

Registered number: 01792921
Charity number: 515060

LOCAL SOLUTIONS

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



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LOCAL SOLUTIONS

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LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2023

Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1st Floor
Building 2000
Vortex Court
Enterprise Way
Wavertree
Liverpool
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee
	Jillian M Jones	Chair, Operations & Development Committee from 26 January 2023
	Ellie J Acton	
	Serena M Kennedy	
	Dr Bruce W Taylor	
	Jonathan H Mounsey FCA	
	Katie E Clubb	Resigned 17 November 2022
	Suzanne Mazzone	Appointed 17 November 2022
	Karl Clawley	Appointed 23 March 2023
	Elliott Morrison	Appointed 23 March 2023
	Louise Towers	Resigned 20 March 2023

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc
Commercial Banking
Union Street
Chester
CH1 1UA

Solicitors:	Brabners LLP	Aaron & Partners
	Horton House	5-7 Grosvenor Court
	Exchange Flags	Foregate Street
	Liverpool	Chester
	L2 3YL	CH1 1HG

Auditor: DSG Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

A message from our Chair and Chief Executive

Throughout the last year, Local Solutions' commitment to understanding the challenges faced by people and communities, and to working together with them, proved vital during a prolonged period of economic pressure and uncertainty.

Steps taken in previous years to refocus our work, create an agile and efficient organisation and to ensure we maximise the impact of our resources, has enabled us to invest £323,000 of prior year surpluses to meet these challenges, whilst maintaining a strong and sustainable foundation for future delivery.

Our commitment, at the beginning of this period, to boldly and flexibly invest designated funds to meet these challenges proved essential, as individuals and communities felt the impact of rising inflation on everyday essentials including food, energy, travel, and housing.

We opened a community living room at our Liverpool Carers Centre, welcomed the first young people into our new semi-independent accommodation, introduced a health and wellbeing community project, and developed a family skills hub.

We extended our reach, engaging with over 36,000 people across the Liverpool City Region and North Wales, and delivered even more care, support, advice, skills work, and wellbeing sessions through a wide range of services in our communities.

We are proud of the steps we have taken to lean into the challenges in social care including our commitment to paying a real living wage, an offer of minimum guaranteed hours and by enhancing learning and development across the organisation.

Alongside this, we have continued to focus on developing the quality of our services, placing the experiences of our services users at the center of all that we do. To support this, we have embarked on a journey of embedding psychologically informed environments and trauma-informed approaches throughout the whole organisation.

Guided by our goals to develop expert approaches, innovate, identify opportunities for early intervention and to go beyond basic needs, we have again allocated designated funds for development. impact and innovation to support our ambitions.

Whilst our services are varied, they are all underpinned by five key outcomes: gaining skills and confidence, developing independence, sustaining stable accommodation, increasing safety and security, and improving health and wellbeing.

This year has been challenging and inspiring! The dedication, skill and resilience of our staff and volunteers is at the heart of Local Solutions and it is through their compassion, knowledge, and creativity that we continue to make a positive impact.

Next year marks our 50th anniversary and we are focused on extending our reach, widening our engagement, and empowering even more people and communities to achieve their goals and fulfil their potential.

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For the year ended 31 March 2023

We are proud of all the work outlined in the Overview of the Year in this report. Further information on the difference Local Solutions makes to people and communities can be found in our Impact Report which is available on our website.

A huge thanks to all our staff, supporters, service users and volunteers.

Hazel and Tom



Hazel Snell
Chair

Date: 20th July 2023



Tom Harrison
CEO

Date: 20th July 2023

Email: info@localsolutions.org.uk
Website: www.localsolutions.org.uk

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)".

OBJECTIVES

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

STRATEGIC REPORT

The Trustees (who are Directors of the Charity for the purposes of the Companies Act 2006) present their report together with the financial statements for the year ended 31 March 2023.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out Seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

ORGANISATIONAL PURPOSE

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

Social Care

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

Support and Accommodation

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

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REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

Communities

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with distinguished careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Chief Operating Officer, and departmental heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes: The Chief Operating Officer, and heads of Social Care, Support and Accommodation, Communities, Finance, People and Culture, and Business Development and Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee Committee structure is established comprising: Finance, Audit and Risk; People and Culture; Operations and Development. Each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish groups are set up as considered appropriate.

The Trustees meet as a Board six times a year as a minimum. In addition, each Trustee serves on one or more of the three Committees and Task and Finish groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which comprises organisations and individuals. Trustees may serve for a maximum period of three, three-year terms with an extension thereafter being allowed in exceptional circumstances. An active Trustee recruitment programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

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For the year ended 31 March 2023

The board welcomed three new Trustees during the year:

Suzanne Mazzone - 17 November 2022 - Suzanne is the Executive Director of Housing at ClwydAlyn, a housing association in North Wales.

Karl Clawley - 23 March 2023 - Karl is the Associate Director at the Monument Group.

Elliott Morrison - 23 March 2023 - Elliott is the Lead Paralegal at DWF Law LLP.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

INTEGRITY

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

DECISION MAKING, RISK AND CONTROL

Decision Making

Local Solutions operates a clear scheme of delegation identifying the operational matters for which the Leadership Team have delegated authority. The Board of Trustees ensures decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, Operations and Development, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Local Solutions' Board of Trustees and Leadership Team deliver regular reviews and hold an annual away day to consider strategic direction.

