity. A Remuneration Sub-committee also meets occasionally to review implementation of the Trustees' remuneration policy. The Trustees have delegated the day-to-day management of the charity to the Chief Executive who is also supported by a Senior Management Team, consisting of a service manager who oversees the generalist service, a project manager who oversees the specialist services and specialist training and development, IT and finance managers who support the whole organisation. The three generalist services are run by team leaders.

### Remuneration policy for key management personnel

The trustees of the charity are Key Management Personnel and are not remunerated for their roles in this capacity. Any expenses reclaimed from the charity are set out in note 8 to the accounts. Other employed Key Management Personnel, who are the Senior Management Team (see note 8), receive a base salary, which is benchmarked against salaries in other London bureaux and nationally, and which is fixed by the Trustees. In addition, there may be a percentage for annual cost of living expense which is determined by the trustees before the year end. This is discretionary and the award of cost-of-living expense is very much dependent on the organisation's financial condition. Any proposals for remuneration increase for Key Management Personnel is forwarded to the Human Resources and Finance Sub Committee which consists of three trustees. They will consider the proposal and forward their recommendations to the Trustee Board. The Trustee board take the final decision on salary increases for all staff at their quarterly meetings.

### Related party relationships

The charity is a member of Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux. East End Citizens Advice Bureaux works closely and has contracts of service level agreements with other statutory and voluntary organisations, including:

- London Borough of Hackney
- London borough of Tower Hamlets
- The National Lottery Community Fund
- The Learning Trust
- Social Action for Health

### Statement of responsibilities of the trustees

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

## Trustees' annual report

For the year ended 31 March 2021

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Company law requires the trustees 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 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 estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

## Disclosure of information to auditors

Each of the persons who are trustees, the directors of the charitable company, at the time when this Trustees' Report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- The director has taken all the steps that ought to have taken as a director in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' annual report has been approved by the trustees on 8 September 2021 and signed on their behalf on 8 September 2021 by:

David Ross JP  
Chair



## Independent auditor's report

To the members of

East End Citizens Advice Bureaux

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### Opinion

We have audited the financial statements of East End Citizens Advice Bureaux (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events



## Independent auditor's report

To the members of

### East End Citizens Advice Bureaux

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may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

## Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

## Independent auditor's report

To the members of

East End Citizens Advice Bureaux

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There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

## Independent auditor's report

To the members of

East End Citizens Advice Bureaux

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### Auditor's responsibilities for the audit of the financial statements

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.

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

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

Jeremy Tyrrell BA (Hons) FCA (Senior statutory auditor)

For and on behalf of  
RPG Crouch Chapman LLP

Chartered Accountants  
Statutory Auditors

5<sup>th</sup> Floor, 14–16 Dowgate Hill  
London  
EC4R 2SU

Date: 15 September 2021

East End Citizens Advice Bureaux

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

|   | Note | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ |
|---|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                                 |      |                   |                  |                    |                   |                  |                    |
| Donations   | 2    | 6,785             | 133,894          | 140,679            | 7,869             | 92,780           | 100,649            |
| Charitable activities                               | 3    | 351,127           | 2,603,087        | 2,954,214          | 290,174           | 1,951,616        | 2,241,790          |
| Investments   |      | 265               | –                | 265                | 912               | –                | 912                |
| <b>Total income</b>                                 |      | <b>358,177</b>    | <b>2,736,981</b> | <b>3,095,158</b>   | <b>298,955</b>    | <b>2,044,396</b> | <b>2,343,351</b>   |
| <b>Expenditure on:</b>                              |      |                   |                  |                    |                   |                  |                    |
| Charitable activities                               | 4    | 213,145           | 2,601,541        | 2,814,686          | 185,315           | 2,013,296        | 2,198,611          |
| <b>Total expenditure</b>                            |      | <b>213,145</b>    | <b>2,601,541</b> | <b>2,814,686</b>   | <b>185,315</b>    | <b>2,013,296</b> | <b>2,198,611</b>   |
| <b>Net income/(expenditure) before transfers</b>    | 7    | 145,032           | 135,440          | 280,472            | 113,640           | 31,100           | 144,740            |
| Transfers between funds                             | 19   | (7,677)           | 7,677            | –                  | (18,311)          | 18,311           | –                  |
| <b>Net income after transfers</b>                   |      | <b>137,355</b>    | <b>143,117</b>   | <b>280,472</b>     | <b>95,329</b>     | <b>49,411</b>    | <b>144,740</b>     |
| Actuarial losses on defined benefit pension schemes | 24   | (129,728)         | –                | (129,728)          | –                 | –                | –                  |
| <b>Net movement in funds</b>                        |      | <b>7,627</b>      | <b>143,117</b>   | <b>150,744</b>     | <b>95,329</b>     | <b>49,411</b>    | <b>144,740</b>     |
| <b>Reconciliation of funds:</b>                     |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward                         |      | 467,720           | 162,358          | 630,078            | 372,391           | 112,947          | 485,338            |
| <b>Total funds carried forward</b>                  | 19   | <b>475,347</b>    | <b>305,475</b>   | <b>780,822</b>     | <b>467,720</b>    | <b>162,358</b>   | <b>630,078</b>     |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The notes on pages 25 to 46 form part of these financial statements.

# East End Citizens Advice Bureaux

## Balance sheet

Company no. 03324794

As at 31 March 2021

|  | Note | £                | 2021<br>£             | 2020<br>£             |
|--|------|------------------|-----------------------|-----------------------|
| <b>Fixed assets:</b>                           |      |                  |                       |                       |
| Tangible assets                                | 13   |                  | 5,493                 | 3,335                 |
| <b>Current assets:</b>                         |      |                  |                       |                       |
| Debtors  | 14   | 121,344          | 156,754               |                       |
| Cash at bank and in hand                       |      | 1,483,790        | 1,043,079             |                       |
|  |      | <u>1,605,134</u> | <u>1,199,833</u>      |                       |
| <b>Liabilities:</b>                            |      |                  |                       |                       |
| Creditors: amounts falling due within one year | 15   | (471,815)        | (324,187)             |                       |
| <b>Net current assets</b>                      |      |                  | <u>1,133,319</u>      | <u>875,646</u>        |
| <b>Total assets less current liabilities</b>   |      |                  | <u>1,138,812</u>      | <u>878,981</u>        |
| Creditors: amounts falling due after one year  | 17   |                  | (357,990)             | (248,903)             |
| <b>Total net assets</b>                        |      |                  | <u><u>780,822</u></u> | <u><u>630,078</u></u> |
| <b>The funds of the charity:</b>               |      |                  |                       |                       |
| Restricted income funds                        | 19   |                  | 305,475               | 162,358               |
| Unrestricted funds:                            |      |                  |                       |                       |
| Designated funds                               |      | (386,490)        | (271,703)             |                       |
| General funds                                  |      | 861,837          | 739,423               |                       |
| <b>Total unrestricted funds</b>                |      |                  | <u>475,347</u>        | <u>467,720</u>        |
| <b>Total charity funds</b>                     | 18   |                  | <u><u>780,822</u></u> | <u><u>630,078</u></u> |

The financial statements were approved and authorised for issue by the Trustees on 8 September 2021 and signed on their behalf by:

David Ross JP  
Chair

The notes on pages 25 to 46 form part of these financial statements.

