

Registered number: 01792921
Charity number: 515060

LOCAL SOLUTIONS

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

LOCAL SOLUTIONS

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LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2022

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
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee
	Louise C Towers	Chair, Operations & Development Committee to 10 February 2022
	Ellie J Acton	Appointed 20 May 2021
		Chair, Operations & Development Committee from 10 Feb 2022
	Jillian M Jones	Appointed 20 May 2021
	Serena M Kennedy	Appointed 20 July 2021
	Dr Bruce W Taylor	
	Jonathan H Mounsey FCA	
	Katie E Clubb	

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

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REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

A message from our Chair and Chief Executive

The last 12 months have seen another period of challenge and change for everyone, including all of us at Local Solutions. The experience of living through the Covid pandemic has shaped our understanding of these challenges, and the way in which we might best approach them.

Our work at Local Solutions 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, families, 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.

It has been a year where we have continued to focus on our commitment to make the most effective use of the resources available, and where we strive to connect our work directly with our outcomes.

The continued commitment to maximise the effective use of our resources has been supported by streamlining and restructuring the senior management team and moving to smaller and more efficient premises. We have also focused on reducing our running costs, developing the quality of our internal processes, and enhancing our social enterprise opportunities.

This work has created the conditions for a positive financial year for Local Solutions and enabled us to invest in the quality of our work, become a real living wage employer and develop designated funds to support impact, innovation, and future investment.

Once again it has been a year about people, about their dedication and values, and the desire to empower change. We want to be transformative. We want to be creative, innovative, and flexible and be there to empower people to achieve their own goals and to take control of their own lives. That is our ambition for Local Solutions, that is what drives our work.

This has also been an inspiring year! The unconditional care shown by our teams and in our communities has provided the hope and energy needed to keep going and empower people to reach their full potential, even in testing times.

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 the people we support 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: 21st July 2022

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



Tom Harrison
CEO

Date: 21st July 2022

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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 2022.

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.

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.

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LEADERSHIP, BOARD EFFECTIVENESS, OPPENESS 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.

The board welcomed three new Trustees during the year.

Helen Jane Acton (Ellie Acton) – 20 May 2021 - Ellie is a change leader with over 20 years' experience in both the public and private sector including policing and national government.

Jillian Margaret Jones (Jill Jones) – 20 May 2021 - Jill is a Chartered Accountant and has a number of non-executive roles.

Serena Margaret Kennedy – 20 July 2021- Serena is the serving Chief Constable of Merseyside Police.

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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
- Serious incidents and safeguarding
- Financial viability of the organisation
- Loss of a major service or contract
- Failure to recruit and retain sufficient staff, particularly in Homecare
- Serious breach of data protection regulations
- Failure to secure new or grow existing business
- Failure of premises strategy

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.

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 using key performance indicators covering both quantitative and qualitative performance measures. Strategy for Homecare to improve and monitor quality against CQC standards is close to being finalised (April 2022).

The financial year 2021/2022 has seen a significant turnaround in the organisation's financial performance. The Operations and Development Committee is responsible for overseeing Local Solutions' development strategy, monitoring key performance indicators and reviewing underperforming services. This will reduce 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.

Local Solutions maintains an internal audit function which ensures that operational, financial, risk and management processes are robustly and independently reviewed. The Risk Register is used as the foundation for the work of the Internal Auditor, who has access to all departments and reports directly to the Finance, Audit and Risk Committee with day-to-day line management by the Chief Executive.

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.

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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.

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.

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- 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

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

These are exciting times for the Charity, and we have ambitious plans for the future as we seek to accelerate and expand impact in order to help more disadvantaged, excluded and vulnerable people.

We have produced an 2021-2022 Impact Report to illustrate the breadth and impact of our work, including case studies, which is available on our website www.localsolutions.org.uk.

In April we launched a new visual identity including a new logo featuring new icons and colours that together bring clarity to the way we are able communicate who we are and symbolise what we do.

After nearly 50 years of staff working from our Mount Vernon Green site, we have moved to a new, contemporary building in Wavertree. The office is bright, modern and encompasses the new visual identity of the Charity. Our vision, mission, values, and outcomes are clearly on display to motivate and inspire staff and visitors. The open plan office has already improved the working dynamic, allowing us to be more collaborative, creative, innovative, and flexible. The office move has reduced the space we occupy from

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over 20,000 square feet to 3500 square feet, and this is expected to result in commensurately lower establishment costs and energy consumption from April 2022.