Risk Management

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, and people aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

This will be supported by several service delivery risk registers which are in the process of being developed for each of the main service delivery areas.

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Principal Risks and Challenges

The principal risks and challenges which the organisation currently faces are:

Risks

- Failure to satisfy regulatory quality benchmarks
- Loss of a significant contract
- Failure to secure suitable premises for operations and service delivery
- Threats to cyber security
- Failure of key operational I.T. systems
- Serious incidents and safeguarding
- Financial viability of the organisation
- Failure to recruit and retain sufficient staff, particularly in Homecare
- Serious breach of data protection regulations
- Failure to grow or secure new business

The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis, and it is reviewed by the Board of Trustees twice a year.

Failure to meet regulatory quality benchmarks may mean that Local Solutions is ineligible to retender for contracts resulting in the potential for significant financial loss and negative organisational impact. Investment has been made in improving quality monitoring and oversight, including implementation of the Homecare Quality Plan to ensure achievement of CQC standards and recruitment of a Compliance and Implementation Manager.

During the year, £246,338 of Workforce Development & Retention Designated Reserves were allocated to reposition Local Solutions in the labour market by improving pay and conditions for staff. We have received some early signs that these strategic decisions are starting to have a positive impact with staff recruitment and retention stable and several local authorities now specifying a preference for payment of Real Living Wage for domiciliary care contracts.

The loss of a significant contract poses a high risk and would have widespread implications for the rest of the organisation's operations. This is mitigated through regular performance reviews of existing contracts by the Operations and Development Committee using key performance indicators covering both quantitative and qualitative performance measures to identify underperforming services and oversee improvement plans. This oversight reduces the risk of failure in new business by ensuring that the organisation only takes on new contracts that are financially viable and which can be delivered sustainably.

Effective and consistent operation of I.T. systems is essential to the success of Local Solutions. Domiciliary care services depend on systems access for accurate logging of client calls, care management and invoicing. If access to the system were removed or unavailable this would present a significant risk to Local Solutions. Steps taken to mitigate this risk include daily backups of data on an internal server, availability of offline data for calls during short-term access issues, regular meetings with the system provider to review functionality, and assessment of other potential system providers for features, cost, and benefits. Steps including staff training on phishing and malicious links, restrictions on who is authorised to install software on company devices, and use of antivirus software all form part of the organisation's strategy to combat cyber security risks.

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Following the retirement of Local Solutions' internal auditor, a qualified experienced external provider has been contracted to provide an independent and objective approach to evaluate and improve the effectiveness of risk management, control, and governance processes. A 3-year internal audit plan is being developed with a clear link to the Corporate Risk Register. To ensure independence, the internal audit contractor has free and full access to the organisation's officers, records, premises, and meetings. The Head of Internal Audit reports to the Chair of the Board of Trustees and functionally to the Finance, Audit and Risk Committee.

Serious Incidents and Safeguarding

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation services, domestic abuse services and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

DIVERSITY

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential.

Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

Statement of Commitment

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

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For the year ended 31 March 2023

Our Commitment as an Employer

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion for all.
- Taking steps to ensure equity amongst our workforce such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or underrepresented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove unnecessary obstacles and to meet the special needs of disadvantaged or underrepresented groups.

Our Commitment as a Service Provider

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or underrepresented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

Employment of Disabled Persons

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2021 Local Solutions was awarded the Disability Confident Employer kitemark for a further 2 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans

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Employee Involvement

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

OVERVIEW OF THE YEAR

KEY HIGHLIGHTS

We continue to push forward as a charity, developing our services, improving our buildings and environments, and finding innovative ways to meet the challenges faced by individuals and communities.

We have produced a 2022 - 2023 Impact Report to illustrate the breadth and impact of our work, focusing on peoples' stories and experiences, which is available on our website www.localsolutions.org.uk.

After 25 years of delivering support, accommodation, and services from our Scotland Road site, we have begun a process of identifying upgraded accommodation and improved facilities. We have also developed our community presence through our family skills hub in Flint, our community living room in Liverpool and our plans for a skills and wellbeing hub at our watersports centre.

The social care sector continues to face unprecedented challenges with national staff vacancies reaching 165,000, leaving vulnerable individuals struggling to get the care they need or stuck in hospital settings. Our commitment to this area has seen us invest significantly in frontline wages, bringing forward increases to pay and exceeding our commitment to real living wages. This has had a positive impact on our recruitment and retention of staff, the continuity of care we can provide, and the quality of care experienced by individuals and families.

Throughout the last year, the Liverpool Carers Centre has supported unpaid carers with support, advice and access to health and wellbeing activities at our Liverpool Carers centre. In addition to providing support through the Carers Centre, Local Solutions has also connected unpaid carers with leisure and hospitality organisations from across Liverpool and Wigan through our MyTime projects. Our work with unpaid carers continues to develop and we opened a community living room in response to the challenges faced by unpaid carers and the wider community due cost of living pressures with a particular focus on heating, eating and isolation.

Despite this challenging backdrop, Local Solutions domiciliary care workers in Liverpool, Knowsley, Sefton, Wirral and St Helens have provided support to 1,218 individuals in their homes and delivered over 333,000 hours of individual care. Alongside this Local Solutions has been at the forefront of action to further improve pay, conditions, and delivery in social care, engaging with partners, policy makers, individuals and families to empower change and launching a community pilot project to understand how social care can be done better.