East End Citizens Advice Bureaux

Statement of cash flows

For the year ended 31 March 2021

|  | Note | 2021<br>£ | £         | 2020<br>£ | £         |
|--|------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities                   | 20   |           |           |           |           |
| Net cash provided by operating activities              |      |           | 443,793   |           | (19,627)  |
| Cash flows from investing activities:                  |      |           |           |           |           |
| Dividends, interest and rents from investments         |      | 265       |           | 912       |           |
| Purchase of fixed assets                               |      | (3,347)   |           | (1,776)   |           |
| Net cash (used in)/provided by investing activities    |      |           | (3,082)   |           | (864)     |
| Change in cash and cash equivalents in the year        |      |           | 440,711   |           | (20,491)  |
| Cash and cash equivalents at the beginning of the year |      |           | 1,043,079 |           | 1,063,570 |
| Cash and cash equivalents at the end of the year       | 21   |           | 1,483,790 |           | 1,043,079 |

The notes on pages 25 to 46 form part of these financial statements.

**1 Accounting policies**

**a) Statutory information**

East End Citizens Advice Bureaux is a charitable company limited by guarantee and is incorporated in England and Wales under the number 03324794. The charity registration number is 1082193. The registered office address is 300 Mare Street, London E8 1HE. The nature of the charity's operations and principal activity is the provision of information, advice and advocacy services within the London Boroughs of Hackney, Newham and Tower Hamlets.

**b) Basis of preparation**

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) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The following judgements (apart from those involving estimates) have been made in the process of applying the accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Useful economic lives of fixed assets for depreciation purposes
- Discount rate of 2.0% for defined benefit multi-employer pension deficit reduction payments
- Basis of valuation of the rental costs included as a gift in kind.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Fund accounting**

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

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

**1 Accounting policies (continued)**

**e) Fund accounting (continued)**

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

Investment income, gains and losses are allocated to the appropriate fund.

**f) Income recognition**

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

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

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

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Bank interest income is recognised on receipt.

Government and local authority grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on fixed assets purchased with such grants is charged against the restricted fund over the expected useful life of the asset if there are continuing restrictions.

Grants of a revenue nature are credited to income in the period in which they are receivable. Grants received in advance for specified future periods are carried forward as deferred income.

**g) Expenditure recognition**

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

- Expenditure on charitable activities includes expenditure associated with general and specialised advice services and includes both the direct and support costs relating to these activities; and
- Other expenditure represents those items not falling into the category above.
- The charity does not currently incur costs on fundraising.

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



**1 Accounting policies (continued)**

**h) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office, governance and administration costs. They are incurred in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of the resources. Premises and other overheads have been allocated on the basis of time spent on activities.

The analysis of these costs is included in note 4e.

**i) Tangible fixed assets**

Items of equipment and fixtures and fittings are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                         |                      |
|-------------------------|----------------------|
| ● Computer equipment    | 33.33% straight line |
| ● Fixtures and fittings | 20% straight line    |
| ● Office equipment      | 14–20% straight line |

**j) Employee benefits**

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

The charity operates two defined contribution schemes for the benefit of its employees. Contributions are expensed as they become payable. Both are funded schemes and the assets are held independently from the charity.

One scheme is closed to new members, consisting of those members who had previously left the NACAB scheme below. The charity contributes 5.1% of gross pay to the scheme and this charge is recognised in staff pension costs for the year.

The other defined contribution scheme was set up as part of the charity's auto enrolment obligations and is open to all current staff members. The charity contributes 3% of gross pay to the scheme and this charge is recognised in staff pension costs for the year.

The charity is also a member of a multi-employer defined benefit pension scheme, sponsored by the National Association of Citizens Advice Bureaux ('NACAB'), which is now closed to new members. As a multi-employer scheme within the definition of FRS102, none of the assets or liabilities of the scheme are included on the charity's Balance Sheet as the individual proportions cannot be attributed to each participating employer. See note 24 for further details of the scheme. The charity had an obligation to pay deficit reduction contributions of £22,800 per annum from 1 April 2011 for twenty three years, increasing to £28,500 from 1 April 2021 for 16 years. The discounted net present value of this obligation is included within both current and non-current liabilities. An annual charge is made to expenditure to unwind the discounting, as shown in note 4e under pension finance costs.

**1 Accounting policies (continued)**

**j) Employee benefits**

The charity is also a member of The Pensions Trust series three multi-employer scheme which is considered to be a defined benefit pension scheme, which is now closed to new members. As a multi-employer scheme within the definition of FRS102, none of the assets or liabilities of the scheme are included on the charity's Balance Sheet as the individual proportions cannot be attributed to each participating employer. The charity is not required to pay deficit reduction contributions.

**k) Taxation**

The charity is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and meets the definition of a charitable company for UK corporation tax purposes. It does not suffer tax on income or gains applied to charitable purposes.

**l) Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**m) Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**n) Creditors**

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**o) Leases**

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

**p) Financial instruments**

The charity holds only basic financial instruments. The financial assets and liabilities of the charity are shown in Note 23:

Financial assets – Trade debtors, other debtors and grant income accrued are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Financial liabilities – Trade creditors, pension deficit liabilities, accruals and other creditors are basic financial instruments, and are measured at amortised cost as detailed in notes 15 and 17. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations

|               | Unrestricted<br>£ | Restricted<br>£ | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|-------------------|-----------------|--------------------|--------------------|
| Hackney       | -                 | 67,550          | 67,550             | 43,646             |
| Tower Hamlets | -                 | 66,344          | 66,344             | 49,134             |
| Central       | 6,785             | -               | 6,785              | 7,869              |
|               | <u>6,785</u>      | <u>133,894</u>  | <u>140,679</u>     | <u>100,649</u>     |

3a Income from charitable activities by bureau and income type

|               | Grants<br>£      | Fees for<br>services<br>£ | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|------------------|---------------------------|--------------------|--------------------|
| Hackney       | 891,054          | 265,807                   | 1,156,861          | 882,052            |
| Newham        | 396,689          | 20,300                    | 416,989            | 374,965            |
| Tower Hamlets | 1,315,344        | 29,725                    | 1,345,069          | 927,758            |
| Central       | 25,100           | 10,195                    | 35,295             | 57,015             |
|               | <u>2,628,187</u> | <u>326,027</u>            | <u>2,954,214</u>   | <u>2,241,790</u>   |

Hackney and Tower Hamlets act as the lead partner in two grant consortia receiving cash and passing it on to partner organisations. Grant income included in income and expenditure is £104,881 at Hackney (2020 £102,557) and £663,423 at Tower Hamlets (2020 £365,642).

