

**PRIDE OF SEFTON**

Report and Financial Statements

Year ended 31 March 2021

Company Number: 07020791

Charity Number: 1144393

## **Pride of Sefton**

### **Report and Financial Statements for the year ended 31 March 2021**

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#### **Contents**

Page(s):

3	Directors, Trustees and Advisors
4	Chair's Statement
5 - 7	Report of the Trustees
8	Trustees Responsibilities in Relation to the Financial Statements
9 - 11	Independent Auditor's Report
12	Statement of Financial Activities
13	Statement of Financial Position
14	Statement of Cash Flows
15 - 24	Notes Forming Part of the Financial Statements

## Pride of Sefton

### Directors, Trustees and Advisors for the year ended 31 March 2021

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#### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees serving during the year and since the year end were as follows.

#### *Name*

James Brett	Non-executive - Chair	
Frank Moran	Non-executive	
William McGarry	Non-executive	
Chris Walker	Non-executive	
Dave Egan	Non-executive	Resigned 15 July 2020
Keith Lloyd	Non-executive	
Ann Mardell	Non-executive	
Tracey Liggett	Executive	
Ian Fazakerley	Executive	

#### Registered number

Company number: **07020791**

Charity number: **1144393**

#### Company secretary and registered office

Marcus Evans  
Pride of Sefton  
The Sovini Group  
Unit 1  
Heysham Road  
Liverpool  
L30 6UR

#### Auditor

BDO LLP  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

#### Principal solicitors

Weightmans LLP  
100 Old Hall St  
Liverpool  
L3 9QJ

#### Bankers

Royal Bank Of Scotland  
Merseyside Cheshire & North Wales, Corporate Banking  
1 Dale Street  
Liverpool  
L2 2PP

## **Pride of Sefton**

### **Chair's Statement for the year ended 31 March 2021**

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The Pride of Sefton has been providing boat trips to underprivileged and disabled people as well as educational trips for the local community for over 35 years. These trips are financed through a combination of donations, grants and commercial trips, which are made available to the general public.

The trustees' continue to review and consider the future activities of the charity. None more so than in the last year as a result of the pandemic. During the lockdowns we submitted and were successfully awarded a number of Heritage Fund and other grant funding. This enabled us to carry out essential repairs and maintenance on the Boat and make preparations for the easing of restrictions. In addition, this provided a lifeline in terms of cash-flow. The charity take it's responsibilities to it's staff, volunteers and customers extremely seriously and has prepared to remobilise activities mindful of the need to ensure the safe delivery of services.

We remain focussed on the achievement of our aims and objectives, appreciating the positive impact that our trips have on the mental and physical health and wellbeing of our customers. This inspires us to want to do more and reach new groups of society that would benefit from our unique experiences. We remain focussed on addressing these challenges, as we improve and expand our service offering and delivery methods.

In spite of these challenges, we believe that 2021 will bring opportunities which, will allow the charity to continue to expand and achieve it's charitable objectives.

A handwritten signature in dark ink, appearing to read 'J Brett', with a stylized, cursive script.

**James Brett (chair of the trustees)**  
**27 August 2021**

## **Pride of Sefton**

### **Report of the Trustees for the year ended 31 March 2021**

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The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2021, which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **Our purposes and activities**

The objects of Pride of Sefton are to promote the education and recreation of persons living in the Borough of Sefton by providing a narrow boat or other suitable boat, such persons having need to those facilities by reason of youth, age, infirmity or disablement, poverty or social economic circumstances. In considering the objectives and activities, the trustees' have considered Charity Commission guidance on Public Benefit to ensure that the charity continues to meet its Public Benefit requirements.

#### **Governing documents**

The Pride of Sefton is a registered charity (Charity Number 1144393) governed by its Memorandum and Articles of Association dated 22 July 2009 (amended on joining the Sovini group on 7 July 2016). It is registered with the Charity Commission and is also a Company Limited by Guarantee (Company Number 07020791). The charity is a subsidiary of Sovini Charities Limited, a charitable holding company. It is also a subsidiary of Sovini Limited which remains the ultimate parent undertaking.