Across our support and accommodation services we have looked for more ways to extend our reach and innovate. We have successfully extended the range and number of organisations engaged with our AIMS Lifeskills Programme, developed opportunities for unaccompanied young asylum seekers through our Supported Lodgings schemes, achieved successful launches and outcomes from our semi-independent accommodation schemes at Baltic yard and Webster Road and opened our first Family Skills Hub in Flintshire.

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For the year ended 31 March 2023

REVIEW OF SERVICES – BUILDING RESILIENCE, RAISING ASPIRATION, IMPROVING LIVES

Our work can be seen through 3 lenses or departments: Social Care, which is predominantly domiciliary care in the community; Support and Accommodation for young homeless people and individuals; and our Communities department where we work with unpaid carers, victims of domestic abuse and support health and wellbeing.

Our services may be varied but they are underpinned by 5 key outcomes: gaining skills and confidence, developing independence, creating stable accommodation, increasing safety and security, and improving health and wellbeing. Throughout the year, and across all our services, service users reported the following:

- 91% reported that they have more stable accommodation
- 83% reported increased feelings of health and well being
- 85% reported that they had improved their independence levels
- 88% reported an increase in their safety and security
- 86% reported they had increased their skills and confidence

Local Solutions has continued to have a significant impact on individuals, families, and communities. We have been driven by the desire to empower change, to be transformative, creative, innovative, and flexible. Our ambition is to empower people to achieve their own goals and to take control of their own lives.

Throughout the 2022/23 financial year, Local Solutions supported 36,000 individuals from across the Liverpool City Region and North Wales.

Our key activities in the year have been:

Social Care

The Homecare department provides social care to individuals in their own homes. The service operates 24 hours a day, 7 days a week, 365 days a year. The majority of the services provided are delivered on behalf of the local and health authorities within the Liverpool City Region. In the year, Local Solutions delivered 333,543 hours of care to 1,281 people.

The desired outcomes of the Homecare service are to meet individuals' social care needs and keep them safe in their own homes, remove or delay the need for residential or hospital care, reduce individuals' need to access primary and secondary health care services, minimise the number of long-term social care interventions required by an individual, and improve the quality of life for those requiring social care.

During the year, Local Solutions has delivered the following services:

- Scheduled domiciliary care visits during the day and night
- Unscheduled emergency response to telecare alerts throughout the day and night
- Carers respite service
- Short term discharge to assess reablement service for people coming home from hospital
- Housing and social care support in Extra Care setting
- Support to access community facilities

The majority of people using the service were older people and require support due to either:

- Frailty,
- Managing long term health conditions,
- Having a physical or sensory impairment, or
- Living with dementia

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Services are delivered at the frequency, duration and time commissioned by the Local Authority and in agreement with the individual. Most visits are a minimum of 30 minutes in duration. The amount of time that we spend with service users and the punctuality of the service is monitored in real time using an electronic call monitoring system. During the year, over 99% of services were monitored in this way. Although some services were commissioned on a 'block', meaning that income is guaranteed regardless of the utilisation of the service, most services were commissioned on a 'spot' basis, meaning that income is subject to fluctuation.

- 94% of people receiving care felt that it had helped them to sustain stable accommodation
- 93% of people receiving care felt like their health and well-being had improved
- 90% of people receiving care felt like they had developed their independence
- 92% of people receiving care felt like their safety and security had increased
- 90% of people receiving care felt like they had gained skills and confidence

Support and Accommodation

A core element of Local Solutions' work is projects to help young homeless people and families feel secure, build resilience, increase personal capacity and skills so that they can plan for a successful future. Our services are based in the Liverpool City Region and North Wales. During the year over 600 people were accommodated and supported through our provision.

Homeground provides accommodation and support for young homeless people aged 16-21. In the year, 40 young people received focused support to meet individual needs, enabling them to make positive life changes to promote their independence, with 23 planned positive departures.

Supported Lodgings provides placements for young homeless people, aged 16-25, with householders who live in the community. In the period, 104 young people were placed in schemes across seven Local Authority areas in England and Wales. 98% of young people reported gains in skills and confidence as a result of the support they had received.

Nightstop is an emergency accommodation service that we currently operate in North Wales providing accommodation within the homes of people in the community. Young people used the Nightstop service A for 325 nights, preventing them from rough sleeping, stabilising their immediate circumstances and permitting options for more secure accommodation to be explored.

Plas Bellin offers temporary supported accommodation for up to 20 families in cottages and flats; the accommodation is based in Flintshire, North Wales. The aim of the service is to build capacity and skills of service users and to resettle them with their own tenancies in the community where they will also receive additional floating support. During the year, 31 adults and their families were supported at Plas Bellin and 95% of those adults reported improved health and well-being as a result of the support they received. Our service at Plas Bellin transformed from a place-based accommodation service to a Family Skills Hub in early spring 2023. The service continues to support families in Flintshire who are at risk of homelessness, in temporary accommodation or who need support to establish and sustain tenancies.

Sunraye is a nine-bed hostel providing accommodation and support for vulnerable women aged 16-65; the service is based in Flintshire, North Wales. The aim of Sunraye is to build skills and capacity in service users to facilitate their resettlement with their own tenancies or suitable move-on accommodation. During the year, 14 women were accommodated at Sunraye and 90% of leavers reported improved independence levels as a result of using the service.

