

PRIDE OF SEFTON

Report and Financial Statements

Year ended 31 March 2023

Company Number: 07020791

Charity Number: 1144393

Pride of Sefton

Report and Financial Statements for the year ended 31 March 2023

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Pride of Sefton

Directors, Trustees and Advisors for the year ended 31 March 2023

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	
William McGarry	Non-executive	
Chris Walker	Non-executive	
Keith Lloyd	Non-executive	(resigned 4 May 2022)
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 2023

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. During the last two years the charity has submitted and been awarded a number of Heritage and National Lottery grants, which have enabled us to carry out essential repairs and maintenance on the Boat and make a number of improvements to our operational processes. These have been essential to the ongoing success and have helped us to improve the overall accessibility and availability of our boat trips. With the support of our extremely flexible and supportive volunteers, we have been able to expand our service offer and increased the volume of trips that we are able to provide. The charity take its responsibilities to its staff, volunteers and customers extremely seriously and continues to prioritise their safety and the quality of their overall boat trip experience.

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 continue to improve and expand our service offer and service delivery methods.

We believe that we are in a strong position to continue to grow and demonstrate the social value outcomes that we create, both the charity and individually our customers. We believe that 2023 and beyond, will bring new and exciting opportunities for the charity which we intend to harness, whilst navigating the new operating environment in which we now work.



James Brett (chair of the trustees)
17 August 2023

Pride of Sefton

Report of the Trustees for the year ended 31 March 2023

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2023, 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, 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 16 September 2009 (amended on joining the Sovini group on 8 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, including members of the general public.

During the current year the Charity's financial performance resulted in a deficit of £10,967 relating to unrestricted funds (2022: £5,504 surplus), £4,859 deficit relating to restricted funds (2022: £10,765 deficit), resulting in an overall deficit of £15,826 (2022: £5,261 deficit). This performance is reflective of increased boat hire income and a review of our operating activities to reduce expenditure, however also includes a non-recurring loss on disposal of assets of £3,477. We have utilised historic grant funding throughout the current year, and expect to receive further grant income in financial year 23/24.

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.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the Charity's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Financial review

Income for the year totalled £25,688 (2022: £48,212) of which £nil (2022: £30,860) related to funding activities upon which restrictions are placed. Expenditure totalled £41,514 (2022: £53,473), resulting in a deficit of £15,826 (2022: £5,261). At 31 March 2023, the trust's reserves stood at £62,013 (2022: £77,839) of which, fixed assets (narrow boat) represented £56,508 (2022: £61,407).

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.

Pride of Sefton

Report of the Trustees for the year ended 31 March 2023 (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 £6,126 based on budgeted indirect expenditure for the next financial year (2023-24). The charity's free reserves currently stand at £1,160 (2022: £6,548) and the trustees have retained 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 charity 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 2023	Balance at 31 March 2023 £	Rating at 31 March 2022	Balance at 31 March 2022 £
RBS	P-1/A-1/F1	16,612	P-1/A-1/F1	19,791
		16,612		19,791

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 2023 (continued)

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

In the final quarter of 2022/23 trustees reviewed the latest budget forecasts to ensure that we could continue to support our operations, including the ongoing application and use of grant assistance. This is in addition to the availability of £20,000 Revolving Credit Facility with Sovini Commercial Limited (another Sovini Group partner) which, remains undrawn.

Our marketing campaign remains in place, to raise awareness of the positive benefits that our boat trips have on individuals mental and social wellbeing. We also continue to review our pricing strategy, to offset the impact of rising costs and fuel increases and set realistic (but challenging) performance targets.

Post year end the boat suffered an engine failure which has required an engine replacement for £13,000. This replacement was funded by a donation received post year end so has not impacted existing reserves or required drawdown from the £20,000 revolving credit facility. Due to this £3,200 of trips included in deferred income at year end (note 17) have been refunded post year end. Our forecast performance for 2023/24 has been restated for this major repair and remains viable, but to give assurance over the ongoing viability of the charity we have a legally binding letter of support from ultimate parent company Sovini Limited.

