



**East Herts Citizens' Advice Service**  
(A charitable company limited by guarantee)

# FINANCIAL STATEMENTS

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For the year ended 31<sup>st</sup> March 2022

Registered Charity No: 1083211  
Company No: 3982216

## Legal and administrative information

*For the year ended 31<sup>st</sup> March 2022*

Registered Charity No: 1083211

Company No: 3982216

Trustees and Directors:

Tony Murphy	Chair
James Dowson	Secretary
Gary Cansick	Treasurer
Elaine Connor	
Roger Merton MBE	
Richard Smith	
Ballu Sesay	
Christine Gillham	
Nick Walker	
Barry Hunt	

Secretary: James Dowson

Registered Office: The Manor House  
High Street  
Buntingford  
Hertfordshire  
SG9 9AB

Bankers: Barclays Bank Plc  
10 North Street  
Bishops Stortford  
Hertfordshire  
CM23 2LH

Independent Examiners: Price Bailey LLP  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

## **Contents of the Financial Statements for the year ended 31<sup>st</sup> March 2022**

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## Trustees' Report

The Trustees are pleased to submit their annual report, incorporating the report of the Directors, and financial statements for the year ended 31 March 2022.

The Directors act as Trustees for the East Herts Citizens Advice Service and are referred to as such throughout this report.

Legal and administrative information set out on page 1 forms a part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting for Charities (effective 1<sup>st</sup> January 2019).

### 1. Objects and policy

The objects of the Service are to ensure that individuals do not suffer through a lack of knowledge:

- of their rights and responsibilities;
- or of the service available to them;
- or through an inability to express their needs effectively;
- and, equally, to exercise a responsible influence on the development of social policies and services, both locally in each of its outlets, regionally and nationally.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Service's aims and objectives and in planning future activities and setting policy for the year. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

### 2. Organisation

A Board administers the charity and meets as required to fulfil its duties, a minimum of four times a year. The Board has established three sub-committees: Finance, Risk and Staffing and Personnel. Sub-committee meetings take place regularly and these are supplemented with additional working groups as required, with the Chief Executive (or another senior manager) in attendance. There are further meetings between Trustees and the Senior Leadership Team as required to cover day-to-day matters of finance and strategy.

### 3. How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on providing the advice that people in our local community need for the problems they face and to improve the policies and practices that affect people's lives. We are an independent charity that provides free, confidential and impartial advice to everybody regardless of race, gender, disability, sexual orientation, nationality, religion or age. In all aspects of its work, the service recognises the positive value of diversity, promotes equality and challenges discrimination. All our activities are undertaken to further our charitable purposes for the public benefit.

### 4. Review of activities and developments

#### About us

Citizens Advice East Herts provides free, confidential, non-judgemental and impartial advice. We are a member of the Citizens Advice network and an independent, trusted and well-known local charity. East Herts is a large, semi-rural district with limited

transport links across the regions, and partial digital connectivity with some areas not covered and therefore ensuring people can access quality phone advice is one of our top priorities.

Our staff and volunteers are local people - we are run by the community for the community. Many of our paid staff are previous volunteers or have 'lived experience'.

Our advice is delivered via phone, email, video, webchat and in person (including home visits). Our support is wide-reaching and includes providing advice on debt, benefits, housing, employment, relationships and utilities – hence we are best placed to help people manage the increase in the cost of living. There is no other organisation who provides the wide-ranging, detailed and externally accredited advice that we offer.

People need different types of advice depending on their circumstances. Some are in financial distress; others have experienced personal difficulties. Many clients have mental health issues or learning disabilities and are often in crisis situations with complex problems that need in-depth support.

We are currently staffed by 14 part-time and 1 full time paid employees (2020/21, 15 part-time and 4 full time paid employees) and 67 volunteers excluding trustees (2020/21, 75 volunteers). Our volunteers are the backbone of our organisation, giving us in the region of 19,000 hours of their time (2020/21, 23,000 hours) in the last year. They include young people looking for their first job, professionals who want to broaden their horizons and retired people who want to give something back to the community. We value equality and diversity and offer training and support to all.

We have a strong track record of working in partnership and in 2020/21 introduced 'East Herts Frontline' – an online referral tool to help ensure that local residents get timely access to the right level of assistance and support, do not need to repeat personal details and are not lost within a signposting system.