This has been an unprecedented year for unpaid carers. In the aftermath of the Coronavirus pandemic, the numbers of carers and those receiving care have been significantly affected. Throughout the last year, the Liverpool Carers Centre has supported 1,047 unpaid carers and completed 1,018 carers support plans. In addition to providing support through the Carers Centre, Local Solutions has also connected 4,177 unpaid carers with tourism and hospitality organisations from across Liverpool and Wigan through our MyTime project.

At the forefront of our work with carers is our Head of Communities, Hazel Brown. We are immensely proud to congratulate her for receiving an MBE for her service to carers over the last 24 years. Hazel's dedication and caring nature has improved the lives of many families and carers over the years.

The impact of the UK leaving the European Union has had a detrimental effect on the care sector and this, combined with the impact of the pandemic, has meant that the last year has been extremely turbulent for our social care teams. Despite this challenging backdrop, Local Solutions care workers across Liverpool, Knowsley, Sefton, and St Helens have provided support to 1,414 individuals in their homes. Despite the continued risk of COVID, and in all weather conditions, our care staff have provided vital care and support for those who need it.

In January, as part of our continued commitment to improve minimum pay and conditions, and to recognise the exceptional dedication of our staff, Local Solutions were proud to become a Real Living Wage employer. Our minimum rate of pay across our organisation is now £9.90 in line with the recommendation from the Real Living Wage Foundation.

A relationship formed with LandAid, LIV Group and Heitman has enabled us to become a collaborative charity partner with the owners of the Baltic Yard apartment complex in the heart of the Baltic Triangle, Liverpool. The three-year partnership will enable us to offer heavily subsidised one bed furnished apartment to our young people in order to support their move on from hostels and supported accommodation.

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.

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 2021/22 financial year, Local Solutions supported 37,360 individuals from across the Liverpool City Region and North Wales.

Our key activities in the year have been:

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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 9,380 hours of care to 1,414 people. 968 individuals receiving care were new to the service in 2021-22.

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

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.

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 503 people were accommodated and supported through our provision.

Homeground provides accommodation and support for young homeless people aged 16-21. In the year, 39 young people received focused support to meet individual needs, enabling them to make positive life changes to promote their independence, with 76% moving on from Homeground in a planned and positive way.

Supported Lodgings provides placements for young homeless people, aged 16-25, with householders who live in the community. In the period, 111 young people were placed in schemes across seven Local Authority areas in England and Wales. 92% of leavers made a positive, planned transition to their next accommodation.

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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 212 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, 35 adults and 40 children were supported at Plas Bellin and 86% of families who left did so in a planned, positive way.

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 86% of leavers did so through a planned, positive move-on.

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). 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. During the year 61 young people were supported through varying programmes. The work of the Sports Horizons team received nationwide exposure this year as the story of one of the young people that participated in water sports activity was featured in the BBC Comic Relief TV 2022 programme. Her story was also included in educational resources for teachers in schools across the UK encouraging children to consider how they would feel, think, and act in her situation.

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 were 990 referrals to the service for support, and 1,018 support plans completed. In addition, 4,177 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.

In March 2021, MyTime was one of the official charity partners for the Reach Regional Tourism Awards. This was a wonderful opportunity to raise awareness of the scheme to secure opportunities from the tourism and hospitality sector and to promote MyTime to unpaid carers across the region.

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, 2,047 high risk victims accessed the service. The specialist interventions have produced significant, life-changing outcomes, meaning that only 34% of service users then seek further support in terms of their domestic abuse issues and 97% of service users claim to feel safer after interventions.

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 8,614 young people attended one of the 409 school based anti-bullying training/awareness sessions.

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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 764 hires of equipment and 778 service users accessed the amenity. 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 19,239 people took part in an activity at the centre.

In February, Local Solutions partnered with local coffee shop FIKA to run the Café at the Watersports Centre for the summer 2022 season. This partnership will allow us to offer training and employment opportunities to the young people that use or have used our support and accommodation services in the past.

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.

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- **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.

FINANCIAL REVIEW

Income and Expenditure

The overall surplus for the year was £621,068 (2021: £100,048 surplus). Income for the year has decreased to £13,341,438 (2021: £14,465,881). Expenditure has decreased to £12,720,370 (2021: £14,365,833).