3b Income from charitable activities by bureau and fund

|               | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|-------------------|------------------|--------------------|--------------------|
| Hackney       | 265,807           | 891,054          | 1,156,861          | 882,052            |
| Newham        | 20,300            | 396,689          | 416,989            | 374,965            |
| Tower Hamlets | 29,725            | 1,315,344        | 1,345,069          | 927,758            |
| Central       | 35,295            | -                | 35,295             | 57,015             |
|               | <u>351,127</u>    | <u>2,603,087</u> | <u>2,954,214</u>   | <u>2,241,790</u>   |

In 2020 of the total income from charitable activities £290,174 was unrestricted and £1,951,616 was restricted.

The charity has one activity, providing advice to those in need which is free at the point of delivery.

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

4a Charitable expenditure by expenditure type

|               | Staff costs<br>£ | Other<br>£       | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|------------------|------------------|--------------------|--------------------|
| Hackney       | 739,105          | 362,905          | 1,102,010          | 903,359            |
| Newham        | 368,931          | 11,449           | 380,380            | 375,806            |
| Tower Hamlets | 578,019          | 745,894          | 1,323,913          | 919,446            |
| Central       | 8,383            | -                | 8,383              | -                  |
|               | <u>1,694,438</u> | <u>1,120,248</u> | <u>2,814,686</u>   | <u>2,198,611</u>   |

4b Charitable expenditure by bureau and direct activities and support costs

|               | Activities<br>£  | Support<br>£   | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|------------------|----------------|--------------------|--------------------|
| Hackney       | 986,364          | 115,646        | 1,102,010          | 903,359            |
| Newham        | 325,821          | 54,559         | 380,380            | 375,806            |
| Tower Hamlets | 1,242,111        | 81,802         | 1,323,913          | 919,446            |
| Central       | 8,383            | -              | 8,383              | -                  |
|               | <u>2,562,679</u> | <u>252,007</u> | <u>2,814,686</u>   | <u>2,198,611</u>   |

4c Expenditure from charitable activities by fund

|               | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|---------------|-------------------|------------------|--------------------|--------------------|
| Hackney       | 166,663           | 935,347          | 1,102,010          | 903,359            |
| Newham        | 12,426            | 367,954          | 380,380            | 375,806            |
| Tower Hamlets | 25,673            | 1,298,240        | 1,323,913          | 919,446            |
| Central       | 8,383             | -                | 8,383              | -                  |
|               | <u>213,145</u>    | <u>2,601,541</u> | <u>2,814,686</u>   | <u>2,198,611</u>   |

In 2020, of the total expenditure £185,315 was unrestricted and £2,013,296 was restricted.

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

4d Direct costs

|                      |         |         |          |                  | 2021      | 2020      |
|----------------------|---------|---------|----------|------------------|-----------|-----------|
|                      | Central | Hackney | Newham   | Tower<br>Hamlets | Total     | Total     |
|                      | £       | £       | £        | £                | £         | £         |
| Wages and salaries   | 8,383   | 594,594 | 299,151  | 475,157          | 1,377,285 | 1,171,166 |
| National insurance   | –       | 57,185  | 29,331   | 45,718           | 132,234   | 110,534   |
| Pension costs        | –       | 11,522  | 5,769    | 5,213            | 22,504    | 21,908    |
| Other staff costs    | –       | 2,147   | 97       | 2,704            | 4,948     | 8,503     |
| Other direct costs   | –       | 114,698 | 847      | 665,088          | 780,633   | 474,419   |
| Administration costs | –       | 111,791 | 3,362    | 13,413           | 128,566   | 35,969    |
| Premises costs       | –       | 94,427  | (12,736) | 34,818           | 116,509   | 126,172   |
|                      | 8,383   | 986,364 | 325,821  | 1,242,111        | 2,562,679 | 1,948,671 |

4e Support costs

|                                  |         |         |        |                  | 2021    | 2020    |
|----------------------------------|---------|---------|--------|------------------|---------|---------|
|                                  | Central | Hackney | Newham | Tower<br>Hamlets | Total   | Total   |
|                                  | £       | £       | £      | £                | £       | £       |
| Wages and salaries               | –       | 61,089  | 30,509 | 45,684           | 137,282 | 132,056 |
| National insurance               | –       | 6,973   | 3,482  | 5,214            | 15,669  | 10,743  |
| Pension costs                    | –       | 1,380   | 689    | 1,032            | 3,101   | 2,786   |
| Other staff costs                | –       | 15,488  | 7,749  | 11,612           | 34,849  | 38,909  |
| Administration costs             | –       | 12,205  | 6,063  | 9,150            | 27,418  | 31,031  |
| Pension finance costs            | –       | 3,709   | 1,834  | 2,791            | 8,334   | 5,774   |
| Governance costs – see<br>note 5 | –       | 10,250  | 1,950  | 2,905            | 15,105  | 13,901  |
| Premises costs                   | –       | 4,552   | 2,283  | 3,414            | 10,249  | 14,740  |
|                                  | –       | 115,646 | 54,559 | 81,802           | 252,007 | 249,940 |

5 Governance costs

|  | Unrestricted | Restricted | 2021<br>Total | 2020<br>Total |
|--|--------------|------------|---------------|---------------|
|  | £            | £          | £             | £             |
| Wages and salaries                       | 5,741        | –          | 5,741         | 5,628         |
| National insurance                       | 623          | –          | 623           | 611           |
| Auditors' remuneration                   | 7,949        | –          | 7,949         | 7,426         |
| Meeting expenses,<br>trustee recruitment | 792          | –          | 792           | 236           |
|  | 15,105       | –          | 15,105        | 13,901        |