### **Why we're needed**

Although East Herts is a relatively prosperous part of the country, it contains areas of relative deprivation and a disproportionate number of our clients come from these areas. Our clients are most likely to earn significantly less than the average East Herts resident, less likely to be in employment, more likely to be disabled or have a long-term health problem, and less likely to own their own home. Over a quarter of our clients who live in East Herts come from the 5 most deprived East Herts wards (2020/21 25% come from 5 most deprived wards) and some are isolated by their rural location (East Herts is the most rural of all Herts districts). The Covid-19 crisis has shown just how vulnerable any of us can be to sudden life changes. In addition, the cost-of-living crisis is also highlighting fault lines in our society to which our clients are most exposed. They are in dire need of our advice to help them through these difficult times.

### **What we do**

We understand the complexity of issues that affect people. We provide education and skills to help our clients understand their rights and responsibilities and to find a way forward. Our advice on any subject can improve people's health, make a difference to their finances and make them more resilient. We aim to empower our clients by tailoring the advice we give to their individual needs.

In addition to our generalist advice service we run projects where funded by partners. Our specialist project areas in 2021/22 have included debt advice, mental health, crisis intervention, homelessness prevention, home visiting, Universal Credit help to claim and scams awareness.

Last year we helped 5,725 people (2020/21 8,700 which was affected by the impact of Covid), on a range of issues including benefits, debt, housing, employment and relationships, offering many multiple appointments as we worked holistically with them to improve their lives. Our advice is available to everyone, but significant numbers of clients come to us because they are vulnerable, facing hardship and unable to move forward without help.

### **Research and campaigns**

In addition to our advice services, we raise awareness of issues affecting our communities through our research and campaigns. In 2021/22 we produced local research papers including:

- Covid one-year on: The impact of the pandemic in East Herts
- Disability and social inequality
- The impact of Covid 19 on disadvantaged groups
- Food poverty
- Housing: The Impact of the lifting of the Eviction Ban

We also supported National Citizens Advice on several national campaigns including on scams, Universal Credit and energy prices.

### **The difference we make**

It is impossible to put a financial value on everything we do, but we've used the Citizens Advice Treasury-approved model to demonstrate our financial impact. Using this model, we calculate that in 2021/22 in East Herts we generated:

- £14.5 million in public value (2020/21 £19.5 million) i.e. wider economic and social benefits through better wellbeing, participation and productivity for the people we help
- £6.1 million in financial outcomes following advice (2020/21 £8.4 million) through writing off debts, issuing food vouchers, taking up benefits or compensation for consumer problems. That's £13.19 for every £1 invested (2020/21 £16.36 for every £1 invested)
- 8 in 10 people said their problem was resolved following our advice. 9 in 10 said we helped them to move forward.

*"Cannot thank you enough. Your help has given me greater piece of mind. Brilliant service. Will highly recommend" (client)*

*"The advice I received was very professional and the result was life changing" (client)*

### **Our impact on our volunteers**

Each volunteer receives training and ongoing support specific to their role. It takes approximately 18 months to train a Generalist Adviser and once trained they stay with us, on average, for 12 years (2020/21 11 years). The average initial cost of training and recruiting a volunteer is £1,400 (2020/21 £1,400) with an ongoing annual cost of approximately £300. Our commitment to valuing diversity and promoting equality means we can encourage individuals who might not otherwise volunteer.

Using our Treasury model, the public value of Citizens Advice East Herts volunteers in wider economic and social benefits is estimated at £491,829 (2020/21 £491,820). Volunteering does not only benefit us as an organisation, national research shows that our volunteers benefit from practical skills, increasing employability, self-esteem and having a positive effect on health.

*"I have found it to be a really valuable experience which has improved some of my skills and given me insight into the third sector and some of the key issues facing our community" (volunteer)*

*"No two calls are the same, and I truly enjoy the variety.... Occasionally a person's story touches my heart, and I can genuinely say the experience has made me a better person" (volunteer)*

In 2021/22 we also ran various 'community engagement projects', such as scams awareness and rural engagement. These tackle lack of knowledge, financial hardship and aim to reach those at risk of being excluded from involvement in society, including the elderly and socially deprived. We also take our advice service direct to the community with weekly 'Citizens Advice Contact Centres' - a triage service run by a paid advice supervisor - in a local Church's community space and a community centre in an area of deprivation.