#### **Key achievements and performance**

The main focus of the Pride of Sefton is the provision of boat trips to underprivileged and disabled people as well as educational trips for the local community of Sefton. Where feasible these trips are financed through a combination of donations and grants. The Pride of Sefton also raise money by hiring out the boat on a commercial basis to third parties, and this includes members of the general public.

During the current year the Pride of Sefton generated a deficit of £12,436 (2020: £11,878 deficit), however a surplus of £7,564 was generated excluding the one-off repayment of the Sefton Council £20,000 unutilised grant funding. This performance is reflective of the review of our operating activities.

#### **Structure, governance and management**

The Board of Trustees also forms the Executive Committee who are responsible for any appointments of staff who are responsible for the day-to-day running of the charity. Pride of Sefton is managed and governed by the trustees' who hold regular board meetings and agenda items include finance, health and safety and other operational reports.

#### **Financial review**

Incoming resources for the year totalled £52,213 (2020: £25,935) of which £39,754 (2020: £10,000) related to funding activities upon which restrictions are placed. Expenditure totalled £64,649 (2020: £37,813), resulting in a deficit of £12,436 (2020: £11,878). At 31 March 2021, the trust's reserves stood at £83,100 of which, fixed assets (boat) represented £64,965.

#### **Our pricing policy**

Our pricing policy reflects our strategy of enabling all within our community, whatever their means, to take part in our activities. Concessionary tickets are available to eligible persons.

#### **Investment powers and policy**

The trustees, having regard to the liquidity requirements of operating the boat, have kept available funds in an interest-bearing deposit account and seek to achieve the best possible rate of interest on these deposits. The invested funds achieved an average rate of interest of 0.01% (2020: 0.15%) in the year.

## Pride of Sefton

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

#### Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to at least three months of operational charitable expenditure: a target of approximately £5,910 based on budgeted expenditure for the next financial year (2021-22). The charity's reserves currently fall below this, but the trustees have obtained access to a £20,000 revolving credit facility should the need ever arise. The trustees consider that this level will provide sufficient funds for short-term solutions until the long-term ones are established in the events of:

- unforeseen reduction in income to prevent any significant disruption to POS's charitable activities;
- unforeseen day-to-day operational costs, e.g. break down of essential equipment or legal costs associated with defending the Charity's interests; and
- unplanned closure of the Charity to mitigate the negative impact on our beneficiaries and to meet legal liabilities (e.g. outstanding contractual obligations and statutory payments).

#### Future Prospects

During the coming years the charity plans to review and where possible expand its service offer to customers. The safety and health of our staff, volunteers and customers is paramount, and a particular focus will be on ensuring that our service offer considers and accommodates the needs of our broad and more vulnerable customers. We continue to scrutinise and reduce where possible our operating costs, so that we can reinvest these savings to extend our charitable work and the number of trips and educational experiences that we can fulfil. As well as maximising where possible, the availability of grant and other donations.

#### Financial instruments

##### *Credit risk*

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The following financial institutions were used and the credit ratings were acceptable to the trustees'.

	Rating at 31 March 2021	Balance at 31 March 2021 £'000	Rating at 31 March 2020	Balance at 31 March 2020 £'000
RBS	P-1/A-1/F1	19,235	P-1/A-1/F1	31,266
Santander	P-1/A-1/F1	-	P-1/A-1/F1	-
		19,235		31,266

##### *Liquidity risk*

Liquidity risk arises from the charity's management of working capital and any finance charges and principal repayments on debt instruments. It is the risk that the charity will encounter difficulty in meeting its financial obligations as they fall due.

Rolling cash flow projections are prepared regularly, together with the value of the charity's cash investments. At the end of the financial year, these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

##### *Cash flow interest rate risk*

The company is not currently exposed to cash flow interest rate risk from borrowings at variable rate.