Our work in **Mentoring** for young people continues to grow, predicated on the strong approaches that have been developed over the years. The 'Young Persons' Hub', based at our Homeground site, provides support for young people facing disadvantage including those who are homeless, care leavers, those having multiple and complex needs and those who are Not in Education, Employment or Training (NEET).

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The services include AIMS (Accommodation Intense Mentoring and Skills) and Sports Horizons that uses sport and water-based activities as a catalyst for engagement and mentoring with young people who have no secure place to live. Our mentoring programmes also work with young people who are at risk of criminal exploitation or criminality through diversionary and skills programmes.

- 86% of young people that took part in an AIMS programme felt that this had helped them to sustain stable accommodation
- 89% of young people that took part in an AIMS programme felt that it has helped them to improve their health and wellbeing
- 89% of young people that took part in an AIMS programme felt like it had helped them to develop their independence skills
- 82% of young people that took part in an AIMS programme felt that their safety and security had increased as a result
- 93% of young people that took part in an AIMS programme felt that it had helped them to gain skills and confidence

Communities

The **Liverpool Carers Centre** provides a range of assessments, support interventions, advocacy, and campaigning on behalf of unpaid carers in Liverpool. Carers Centre staff are trusted assessors who conduct formal assessments of unpaid carers and produce formal support plans. In this period there 903 support plans were completed and 1,816 people took part in an activity designed to improve their health and well-being. In addition, 1,619 carers experienced a respite break through the **MyTime** initiative that provides free access to a hotel stay or leisure activity for carers in the city.

MyTime has expanded and now provides support for unpaid carers to access breaks and respite in Wigan and is soon to begin a MyTime service in Milton Keynes.

People affected by domestic abuse are supported through several specialist initiatives including the **Independent Domestic Violence Advisory Service (IDVA)**, **Worst Kept Secret** helpline and initiatives to tackle violence and abuse. Work is carried out using a multi-agency approach and with Merseyside Police as a principal partner. In the period, 1,396 high risk victims accessed the service. 100% of these service users reported improved safety and security as a result of the support they had received. 89% of these people also reported improved health and well-being.

Bullybusters is an anti-bullying initiative that aims to reduce the number of incidents and raise awareness of bullying. The service provides training and awareness-raising sessions for young people, a freephone helpline, mediation work and web-based resources, which are delivered in Liverpool, Sefton and Knowsley. During the year 7,352 young people attended one of the 409 school based anti-bullying training/awareness sessions.

The **Shopmobility** scheme in Liverpool assists people with mobility restrictions to gain access to retail, leisure, and cultural amenities through the hire of equipment. The service made 811 hires of equipment. Shopmobility is a lifeline for local people and has a significant role in ensuring that Liverpool is a major cultural and tourist destination for outside visitors.

The **Liverpool Watersports Centre** provides water sports and outdoor activities for the whole community, with a particular focus on enabling young people and those experiencing disadvantage to participate in challenging experiences that enhance personal capabilities. This year 17,007 people took part in an activity at the centre.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2021/22 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

PLANS FOR FUTURE PERIODS

High Level Ambitions

Our high-level ambitions are guided by our mission to empower people and support communities. Areas of focus over the next 12 months will be driven by the desire to meet our strategic goals through specific delivery objectives discussed and agreed in strategy sessions with staff in each service area.

All our ambitions support the achievement of our cross-organisational outcomes:

- Gaining Skills and Confidence
- Developing Independence
- Sustaining Stable Accommodation
- Increasing Safety and Security
- Improving Health and Wellbeing

Our identified Strategic Goals are:

- Establish expert practice and approaches
- Make earlier interventions through increased training and education
- Develop innovative asset-based pilot projects in response to understanding the challenges
- Go beyond meeting basic needs and embrace arts and leisure to empower change

We will support the achievement of these goals through key strategic enabling activity:

- **Integration:** Internal integration between geographies and departments, in particular domiciliary care, carers initiatives and accommodation.
- **Sustainability:** Long term financial and service sustainability to create stable conditions for funding, innovation, and impact.
- **Partnership:** Development and delivery partnerships with expert value aligned complementary organisations.
- **Co-production:** Develop a culture of co-production and engagement, ensuring approaches and services are designed in genuine collaboration.

- **People:** Provide a skilled, committed, and diverse workforce with quality learning and development and excellent pay and conditions.
- **Systems:** Maintain data systems, frameworks, and performance management tools to innovate, evaluate and promote effectiveness.
- **Premises:** Provide buildings and environments which are psychologically informed and aligned with our values, purpose and outcomes.
- **Diversity:** Increase the reach and accessibility of our services to ensure we are inclusive and representative of diverse communities.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

FINANCIAL REVIEW

Income and Expenditure

The overall deficit for the year was £321,915 (2022: £621,068 surplus). Income for the year has decreased to £12,497,025 (2022: £13,341,438). Expenditure has increased to £12,818,940 (2022: £12,720,370).

While it may be disappointing to see a large deficit for the year it is important to note that most of this is due to proactive decisions, which were agreed by Trustees, to invest designated reserves to reposition Local Solutions in local labour markets by improving pay and conditions for staff. In total, £322,900 of the £450,000 of designated reserves available were invested: Workforce Development and Retention £246,338; Impact and Innovation £53,718; Infrastructure and Assets £22,844. Had these investments not taken place then the year-end financial position would likely have been close to breakeven, but employee terms and conditions would not have been improved, Local Solutions would not be a Real Living Wage employer, and the organisation would not have been able to benefit from service innovations including Community Living Rooms, a Health and Wellbeing Community Navigator, and a redesign project for domiciliary care.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 8% lower than the previous year, in line with a reduction in hours delivered. Wage costs for frontline care staff were unchanged year on year reflecting the purposeful use of the surplus generated in 2021-22 to improve recruitment and retention and stabilise the delivery of care hours. The deficit in Homecare was the key driver of the overall financial position for the organisation in 2022-23.