COVID-19 has impacted the results significantly with additional income being received via grant funding and Local Authority support to fund additional expenditure in various areas. There have been a range of ongoing challenges in relation to care delivery arising from the pandemic. Increased regulatory and legislative work, increases in National Minimum Wage rates and staff costs have all added pressure to already tight margins with isolation and testing requirements resulting in additional financial and logistic challenges.

Domiciliary care services remain a substantial and crucially important part of Local Solutions. The sector continues to face challenges around the provision of domiciliary care services and Local Solutions, in conjunction with sector partners, continues to play a role in ensuring challenges are highlighted at regional and national levels.

In 2020/21 Local Authorities supported the Domiciliary care providers by increasing income to cover the shortfall in hours being delivered due to the impact of the virus. This did not continue into 2021/22 despite the care hours not increasing to pre-pandemic levels. This therefore resulted in income being reduced along with expenditure costs to support this service.

The Liverpool Watersports Centre provides a great example of an area of operations which was able to thrive as Covid restrictions lifted. Visitor numbers were significantly up as people took advantage of re-opened outdoor leisure facilities, 'staycations' and good weather.

There was significant investment in new projects and initial set-up costs of new initiatives to ensure the longer-term health of the organisation including rebranding, communications support, and a move to new premises. These developments have all been successfully implemented and enable the Charity to operate with a more efficient infrastructure, reduce long-term running costs and enhance our reputation.

Local Solutions has continued to make improvements in the efficiency of internal tasks. Technology plays an important role within the organisation, streamlining many previously laborious and cumbersome manual processes. Modernised systems help to deliver a range of high quality, customer focused services. The wide array of projects that Local Solutions delivers remains critically dependent on its highly motivated, hardworking, and committed workforce. It is of no surprise that the greatest proportion of the organisation's expenditure continues to relate to staff costs. This equates to 83% (2021: 82%) of total costs for the year ended 31st March 2022.

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.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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 £2,162,070 (2021: £1,613,603) at the end of the year. This represents 2.04 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 increased to £2,658,092 at the year-end (2021: £2,037,024).

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 so are not included in the calculation of unrestricted free reserves.

The Trustees considered 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 2022/23 Budget, three months' central support and admin costs currently amount to £607,136. The current level of unrestricted free reserves is £1,002,779 providing a relatively comfortable 1.65 times of cover for the target level of central support costs.

The Trustees wish to invest in the future and the development of the Charity. To achieve this, three designated funds have been created 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 will 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 INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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 2022, 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. Additional costs incurred by the Charity throughout the Covid-19 pandemic in procuring PPE have been met during the year ending March 2022 by infection control grants from Local Authorities and these payments are confirmed to continue to March 2023.

In order to consider the appropriateness of the going concern basis, we have prepared forecasts to March 2023 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Our worst-case scenario assumes that key contracts worth £1.2m due for retender within the year are not renewed and that the volume of social care hours delivered shows an average year on year decline of 5%. We forecast that the worst-case scenario would result in a deficit of £0.3m in March 2023. Extending the forecasted decline in social care hours delivered for a second year would lead to a further net loss of £0.1m in March 2024. While considerable uncertainty remains about the funding model for social care following publication of the UK Government's People at the Heart of Care White Paper in December 2021, we 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 significant 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 volatility and increases in energy prices, more general inflationary pressures, and concerns about economic recession have added uncertainty to predictions of future costs but the impact of this has been mitigated by the relocation of Local Solutions' Head Office to substantially smaller, more efficient premises.

The Charity has a strong Balance Sheet with a cash position of £2,162,070 and Unrestricted Reserves of £1,900,266 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 £400,000 from an historic payment on account is owed to Liverpool City Council (LCC). Confirmation has been sought from LCC on the calculation of the outstanding balance. Once this has been received it is expected that the balance will be repaid over the course of the next two years. The Trustees consider that there are adequate existing cash resources to be able to settle this outstanding debt in the unlikely event of changes to the expected repayment term. The full balance is held within creditors on the Charity's balance sheet.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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.

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.
- 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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 maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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.

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.

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 INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

Auditor

DSG has been appointed as auditor in accordance with section 485 of the Companies Act 2006.