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

6 Grants receivable

|   |               | 2021<br>£ | 2020<br>£ |
|---|---------------|-----------|-----------|
| London Borough of Hackney                   |               |           |           |
| General advice                              | *             | 262,000   | 271,000   |
| Advice in health settings                   | *             | 60,000    | 55,000    |
| Energy vouchers                             |               | 54,000    | -         |
| No recourse to public funds                 |               | 30,000    | -         |
| Other                                       |               | -         | (1,210)   |
| London Borough of Tower Hamlets             |               |           |           |
| General advice                              | *             | 885,102   | 545,481   |
| Council tax                                 |               | 36,967    | 37,450    |
| Local area partnership two                  | * via partner | -         | 38,570    |
| Management                                  |               | 39,000    | 19,500    |
| Premises                                    |               | 5,000     | -         |
| Rent repayment order                        |               | -         | 16,016    |
| The National Lottery Community Fund         |               |           |           |
| Crisis – ID 10275738                        |               | 149,949   | 148,942   |
| Covid-19 emergency                          |               | 100,000   | -         |
| Covid-19 emergency                          |               | 8,333     | -         |
| Citizens Advice                             |               |           |           |
| Big energy savings network                  |               | 12,500    | 12,500    |
| Consumer empowerment                        |               | -         | 30,000    |
| Digital innovation                          |               | 15,000    | -         |
| Energy advice programme                     |               | 13,560    | 16,500    |
| Energy best deal                            |               | -         | 10,995    |
| Equipment                                   |               | 11,960    | -         |
| Equipment Universal credit                  |               | 2,408     | -         |
| Gamble awareness                            |               | 43,500    | 43,500    |
| Universal credit help to claim              |               | 343,983   | 336,665   |
| Universal credit phone and webchat          |               | 119,460   | 117,460   |
| Universal credit best practice lead         |               | 39,648    | 39,001    |
| Other                                       |               | 1,457     | 3,317     |
| Access to Justice Foundation                |               | 47,107    | -         |
| Barts Health NHS Trust                      |               | 22,000    | 20,000    |
| Bromley by Bow Centre                       | *             | 5,369     | -         |
| Clarion Housing Association                 |               | 8,000     | -         |
| East End Community Foundation – Money Smart |               | 4,625     | 4,875     |
| East End Community Foundation – Covid-19    |               | 3,000     | -         |
| East London NHS Foundation Trust            |               | 6,000     | 6,000     |
| Energy Saving Trust                         |               | 50,358    | -         |
| Good Things Foundation                      |               | 68,369    | 28,486    |
| Greater London Authority                    |               | 5,000     | -         |
| The Hackney Parochial Charities             |               | -         | 7,141     |
| Home Office                                 |               | 22,399    | 39,999    |
| Notting Hill Genesis                        |               | -         | (630)     |
| Smart Energy GB                             |               | -         | 949       |
| Social Action for Health                    |               |           |           |
| Hackney                                     | *             | -         | 1,120     |
| Tower Hamlets                               | *             | 30,273    | 30,273    |
| South Hackney Parochial Charity             |               | 15,000    | 14,000    |
| Thames Water Trust Fund                     |               | 33,127    | 34,801    |
| Tower Hamlets Homes                         |               | -         | 9,027     |

\* There are no unfulfilled conditions or other contingencies attached to the local government and NHS grants included above.

## East End Citizens Advice Bureaux

### Notes to the financial statements

For the year ended 31 March 2021

#### 6 Grants receivable (continued)

|  | 2021             | 2020             |
|--|------------------|------------------|
|  | £                | £                |
| Transport for London via City Bridge Trust | 5,000            | -                |
| Trust for London                           | 43,333           | 33,000           |
| Volunteer Centre Hackney                   | 400              | 5,200            |
| Wakefield & Tetley Trust                   | 15,000           | 10,000           |
| West Hackney Parochial Charity             | 10,000           | 10,000           |
|  | <u>2,628,187</u> | <u>1,994,928</u> |

- \* There are no unfulfilled conditions or other contingencies attached to the local government and NHS grants included above.

Hackney and Tower Hamlets act as the lead partner in two grant consortia receiving cash and passing it on to partner organisations. Grant income included in income and expenditure is £104,881 at Hackney (2020 £102,557) and £663,423 at Tower Hamlets (2020 £365,642).

#### 7 Net income for the year

This is stated after charging:

|   | 2021         | 2020         |
|---|--------------|--------------|
|   | £            | £            |
| Depreciation of tangible fixed assets   |              |              |
| – owned by the charity                  | 1,189        | 1,062        |
| Operating lease rentals:                |              |              |
| Property                                | 52,695       | 56,295       |
| Auditors' remuneration (excluding VAT): |              |              |
| Audit                                   | 7,949        | 7,426        |
|   | <u>7,949</u> | <u>7,426</u> |

#### 8 Analysis of trustee remuneration and expenses, and the cost of key management personnel

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £259,551 (2020: £282,461). Whilst Trustees are considered to be included in the definition of Key Management Personnel, they are not remunerated. Employed Key Management Personnel are considered to comprise the Senior Management Team which includes:

- Chief executive
- Finance manager
- IT manager
- Project manager
- Service manager
- Training and development manager

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

A Trustee received reimbursement of £300 expenses for the purchase of staff long service awards in the year (2020: £nil). Another Trustee received £20 expenses for childcare to attend a Trustee meeting (2020: nil).

**9 Staff costs and employee benefits**

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Staff costs were as follows: | 2021<br>£        | 2020<br>£        |
| Wages and salaries           | 1,507,175        | 1,303,462        |
| Social security costs        | 148,526          | 121,887          |
| Other pension costs          | 25,605           | 24,694           |
|                              | <u>1,681,306</u> | <u>1,450,043</u> |

One employee received remuneration between £60,000 to £70,000 during the year (2020 One).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 50 (2020:47).

Staff are split across the activities of the charitable company as follows:

|                            |             |             |
|----------------------------|-------------|-------------|
|                            | 2021<br>No. | 2020<br>No. |
| Project and activity       | 46          | 44          |
| Administration and support | 4           | 3           |
|                            | <u>50</u>   | <u>47</u>   |

The average number of full and part time employees during the year was as follows:

|           | Full time equivalent |             | Head count  |             |
|-----------|----------------------|-------------|-------------|-------------|
|           | 2021<br>No.          | 2020<br>No. | 2021<br>No. | 2020<br>No. |
| Full time | 39                   | 33          | 39          | 33          |
| Part time | 7                    | 8           | 11          | 14          |
|           | <u>46</u>            | <u>41</u>   | <u>50</u>   | <u>47</u>   |

**11 Related party transactions**

There are no related party transactions to disclose for 2021, other than the Trustee expenses shown in Note 8, (2020: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Two of the daughters of the Chief Executive have been employed by the charity as an adviser/caseworker during the year and were paid salaries of £19,104 and £16,533 (2020 one daughter was paid £20,633).



# East End Citizens Advice Bureaux

## Notes to the financial statements

For the year ended 31 March 2021

### 12 Taxation

The charitable company is exempt from corporation tax as all its income is from charitable activities and is applied for charitable purposes.

### 13 Tangible fixed assets

|                          | Fixtures and fittings<br>£ | Office equipment<br>£ | Computer equipment<br>£ | Total<br>£ |
|--------------------------|----------------------------|-----------------------|-------------------------|------------|
| <b>Cost or valuation</b> |                            |                       |                         |            |
| At the start of the year | 2,817                      | 74,075                | 23,304                  | 100,196    |
| Additions in year        | –                          | –                     | 3,347                   | 3,347      |
| Disposals in year        | –                          | –                     | –                       | –          |
| At the end of the year   | 2,817                      | 74,075                | 26,651                  | 103,543    |
| <b>Depreciation</b>      |                            |                       |                         |            |
| At the start of the year | 2,817                      | 70,821                | 23,223                  | 96,861     |
| Charge for the year      | –                          | 811                   | 378                     | 1,189      |
| Eliminated on disposal   | –                          | –                     | –                       | –          |
| At the end of the year   | 2,817                      | 71,632                | 23,601                  | 98,050     |
| <b>Net book value</b>    |                            |                       |                         |            |
| At the end of the year   | –                          | 2,443                 | 3,050                   | 5,493      |
| At the start of the year | –                          | 3,254                 | 81                      | 3,335      |

All of the above assets are used for charitable purposes.

