

City of London Citizens Advice Bureau
(A Company Limited by Guarantee)

Financial Statements
For the year ended 31 March 2022



Registered Charity No. 1058484
Company No. 3258412

CITY OF LONDON CITIZENS ADVICE BUREAU
Report and Financial Statements for year ended 31 March 2022

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1 OFFICERS AND PROFESSIONAL ADVISERS

Trustees	Role	Date appointed	Date resigned
Julia Gillies-Wilkes		3 October 2020	
Martin Mosley	Chair	22 November 2012	
Sue Thomas		22 November 2012	
Sue Wigley		31 October 2017	

Company Secretary: Sue Theodoreson from 5 December 2012

Company Number: 3258412

Charity Number: 1058484

Registered Office: 3rd Floor North,
200 Aldersgate Street
London EC1A 4HD

Bank: CAFbank Ltd

Solicitors: Bates, Wells & Braithwaite
10 Queen Street Place
London EC4R 1BE

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Report of the Directors and Trustees

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

City of London Citizens Advice is a registered charity and a company limited by guarantee, governed by its Memorandum and Articles of Association. The maximum liability of each member is limited to £1. At 31 March 2022 the company had 4 members (2021 – 4).

City of London Citizens Advice Bureau was incorporated as a company limited by guarantee on 27 September 1996. The charity commenced operations on 27 September 1996 at which date the assets and liabilities of the unincorporated City of London Citizens Advice Bureau were acquired.

Recruitment, Appointment of Trustees

The Trustees are Directors of the Company. The main procedure for the appointment of the Trustees is described in the Memorandum and Articles of Association, as is the process for the election of the Chair.

Organisation Structure

City of London Citizens Advice Bureau is governed by its Trustee Board which is responsible for setting the strategic direction and policy of the charity. The Trustees carry the ultimate responsibility for the conduct of City of London Citizens Advice Bureau and for ensuring that the charity satisfies its legal and contractual obligations. Whilst the company is dormant the Trustees meet once a year and the Trustee Board is independent from management. A register of members' interests is maintained at the registered office, and is available to the public.

Related Parties

City of London Citizens Advice Bureau is a member of Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux.

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Major risks

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks.

The major risk is uncertainty around deficit contributions relating to the pension scheme deficit, in the light of the loss of funding. The effects of this have been minimised by having regular reviews of the pension scheme deficit, and liaison with the Principal Employer in the scheme and by the implementation of procedures for authorisation of all transactions.

3. OBJECTIVES AND ACTIVITIES

Objects

The charity's objects are to promote any charitable purpose for the benefit of the community in the City of London, by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

Aims, Objectives, Strategies and Activities for the Year

The principal activity of City of London Citizens Advice Bureau was the provision of free, confidential, independent and impartial advice, information and counsel for members of the public. The provision of advice services ceased on 31 March 2011, following the loss of its major source of funding in January 2011.

In light of the loss of core funding, the intention is to manage the pension deficit payments for the time being, until such time as it is possible to bid for new sources of funding.

Public Benefit

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

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4. ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

The charity is currently dormant, and is managing its assets to pay the liabilities arising from the pension scheme. There are not yet plans to start trading again.

Investment Activities

The charity does not currently hold material investments.

5. FINANCIAL REVIEW

Financial Position

The incoming resources in the year were £6 (2021 £26). Of this £ nil (2021 £nil) related to project restricted activities.

A deficit of £3,095 was made in the year (2021 deficit £6,043). At 31 March 2022 total unrestricted reserves were £54,772 (2021 £57,867).

Reserves Policy

City of London Citizens Advice Bureau is required to ensure that free monies are available in each financial year to meet any reasonable foreseeable contingency, and known liabilities. The reserves are now to be used to pay the deficit contributions to the NACAB Pension & Assurance Plan (1991) as outlined in note 10.

6. FUTURE PLANS

City of London Citizens Advice Bureau aims to continue to make the required payments to the pension scheme under the recovery plan agreed with the Pensions Regulator, as they fall due.

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7. DIRECTORS' RESPONSIBILITIES

Company Law and Charity Law require the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of City of London Citizens Advice Bureau and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- (a) select appropriate accounting policies and then apply them consistently
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, and explain where they haven't been followed, and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of City of London Citizens Advice Bureau and to enable them to ensure that the financial statements comply with the Companies Acts 1985 to 2006.

The directors are responsible for ensuring that the company maintains an adequate system of internal control designed to provide reasonable assurance that assets are safeguarded against material loss or unauthorised use and to prevent and detect fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the provisions applicable to companies subject to the small companies regime.

Signed



Martin Mosley
Chair of Trustees

4 October 2022

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Statement of financial activities for the year ended 31 March 2022
Incorporating the Income and Expenditure Account

	Note	Unrestricted funds	Total funds 2022	2021
		£	£	£
Incoming Resources	1b			
Incoming resources from generated funds	2			
Investment income	2a	6	6	26
Incoming resources from charitable activities		-	-	-
Total Incoming Resources		6	6	26
Resources expended				
Governance costs	3	3,101	3,101	6,069
Total Resources expended	3	3,101	3,101	6,069
Net Income/(Expenditure)		(3,095)	(3,095)	(6,043)
Actuarial (losses)/gains on defined benefit pension schemes		3,906	3,906	29,966
Net movement in funds for the year		811	811	23,923
Balances brought forward 2021	7	16,606	16,606	(7,317)
Balances carried forward 2022	7	17,417	17,417	16,606

There are no recognised gains or losses in the year, other than those included in the statement of financial activities.