## **Pride of Sefton**

### **Report of the Trustees for the year ended 31 March 2021 (continued)**

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#### **Risk and uncertainty**

The main risks, to which the charity is exposed, as identified by the trustees, have been considered and systems have been established to mitigate those risks.

This strategy comprises:

- an annual review of the principal risks and uncertainties that the charity face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

#### **Going concern**

Whilst Covid-19 adversely impacted upon the activities and income streams of the charity, we took responsible actions during the lockdown periods and suspended our boat trips, placing on furlough our one part-time member of staff and stood down our volunteer community. Throughout the Pandemic we reviewed our budget forecasts and modified our turnover and expenditure assumptions, this ensured that we could continue to support our operations, through use and application of our grant assistance, without the need to draw from our £20,000 Revolving Credit Facility.

During this period we worked hard to secure new and essential grant assistance (including an on-lend loan of £20,000 with Sovini Commercial Limited – another Sovini Group partner) and completed essential repairs and maintenance to the boat, in preparedness for the exit from the pandemic. We have now embarked on a marketing campaign to raise awareness of the benefits of the boat on social and mental wellbeing and have commenced taking booking (observing safe operating conditions) as we commence our roadmap out of the pandemic and strive to surpass our performance targets.

Although, Sovini, provided written confirmation of it's commitment to provide support if required for Pride of Sefton to meet its liabilities during 2020/21, we are pleased to confirm that this offer was not required up to 31 March 2021, as we held sufficient liquidity through our undrawn loan of £20,000 and unrestricted funds of £61,957. As such, we remain confident that the Pride of Sefton has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern basis in preparing these financial statements.

#### **Auditors**

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which, the auditors are unaware.

#### **Approval**

In preparing this report, the trustees' have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Signed on behalf of the trustees'.



**James Brett (chair)**  
**27 August 2021**

## **Pride of Sefton**

### **Trustees Responsibilities in Relation to the Financial Statements for the year ended 31 March 2021**

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#### **Trustees responsibilities**

The trustees are responsible for preparing the the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees' are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Pride of Sefton**

### **Independent Auditor's Report for the year ended 31 March 2021**

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#### **Independent Auditor's Report to the members of Pride of Sefton**

##### ***Opinion***

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 for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pride of Sefton ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

##### ***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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Independence***

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

##### ***Conclusions related to going concern***

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

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

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

##### ***Other information***

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Chair's statement and Report of the Trustees. 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. 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.

## **Pride of Sefton**

### **Independent Auditor's Report for the year ended 31 March 2021**

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#### **Independent Auditor's Report to the members of Pride of Sefton (continued)**

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

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

- the information given in the Report of the Trustees, which includes the Directors' Report, prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Report of the Trustees, 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 Report of the Trustees.

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

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

##### ***Responsibilities of Trustees***

As explained more fully in the Trustees responsibilities statement, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

##### ***Extent to which the audit was capable of detecting irregularities, including fraud***

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

Based on our understanding of the Charitable Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting framework (Charities SORP (FRS 102), Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations, and we considered the extent to which non-compliance might have a direct impact and material effect on the Charitable Company's Financial Statements or their continued operation.

## Pride of Sefton

### Independent Auditor's Report for the year ended 31 March 2021

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#### Independent Auditor's Report to the members of Pride of Sefton (continued)

##### *Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to impairment of fixed assets and their useful economic lives.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, and
- journals posted by key management and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, and reviewing internal audit reports and reviewing any correspondence with the Charity Commission.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### ***Use of our report***

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

HELEN KNOWLES

DAED9B91914A4A7...