Support and accommodation services and communities' activities such as the Liverpool Watersports Centre, domestic abuse support, and Liverpool Carers Centre provision all made positive financial contributions to Local Solutions in addition to the social impact they delivered to service users and the wider community.

The Charity earned over £11,000 in interest income during 2022-23 as some of the cash balances which had previously been held in a non-interest-bearing current account were moved to a Treasury Reserve facility to take advantage of increases in the Bank of England base rate. Deposits in this facility were made for no longer than two months and are reviewed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance between accessibility of funds and the opportunity to earn interest.

The largest single factor in the increase in expenses for 2022-23 was a cost of living pay rise for all staff effective from 1st December 2022. This, in addition to pay increases for carers has enabled Local Solutions to retain staff, protect service delivery and demonstrate our values as a social sector organisation. Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer national insurance and pension contributions equates to 83% (2022: 83%) of total costs for the year ended 31st March 2023.

As widely reported in the media, the energy market was extremely difficult during 2022-23. Overall energy costs for the year were up 25% despite the move to smaller, more modern head office premises. Energy saving advice has been issued to all site managers with a view to reducing consumption and saving costs. Meter readings at all sites are being taken monthly to ensure that all estimated bills are accurate. The Finance, Audit and Risk Committee reviews energy costs monthly.

During the year contracts for care worker and core staff mobile phones, which were previously separate, were amalgamated into a single contract. This has allowed for a unified approach to mobile device management and usage, which is more efficient operationally, and will result in significant overall cost savings on a full year basis.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

Balance Sheet

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position of £1,353,988 (2022: £2,162,070) at the end of the year. This represents 1.27 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Net assets of the Charity have decreased to £2,336,177 at the year-end (2022: £2,658,092).

Reserves Policy

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that this will be kept under annual review by the Finance, Audit and Risk Committee.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds plus revaluation reserve less tangible fixed assets. Tangible fixed assets cannot be realised quickly and are therefore deducted when calculating unrestricted free reserves.

The Trustees consider that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2023/24 Budget, three months' central support and admin costs currently amount to £618,303. The current level of unrestricted free reserves is £933,326 providing 1.51 times of cover for the target level of central support costs.

The Trustees wish to continue to invest in the future and the development of the Charity. To achieve this, three designated funds have been maintained this year: Innovation and Impact, Infrastructure and Assets, and Workforce Development and Retention. Further information on designated funds is provided in note 13. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. The Finance, Audit and Risk Committee keep reserve levels and the Reserves Policy under close review to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

Investment Policy

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements. Following substantial cost reductions, restructuring of operations and teams, and strengthened governance arrangements to improve risk monitoring and financial processes which were implemented in the year to March 2021, the financial and operational resilience of the Charity has been substantially improved. During the year ending March 2023, as part of a determined effort to play our part in improving industry pay and conditions, Local Solutions raised hourly rates of pay for carers, and in doing so we are pleased to have achieved our ambition to become a Real Living Wage employer. Trustees have agreed to set aside a designated Workforce Retention Reserve to ensure that we can continue to support our staff with cost-of-living increases and to further our efforts to build and develop our teams through high quality recruitment and retention.

In order to consider the appropriateness of the going concern basis, we have prepared forecasts to March 2024 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Several scenarios were considered which stress test the key costs to the organisation. We forecast that the worst-case scenarios would result in deficits of between £0.5m and £0.8m in March 2024. Local Solutions continues to have an excellent track record of retaining contracts and we maintain strong relationships with Commissioners across our areas of operation. Since becoming a Real Living Wage employer, with an ongoing commitment to improving pay and conditions, Local Solutions has seen a positive impact on staff retention. This improves the Charity's capacity to meet existing demand for social care and positions us well to benefit from future growth opportunities. Recent withdrawals from the social care market of some local competitors who are not able to meet local authority requirements to pay the Real Living Wage is expected to further improve Local Solutions' ability to take on additional domiciliary care contracts when these become available.

The Charity has a strong Balance Sheet with a cash position of £1,363,988 and Unrestricted Reserves of £1,593,469 at the end of the year. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

A balance of £200,000 from an historic payment on account is owed to Liverpool City Council (LCC). This balance is due to be repaid within the next twelve months. The full balance is held within creditors within one year on the Charity's balance sheet.

Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, 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 Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the 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 Charitable Company will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustee Indemnity Insurance

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

Auditor

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report including the strategic report was approved by the Board of Trustees.