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



Hazel Snell
Chair

Date: 21st July 2022

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2022

OPINION

We have audited the financial statements of Local Solutions ("the Charitable Company") for the year ended 31 March 2022 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 2022 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. 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 2022

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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 2022

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

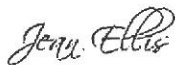
For the year ended 31 March 2022

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

21 July 2022

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 2022

	Note	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£
Income and endowments from:					
Donations and legacies	1	64,348	11,489	75,837	141,150
Income from charitable activities	1	12,461,088	792,772	13,253,860	14,051,410
Coronavirus Job Retention Scheme	1	11,540	-	11,540	272,586
Income from investments	3	201	-	201	735
Total income		<u>12,537,177</u>	<u>804,261</u>	<u>13,341,438</u>	<u>14,465,881</u>
Expenditure on:					
Charitable activities	2	<u>11,861,566</u>	<u>858,804</u>	<u>12,720,370</u>	<u>14,365,833</u>
Total expenditure		<u>11,861,566</u>	<u>858,804</u>	<u>12,720,370</u>	<u>14,365,833</u>
Net (expenditure)/income		<u>675,611</u>	<u>(54,543)</u>	<u>621,068</u>	<u>100,048</u>
Net movement in funds		675,611	(54,543)	621,068	100,048
Reconciliation of funds					
Total funds brought forward at 1 April	13	<u>1,892,170</u>	<u>144,854</u>	<u>2,037,024</u>	<u>1,936,976</u>
Total funds carried forward at 31 March	13,14	<u>2,567,781</u>	<u>90,311</u>	<u>2,658,092</u>	<u>2,037,024</u>

All of the principal activities of the charity were continuing for the year ended 31 March 2022.

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

LOCAL SOLUTIONS

BALANCE SHEET

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	8		1,115,002		1,100,003
Current assets					
Debtors	9	1,122,714		1,157,191	
Cash at bank and in hand		<u>2,162,070</u>		<u>1,613,603</u>	
		3,284,784		2,770,794	
Creditors: amounts falling due within one year	10	(1,599,194)		(1,791,273)	
Provision for Liabilities	11	<u>(42,500)</u>		<u>(42,500)</u>	
Net current assets			1,643,090		937,021
Creditors: falling due after more than 1 year	12		(100,000)		-
Net assets			1,543,090		937,021
Net assets			<u>2,658,092</u>		<u>2,037,024</u>
Funds					
Restricted	13		90,311		144,854
General Unrestricted	13		1,450,266		1,210,355
Designated Reserves	13		450,000		-
Revaluation reserve	13		667,515		681,815
			<u>2,658,092</u>		<u>2,037,024</u>

The financial statements were approved by the Board of Trustees on their behalf by:



Hazel Snell

Trustee

Company Number: 01792921

, and signed on

LOCAL SOLUTIONS

CASH FLOW STATEMENT

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Surplus for the financial year		621,068	100,048
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	30,538	34,185
Net interest (receivable)	3	(201)	(735)
Decrease in trade and other debtors	9	34,477	235,951
(Decrease)/Increase in trade and other creditors	10	(92,079)	339,229
		<hr/>	<hr/>
Cash from operations		593,803	708,678
Taxation paid		-	-
		<hr/>	<hr/>
Net cash generated from operating activities		593,803	708,678
		<hr/>	<hr/>
Cash flows from investing activities			
Purchases of tangible fixed assets	8	(47,002)	(94,268)
Interest Received		201	735
Proceeds from disposal of Fixtures, Fittings & Equipment		1,465	2,133
		<hr/>	<hr/>
Net cash from investing activities		(45,336)	(91,400)
		<hr/>	<hr/>
Cash flows from financing activities			
Interest paid	3	-	-
Repayment of loans		-	-
		<hr/>	<hr/>
Net cash used in financing activities		-	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		548,467	617,278
Cash and cash equivalents at beginning of year		1,613,603	996,325
		<hr/>	<hr/>
Cash and cash equivalents at end of year		2,162,070	1,613,603
		<hr/>	<hr/>
Cash and cash equivalents comprise:			
Cash at bank and in hand		2,162,070	1,613,603
Bank overdrafts		-	-
		<hr/>	<hr/>
		2,162,070	1,613,603
		<hr/>	<hr/>

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 31 March 2022

BASIS OF PREPARATION

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 under FRS 102.

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 Charity has a strong Balance Sheet with a cash position at the end of the year of £2,162,070 and Unrestricted Reserves of £1,900,266. The working capital position has remained positive throughout the year with no cause to access the overdraft facility that is in place of £200,000.