**Helen Knowles (Senior Statutory Auditor)**

**For and on behalf of BDO LLP, Statutory Auditor**

**Liverpool**

**Date: 27 August 2021**

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

# Pride of Sefton

## Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Income</b>					
Donations and legacies	4	7,585	1,000	8,585	7,288
Income from charitable activities	5				
Boat hire		1,200	-	1,200	8,595
Grants received		3,662	38,754	42,416	10,000
Investment income	6	12	-	12	52
<b>Total income</b>		12,459	39,754	52,213	25,935
<b>Expenditure</b>					
Expenditure on charitable activities	7	16,164	48,485	64,649	37,813
<b>Total expenditure</b>		16,164	48,485	64,649	37,813
<b>Net expenditure and net movement in funds for the year</b>		(3,705)	(8,731)	(12,436)	(11,878)
<b>Reconciliation of funds</b>					
Total funds brought forward		65,736	29,800	95,536	107,414
Transfers		(74)	74	-	-
Current year		(3,705)	(8,731)	(12,436)	(11,878)
<b>Total funds carried forward</b>		61,957	21,143	83,100	95,536

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

*All income and expenditure derive from continuing activities.*

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 August 2021.



**James Brett (chair of trustees, on behalf of the trustees)**  
**27 August 2021**

# Pride of Sefton

## Statement of Financial Position as at 31 March 2021

Company number: 07020791

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	14	64,965	69,830
Intangible fixed assets	15	4,241	-
		69,206	69,830
<b>Current assets</b>			
Debtors	16	815	1,610
Cash at bank and in hand		19,235	31,266
		20,050	32,876
<b>Current liabilities</b>			
Creditors: amounts falling due within 1 year	17	6,156	7,170
<b>Net current assets</b>		13,894	25,706
<b>Total assets less current liabilities</b>		83,100	95,536
Creditors: amounts falling due after more than 1 year		-	-
<b>Net assets</b>		83,100	95,536
<b>The funds of the charity</b>			
Unrestricted funds	19	61,957	65,736
Restricted funds	19	21,143	29,800
<b>Total funds</b>		83,100	95,536

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 August 2021.



James Brett (chair of trustees, on behalf of the trustees)  
27 August 2021

Pride of Sefton

Statement of Cash Flows  
for the year ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash used in operating activities</b>			
Net movement in funds		(12,436)	(11,878)
Add back depreciation/amortisation charge	10	5,209	4,865
Deduct interest income shown in investing activities	6	(12)	(52)
Decrease /(increase) in debtors	16	795	(245)
Decrease in creditors	17	(1,014)	(352)
<b>Cash used in operating activities</b>		<b>(7,458)</b>	<b>(7,662)</b>
<b>Cash flows from investing activities</b>			
Interest income	6	12	52
Purchase of intangible assets	15	(4,585)	-
<b>Cash (used in)/provided by investing activities</b>		<b>(4,573)</b>	<b>52</b>
<b>Decrease in cash and cash equivalents</b>		<b>(12,031)</b>	<b>(7,610)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>31,266</b>	<b>38,876</b>
<b>Cash and cash equivalents at end of year</b>		<b>19,235</b>	<b>31,266</b>

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

## **Pride of Sefton**

### **Notes Forming Part of the Financial Statements for the year ended 31 March 2021**

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#### **INDEX OF NOTES**

##### **General notes**

- 1 Legal status
- 2 Accounting policies
- 3 Judgements in applying accounting policies and key sources of estimation uncertainty

##### **Statement of Financial Activities related notes**

- 4 Income from donations and legacies
- 5 Income from charitable activities
- 6 Investment income
- 7 Analysis of expenditure on charitable activities
- 8 Summary analysis of expenditure and related income for charitable activities
- 9 Analysis of governance and support costs
- 10 Net expenditure for the year
- 11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel
- 12 Staff numbers
- 13 Corporation taxation

##### **Statement of Financial Position related notes**

- 14 Tangible fixed assets
- 15 Intangible fixed assets
- 16 Debtors
- 17 Creditors: amounts falling due within one year
- 18 Deferred income
- 19 Analysis of charitable funds
- 20 Analysis of net assets between funds
- 21 Controlling party and related party transactions

## **Pride of Sefton**

### **Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)**

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#### **1 Legal status**

Pride of Sefton is a registered charity in England, number 1144393 and a limited company by guarantee, number 07020791, the company was established on 16 September 2009.