Hazel Snell
Chair

Date: 20th July 2023

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

OPINION

We have audited the financial statements of Local Solutions ("the Charitable Company") for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustee responsibilities, 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.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

Capability of the audit in detecting irregularities, including fraud

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

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, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

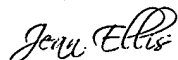
For the year ended 31 March 2023

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.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
For and on behalf of DSG

20 July 2023

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Chambers
Liverpool
L2 9TL

LOCAL SOLUTIONS

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2023

	Note	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
		£	£	£	£
Income and endowments from:					
Donations and legacies	1	75,702	1,022	76,724	75,837
Income from charitable activities	1	12,051,992	356,859	12,408,851	13,253,860
Coronavirus Job Retention Scheme	1	-	-	-	11,540
Income from investments	3	11,450	-	11,450	201
Total income		<u>12,139,144</u>	<u>357,881</u>	<u>12,497,025</u>	<u>13,341,438</u>
Expenditure on:					
Charitable activities	2	<u>12,460,241</u>	<u>358,699</u>	<u>12,818,940</u>	<u>12,720,370</u>
Total expenditure		<u>12,460,241</u>	<u>358,699</u>	<u>12,818,940</u>	<u>12,720,370</u>
Net (expenditure)/income		<u>(321,097)</u>	<u>(818)</u>	<u>(321,915)</u>	<u>621,068</u>
Net movement in funds		(321,097)	(818)	(321,915)	621,068
Reconciliation of funds					
Total funds brought forward at 1 April	13	<u>2,567,781</u>	<u>90,311</u>	<u>2,658,092</u>	<u>2,037,024</u>
Total funds carried forward at 31 March	13,14	<u>2,246,684</u>	<u>89,493</u>	<u>2,336,177</u>	<u>2,658,092</u>

All of the principal activities of the charity were continuing for the year ended 31 March 2023.

There were no recognised gains or losses other than the result for the year.

LOCAL SOLUTIONS

BALANCE SHEET

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	8		1,077,091		1,115,002
Current assets					
Debtors	9	1,173,985		1,122,714	
Cash at bank and in hand		<u>1,353,988</u>		<u>2,162,070</u>	
			2,527,973		3,284,784
Creditors: amounts falling due within one year	10	<u>(1,227,787)</u>		<u>(1,599,194)</u>	
Net current assets			1,300,186		1,685,590
Creditors: falling due after more than 1 year	12		-		(100,000)
Provision for liabilities	11		(41,100)		(42,500)
Net assets less provision for liabilities			1,259,086		1,543,090
Net assets			<u>2,336,177</u>		<u>2,658,092</u>
Funds					
Restricted	13		89,493		90,311
General Unrestricted	13		1,357,202		1,450,266
Designated Reserves	13		236,267		450,000
Revaluation Reserve	13		653,215		667,515
			<u>2,336,177</u>		<u>2,658,092</u>

The financial statements were approved by the Board of Trustees on 20 July 2023, and signed on their behalf by:

Hazel Snell

Hazel Snell

Trustee

Company Number: 01792921

LOCAL SOLUTIONS

CASH FLOW STATEMENT

For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Deficit for the financial year		(321,915)	621,068
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	37,911	30,538
Net interest (receivable)	3	(11,450)	(201)
Increase in trade and other debtors	9	(51,271)	34,477
Decrease in trade and other creditors	10,11,12	(472,807)	(92,079)
Cash from operations		(819,532)	593,803
Taxation paid		-	-
Net cash generated from operating activities		(819,532)	593,803
Cash flows from investing activities			
Purchases of tangible fixed assets	8	-	(47,002)
Interest Received		11,450	201
Proceeds from disposal of Fixtures, Fittings & Equipment		-	1,465
Net cash from investing activities		11,450	(45,336)
Cash flows from financing activities			
Interest paid	3	-	-
Repayment of loans		-	-
Net cash used in financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(808,082)	548,467
Cash and cash equivalents at beginning of year		2,162,070	1,613,603
Cash and cash equivalents at end of year		1,353,988	2,162,070
Cash and cash equivalents comprise:			
Cash at bank and in hand		1,353,988	2,162,070
Bank overdrafts		-	-
		1,353,988	2,162,070

The accompanying accounting policies and notes form an integral part of these financial statements.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

ACCOUNTING POLICIES

Charity Information

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is
Vortex Court, Enterprise Way, Wavertree, Liverpool, L13 1FB.

Accounting Convention

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity as defined under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

GOING CONCERN POLICY

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term.

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For the year ended

Following a review by Trustees, the overdraft facility has been maintained at the current level of £200,000, even though the projections produced indicate that there will be no need to draw on it. Indeed, the projections show there to be considerable headroom if assumptions hold good. Considering the strength of the balance sheet, and levels of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

INCOME

Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

Coronavirus Job Retention Scheme income is accounted for within unrestricted charitable income, with the associated wage costs included within unrestricted charitable expenditure.

Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

EXPENDITURE

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

Allocation of Overheads

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

FUND ACCOUNTING

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

The rates generally applicable are:

- | | |
|---|---------------------|
| - Freehold properties | - 2% of deemed cost |
| - Motor vehicles | - 5 Years |
| - Fixtures, fittings, equipment and computer software | - 2 to 5 Years |

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

VALUE ADDED TAX

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

Defined Contribution Pension Schemes

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

FINANCIAL INSTRUMENTS

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Local Solutions only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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.

Creditors and provisions are recognised where Local Solutions 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.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

RECOGNITION OF LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

LIQUID RESOURCES

Liquid resources are those associated with the cash management of Local Solutions.

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..

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible 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 (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering 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 considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

1 ANALYSIS OF INCOME

	2023 £	2022 £
Donations deferred at 1 April 2022	-	-
Donations receivable in the year	76,927	75,837
Donations deferred at 31 March 2023	(203)	-
	<u>76,724</u>	<u>75,837</u>

Donations above include Restricted Donations of £1,022 (2022: £11,489).