It's not just about the stats ...

### **Case study:**

Justina (name changed), who lives in Bishop's Stortford, is one person who is already affected by the cost of living crisis. She came to Citizens Advice East Herts with a range of issues relating to debt and poverty. She is recently separated from her husband and is supporting her two young children. When her marriage ended, she had to move house and the only accommodation she could find is a long distance from her daughter's school. Justina cannot work because she cannot afford childcare for her youngest daughter. She has thousands of pounds in debts, including parking tickets in her husband's name and council tax arrears. She came to us because she is having to choose between feeding her children and paying for petrol to get her daughter to school. We were able to issue Justina with short-term support - food vouchers and a £250 supermarket voucher which she can use to pay for petrol. We followed this up with a debt assessment, giving Justina a way forward for dealing with her debts, and we have worked with Justina to ensure that she is receiving all the benefits to which she is entitled, including additional support with Council Tax.

### **The future**

In 2020/21 we advised local people on the impact of the Covid-19 pandemic. This led to a change in client numbers and the types of issues presented. This year in 2021/22 we saw client numbers return to pre-pandemic figures, but clients' problems are now more complex and take longer to resolve. 2021/22 saw the cost of living start to increase and we expect this to continue to impact on our clients and the need for advice well into 2022/23.

Our Vision is to Meet Client Needs – Now and in the Future. We will do so with three objectives.

1. Meet client access needs
2. Actively reach out to those who need adapted support
3. Meet client advice needs

For further information on what we do and the difference we make see our website – [www.citizensadviceeastherts.org.uk](http://www.citizensadviceeastherts.org.uk)

## **5. Financial Position**

The Independently Examined accounts of the Service are attached to this report and full details of the financial position are contained therein together with the Examiner's report to the Trustees. The Trustees have considered the level of operating costs and the cash flow. Core funding from East Herts Council has been received for 2021/22, and subsequently for 2022/23. The Trustees are satisfied that the Service's overall funding is such that it will be able to meet its obligations as they fall due in the ordinary course of business and accordingly the accounts have been drawn up on a going concern basis.

The accounts for 2017 showed for the first time an actuarial valuation of our share of the Herts County Council Local Government Pension Scheme deficit. This was a result of changes in accounting standards at the time, and the relationship with the Trustees of the HCC Pension Scheme had remained unchanged from 2008 when active membership of the pension scheme ceased and an annual contribution of £2,500 was agreed.

During 2020/21 changes in legislation provided that where active membership had ceased it was then a requirement to obtain a 'cessation valuation' of the scheme, with a view to reaching settlement over an agreed period, and the scheme effectively cease. The Trustees instructed a professional cessation valuation, the Report revealing a deficit of £123,000, of which £3,000 was settled in the 2021/22 year. A proposal of £1,000 per calendar month to clear has been offered whilst options are explored. The expectation is that the liability will be settled over a suitable, agreed period so as not to put a strain on the financial position.

## **6. Reserves policy and risk management**

Donations and grants that are provided for specific purposes are treated as Restricted Funds. All other reserves are held in general funds. At the balance sheet date, of those funds £51,525 (2020/21 £44,000) had been allocated to specific projects which are now ongoing and are designated as such in these financial statements. The board has set a prudent and realistic budget for 2022/23 maintaining adequate reserves for the operation of the Service. The Trustees set the level of reserves having regard to the committed forward spend of the organisation, with a contingency to allow for the orderly management of the organisation should it be faced with any adverse and unexpected event, keeping in mind also a minimum level of free reserves at a minimum of six months ongoing costs. The 2020/21 year experienced such an event of course with the effect of the Covid-19 pandemic, and whilst it was expected that the level of general reserves would gradually decline the support received to help combat such a difficult period was very pleasing and very welcomed but can never of course be certain. As a result, the objective above is, and continues to be, achieved. The Trustees confirm that risks continue to be reviewed on an ongoing basis and systems and procedures are brought into place in order to manage those risks.

## **7. Statement of Internal Control**

The Trustee board oversees the information security of all personal information of our clients, staff, funders and strategic partners that is processed. Citizens Advice East Herts holds joint responsibility for client data that is held in our case management system, with the national Citizens Advice Service. An information assurance management team exists to ensure the confidentiality, integrity and availability of all personal and sensitive data, and is maintained to a level which is compliant with the requirements of the UK General Data Protection Regulation and Data Protection Act 2018.