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Balance Sheet as at 31 March 2022

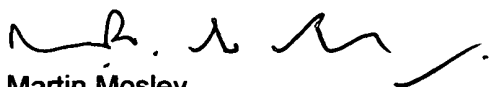
	Note	2022	2021
		£	£
Current Assets			
Cash at bank and in hand		<u>54,772</u>	<u>57,867</u>
		54,772	57,867
 Creditors - amounts falling due within one year		 3,000	 3,000
Net Current Assets		<u>51,772</u>	<u>54,867</u>
 Creditors - amounts falling due over one year		 34,355	 38,261
Net assets		<u>17,417</u>	<u>16,606</u>
 Funds of the Charity			
Unrestricted funds			
Accumulated fund		3,772	3,867
Designated funds	7	51,000	54,000
Pension reserve		<u>(37,355)</u>	<u>(41,261)</u>
		<u>17,417</u>	<u>16,606</u>

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477(2) of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts

These accounts have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved by the board of directors on 4 October 2022 and were signed on behalf of the Board by



Martin Mosley
Chair

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Notes to the financial statements Year ended 31 March 2022

1. Accounting policies

a) Accounting basis

The financial statements have been prepared under the historical cost convention and are in accordance with the Companies Acts 1985 to 2006, 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 (effective 1 January 2019) – (Charities SORP (FRS102)).

b) Incoming resources

Bank interest

Bank interest is included in the income and expenditure account on receipt.

c) Resources expended

All expenditure is accounted for on an accruals basis and is included within charitable expenditure.

d) Designated funds

Designated funds are allocated out of unrestricted funds by the trustees for specific purposes. The use of such funds is at the trustees' discretion.

e) Cash Flow

The bureau has taken advantage of the exemptions in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

f) Pension

The National Association of Citizens Advice Bureaux (NACAB) Pension and Assurance Plan (1991) is a multi-employer defined benefit scheme which was closed during the financial year ended 31 March 2008. City of London Citizens Advice Bureau cannot identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The disclosures under FRS 102 in this circumstance are shown in note 10. The expected cost of providing pensions is calculated periodically by a professionally qualified actuary.

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Notes to the financial statements Year ended 31 March 2022

g) Going concern

The accounts have been prepared on the assumption that the company is able to carry on as a going concern, which the directors consider appropriate having regard to the circumstances outlined in note 10.

2 Incoming Resources from Generated Funds

	Unrestricted £	2022 Total £	2021 Total £
A Investment income			
Bank Interest received	<u>6</u>	<u>6</u>	<u>26</u>

3 Total resources expended

	2022 Total £	2021 Total £
Governance costs	<u>3,101</u>	<u>6,069</u>
Resources Expended	<u>3,101</u>	<u>6,069</u>

Natural classification of resources expended

	2022 Total £	2021 Total £
Pension Deficit	<u>3,000</u>	<u>6,000</u>
	<u>3,000</u>	<u>6,000</u>

4 Information regarding Directors and Employees

The average number of employees, analysed by function was:

	2022	2021
Charitable purposes	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

There are no Trustees who are employees of the company during the year.

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Notes to the financial statements Year ended 31 March 2022

5 Analysis of net assets between funds

	General Funds £	Designated Funds £	Pension Reserve £	Total Funds
Current Assets	3,772	51,000	-	54,772
Current Liabilities	-	-	(3,000)	(3,000)
Long term liabilities			(34,355)	(34,355)
Net Assets	<u>3,772</u>	<u>51,000</u>	<u>(37,355)</u>	<u>17,417</u>

6 Movement in funds

	At 1 April 2021 £	Transfers £	Outgoing Resources £	At 31 March 2022 £
Unrestricted Funds				
Designated pension contingencies fund	54,000	(3,000)	-	66,000
General funds	3,867	3,000	(3,095)	3,772
Pension Reserve	<u>(41,261)</u>		<u>3,906</u>	<u>(37,355)</u>
Total unrestricted funds	<u>16,606</u>	<u>-</u>	<u>811</u>	<u>(5,208)</u>

7 Designated funds

Pension deficit reserve - These reserves have been designated by the Trustees for the purpose of covering pension deficit contributions currently estimated at £51,000 payable over the next 15 years.

8. Related party transactions

There have been no related party transactions identified in accordance with FRS8.

9. Taxation

The charity is exempt from corporation tax as all income is applied to charitable purposes.

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Notes to the financial statements Year ended 31 March 2022

10. Pension costs

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

In accordance with the schedule of contributions in force over the 2022/21 accounting year, the contributions to the Plan for the year ending 31 March are expected to be £2,579,000, which includes £2,279,000 towards the deficit and £300,000 as an allowance for administration expenses and all scheme levies. The 31 March valuation is currently underway and a new schedule of contributions will be put in place at its completion.

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

A full actuarial valuation of the Plan was carried out as at 31 March 2022 by a qualified independent actuary, based upon membership data as at 31 March 2019, allowing for assumed membership movements over the period from this date, and any material membership movement significantly different from those assumed (e.g transfers out).

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

The liabilities of the Plan are based on the current value of expected benefit payment cashflows to members of the Plan over the next 60 or more years. The average duration of the liabilities is approximately 15 years.

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Notes to the financial statements Year ended 31 March 2022

10. Pension costs (continued)

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

City of London Citizens Advice Bureau contributed £3,000 per annum towards the deficit up to March 2022. Ongoing contributions will be £3,000 per annum. Using an actuarial discount rate of 2.8 per cent, the net present value would be £37,355 (2021: £41,261 and 2.1 per cent discount).

The liabilities of the Plan are

Present value of scheme liabilities, fair value of assets and defined benefit asset(liability) funds

	31 March 2022 £000s	31 March 2021 £000s
Fair value of Plan assets	102,214	99,353
Present value of funded obligations	148,768	161,415
Surplus/(deficit) in plan	(46,554)	(62,062)
Unrecognised surplus	-	-
Net liability in the balance sheet	46,554	62,062