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)
17 August 2023

Pride of Sefton

Trustees Responsibilities in Relation to the Financial Statements for the year ended 31 March 2023

Trustees responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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 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 applicable Charities SORP;
- 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/Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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 2023

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 2023 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 2023 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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, 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 are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Pride of Sefton

Independent Auditor's Report for the year ended 31 March 2023

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

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Charities SORP (FRS 102), Charities Act 2011, Companies Act 2006 and Charity Commission for England and Wales (Charity Commission) regulations.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Pride of Sefton

Independent Auditor's Report for the year ended 31 March 2023

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

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be income recognition around year end and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of income throughout the year to supporting documentation; and
- Assessing significant estimates made by management for bias, including valuation of tangible fixed assets by review of impairment indicators.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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:

Sarah Anderson

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Sarah Anderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Liverpool, UK
Date: 17 August 2023

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 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income							
Donations and legacies	4	5,220	-	5,220	4,750	-	4,750
Income from charitable activities	5						
Boat hire		20,401	-	20,401	12,600	-	12,600
Grants received		-	-	-	-	30,860	30,860
Investment income	6	67	-	67	2	-	2
Total income		25,688	-	25,688	17,352	30,860	48,212
Expenditure							
Expenditure on charitable activities	7	36,148	1,889	38,037	11,848	41,625	53,473
Loss on disposal of intangible asset	15	507	2,970	3,477	-	-	-
Total expenditure		36,655	4,859	41,514	11,848	41,625	53,473
Net expenditure and net movement in funds for the year		(10,967)	(4,859)	(15,826)	5,504	(10,765)	(5,261)
Reconciliation of funds							
Total funds brought forward		67,461	10,378	77,839	61,957	21,143	83,100
Current year		(10,967)	(4,859)	(15,826)	5,504	(10,765)	(5,261)
Total funds carried forward		56,494	5,519	62,013	67,461	10,378	77,839

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 25 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 17 August 2023.



James Brett (chair of trustees, on behalf of the trustees)

17 August 2023

Pride of Sefton

Statement of Financial Position as at 31 March 2023

Company number: 07020791

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	56,508	61,407
Intangible fixed assets	15	-	3,783
		56,508	65,190
Current assets			
Debtors	16	1,361	4,135
Cash at bank and in hand		16,612	19,791
		17,973	23,926
Current liabilities			
Creditors: amounts falling due within 1 year	17	12,468	11,277
Net current assets		5,505	12,649
Total assets less current liabilities		62,013	77,839
Net assets		62,013	77,839
The funds of the charity			
Unrestricted funds	19	56,494	67,461
Restricted funds	19	5,519	10,378
Total funds		62,013	77,839

The notes on pages 15 to 25 form part of these financial statements.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 August 2023.



James Brett (chair of trustees, on behalf of the trustees)
17 August 2023

Pride of Sefton

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net movement in funds		(15,826)	(5,261)
Add back depreciation/amortisation charge	10	5,205	5,345
Deduct interest income shown in investing activities	6	(67)	(2)
Decrease/(Increase) in debtors	16	2,774	(3,320)
Increase in creditors	17	1,191	5,121
Loss on disposal of intangible asset	15	3,477	-
Cash (used in)/generated by operating activities		(3,246)	1,883
Cash flows from investing activities			
Interest income	6	67	2
Purchase of tangible assets	14	-	(1,329)
Cash generated by/(used in) investing activities		67	(1,327)
(Decrease)/Increase in cash and cash equivalents		(3,179)	556
Cash and cash equivalents at beginning of year		19,791	19,235
Cash and cash equivalents at end of year		16,612	19,791

The notes on pages 15 to 25 form part of these financial statements.

Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023

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Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023 (continued)

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

In the final quarter of 2022/23 trustees reviewed the latest budget forecasts to ensure that we could continue to support our operations, including the ongoing application and use of grant assistance. This is in addition to the availability of £20,000 Revolving Credit Facility with Sovini Commercial Limited (another Sovini Group partner) which, remains undrawn.

Our marketing campaign remains in place, to raise awareness of the positive benefits that our boat trips have on individuals mental and social wellbeing. We also continue to review our pricing strategy, to offset the impact of rising costs and fuel increases and set realistic (but challenging) performance targets.

Post year end the boat suffered an engine failure which has required an engine replacement for £13,000. This replacement was funded by a donation received post year end so has not impacted existing reserves or required drawdown from the £20,000 revolving credit facility. Due to this £3,200 of trips included in deferred income at year end (note 17) have been refunded post year end. Our forecast performance for 2023/24 has been restated for this major repair and remains viable, but to give assurance over the ongoing viability of the charity we have a legally binding letter of support from ultimate parent company Sovini Limited.