## **8. Recruitment and training policy for new Trustees**

Trustees are elected at the Annual General Meeting or are nominated by any associated member organisations or co-opted by the Committee members. The persons entitled to vote at the AGM in order to elect the Trustees are the Members of the association (up to 40). The induction and training of new Trustees is undertaken within the Service, as well as through the attendance at courses provided by national Citizens Advice.



The members of the charity are entitled to appoint the Trustees, who are required to retire at the fourth annual general meeting following the date they were last admitted as a member but may be readmitted.

### **9. Independent Examiners**

A resolution will be proposed at the Annual General Meeting that Price Bailey LLP be appointed Independent Examiners to the charity for the ensuing year.

This report has been prepared in accordance with the special provisions relating to small companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and therefore does not include a Strategic Report.

By order of the Trustees

20<sup>th</sup> December 2022

J Dowson  
Company secretary



## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EAST HERTS CITIZENS ADVICE SERVICE

### FOR THE YEAR ENDED 31 MARCH 2022

I report to the Charity Trustees on my examination of the accounts of the company for the year ended 31 March 2022 which are set out on pages 10 to 23.

#### Responsibilities and basis of report

As the Charity Trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the account of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**Michael Cooper-Davis FCCA ACA**  
**For and on behalf of**  
**Price Bailey LLP**  
**Chartered Accountants**

Date: 31 January 2023



.....  
Causeway House  
1 Dane Street  
Bishops Stortford  
Herts, CM23 3BT

## Statement of Financial Activities

(Incorporating income and expenditure account)

Income:	Note	2021/2022			Total Funds £	2020/2021	
		Unrestricted General £	Designated £	Restricted £		Total Funds £	
<b>Donations and legacies</b>							
Donations	2	11,092	-	6,630	17,722	25,199	
Grants	3	151,730	-	1,500	153,230	208,277	
		<b>162,822</b>	<b>-</b>	<b>8,130</b>	<b>170,952</b>	<b>233,476</b>	
<b>Income from other activities</b>							
Trading income		-	-	-	-	-	
Miscellaneous income		-	-	-	-	-	
		-	-	-	-	-	
<b>Investment Income</b>	4	<b>1,768</b>	<b>-</b>	<b>-</b>	<b>1,768</b>	<b>2,503</b>	
<b>Income from charitable activities</b>	5	<b>21,460</b>	<b>-</b>	<b>284,385</b>	<b>305,845</b>	<b>263,720</b>	
<b>Total Income</b>		<b>186,050</b>	<b>-</b>	<b>292,515</b>	<b>478,565</b>	<b>499,699</b>	
<b>Expenditure:</b>							
Advice and Information		198,955	-	282,284	481,239	444,791	
<b>Expenditure on charitable activities</b>	6	<b>198,955</b>	<b>-</b>	<b>282,284</b>	<b>481,239</b>	<b>444,791</b>	
<b>Total Expenditure</b>		<b>198,955</b>	<b>-</b>	<b>282,284</b>	<b>481,239</b>	<b>444,791</b>	
<b>Net Income/ (Expenditure)</b>		<b>(12,905)</b>	<b>-</b>	<b>10,231</b>	<b>(2,674)</b>	<b>54,908</b>	
Transfers between funds		(7,525)	7,525	-	-	-	
<b>Net Income/(Expenditure) before other gains and losses</b>		<b>(20,430)</b>	<b>7,525</b>	<b>10,231</b>	<b>(2,674)</b>	<b>54,908</b>	
Actuarial surplus/(loss) on defined benefit pension scheme	13	-	-	-	-	14,000	
<b>Net movement in funds</b>		<b>(20,430)</b>	<b>7,525</b>	<b>10,231</b>	<b>(2,674)</b>	<b>68,908</b>	
<b>Reconciliation of funds</b>							
Total Funds brought forward		142,191	44,000	13,742	199,933	131,025	
<b>Total Funds carried forward</b>		<b>121,761</b>	<b>51,525</b>	<b>23,973</b>	<b>197,259</b>	<b>199,933</b>	

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses in the year.  
The notes to the financial statements are shown on pages 13 to 23.