	£	£
Project income deferred at 1 April 2022	361,546	469,480
Project income receivable in the year	12,190,054	13,157,466
Project income deferred at 31 March 2023	(142,749)	(361,546)
	<u>12,408,851</u>	<u>13,265,400</u>

Analysis of income	£	£
Project income for charitable services provided	12,408,851	13,253,860
Donations	76,724	75,837
Investment Income	11,450	201
Coronavirus Job Retention Scheme	-	11,540
	<u>12,497,025</u>	<u>13,341,438</u>

Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	9,673,368	9,652,982
Young People & Families/ Engagement	2,689,197	3,348,522
Central Services	46,286	263,896
	<u>12,408,851</u>	<u>13,265,400</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

1 ANALYSIS OF INCOME (continued)

Restricted Grants within Project Income

	2023	2022
	£	£
Liverpool City Council	26,218	-
Government & Local Authority COVID-19	-	443,810
Others	68,069	211,013
Comic Relief	108,070	137,949
Lindbury Trust	154,502	-
	356,859	792,772

Costs relating to COVID-19, for which Restricted Grants have been received from Government and Local Authorities, are included in Note 2 Restricted Expenditure

2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2023 £	2022 £
Direct charitable expenditure	10,593,547	2,099,027	37,911	12,730,485	12,673,962
Governance costs	-	88,455	-	88,455	46,408
	10,593,547	2,187,482	37,911	12,818,940	12,720,370

	Staff costs £	Other costs £	Depreciation £	2022 £	2021 £
Direct charitable expenditure	10,510,952	2,132,472	30,538	12,673,962	14,308,855
Governance costs	-	46,408	-	46,408	56,978
	10,510,952	2,178,880	30,538	12,720,370	14,365,833

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £1,847,153 (2022: £1,832,306), which includes fundraising and business development costs of £95,163 (2022: £48,685).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £15,700 (2022: £14,530).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

Governance Costs	2023 £	2022 £
Professional & Legal	72,755	31,878
Auditors' remuneration – statutory audit	15,700	14,530
Governance costs at 31 March 2023	<u>88,455</u>	<u>46,408</u>

Contained within Restricted Expenditure are the following costs:

	Restricted 2023 £	Restricted 2022 £
Salaries and on costs	253,028	683,219
Maintenance/repairs	175	9,524
Office expenses	17,895	19,334
Telephone/internet	3,946	6,923
Equipment	1,594	42,021
Insurance	1,995	1,492
Travel	1,979	9,047
Sundry expenses	78,087	87,244
	<u>358,699</u>	<u>858,804</u>

The following amounts are included in expenditure:

	2023 £	2022 £
Depreciation	37,911	30,538
Operating Lease rentals:		
- Land & Buildings	286,655	278,182
- Other	2,380	5,653
Auditors Remuneration – statutory audit	15,700	14,530
Auditors Remuneration – other services	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

3 INTEREST RECEIVABLE

	2023 £	2022 £
Other interest receivable and similar income - unrestricted	<u>11,450</u>	<u>201</u>

4 EMPLOYEES

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	9,623,657	9,609,193
Social security costs	758,755	692,580
Other pension costs	211,135	209,179
	<u>10,593,547</u>	<u>10,510,952</u>

Wages and salary costs above include redundancy payments of £29,098 (2022: £39,515)

The average number of employees during the year was 537 (2022: 624).

	2023 Number	2022 Number
Project staff	534	621
Fundraising and publicity	1	1
Management and administration of the charity	2	2
	<u>537</u>	<u>624</u>

The emoluments of higher-paid employees fell within the following ranges:

	2023 Number	2022 Number
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
	<u> </u>	<u> </u>

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

4. EMPLOYEES (continued)

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	2023 £	2022 £
Pension contributions to money purchase schemes	<u>30,154</u>	<u>31,719</u>

During the year two higher paid employees (2022: two higher paid employees) participated in a money purchase pension scheme.

5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2022: £NIL) during the year.

Helen Heap's partner is Chief Officer at Raise. The charity received rental income of £19,110 (2022: £19,110) from Raise in the year.

There were no other related party transactions in the year.

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs.

The total remuneration, including employers' pension contributions, employers' national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £199,566 (2022: £238,537).

7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,464 (2022: £2,240).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost				
At 1 April 2022	1,229,137	10,699	59,128	1,298,964
Disposals	-	-	(8,757)	(8,757)
At 31 March 2023	1,229,137	10,699	50,371	1,290,207
Depreciation				
At 1 April 2022	158,019	7,298	18,645	183,962
Provided in the year	24,576	2,136	11,199	37,911
Eliminated on disposals	-	-	(8,757)	(8,757)
At 31 March 2023	182,595	9,434	21,087	213,116
Net book amount at At 31 March 2023	1,046,542	1,265	29,284	1,077,091
Net book amount at 31 March 2022	1,071,118	3,401	40,483	1,115,002

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The Scotland Road site is included within freehold land and buildings at a deemed cost of £965,000. It was valued by Lambert Smith Hampton, commercial property consultants, at £1,080,000 on 2 May 2018.