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. Trustees and Management have also considered the impact of potential operational challenges posed by COVID 19, recent geopolitical events in Eastern Europe, inflationary pressures, especially rising energy costs, and concerns about recession. The potential impact of these factors includes, but is not restricted to, increasing the costs of the Charity, and negatively affecting its ability to deliver services. The Trustees have concluded that any operational pressures caused directly by COVID 19, geopolitical or economic events are unlikely to have a material impact on the Charity.

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 impact of last year's cost cutting measures, the strength of the balance sheet, and levels

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

The rates generally applicable are:

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

VALUE ADDED TAX

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

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.

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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

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 31 March 2022

1 ANALYSIS OF INCOME

	2022 £	2021 £
Donations deferred at 1 April 2021	-	23,072
Donations receivable in the year	75,837	118,078
Donations deferred at 31 March 2022	-	-
	<u>75,837</u>	<u>141,150</u>
	£	£
Project income deferred at 1 April 2021	469,480	240,716
Project income receivable in the year	13,157,466	14,552,760
Project income deferred at 31 March 2022	(361,546)	(469,480)
	<u>13,265,400</u>	<u>14,323,996</u>
	£	£
Analysis of income		
Project income for charitable services provided	13,253,860	14,051,410
Donations	75,837	141,150
Investment Income	201	735
Coronavirus Job Retention Scheme	11,540	272,586
	<u>13,341,438</u>	<u>14,465,881</u>
	£	£
Project income is analysed as follows:		
Social Care & Inclusion/Enablement	9,652,982	10,486,313
Young People & Families/ Engagement	3,348,522	3,268,990
Central Services	263,896	568,693
	<u>13,265,400</u>	<u>14,323,996</u>

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 ANALYSIS OF INCOME (continued)

Restricted Grants within Project Income

	2022	2021
	£	£
Liverpool City Council – AIMS2	-	25,000
Government & Local Authority COVID-19	443,810	513,025
Others	211,013	256,137
Comic Relief	137,949	125,406
Sports England	-	15,828
	792,772	935,396

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 £	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

	Staff costs £	Other costs £	Depreciation £	2021 £	2020 £
Direct charitable expenditure	11,796,037	2,478,633	34,185	14,308,855	14,673,561
Governance costs	-	56,978	-	56,978	66,110
	11,796,037	2,535,611	34,185	14,365,833	14,739,671

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 £1,832,306 (2021: £2,022,587), which includes fundraising costs of £48,685 (2021: £52,472).

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 £14,530 (2021: £17,600).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Governance Costs	2022	2021
	£	£
Professional & Legal	31,878	39,378
Auditors' remuneration – statutory audit	14,530	17,600
Auditors' remuneration – other services	-	-
Governance costs at 31 March 2022	<u>46,408</u>	<u>56,978</u>

Contained within Restricted Expenditure are the following costs:

	Restricted	Restricted
	2022	2021
	£	£
Salaries and on costs	683,219	583,845
Maintenance/repairs	9,524	38,298
Utilities	-	83
Office expenses	19,334	18,111
Telephone/internet	6,923	10,612
Equipment	42,021	24,689
Insurance	1,492	2,261
Travel	9,047	955
Local Authority Rates	-	21,998
Sundry expenses	87,244	207,005
Leasing costs	-	25
	<u>858,804</u>	<u>907,882</u>

The following amounts are included in expenditure:

	2022	2021
	£	£
Depreciation	30,538	34,185
Operating Lease rentals:		
- Land & Buildings	278,182	306,671
- Other	5,653	9,382
Auditors Remuneration – statutory audit	14,530	17,600
Auditors Remuneration – other services	-	-

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

3 INTEREST RECEIVABLE

	2022 £	2021 £
Other interest receivable and similar income	<u>201</u>	<u>735</u>

4 EMPLOYEES

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	9,609,193	10,787,979
Social security costs	692,580	744,432
Other pension costs	209,179	263,627
	<u>10,510,952</u>	<u>11,796,038</u>

The average number of employees during the year was 624 (2021: 743).

	2022 Number	2021 Number
Project staff	621	736
Fundraising and publicity	1	2
Management and administration of the charity	2	5
	<u>624</u>	<u>743</u>

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

	2022 Number	2021 Number*
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-
£80,001 to £90,000	1	2
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-

*2021 prior year values have been amended to reflect the current Charities SORP guidance.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. EMPLOYEES (continued)

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

	2022 £	2021 £
Pension contributions to money purchase schemes	<u>31,719</u>	<u>86,299</u>

During the year two higher paid employees (2021: five 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, (2021: £NIL) during 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 £238,537 (2021: £527,478).