East Herts Citizens Advice Service  
Balance Sheet  
As at 31<sup>st</sup> March 2022

**Balance Sheet**

Company Number 3982216

	Notes	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	10	-	-
<b>Current Assets</b>			
Debtors	11	2,676	8,258
Cash at bank and in hand		381,754	410,699
		<b>384,430</b>	<b>418,957</b>
<b>Liabilities</b>			
Creditors - amounts falling due within one year	12	67,171	96,024
		<b>317,259</b>	<b>322,933</b>
<b>Defined Benefit Pension Liability</b>			
	13	120,000	123,000
		<b>197,259</b>	<b>199,933</b>
<b>The Funds of the charity</b>			
Restricted Income funds	14	23,973	13,742
<b>Unrestricted funds</b>			
Designated funds	15	51,525	44,000
General funds	15	121,761	142,191
		<b>173,286</b>	<b>186,191</b>
<b>Total Funds</b>	<b>16</b>	<b>197,259</b>	<b>199,933</b>

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The Directors acknowledge responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2022 and of its income and expenditure and application of resources for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard.

Approved by the Trustees on 20<sup>th</sup> December 2022 and signed and authorised for issue on their behalf by:

G J Cansick



J Dowson



The notes on pages 13 to 23 form part of these financial statements.

## Statement of Cash Flows

	Notes	2021/22 £	2020/21 £
<b>Cash Flows from Operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>17</b>	<b>(29,682)</b>	<b>86,257</b>
<b>Cash Flows from investing activities:</b>			
Interest receivable		737	1,503
<b>Net Cash provided by investing activities</b>		<b>737</b>	<b>1,503</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(28,945)</b>	<b>87,760</b>
Cash and cash equivalents at the beginning of the reporting period		410,699	322,939
Change in cash and cash equivalents in the reporting period		(28,945)	87,760
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>381,754</b>	<b>410,699</b>

The notes on pages 13 to 23 form part of these financial statements.

## Notes to the Financial Statements

### 1. Accounting Policies

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

#### a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019 – Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

East Herts Citizens' Advice Service meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The presentation currency of the financial statements is the Pound Sterling (£), and rounding to the nearest £.

#### b) Legal Status of the Charity

The charity is a company limited by guarantee, incorporated and registered in the UK, and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member (16) – (2021 – 19) of the charity.

#### c) Going Concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and relies on annual grants from East Herts District Council and others, and that it shall receive sufficient funding to continue operating at least throughout 2023. The effect of Covid-19 caused a major consideration but the level of required stability and income that the Trustees are already aware of will be in place for 2023, along with its reserves, and its ability to reduce costs should the need arise. Reductions in costs already seen demonstrate this.

#### d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity, which the trustees have decided, at their discretion, to set aside to use for a specific purpose. Restricted funds are for work on specific projects being undertaken by the charity. Restricted funds are charged a proportion of management time and organisational costs.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Where income has related expenditure (as with contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income received in advance relating to the following year is deferred until the criteria for income recognition are met.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity, which is normally upon notification of the interest paid by the financial institution concerned.

**f) Donated goods and services**

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated professional services and facilities are included in income at the estimated value of the gift to the charity when received, based on the amount the charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry in the appropriate expenditure heading for the same amount.

**g) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Support costs comprise those costs which are incurred directly in support of expenditure on advice and guidance and includes governance, finance, IT and HR. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Support costs are allocated to projects on a time basis.

**h) Volunteers**

The value of services provided by volunteers is not incorporated into these financial statements.

**i) Fixed Assets**

All fixed assets are capitalised at their historical purchase cost and depreciated on a straight line basis over 3 years.

**j) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

**k) Cash at bank and in hand**

Cash at bank and cash in hand included cash and short-term deposits with a maturity of three months or less.

**l) Liabilities and Provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that it is anticipated will be paid to settle the debt or at the amount received as advanced payments for the goods or services.

**m) Pensions**

The charity previously participated in the Hertfordshire County Council Pension Fund which is a funded scheme and the assets are held separately from those of the charity. The value of the charity's share of the assets and liabilities has been calculated by the Fund's actuaries and the methodology is set out in note 13. Full actuarial valuations have in the past been obtained triennially to be updated at each balance sheet date.

**n) Taxation**

The company is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**o) Critical Accounting Estimates and Areas of Judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable.

**p) Financial Instruments**

The Charity has only financial assets and 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. Fixed assets are valued at cost and investments at fair value which is their market value.