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. 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 2023 (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	Economic Useful Life (years)
Plant and equipment	10
Narrow boat - boat	25
Narrow boat - solar panels	10

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 2023 (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 charitable 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	2023 £	2022 £
Donations	5,220	254
Donated services	-	4,496
	5,220	4,750

The income from donations and legacies was £5,220 (2022: £254) of which £5,220 was unrestricted (2022: £254) and £nil was restricted (2022: £nil). Income from donated services was £nil (2022: £4,496) of which £nil was unrestricted (2022: £4,496).

5 Income from charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Income from charitable activities				
Boat income	20,401	-	20,401	12,600
Grants received	-	-	-	30,860
Total income from charitable activities	20,401	-	20,401	43,460

6 Investment income

Investment income of £67 (2022: £2) 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 2023 (continued)

7 Analysis of expenditure on charitable activities

	2023	2022
	£	£
Salary costs (note 11)	11,933	16,830
Employee and board expenses	765	1,794
Licences and mooring fees	2,452	2,280
Boat fuel	2,402	1,685
Repairs and maintenance	2,056	9,910
Travel expenses	548	404
Advertising and marketing	-	4,958
Insurance	940	314
Professional fees	9,913	8,876
Sundry expenses	1,623	877
Depreciation	4,899	4,887
Amortisation	306	458
Interest payable	200	200
Total	38,037	53,473

Expenditure on charitable activities was £38,037 (2022: £53,473) of which £36,148 was unrestricted (2022: £11,848) and £1,889 was restricted (2022: £41,625).

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.

	2023	2022
	£	£
Costs	(38,037)	(53,473)
Boat hire	20,401	12,600
Grants received	-	30,860
Net cost funded from other income	(17,636)	(10,013)

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	11,933	-	11,933
Accountancy and governance services	Governance	-	2,040	2,040
Total		11,933	2,040	13,973

Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023 (continued)

10 Net expenditure for the year

	2023	2022
	£	£
This is stated after charging		
Depreciation	4,899	4,887
Amortisation	306	458
Fees payable to the company's auditor for the audit of the company's annual accounts (VAT inclusive)	2,040	1,800

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

	2023	2022
	£	£
Salaries and wages	11,558	15,953
Social security costs	204	571
Pension costs	171	-
	11,933	16,524

No employees had employee benefits in excess of £60,000 (2022: £nil). The charity trustees were not paid nor received any other benefits from employment with the charity in the period (2022: £nil). Trustees were reimbursed travel expenses during the period of £nil (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). Key management personnel are deemed to be the Trustees of the charity.

12 Staff numbers

	2023	2022
	Number	Number
Operational	1	2
	1	2

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 2023 (continued)

14 Tangible fixed assets

	Plant & Equipment £	Narrow Boat £	Total £
Cost			
As at 1 April 2022	1,193	119,970	121,163
As at 31 March 2023	1,193	119,970	121,163
Depreciation			
As at 1 April 2022	1,172	58,584	59,756
Charge for period	21	4,878	4,899
As at 31 March 2023	1,193	63,462	64,655
Net book value			
As at 31 March 2023	-	56,508	56,508
As at 31 March 2022	21	61,386	61,407

15 Intangible fixed assets

	Software £	Total £
Cost		
As at 1 April 2022	4,585	4,585
Disposals	(4,585)	(4,585)
As at 31 March 2023	-	-
Depreciation		
As at 1 April 2022	802	802
Charge for period	306	306
Disposals	(1,108)	(1,108)
As at 31 March 2023	-	-
Net book value		
As at 31 March 2023	-	-
As at 31 March 2022	3,783	3,783

Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023 (continued)

16 Debtors

	2023	2022
	£	£
Trade debtors	588	750
Other debtors	331	2,472
Prepayments and accrued income	442	913
	<u>1,361</u>	<u>4,135</u>

Amounts owed by group undertakings are interest free and payable on demand.

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	160	600
Accruals & deferred income	10,643	9,480
Taxation and social security	93	161
Amounts owed to group undertakings	1,412	660
Other creditors	160	376
	<u>12,468</u>	<u>11,277</u>

Amounts owed to group undertakings are interest free and payable on demand.