7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,240 (2021: £2,128).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Assets under Construction £	Motor vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost					
At 1 April 2021	1,125,111	94,268	10,699	41,309	1,271,387
Transfer of Assets	94,268	(94,268)	-	-	-
Additions	9,758	-	-	37,244	47,002
Disposals	-	-	-	(19,425)	(19,425)
At 31 March 2022	1,229,137	-	10,699	59,128	1,298,964
Depreciation					
At 1 April 2021	135,000	-	5,162	31,222	171,384
Provided in the year	23,019	-	2,136	5,383	30,538
Eliminated on disposals	-	-	-	(17,960)	(17,960)
At 31 March 2022	158,019	-	7,298	18,645	183,962
Net book amount at At 31 March 2022	1,071,118	-	3,401	40,483	1,115,002
Net book amount at 31 March 2021	990,111	94,268	5,537	10,087	1,100,003

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.

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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

9 DEBTORS

	2022 £	2021 £
Accrued income	137,944	242,851
Trade debtors	824,999	726,682
Other debtors	17,184	21,931
Prepayments	142,587	165,727
	<u>1,122,714</u>	<u>1,157,191</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	89,274	65,582
Other creditors	386,799	528,133
Social security and other taxes	157,317	120,188
Accruals	604,258	650,390
Deferred income	361,546	469,480
	<u>1,599,194</u>	<u>1,494,544</u>

Included within other creditors is an amount of £300,000 (2021: £400,000) owing in respect of a historic payment on account for Homecare provision from Liverpool City council.

11 PROVISION FOR LIABILITIES

	2022 £	2021 £
Balance at 1 April	42,500	46,500
Increased	3,000	-
Utilised	(3,000)	(4,000)
Balance 31 March	<u>42,500</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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Liverpool City Council	<u>100,000</u>	-
	<u>100,000</u>	-

This relates to an historic payment on account for Homecare from Liverpool City Council. In prior years this has been included within other creditors pending confirmation of repayment (see note 10). This has now been confirmed the with final payment being due March 2024.

13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
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>
At 1 April 2020	696,115	87,742	1,153,119	1,936,976
Incoming resources	-	964,994	13,500,887	14,465,881
Resources expended	-	(907,882)	(13,457,951)	(14,365,833)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2021	<u>681,815</u>	<u>144,854</u>	<u>1,210,355</u>	<u>2,037,024</u>

Unrestricted Funds include Designated Funds of £450,000

Designated Funds	2022 £	2021 £
Impact & Innovation	150,000	-
Workforce Development & Retention	150,000	-
Infrastructure & Assets	150,000	-
	<u>450,000</u>	-

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

Restricted Funds

	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)	-	76,778
Other	-	179,426	(159,973)	(19,453)	13,533
	144,854	804,261	(858,804)	-	90,311

	Balance April 2020 £	Income £	Expenditure £	Transfer £	Balance March 2021 £
Donations	-	29,598	(29,598)	-	-
Aims 2	-	25,000	(25,000)	-	-
Covid	-	513,025	(513,025)	-	-
Comic Relief	87,742	125,406	(68,294)	-	144,854
Sports England	-	15,828	(15,828)	-	-
Other	-	256,137	(256,137)	-	-
	87,742	964,994	(907,882)	-	144,854

More information relating to the non-covid restricted funds can be found in the Trustees Report on pages 2-17. Covid funding was received to support the organisation and its delivery during the current pandemic.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
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
Tangible Fixed assets	681,815	-	418,188	1,100,003
Current assets	-	499,993	2,270,801	2,770,794
Current liabilities	-	(355,139)	(1,478,634)	(1,833,773)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2021	681,815	144,854	1,210,355	2,037,024

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 £23,323 (2021: £34,890) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

16 OPERATING LEASE COMMITMENTS

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

	Leasehold properties 2022 £	Leasehold properties 2021 £
Not later than one year	77,728	70,750
Later than one year and not later than five years	218,864	80,000
Greater than five years	4,712	24,712
	301,304	175,462

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

17 ANALYSIS OF CHANGES IN NET DEBT

	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>2,162,070</u>

	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash and cash equivalents	<u>996,325</u>	<u>617,278</u>	-	<u>1,613,603</u>