In February 2023 a revaluation was carried out by Keppie Massie to confirm the value.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

The overdraft facility of the Charity is secured by a legal charge over the freehold land and buildings.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

9 DEBTORS

	2023 £	2022 £
Accrued income	364,375	137,944
Trade debtors	673,160	824,999
Other debtors	18,311	17,184
Prepayments	118,139	142,587
	<u>1,173,985</u>	<u>1,122,714</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	139,502	89,274
Other creditors	232,245	386,799
Social security and other taxes	162,215	157,317
Accruals	550,873	604,258
Deferred income	142,952	361,546
	<u>1,227,787</u>	<u>1,599,194</u>

Included within other creditors is an amount of £200,000 (2022: £300,000) owing in respect of a historic payment on account for Homecare provision from Liverpool City council.

11 PROVISION FOR LIABILITIES

	2023 £	2022 £
Balance at 1 April	42,500	42,500
Increased	18,300	3,000
Utilised	(19,700)	(3,000)
Balance 31 March	<u>41,100</u>	<u>42,500</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

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For the year ended

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Liverpool City Council	-	100,000
	-	100,000

This relates to an historic payment on account for Homecare from Liverpool City Council. The final payment being due March 2024.

13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2022	667,515	90,311	1,900,266	2,658,092
Incoming resources	-	357,881	12,139,144	12,497,025
Resources expended	-	(358,699)	(12,460,241)	(12,818,940)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2023	<u>653,215</u>	<u>89,493</u>	<u>1,593,469</u>	<u>2,336,177</u>
At 1 April 2021	681,815	144,854	1,210,355	2,037,024
Incoming resources	-	804,261	12,537,177	13,341,438
Resources expended	-	(858,804)	(11,861,566)	(12,720,370)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2022	<u>667,515</u>	<u>90,311</u>	<u>1,900,266</u>	<u>2,658,092</u>

Unrestricted Funds include Designated Funds of £236,267 (2022: £450,000)

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For the year ended

Designated Funds

	Balance April 2022 £	Transfers in the year £	Expenditure £	Transfers at year end £	Balance March 2023 £
Impact & Innovation	150,000	(80,050)	(44,551)	8,768	34,167
Workforce Development & Retention	150,000	195,050	(246,338)	78,388	177,100
Infrastructure & Assets	150,000	(115,000)	(22,844)	12,844	25,000
	450,000	-	(313,733)	100,000	236,267

Impact & Innovation – development of pilot projects to meet emerging needs and explore innovative approaches and models of delivery in line with our mission.

Workforce Retention – meeting short term workforce challenges and enabling retention in delivery critical and impact essential scenarios.

Infrastructure & Assets – providing support to improve impact through improved systems, facilities, or assets.

During the financial year reallocation of the provision has been applied to ensure best use of Designated Reserves. A further £100k was allocated to the provision at the end of the financial year.

Restricted Funds

	Balance April 2022 £	Income £	Expenditure £	Transfer £	Balance March 2023 £
Donations	-	1,022	(1,022)	-	-
Aims 2	-	150,082	(150,082)	-	-
Covid	-	-	-	-	-
Comic Relief	76,778	108,070	(108,070)	-	76,778
Other	13,533	98,707	(99,525)	-	12,715
	90,311	357,881	(358,699)	-	89,493

	Balance April 2021 £	Income £	Expenditure £	Transfer £	Balance March 2022 £
Donations	-	11,489	(11,489)	-	-
Aims 2	-	31,587	(51,040)	19,453	-
Covid	-	443,810	(443,810)	-	-
Comic Relief	144,854	137,949	(192,492)	(13,533)	76,778
Other	-	179,426	(159,973)	(5,920)	13,533
	144,854	804,261	(858,804)	-	90,311

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

The Charity works with funders to enable specific projects to be delivered. These Restricted funds are then used to support the running costs and delivery of the projects. Additional COVID funding was received in year for the likes of Workforce Recruitment and Retention which covered associated costs.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	653,215	-	423,876	1,077,091
Current assets	-	191,268	2,336,705	2,527,973
Current liabilities	-	(101,775)	(1,167,112)	(1,268,887)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2023	653,215	89,493	1,593,469	2,336,177
Tangible Fixed assets	667,515	-	447,487	1,115,002
Current assets	-	330,576	2,954,208	3,284,784
Current liabilities	-	(240,265)	(1,501,429)	(1,741,694)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2022	667,515	90,311	1,900,266	2,658,092

15 RETIREMENT BENEFITS

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £9,396 (2022: £23,323) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended

16 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	Leasehold properties 2023 £	Leasehold properties 2022 £
Not later than one year	333	77,728
Later than one year and not later than five years	247,351	218,864
Greater than five years	-	4,712
	<u>247,684</u>	<u>301,304</u>

17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash and cash equivalents	<u>2,162,070</u>	<u>(808,082)</u>	<u>-</u>	<u>1,353,988</u>

	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash and cash equivalents	<u>1,613,603</u>	<u>548,467</u>	<u>-</u>	<u>2,162,070</u>

18 CONTINGENT LIABILITIES

Historically amounts were received by the charity which totalled £24,751 and were included in creditors as at 31 March 2021 and included over 100 small balances from individuals. This amount remained in the balance sheet for many years. The charity once again made a concerted effort in the year ended 31 March 2022 to contact the donors to repay monies to them. No requests for repayments of outstanding balances were received. £24,751 was released to income in the year ended 31 March 2022 as the requirement to repay the balances is considered minimal. Should any donors come forward to reclaim their funds in the future the charity will repay balances owed.