## 2. Donations

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
General Donations	13,468	14,369
Value of gifts in kind and donated services	4,254	10,830
	<b><u>17,722</u></b>	<b><u>25,199</u></b>

Donations of £6,630 in 2021/22 were restricted (2020/21 £0).

## 3. Grants Received

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
East Herts Council	132,590	142,590
Uttlesford District Council	11,500	11,500
Buntingford Town Council	4,590	3,768
Ware Town Council	500	-
Hertford Town Council	1,200	-
Stanstead Abbots Parish Council	500	500
Stansted St. Margarets Parish Council	500	-
Widford Parish Council	100	100
Broxted Parish Council	100	500
Sawbridgeworth Town Council	500	500
Hatfield Heath Parish Council	100	100
Cottered Parish Council	50	50
Elsenham Parish Council	100	-
Benington Parish Council	50	-
Thorley Parish Council	100	100
Buckland & Chipping Parish Council	50	50
Bayford Parish Council	100	-
Brent Pelham Parish Council	200	-
Hertford Heath Parish Council	200	-
Hormead Parish Council	100	-
Little Berkhamsted Parish Council	100	-
	<b><u>153,230</u></b>	<b><u>159,758</u></b>

The income from grants was £153,230 (2020/21: £159,758) to which must be added specific Covid 19 Grants of £48,519) of which £151,730 (2020/21: £159,758) was unrestricted and £1,500 (2020/21: £0) was restricted. The charity received no grants from central government or any other assistance. The core sum received from the local authority was £132,590 (2020/21 - £142,590) against which there are no unfulfilled conditions.

## 4. Investment Income

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
Rental income	1,030	1,000
Bank Interest	738	1,503
	<b><u>1,768</u></b>	<b><u>2,503</u></b>

All investment income in both the current and previous years relates to unrestricted funds.

## 5. Income from charitable activities

<b>Restricted Funds</b>	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
Herts Community Foundation	24,801	19,754
Friends of EHCAS (Training Advisers)	2,000	-
East Herts Council - Rural	2,709	-
Ware Charities		
- General Advice	8,414	8,414
- Specialist Advice	9,520	-
The National Lottery Awards for All		
- Debt	-	9,952
- Training Advisers	-	9,940
The National Lottery	9,940	-
Citizens Advice (UC-Help to Claim)	45,988	46,474
Citizens Advice (UC-Best Practice)	39,979	39,648
Citizens Advice – BEIS	6,666	3,995
MAPS	16,536	17,772
Henry Smith Foundation (Mental Health)	32,500	15,950
East Herts Council (Homeless Prevention)	28,602	9,534
Postcode Community Trust	9,630	-
Herts County Council Locality Grants	-	1,500
Herts County Council (Defra)	-	10,000
Herts County Council (Crisis Intervention)	41,100	27,000
Herts County Council (Scam awareness)	-	7,000
Herts County Council (Winter Grants)	5,000	-
Ann Rylands	1,000	-
<b>Unrestricted Funds</b>		
General Fundraising	7,160	36,787
Herts County Council Locality Grant	5,300	-
Herts County Council (Household Support Fund)	8,000	-
Arnold Clerk	1,000	-
	<b>305,845</b>	<b>263,720</b>

## 6. Analysis of Expenditure

	Direct Costs £	Support Costs (note 7) £	Total Costs £
<b>2021/2022</b>			
Advice and Information	389,599	91,640	<b>481,239</b>
<b>2020/2021</b>			
Advice and Information	335,477	109,314	<b>444,791</b>

## 7. Analysis of Support Costs

	Basis of Apportionment	Management £	IT £	Finance/ HR £	Governance £	Total £
<b>2021/2022</b>						
Advice and Information	Direct	36,704	22,878	24,387	7,671	<b>91,640</b>
<b>2020/2021</b>						
Advice and Information	Direct	35,634	41,547	23,793	8,340	<b>109,314</b>

Governance costs comprise examination fees £2,574 (2020/2021: £3,600); professional fees £3,480 (2020/2021: £3,540) and Board Secretariat £1,617 (2020/21 1,200).

## 8. Analysis of staff costs and key management personnel

	2021/2022 £	2020/2021 £
Wages and Salaries	360,728	291,411
Social Security Costs	23,910	18,435
Pension Costs	11,039	10,720
	<b>395,677</b>	<b>320,566</b>

The charity trustees were not paid in the year (2020/2021: nil), neither were they reimbursed expenses during the year (2020/2021: nil).