### 14 Debtors

|                            | 2021<br>£ | 2020<br>£ |
|----------------------------|-----------|-----------|
| Trade debtors              | 42,756    | 66,115    |
| Prepayments                | 14,283    | 19,602    |
| Grant and contract debtors | 64,305    | 71,037    |
|                            | 121,344   | 156,754   |

### 15 Creditors: amounts falling due within one year

|                                     | 2021<br>£ | 2020<br>£ |
|-------------------------------------|-----------|-----------|
| Trade creditors                     | 17,386    | 28,080    |
| Taxation and social security        | 59,413    | 47,623    |
| Pension deficit liability           | 28,500    | 22,800    |
| Other creditors                     | 63,599    | 70,278    |
| Accruals                            | 59,512    | 66,355    |
| Deferred income (see note 16 below) | 243,405   | 89,051    |
|                                     | 471,815   | 324,187   |

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

16 Deferred income

Deferred income comprises amounts received in advance that are grants or contract payments attributable to specified future periods.

|                                       | 2021<br>£      | 2020<br>£     |
|---------------------------------------|----------------|---------------|
| Balance at the beginning of the year  | 89,051         | 100,633       |
| Amount released to income in the year | (89,051)       | (100,633)     |
| Amount deferred in the year           | 243,405        | 89,051        |
| Balance at the end of the year        | <u>243,405</u> | <u>89,051</u> |

17 Creditors: amounts falling due after one year

|                                    | 2021<br>£      | 2020<br>£      |
|------------------------------------|----------------|----------------|
| Pension deficit reduction payments | 357,990        | 248,903        |
|                                    | <u>357,990</u> | <u>248,903</u> |

Creditors include amounts not wholly repayable within five years as follows:

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Pension deficit reduction payments repayable by instalments | <u>278,925</u> | <u>181,329</u> |

18a Analysis of net assets between funds (current year)

|  | General<br>unrestricted<br>£ | Designated<br>£  | Restricted<br>£ | Total funds<br>£ |
|--|------------------------------|------------------|-----------------|------------------|
| Tangible fixed assets                          | 1,679                        | –                | 3,814           | 5,493            |
| Current assets                                 | 1,039,586                    | –                | 565,548         | 1,605,134        |
| Current liabilities                            | (179,428)                    | (28,500)         | (263,887)       | (471,815)        |
| Long term liabilities, defined benefit pension | –                            | (357,990)        | –               | (357,990)        |
| Net assets at 31 March 2021                    | <u>861,837</u>               | <u>(386,490)</u> | <u>305,475</u>  | <u>780,822</u>   |

18b Analysis of net assets between funds (prior year)

|   | General<br>unrestricted<br>£ | Designated<br>£  | Restricted<br>£ | Total funds<br>£ |
|---|------------------------------|------------------|-----------------|------------------|
| Tangible fixed assets                       | 1,699                        | –                | 1,636           | 3,335            |
| Current assets                              | 878,655                      | –                | 321,178         | 1,199,833        |
| Current liabilities                         | (140,931)                    | (22,800)         | (160,456)       | (324,187)        |
| Defined benefit pension asset / (liability) | –                            | (248,903)        | –               | (248,903)        |
| Net assets at 31 March 2020                 | <u>739,423</u>               | <u>(271,703)</u> | <u>162,358</u>  | <u>630,078</u>   |

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

19a Movements in funds (current year)

|  | At 1 April<br>2020<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | At 31 March<br>2021<br>£ |
|--|-------------------------|-------------|------------------|----------------|--------------------------|
| <b>Restricted funds:</b>   |                         |             |                  |                |                          |
| <b>Hackney</b>   |                         |             |                  |                |                          |
| Bureau advice services   | 40,156                  | 330,150     | (321,953)        | –              | 48,353                   |
| Advice in health settings  | 8,322                   | 66,000      | (63,012)         | –              | 11,310                   |
| Homerton Hospital  | 6,755                   | –           | –                | –              | 6,755                    |
| Covid-19 No recourse to public funds                                 | –                       | 30,000      | (30,536)         | 536            | –                        |
| Energy vouchers – Hackney  | –                       | 54,000      | (27,805)         | 275            | 26,470                   |
| Energy vouchers – All 3 boroughs                                     | –                       | 50,358      | (50,645)         | 287            | –                        |
| Advice services transitional fund                                    | 4,152                   | –           | –                | –              | 4,152                    |
| Discretionary crisis support scheme                                  | 2,332                   | –           | –                | –              | 2,332                    |
| The National Lottery Community Fund – Covid-19 emergency             | –                       | 43,333      | (40,373)         | (2,960)        | –                        |
| The National Lottery Community Fund – Crisis, empowerment and change | 9,656                   | 49,983      | (61,329)         | 1,690          | –                        |
| Big Energy Savings Network   | 52                      | 12,500      | (11,984)         | –              | 568                      |
| Digital innovation   | –                       | 15,000      | (19,377)         | 4,377          | –                        |
| Energy advice programme  | 514                     | 13,560      | (12,710)         | –              | 1,364                    |
| Energy Champion  | 119                     | –           | –                | –              | 119                      |
| Equipment  | –                       | 19,368      | (19,393)         | 25             | –                        |
| EU Settled status  | –                       | 22,449      | (22,549)         | 100            | –                        |
| EU Settled status outreach   | –                       | 5,000       | (5,579)          | 579            | –                        |
| Gambling support service   | –                       | 43,500      | (44,311)         | 811            | –                        |
| Money management   | –                       | 8,072       | (4,777)          | –              | 3,295                    |
| Power Up   | –                       | 41,021      | (45,151)         | 9,941          | 5,811                    |
| Universal credit help to claim                                       | –                       | 114,661     | (114,497)        | (164)          | –                        |
| Universal credit best practice                                       | 802                     | 39,648      | (39,365)         | –              | 1,085                    |
| <b>Newham</b>  |                         |             |                  |                |                          |
| The National Lottery Community Fund – Covid-19 emergency             | –                       | 21,667      | (19,151)         | (2,516)        | –                        |
| The National Lottery Community Fund – Crisis, empowerment and change | 8,351                   | 49,983      | (43,453)         | (3,402)        | 11,479                   |
| Power up   | 15                      | 13,674      | (7,311)          | (4,441)        | 1,937                    |
| Thames Water Trust Fund  | –                       | 33,127      | (33,620)         | 493            | –                        |
| Trust for London   | 1,372                   | 43,333      | (35,241)         | –              | 9,464                    |
| Universal credit help to claim                                       | –                       | 115,445     | (129,664)        | 14,219         | –                        |
| Universal credit help to claim phone and webchat                     | –                       | 119,460     | (116,914)        | (2,547)        | (1)                      |
| Other  | –                       | –           | 17,400           | –              | 17,400                   |
| <b>Tower Hamlets</b>   |                         |             |                  |                |                          |
| Bureau advice services   | 38,160                  | 925,352     | (893,030)        | –              | 70,482                   |
| Council tax  | 7,350                   | 36,967      | (21,413)         | –              | 22,904                   |
| Local area partnership 2   | 3,066                   | –           | –                | –              | 3,066                    |
| Premises   | –                       | 5,000       | –                | –              | 5,000                    |
| The National Lottery Community Fund – Covid-19 emergency             | –                       | 43,333      | (48,978)         | 5,645          | –                        |
| The National Lottery Community Fund – Crisis, empowerment and change | 3,939                   | 49,983      | (55,634)         | 1,712          | –                        |