#### **2 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### ***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) and the Companies Act 2006.

Pride of Sefton meets the definition of a public benefit entity under FRS 102.

##### ***Going concern***

Whilst Covid-19 adversely impacted upon the activities and income streams of the charity, we took responsible actions during the lockdown periods and suspended our boat trips, placing on furlough our one part-time member of staff and stood down our volunteer community. Throughout the Pandemic we reviewed our budget forecasts and modified our turnover and expenditure assumptions, this ensured that we could continue to support our operations, through use and application of our grant assistance, without the need to draw from our £20,000 Revolving Credit Facility.

During this period we worked hard to secure new and essential grant assistance (including an on-lend loan of £20,000 with Sovini Commercial Limited – another Sovini Group partner) and completed essential repairs and maintenance to the boat, in preparedness for the exit from the pandemic. We have now embarked on a marketing campaign to raise awareness of the benefits of the boat on social and mental wellbeing and have commenced taking booking (observing safe operating conditions) as we commence our roadmap out of the pandemic and strive to surpass our performance targets.

Although, Sovini, provided written confirmation of its commitment to provide support if required for Pride of Sefton to meet its liabilities during 2020/21, we are pleased to confirm that this offer was not required up to 31 March 2021, as we held sufficient liquidity through our undrawn loan of £20,000 and unrestricted funds of £61,957. As such, we remain confident that the Pride of Sefton has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern basis in preparing these financial statements.

##### ***Income***

Income is recognised when services have been rendered regardless of when cash is received, using the accruals method of accounting, deferring income relating to services not fulfilled in the period.

Voluntary income is recognised when receivable, as in the case of the third party donations, upon receipt by the charity. Investment income comprises bank interest received and is recognised when credited to the bank account.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### ***Interest receivable***

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### ***Fund accounting***

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity that the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations that the donor has specified are to be solely used for particular areas of the charity's work.



## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 2 Accounting policies (continued)

##### *Expenditure and irrecoverable VAT*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### *Allocation of support costs*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs that support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes.

##### *Tangible fixed assets*

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on basis as follows:

Asset Category	Annual rate
Plant and equipment	10% straight line
Narrow boats	4% straight line

##### *Intangible fixed assets*

Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, there is an intention and ability to complete and use the software, the costs can be measured reliably and it is capable of generating future economical benefits. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expense when incurred.

##### *Amortisation of intangible fixed assets*

Amortisation is charged so as to write off the cost of computer software assets less their residual value over their estimated useful lives, using the straight-line method. Adjustments will be made for any impairment.

Asset Category	Economic Useful Life (years)
Computer software	10

##### *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### *Creditors and provisions*

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

## 2 Accounting policies (continued)

### *Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

## 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

### *Other key sources of estimation uncertainty*

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Intangible fixed assets

Intangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## 4 Income from donations and legacies

Donations	2021 £	2020 £
Donations	8,585	7,288
Donated services	-	-
	<b>8,585</b>	<b>7,288</b>

The income from donations and legacies was £8,585 (2020: £7,288) of which £7,585 was unrestricted (2020: £7,288).

## 5 Income from charitable activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Income from charitable activities				
Boat income	1,200	-	1,200	8,595
Grants received	3,662	38,754	42,416	10,000
<b>Total income from charitable activities</b>	<b>4,862</b>	<b>38,754</b>	<b>43,616</b>	<b>18,595</b>

## 6 Investment income

Investment income of £12 (2020: £52) arises from money held in interest-bearing deposit accounts.