The average monthly head count was 19 (2020/2021: 18) and analysis of the staff employees during the year was:

	2021/2022 Actual Number	2020/2021 Actual Number
Advice and Information	13	11
Support Services	6	7
Total	<b>19</b>	<b>18</b>

There are no employees whose total employee benefits, including pension contributions, total over £60,000.

## 9. Net Incoming Resources

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
Net Incoming Resources is stated after charging:		
Depreciation	-	-
Independent examination fees	1,674	3,600
Operating lease rentals	12,058	21,502

## 10. Tangible Fixed Assets

	<b>IT</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or Revaluation</b>		
At start of year	59,995	59,995
Additions	-	-
<b>At end of year</b>	<b>59,995</b>	<b>59,995</b>
<b>Depreciation</b>		
At start of year	59,995	59,995
Charge for year	-	-
<b>At end of year</b>	<b>59,995</b>	<b>59,995</b>
<b>Net book value at the end of the year</b>	<b>-</b>	<b>-</b>
<i>Net book value at the start of the year</i>	<i>-</i>	<i>-</i>

## 11. Debtors

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
Sundry Debtors	213	6,544
Prepayments	2,463	1,714
	<b>2,676</b>	<b>8,258</b>

## 12. Creditors: Amounts falling due within one year

	<b>2021/2022</b>	<b>2020/2021</b>
	<b>£</b>	<b>£</b>
Other Creditors	10,310	-
Accruals	5,166	7,406
Deferred Income	51,695	88,618
	<b>67,171</b>	<b>96,024</b>

### Deferred income reconciliation:

	<b>£</b>	<b>£</b>
Balance brought forward	88,618	55,273
Amount released to the Statement of Financial Activities	(88,618)	(55,273)
Amount deferred in the year	51,695	88,618
Balance carried forward	<b>51,695</b>	<b>88,618</b>

Deferred income represents funds advanced for projects undertaken in the following year.

### 13. Pensions

The charity observes its obligations under auto-enrolment, and some employees of the charity are entitled to join a defined contribution “money purchase” scheme. The charity’s contributions are restricted to a maximum of 6% of the employee’s gross salary. The amount recognised in income and expenditure as an expense in relation to defined contribution plans is £11,039 (2021-£10,720). The amount outstanding at the year was £Nil.

EHCAS participated in a defined benefit pension scheme operated by Hertfordshire County Council until 31 December 2008. There are no active members of the scheme and the Trustees had agreed with the Trustees of the pension scheme that the charity may continue to participate in the scheme, making payments of £2,500 per annum. EHCAS, being a ceased employer within the fund with an outstanding deficit, had been required to value the deficit on a Gilts (cessation) basis, a full review and actuarial valuation being completed triennially. The basis used for more recent valuations however was Gilts with cessation mortality. Cessation mortality assumes a more prudent life expectancy - people will be expected to live longer, and pensions expected to be paid for longer, therefore a slightly increased liability. Due to a change in legislation a cessation valuation was undertaken with a view to crystallising the liability and agreeing its ultimate settlement. Due to the prudent approach taken previously, the Trustees did not expect a significant shift in the value previously reported, which proved to be the case. During the year to 31<sup>st</sup> March 2021 the liability was valued as a crystallised sum at £123,000, since when repayments totalling £3,000 have been made. The resultant liability at 31<sup>st</sup> March 2022 of £120,000 is shown in these Accounts.

Given that this is now an absolute liability, no details of the underlying assets and liabilities need to be disclosed here. There will be no fund specifically held for clearing this liability and it is therefore allocated within unrestricted reserves.

### 14. Restricted Funds

	<b>2021/2022</b>				
	<b>As at 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>As at 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Benefits	2,184	171,220	149,981	-	<b>23,423</b>
Homeless	7,803	45,139	52,942	-	-
Mental Health	-	32,500	32,500	-	-
Other	3,755	43,656	46,861	-	<b>550</b>
<b>Total</b>	<b>13,742</b>	<b>292,515</b>	<b>282,284</b>	<b>-</b>	<b>23,973</b>

	<b>2020/2021</b>				
	<b>As at 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>As at 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Benefits	379	131,474	129,669	-	<b>2,184</b>
Homeless	1,426	9,534	9,631	-	<b>1,329</b>
Mental Health	9,834	15,950	25,784	-	-
Other	576	69,975	60,322	-	<b>10,229</b>
<b>Total</b>	<b>12,215</b>	<b>226,933</b>	<b>225,406</b>	<b>-</b>	<b>13,742</b>

The nature of these funds is as given below;

Benefits – advice in connection with benefits available to those in difficulty; example Universal Credit.