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

19a Movements in funds (current year) (continued)

|                                 | At 1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 March<br>2021<br>£ |
|---------------------------------|-------------------------|------------------|--------------------|----------------|--------------------------|
| <b>Restricted funds:</b>        |                         |                  |                    |                |                          |
| Tower Hamlets (continued)       |                         |                  |                    |                |                          |
| Covid-19 emergency equipment    | –                       | 3,000            | (3,025)            | 25             | –                        |
| Tower Hamlets money smart       | 11,542                  | 14,625           | (14,866)           | –              | 11,301                   |
| Employment solicitor            | 1,370                   | 63,829           | (57,528)           | –              | 7,671                    |
| Empower You Too Energy          | –                       | 5,369            | (3,423)            | –              | 1,946                    |
| Office equipment                | 1,596                   | –                | (456)              | –              | 1,140                    |
| Power Up                        | 2,111                   | 13,674           | (6,396)            | (5,500)        | 3,889                    |
| Royal London Hospital           | 4,620                   | 22,000           | (17,225)           | –              | 9,395                    |
| Schools pilot                   | –                       | 5,000            | (4,337)            | –              | 663                      |
| Advice in health settings       | 4,238                   | 30,273           | (23,470)           | –              | 11,041                   |
| Specialist advice               | –                       | 47,107           | (45,163)           | –              | 1,944                    |
| Universal credit help to claim  | –                       | 114,661          | (103,153)          | (11,508)       | –                        |
| Video conferencing equipment    | –                       | 1,516            | (144)              | –              | 1,372                    |
| Volunteer training              | 1,768                   | –                | –                  | –              | 1,768                    |
| <b>Total restricted funds</b>   | <b>162,358</b>          | <b>2,736,981</b> | <b>(2,601,541)</b> | <b>7,677</b>   | <b>305,475</b>           |
|                                 |                         |                  |                    |                |                          |
|                                 | At 1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 March<br>2021<br>£ |
| <b>Unrestricted funds:</b>      |                         |                  |                    |                |                          |
| <b>Designated funds</b>         |                         |                  |                    |                |                          |
| Pension deficit fund            | (271,703)               | –                | (129,728)          | 14,941         | (386,490)                |
| <b>General funds</b>            |                         |                  |                    |                |                          |
| General funds                   | 739,423                 | 358,177          | (213,145)          | (22,618)       | 861,837                  |
| <b>Total unrestricted funds</b> | <b>467,720</b>          | <b>358,177</b>   | <b>(342,873)</b>   | <b>(7,677)</b> | <b>475,347</b>           |
|                                 |                         |                  |                    |                |                          |
| <b>Total funds</b>              | <b>630,078</b>          | <b>3,095,158</b> | <b>(2,944,414)</b> | <b>–</b>       | <b>780,822</b>           |

The narrative to explain the purpose of each fund for each of the years' to 31 March 2021 and 2020 is given at the foot of the prior year note 19b below.

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

19b Movements in funds (prior year)

|  | At 1 April<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 March<br>2020<br>£ |
|--|-------------------------|------------------|--------------------|----------------|--------------------------|
| <b>Restricted funds:</b>                                   |                         |                  |                    |                |                          |
| <b>Hackney</b>   |                         |                  |                    |                |                          |
| Bureau advice services                                     | 30,116                  | 320,096          | (310,056)          | –              | 40,156                   |
| Advice in health settings                                  | 2,438                   | 62,120           | (56,236)           | –              | 8,322                    |
| Homerton Hospital  | 13,433                  | (1,210)          | (5,468)            | –              | 6,755                    |
| Advice services transitional fund                          | 4,152                   | –                | –                  | –              | 4,152                    |
| Discretionary crisis support scheme                        | 2,332                   | –                | –                  | –              | 2,332                    |
| The National Lottery Community Fund                        |                         |                  |                    |                |                          |
| Crisis   | 11,264                  | 49,647           | (51,255)           | –              | 9,656                    |
| Big Energy Savings Network                                 | –                       | 12,500           | (12,448)           | –              | 52                       |
| Consumer empowerment                                       | –                       | 30,000           | (31,131)           | 1,131          | –                        |
| Energy advice programme                                    | –                       | 16,500           | (15,986)           | –              | 514                      |
| Energy champion  | 119                     | –                | –                  | –              | 119                      |
| EU Settled status  | –                       | 39,999           | (40,283)           | 284            | –                        |
| Gambling support service                                   | –                       | 43,500           | (43,677)           | 177            | –                        |
| Genesis Moneysmart   | –                       | (630)            | (14,822)           | 15,452         | –                        |
| Power Up   | –                       | 17,093           | (19,284)           | 2,191          | –                        |
| Universal credit help to claim                             | –                       | 112,221          | (121,443)          | 9,222          | –                        |
| Universal credit best practice lead                        | 1382                    | 39,001           | (39,581)           | –              | 802                      |
| <b>Newham</b>  |                         |                  |                    |                |                          |
| The National Lottery Community Fund                        |                         |                  |                    |                |                          |
| Crisis   | 2,486                   | 49,648           | (43,783)           | –              | 8,351                    |
| Power Up   | –                       | 5,697            | (3,490)            | (2,192)        | 15                       |
| Thames Water Trust Fund                                    | 383                     | 34,801           | (35,551)           | 367            | –                        |
| Trust for London   | 690                     | 33,000           | (32,318)           | –              | 1,372                    |
| Universal credit help to claim                             | 499                     | 112,222          | (125,218)          | 12,497         | –                        |
| Universal credit help to claim phone and webchat           | –                       | 117,460          | (117,876)          | 416            | –                        |
| Other  | –                       | 2,590            | (2,590)            | –              | –                        |
| <b>Tower Hamlets</b>                                       |                         |                  |                    |                |                          |
| Bureau advice services                                     | 9,647                   | 568,331          | (539,818)          | –              | 38,160                   |
| Council tax  | –                       | 37,450           | (30,100)           | –              | 7,350                    |
| Local area partnership 2                                   | –                       | 38,570           | (35,504)           | –              | 3,066                    |
| Rent repayment order                                       | –                       | 16,016           | (16,016)           | –              | –                        |
| The National Lottery Community Fund                        |                         |                  |                    |                |                          |
| Crisis   | 8,187                   | 49,647           | (53,895)           | –              | 3,939                    |
| East End Community Foundation and Wakefield & Tetley Trust | 3,906                   | 14,875           | (7,239)            | –              | 11,542                   |
| Employment solicitor                                       | 10,114                  | 46,034           | (54,778)           | –              | 1,370                    |
| Power Up   | –                       | 5,697            | (3,586)            | –              | 2,111                    |
| Royal London Hospital                                      | 3,524                   | 20,000           | (18,904)           | –              | 4,620                    |
| Social Action for Health                                   | 3,146                   | 30,273           | (29,181)           | –              | 4,238                    |
| Office equipment   | 2,052                   | –                | (456)              | –              | 1,596                    |
| Tower Hamlets Homes  | –                       | 9,027            | (9,468)            | 441            | –                        |
| Universal credit help to claim                             | –                       | 112,221          | (90,546)           | (21,675)       | –                        |
| Volunteer training   | 3,077                   | –                | (1,309)            | –              | 1,768                    |
| <b>Total restricted funds</b>                              | <b>112,947</b>          | <b>2,044,396</b> | <b>(2,013,296)</b> | <b>18,311</b>  | <b>162,358</b>           |