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 7 Analysis of expenditure on charitable activities

	2021 £	2020 £
Salary and NIC	9,186	4,782
Employee and board expenses	4,350	1,825
Licences and mooring fees	1,826	2,808
Cleaning services	-	51
Boat fuel	780	884
Repairs and maintenance	4,736	9,475
Travel expenses	-	623
Telephone	-	92
Advertising and marketing	-	882
Insurance	1,194	722
Professional fees	17,561	8,804
Sundry expenses	(270)	2,000
Depreciation	4,865	4,865
Amortisation	344	-
Interest payable	77	-
Grant refunds	20,000	-
<b>Total</b>	<b>64,649</b>	<b>37,813</b>

Expenditure on charitable activities was £64,649 (2020: £37,813) of which £16,164 was unrestricted (2020: £31,181) and £48,485 was restricted (2020: £6,632).

#### 8 Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the charitable activities and the sources of income directly to support those activities.

	2021 £	2020 £
Costs	(64,649)	(37,813)
Boat hire	1,200	8,595
Grants received	42,416	10,000
<b>Net cost funded from other income</b>	<b>(21,033)</b>	<b>(19,218)</b>

#### 9 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

Support and governance costs	Basis of apportionment	General support £	Governance function £	Total £
Salaries, wages, board and related costs	Allocated based on time	9,186	-	9,186
Accountancy and governance services	Governance	-	1,800	1,800
<b>Total</b>		<b>9,186</b>	<b>1,800</b>	<b>10,986</b>

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 10 Net expenditure for the year

	2021	2020
	£	£
This is stated after charging		
Depreciation	4,865	4,865
Amortisation	344	-
Fees payable to the company's auditor for the audit of the company's annual accounts (VAT inclusive)	1,800	3,480
Fees payable to the company's auditor for other services:		
Taxation compliance services	-	1,560

#### 11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021	2020
	£	£
Salaries and wages	8,976	4,782
Social security costs	210	-
Pension costs	-	-
	9,186	4,782

No employees had employee benefits in excess of £60,000 (2020: nil). The charity trustees were not paid nor received any other benefits from employment with the charity or its subsidiary in the period (2020: £nil). Trustees were reimbursed travel expenses during the period of £nil (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

#### 12 Staff numbers

	2021	2020
	Number	Number
Operational	1	1
	1	1

#### 13 Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 14 Tangible fixed assets

	Plant & Equipment £	Narrow Boat £	Total £
<b>Cost</b>			
As at 1 April 2020	1,193	118,641	119,834
Additions	-	-	-
<b>As at 31 March 2021</b>	<b>1,193</b>	<b>118,641</b>	<b>119,834</b>
<b>Depreciation</b>			
As at 1 April 2020	934	49,070	50,004
Charge for period	119	4,746	4,865
<b>As at 31 March 2021</b>	<b>1,053</b>	<b>53,816</b>	<b>54,869</b>
<b>Net book value</b>			
<b>As at 31 March 2021</b>	<b>140</b>	<b>64,825</b>	<b>64,965</b>
<b>As at 1 April 2020</b>	<b>259</b>	<b>69,571</b>	<b>69,830</b>

#### 15 Intangible fixed assets

	Software £	Total £
<b>Cost</b>		
As at 1 April 2020	-	-
Additions	4,585	4,585
<b>As at 31 March 2021</b>	<b>4,585</b>	<b>4,585</b>
<b>Depreciation</b>		
As at 1 April 2020	-	-
Charge for period	344	344
<b>As at 31 March 2021</b>	<b>344</b>	<b>344</b>
<b>Net book value</b>		
<b>As at 31 March 2021</b>	<b>4,241</b>	<b>4,241</b>
<b>As at 1 April 2020</b>	<b>-</b>	<b>-</b>

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 16 Debtors

	2021 £	2020 £
Trade debtors	450	150
Other debtors	140	900
Prepayments and accrued income	225	560
	815	1,610

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

	2021 £	2020 £
Trade creditors	1,644	-
Accruals & deferred income (note 18)	2,949	7,157
Taxation and social security	253	-
Amounts owed to group undertakings	250	13
Other creditors	1,060	-
	6,156	7,170

#### 18 Deferred income

Deferred income comprises future-dated boat hire sales and deposits to be released in the period when the hire takes place.