18 Deferred income

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

	£
Balance as at 1 April 2022	7,680
Amount released to income earned from charitable activities	(7,520)
Amount deferred in period	8,160
Balance as at 31 March 2023	<u>8,320</u>

19 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 April 2022	Income	Expenditure	Transfers	Funds 31 March 2023
	£	£	£	£	£
General fund	67,461	25,688	(36,655)	-	56,494
	<u>67,461</u>	<u>25,688</u>	<u>(36,655)</u>	<u>-</u>	<u>56,494</u>

	Balance 1 April 2021	Income	Expenditure	Transfers	Funds 31 March 2022
	£	£	£	£	£
General fund	61,957	17,352	(11,848)	-	67,461
	<u>61,957</u>	<u>17,352</u>	<u>(11,848)</u>	<u>-</u>	<u>67,461</u>

**Notes Forming Part of the Financial Statements
for the year ended 31 March 2023 (continued)**

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

	Balance 1 April 2022	Income	Expenditure	Transfers	Funds 31 March 2023
	£	£	£	£	£
Girdlers	1,120	-	(800)	-	320
Sefton Council Education	150	-	(150)	-	-
23 Foundation	41	-	(41)	-	-
Big Lottery: Waterways to Recovery	4,040	-	(765)	-	3,275
Big Lottery Fund - Stage 1	2,970	-	(2,970)	-	-
Big Lottery Fund - Stage 2	2,057	-	(133)	-	1,924
	10,378	-	(4,859)	-	5,519

	Balance 1 April 2021	Income	Expenditure	Transfers	Funds 31 March 2022
	£	£	£	£	£
Girdlers	2,000	-	(880)	-	1,120
Sefton Council Education	955	-	(805)	-	150
Mona Duggan Bequest	525	-	(525)	-	-
Elizabeth O'Donnell	50	-	(50)	-	-
23 Foundation	824	-	(783)	-	41
Culture Recovery Fund for Heritage	925	3,210	(4,135)	-	-
Big Lottery: Waterways to Recovery	9,864	-	(5,824)	-	4,040
PH Holt Foundation	-	9,750	(9,750)	-	-
Big Lottery Fund - Stage 1	6,000	-	(3,030)	-	2,970
Big Lottery Fund - Stage 2	-	17,900	(15,843)	-	2,057
	21,143	30,860	(41,625)	-	10,378

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Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023 (continued)

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	55,334	1,174	56,508
Debtors	1,361	-	1,361
Cash at bank and in hand	12,267	4,345	16,612
Other net current liabilities	(12,468)	-	(12,468)
Net assets at 31 March 2023	56,494	5,519	62,013

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	60,913	4,277	65,190
Debtors	4,135	-	4,135
Cash at bank and in hand	13,690	6,101	19,791
Other net current liabilities	(11,277)	-	(11,277)
Net assets at 31 March 2022	67,461	10,378	77,839

21 Controlling party and related party transactions

Related party transactions with group subsidiaries

The ultimate controlling party of the group is Sovini Limited – Co-operative and Community Benefit Society.

- ***Sovini Limited***

During the year, Pride of Sefton had transactions with its ultimate parent entity Sovini Limited. Pride of Sefton incurred corporate service charges of £7,860 (2022: £5,359). Sovini Limited have also recharged expenses of £286 (2022: £243) and purchased 4 trips for £640 (2022: £nil). Included within creditors are amounts owed to Sovini Limited of £1,328 (2022: £88).

- ***Sovini Charities Limited***

During the year, Pride of Sefton received £4,770 in unrestricted donations from its parent Sovini Charities Limited (2022: £nil).

- ***One Vision Housing Limited***

During the year, Pride of Sefton had transactions with its subsidiary One Vision Housing Limited. Pride of Sefton recharged £450 (2022: £1,218 recharges received) to One Vision Housing Limited which was expensed to the income and expenditure statement, purchased 6 trips for £960 (2022: £nil) and received an unrestricted donation of £nil (2022: £1,800). During the year the Pride of Sefton impaired its bespoke booking system designed by One Vision Housing at a charge of £3,477 (2022: £nil) after charging amortisation of £306 (2022: £nil) to the income and expenditure statement. Included within creditors are amounts owed to One Vision Housing Limited of £84 (2022: £572).

- ***Sovini Commercial Limited***

During the year, Pride of Sefton incurred loan interest of £200 (2022: £200) on their undrawn £20,000 loan facility with Sovini Commercial Limited.

- ***Sovini Property Services Limited***

During the year, Pride of Sefton had transactions with its subsidiary Sovini Property Services Limited. Pride of Sefton incurred recharges of £370 (2022: £283) from Sovini Property Services Limited.

Pride of Sefton

Notes Forming Part of the Financial Statements for the year ended 31 March 2023 (continued)

21 Controlling party and related party transactions (continued)

- ***Sovini Trade Supplies Limited***

During the year, Pride of Sefton had transactions with its subsidiary Sovini Trade Supplies Limited. Sovini Trade Supplies purchased 2 trips for £320 (2022: £nil).