The narrative to explain the purpose of each fund is given at the foot of the note below.

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

19b Movements in funds (prior year) (continued)

|                                 | At 1 April<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£  | At 31 March<br>2020<br>£ |
|---------------------------------|-------------------------|------------------|--------------------|-----------------|--------------------------|
| <b>Unrestricted funds:</b>      |                         |                  |                    |                 |                          |
| <b>Designated funds</b>         |                         |                  |                    |                 |                          |
| Pension deficit fund            | (288,728)               | –                | –                  | 17,025          | (271,703)                |
| <b>General funds</b>            |                         |                  |                    |                 |                          |
| General funds                   | 661,119                 | 298,955          | (185,315)          | (35,336)        | 739,423                  |
| <b>Total unrestricted funds</b> | <b>372,391</b>          | <b>298,955</b>   | <b>(185,315)</b>   | <b>(18,311)</b> | <b>467,720</b>           |
| <b>Total funds</b>              | <b>485,338</b>          | <b>2,343,351</b> | <b>(2,198,611)</b> | <b>–</b>        | <b>630,078</b>           |

The narrative to explain the purpose of each fund is given at the foot of the note below.

**Purpose of restricted funds**

**Hackney**

**Bureau advice services**

This funding provides general information, advice, advocacy, casework and financial inclusion to the people of Hackney.

**Advice in health settings**

This project provides general advice in GP surgeries in Hackney and Tower Hamlets and in the mental health unit of Homerton Hospital.

**Homerton Hospital**

This was a one year pilot project to provide support to cancer patients in Homerton Hospital so that they could be discharged from hospital more quickly. In 2019/20 funding was used to provide support to patients in the mental health unit. This project is now included in the advice in health settings project.

**Covid-19 No recourse to public funds**

This funding provided cash to people in need who had no recourse to public funds during the Covid-19 pandemic.

**Energy voucher projects**

These two projects provided energy vouchers to those in need who had prepaid gas and electricity meters, one project covered Hackney only, the other was also open to clients in Newham and Tower Hamlets.

**Advice services transitional fund (ASTF)**

EECABX partnership with the Hackney Community Law Centre to deliver advice training to the independent advice sector in Hackney.

**Discretionary crisis support scheme**

This project was funded by London Borough of Hackney for the Hackney bureau to assess and make applications for Crisis payments and also to apply for reviews and appeals if necessary.

19b Movements in funds (prior year) (continued)

Hackney (continued)

Covid-19 emergency funding

This funding enabled us to increase support to clients during the Covid-19 pandemic in all three boroughs, via telephone and other digital means.

Crisis project

This project provides a holistic service to those in hardship crisis to resolve emergency problems and the underlying issues and to ensure that people are better able to improve their circumstances by providing digital and financial group training sessions and working with partner organisations to provide literacy, numeracy and language skills training, life coaching and employability training.

Citizens Advice Big Energy Savings Network

This funding provides consumers with energy advice and information. It also provides training to frontline workers to support and advise consumers to be able to take action to reduce their energy costs.

Consumer empowerment project

This is a pilot project to help build the financial capability of clients, either by saving, budgeting, or switching service providers using a range of fin-tech tools (eg mobile apps).

Digital Innovation

This project is designed to develop and test ideas which will improve access to advice.

Energy advice programme

This project provides one to one advice to clients in fuel poverty, or in a fuel poverty risk group at the CAB offices, at outreach locations, via home visits or telephone and webchat sessions.

Energy Champion

This project is to raise awareness of energy efficiency programmes with consumers and working in collaboration with other Citizens Advice offices.

EU Settled status

This project provides practical support to vulnerable or at-risk EU citizens and their family members to make their EU Settlement Scheme application.

EU Settled status outreach

This funding reached out to EU citizens to inform them, via outreach activities, what they needed to do to apply for settled status..

Gambling Support Services

The project delivers bespoke training and awareness-raising events to frontline staff in their region to promote improved identification and early intervention for individuals at risk of gambling related harm via online training sessions and presentations.

Genesis Money Smart

The project provided training as money coaches to volunteers on the Woodberry Down estate. They provide peer support to fellow Genesis residents who are long term unemployed on money management and debt issues to build financial confidence and digital skills.

Power Up project

The project aims to embed digital into financial capability and money management support within the advice process and build upon the success of the Money Smart programme. The project trains Digital Money Coaches to support disadvantaged local resident on money management, debt and benefits advice to build their financial and digital confidence, and tests interventions at different touchpoints in the advice process.

## East End Citizens Advice Bureaux

### Notes to the financial statements

For the year ended 31 March 2021

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#### 19b Movements in funds (prior year) (continued)

##### Hackney (continued)

###### Universal credit help to claim

The funding is to provide assistance with the completion of universal credit forms by telephone and web chat and face to face meetings where possible.

###### Universal credit best practice lead

The Best Practice Lead gathers information and evidence on what is and isn't working around Universal Credit and Universal Support and disseminates good practice in the East London area.

###### Social Action for Health

This funding is to provide general advice to clients in GP surgeries in the borough.

##### Newham

###### Thames Water

The project aims to assist residents of Newham who owe money to Thames Water.

###### Trust for London

This funding is towards the costs of and employment rights advice service in Newham.

###### Other

This fund has been created from rent provisions previously charged to Newham projects following a decision by the landlord not to charge rent. It will be used in Newham to improve any new premises.

##### Tower Hamlets

###### Bureau advice services

This funding provides general information, advice, advocacy, casework and financial inclusion to the people of Tower Hamlets.

###### Local area partnership 2

This funding provided general information, advice, advocacy, casework and financial inclusion to the people in some of the poorest wards in Tower Hamlets. This project is now included in the bureau advice services project.

###### Employment solicitor

This funding is to provide employment advice to those with little access to legal services in Tower Hamlets.

###### Claim the max

This project delivers general advice to users of the Mental Health Service in Tower Hamlets.