	£
<b>Balance as at 1 April 2020</b>	150
Amount released to income earned from charitable activities	(600)
Amount deferred in period	1,950
<b>Balance as at 31 March 2021</b>	1,500

#### 19 Analysis of charitable funds

##### *Analysis of movements in unrestricted funds*

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2021 £
General fund	65,736	12,459	(16,164)	(74)	61,957
	65,736	12,459	(16,164)	(74)	61,957

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2020 £
General fund	80,982	15,935	(31,181)	-	65,736
	80,982	15,935	(31,181)	-	65,736

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The total reserves after allowing for all designated funds.

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 19 Analysis of charitable funds (continued)

##### *Analysis of movements in restricted fund*

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2021 £
Sefton Council	20,000	-	(20,000)	-	-
Girdlers	2,000	-	-	-	2,000
Sefton Council Education	955	-	-	-	955
Mona Duggan Bequest	525	-	-	-	525
Elizabeth O'Donnell	50	-	-	-	50
Big Lottery Fund	6,270	-	(344)	74	6,000
23 Foundation	-	1,000	(176)	-	824
Culture Recovery Fund for Heritage	-	28,890	(27,965)	-	925
Big Lottery: Waterways to Recovery	-	9,864	-	-	9,864
	29,800	39,754	(48,485)	74	21,143

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2020 £
Sefton Council	20,000	-	-	-	20,000
Community foundation - Uniforms	259	-	(259)	-	-
Girdlers	2,000	-	-	-	2,000
Sefton Council Education	975	-	(20)	-	955
Mona Duggan Bequest	3,075	-	(2,550)	-	525
Merseyrail	73	-	(73)	-	-
Elizabeth O'Donnell	50	-	-	-	50
Big Lottery Fund	-	10,000	(3,730)	-	6,270
	26,432	10,000	(6,632)	-	29,800

Name of restricted fund	Description, nature and purposes of the fund
Girdlers	Funding is to provide educational boat trips for schools.
Sefton Council Education	Grant is to fund education for boat crew training of employees and volunteers.
Mona Duggan Bequest	A donation acquired by bequest from Mona Duggan towards free trips for those from deprived backgrounds or those who have suffered trauma.
Elizabeth O'Donnell	Funding secured in form of donation from customer, to be used to fund further trips.
Big Lottery Fund	Funding for trips, crew training and contribution to a new booking system/promotion.
23 Foundation	Grant to fund day to day repair and maintenance costs.
Culture Recovery Fund for Heritage	Funding for project co-ordinator, part time development co-ordinator, Covid-19 personal protective equipment and associated training for skippers.
Big Lottery: Waterways to Recovery	Funding for crew training and the provision of 26 trips in support of men's mental health.
Community foundation - Uniforms	Grant is to contribute towards uniform costs.
Merseyrail	Funding is to contribute towards crew uniforms.

## Pride of Sefton

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	66,431	2,775	69,206
Debtors	815	-	815
Cash at bank and in hand	867	18,368	19,235
Other net current liabilities	(6,156)	-	(6,156)
<b>Net assets at 31 March 2021</b>	<b>61,957</b>	<b>21,143</b>	<b>83,100</b>

  

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	69,830	-	69,830
Debtors	1,610	-	1,610
Cash at bank and in hand	1,466	29,800	31,266
Other net current liabilities	(7,170)	-	(7,170)
<b>Net assets at 31 March 2020</b>	<b>65,736</b>	<b>29,800</b>	<b>95,536</b>

#### 21 Controlling party and related party transactions

The company is a wholly owned subsidiary of Sovini Limited (ultimate parent undertaking) and has taken advantage of the exemption conferred by section 33.7A of FRS102 not to disclose transactions with Sovini Limited or other wholly owned subsidiaries within the group.