Homeless – debt, budgeting and benefits advice to people at risk of homelessness.

Mental Health – advice for people with mental health issues living with debt, in crisis or facing exceptional pressures.

Other – other issues such as debt, credit issues, and scams awareness.

## 15. Unrestricted Funds

	2021/2022				As at 31 March 2022
	As at 1 April 2021 £	Income £	Expenditure £	Tfrs/Move ments £	
<i>Designated Funds</i>					
Fixed Assets	-	-	-	-	-
Other Assets	44,000	-	-	7,525	<b>51,525</b>
<i>Total Designated Funds</i>	44,000	-	-	7,525	<b>51,525</b>
General Fund	142,191	186,050	198,955	(7,525)	<b>121,761</b>
<b>Total Unrestricted Funds</b>	186,191	186,050	198,955	-	<b>173,286</b>

	2020/2021				As at 31 March 2021 £
	As at 1 April 2020 £	Income £	Expenditure £	Tfrs/Move ments £	
<i>Designated Funds</i>					
Fixed Assets	-	-	-	-	-
Other Assets	-	-	-	44,000	<b>44,000</b>
<i>Total Designated Funds</i>	-	-	-	44,000	<b>44,000</b>
General Fund	118,810	184,957	117,576	(44,000)	<b>142,191</b>
<b>Total Unrestricted Funds</b>	118,810	184,957	117,576	-	<b>186,191</b>

## 16. Net Assets by Funds

	2021/2022			Total Funds £
	General Fund £	Designated Funds £	Restricted Funds £	
Tangible Fixed Assets	-	-	-	-
Current Assets	308,932	51,525	23,973	<b>384,430</b>
Creditors falling due in less than one year	(67,171)	-	-	<b>(67,171)</b>
Defined benefit pension liability	(120,000)	-	-	<b>(120,000)</b>
	121,761	51,525	23,973	<b>197,259</b>

	<b>General Fund</b>	<b>2020/2021 Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	£	£	£	£
Tangible Fixed Assets	-	-	-	-
Current Assets	361,215	44,000	13,742	<b>418,957</b>
Creditors falling due in less than one year	(96,024)	-	-	<b>(96,024)</b>
Defined benefit pension liability	(123,000)	-	-	<b>(123,000)</b>
	<u>142,191</u>	<u>44,000</u>	<u>13,742</u>	<b><u>199,933</u></b>

The designated funds are funds earmarked for specific projects to be actioned in the ensuing year. For 2022 into 2023, this relates to filling identified staffing roles to improve and expand the service. For 2021 into 2022 there was a similar objective, with the inclusion of expanding technical capability within the organisation.

#### 17. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	<b>2021/2022</b>	<b>2020/2021</b>
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(2,674)	68,908
Adjustments for:		
Interest receivable	(737)	(1,503)
Decrease/(Increase) in debtors	5,582	(2,702)
(Decrease)/Increase in creditors	(28,853)	35,554
Movement in pension liability	(3,000)	(14,000)
Net cash provided by / (used in) operating activities	<b><u>(29,682)</u></b>	<b><u>86,257</u></b>

#### 18. Analysis of cash and cash equivalents

	<b>2021/2022</b>	<b>2020/2021</b>
	£	£
Cash in hand	46	46
Notice deposits (less than 3 months)	381,708	410,653
Total cash and cash equivalents	<b><u>381,754</u></b>	<b><u>410,699</u></b>

### 19. Commitments under operating leases

The charity had total commitments under operating leases as set out below:

	<b>2021/2022</b>		<b>2020/2021</b>	
	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Land &amp; Buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
0 to 1 year	6,180	-	8,500	-

### 20. Related party transactions

During the year, £3,354 (2020/2021: £3,480) was the deemed market value of services provided without charge by Tees Solicitors for legal work relating to general professional advice. James Dowson, a director of the company, is a partner of Tees. There are no other related parties to note (2020/2021: none).