###### Council tax project

The council tax project is designed to assist Tower Hamlets residents who are in arrears with their council tax to reduce their debts.

###### Tower Hamlets money smart

This project delivers debt and financial inclusion advice to Tower Hamlets residents.

###### Empower you too project

This is a partnership project providing essential energy advice to people in vulnerable communities in Hackney, Newham and Tower Hamlets. It creates a community-led service to enable people to save money on energy bills and avoid fuel poverty.

###### Premises

The premises grant is to cover extra costs re Covid-19.



**19b Movements in funds (continued)**

**Tower Hamlets (continued)**

**Rent repayment order project**

The rent repayment order project is designed to assist Tower Hamlets residents with processing their applications to obtain repayment of rent by a landlord who has committed certain offences.

**Royal London Hospital**

This funding is to provide general advice to the patients of the renal and urology units of the Royal London hospital.

**Office equipment**

This funding was used to purchase a photocopier for the Tower Hamlets office.

**Schools pilot**

This project provides general advice to carers of children in the primary school setting.

**Tower Hamlets Homes**

This project delivered debt advice to tenants of Tower Hamlets Homes via home visits.

**Video conferencing equipment**

This funding was used to purchase video conferencing equipment to allow clients to access advice remotely from the Tower Hamlets office.

**Volunteer training**

The purpose of this funding was to provide volunteers with a better environment and experience by updating our training room and equipment and improving the outdoor space at the office.

**Purpose of designated funds**

**Pension deficit fund**

The pension deficit fund was established to recognise, as a participant in a multi-employer defined benefit pension scheme with a deficit reduction payment arrangement in place, the liability representing the present value of these future deficit reduction contributions following the introduction of charities SORP (FRS102). The value of this fund is equal to the corresponding liability within creditors. A transfer was made from general funds to the pension deficit fund representing the current year payment of the pension deficit less the unwinding of the discount.

**Purpose of transfers between funds**

The transfers from unrestricted funds to restricted funds are to cover shortfalls of funding on the projects. Transfers between offices between the same project are to match internal funding needs.

**20 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| Net income for the reporting period<br>(as per the statement of financial activities) | 150,744   | 144,740   |
| Depreciation charges  | 1,189     | 1,062     |
| Dividends, interest and rent from investments   | (265)     | (912)     |
| (Increase)/decrease in debtors  | 35,410    | (84,994)  |
| Increase/(decrease) in creditors  | 256,715   | (79,523)  |
| Net cash provided by operating activities   | 443,793   | (19,627)  |

East End Citizens Advice Bureaux

Notes to the financial statements

For the year ended 31 March 2021

21 Analysis of cash and cash equivalents

|                                 | At 1 April<br>2020<br>£ | Cash flows<br>£ | Other<br>changes<br>£ | At 31 March<br>2021<br>£ |
|---------------------------------|-------------------------|-----------------|-----------------------|--------------------------|
| Cash at bank and in hand        | 1,043,079               | 440,711         | –                     | 1,483,790                |
| Total cash and cash equivalents | 1,043,079               | 440,711         | –                     | 1,483,790                |

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows

|                      | Property  |           | Equipment |           |
|----------------------|-----------|-----------|-----------|-----------|
|                      | 2021<br>£ | 2020<br>£ | 2021<br>£ | 2020<br>£ |
| Less than five years | 82,258    | 133,954   | –         | –         |
|                      | 82,258    | 133,954   | –         | –         |

23 Financial instruments

2021  
£

2020  
£

The carrying amounts of the charity's financial instruments are as follows:

Financial assets

Cash of £1,483,790 (2020: £1,043,079) is held at face value.

Debt instruments measured at amortised cost:

|                            |         |         |
|----------------------------|---------|---------|
| Trade debtors              | 42,756  | 66,115  |
| Grant and contract debtors | 64,305  | 71,037  |
| Total                      | 107,061 | 137,152 |

Financial liabilities

2021  
£

2020  
£

Liability instruments measured at amortised cost:

|  |         |         |
|--|---------|---------|
| Trade creditors                                    | 17,386  | 28,080  |
| Accruals   | 59,512  | 66,355  |
| Other creditors                                    | 63,599  | 70,278  |
| Pension deficit reduction payments (within 1 year) | 28,500  | 22,800  |
| Pension deficit reduction payments (after 1 year)  | 357,990 | 248,903 |
| Total  | 526,987 | 436,416 |

Interest on short term deposits amounted to £265 (2020: £912).

## 24 Pension commitments

1. East End Citizens Advice Bureau participated in the National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991) which was a defined benefit scheme. It operated in the UK and was closed on 31 March 2008. More than one employer participated in the scheme and East End Citizens Advice Bureaux is unable to identify its share of the underlying assets and liabilities in the scheme. It has been accounted for as a defined contribution scheme.

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).

The last full actuarial valuation of this scheme revealing a funding deficit of £68,501,000 was carried out as at 1 April 2019 and has been updated on an approximate basis to 31 March 2021 by a qualified actuary, independent of the scheme's sponsoring employers. The updated valuation showed a deficit on the scheme of £62,062,000 (2020 £54,351,000).

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

The closed scheme has current and future pensioners. The employers will continue to make contributions to the scheme in future periods. The best estimate of the contributions are:-

### a) Contributions by each employer in respect of expenses

The principal employer, the National Association of Citizens Advice Bureaux, NACAB, has agreed to pay amounts equal to the levy payments to the Pension Protection Fund. NACAB has also agreed to pay the management and administration expenses of the scheme. There is therefore no cost to EECABx to include in the charity's accounts.

### b) Contributions by each employer in respect of the deficit

In accordance with the recovery plan following the 1 April 2019 actuarial valuation, the sponsoring employers will pay total annual contributions of £2,279,000 for sixteen years from 1 April 2021. East End CAB's share of this is currently £28,500 per annum. Future valuations may change these amounts. The total liability for these future payments, discounted to new present value, is included on the charity's balance sheet and a charge made to the SOFA annually to unwind the discount in line with the charity's accounting policies.

2. The charity participated in series three of the Pensions Trust Growth Plan, a scheme which has some attributes of a defined benefit scheme and some attributes of a defined contribution scheme. It is considered to be a defined benefit scheme. This has now been combined with the series four defined contribution scheme. Following a valuation at 30 September 2020 carried out by independent actuaries, it was estimated that the charity's share of the deficit in the plan at 30 September 2020 was £7,030 (2016 £12,624). This liability will only crystallise if the charity exits the series four plan and the charity does not anticipate this happening in the future. The charity is not required to participate in a recovery plan (make deficit reduction payments).
3. The charity operates two further pension schemes, both of which are defined contribution schemes for which the charity therefore has no further commitment beyond monthly contributions for employed staff.

## 25 Capital commitments

At the balance sheet date, the charity had no capital commitments other than those disclosed in these financial statements.

**26 Contingent assets or liabilities**

At the balance sheet date, the charity had no contingent assets or liabilities other than those disclosed in these financial statements.

**27 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.