

Company Registration Number: 08357279  
Charity Registration Number: 1151790

**Citizens Advice County Durham**  
**Financial Statements**  
**For the Year Ending**  
**31 March 2019**



**JANE ASCROFT ACCOUNTANCY LIMITED**

Chartered Accountants & statutory auditor

Enterprise House  
Harmire Enterprise Park  
Barnard Castle  
County Durham  
DL12 8XT

# Citizens Advice County Durham

## Financial Statements

Year Ended 31 March 2019

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# **Citizens Advice County Durham**

## **Trustees' Annual Report (Incorporating the Director's Report)**

**Year Ended 31 March 2019**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2019.

### **Objectives and Activities**

Citizens Advice County Durham provides free, confidential, impartial and independent advice and information for the benefit of the local community, campaigning for change and to ensure individuals do not suffer through lack of knowledge or an inability to express their needs effectively. These objectives are shared by all members of Citizens Advice as per the twin aims:

1. To provide the advice that people need for the problems they face.
2. To improve the policies and practices that affect people's lives.

The Charity's aims and objectives will be reviewed annually to ensure that its activities remain focused on the stated purposes.

### **Significant Activities**

Our principle activity remains the provision of free, impartial and confidential advice and advocacy for members of our local community. This is delivered from eleven offices in the county, as well as a number of outreach centres across County Durham.

We have an active research and campaigns team, with successful campaigns relating to energy supply, mobile phone repairs, student accommodation and access to social tariffs for water bills.

### **Volunteers**

The charity receives help and support in the form of voluntary assistance in advising the public and administering the charity. Our volunteers are the lifeblood of the service and deliver a high quality service. More volunteers are always needed.

# Citizens Advice County Durham

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2019

## Achievements and Performance

2018/19 has been another challenging year for Citizen Advice County Durham (CACD) and the charity sector overall, with continuing pressures on funding and sustained demand for our services. The continued roll out of Universal Credit has driven incremental demand for our services.

Across the projects that involve CACD, the following is a summary of our key activities and benefits we've achieved for people in County Durham and nationally:

<b>Service</b>	<b>Number of Unique Clients</b>	<b>Number of Issues</b>	<b>£ Benefits accrued to clients</b>
Generalist service (face to face & telephone)	13,526	29,136	£3,482,227
MaPS Debt Advice Project	3929	23,767	£2,607,957
MaPS DRO Unit (national contract)	8668	44,819	£45,565,477
One Point Service	203	2,678	£937,821
Housing Solutions Service	245	1,047	£185,932
Healthier & Wealthier Service	1257	4,654	£3,393,113
Outreach Services (combined)	774	3,039	£1,812,002
Npower Energy Advice Service (commenced August 2018)	132	518	£78,184
Energy Best Deal Extra (1 October 18 to 31 March 2019)	417	3,529	£63,491
<b>TOTALS</b>	<b>29,151</b>	<b>113,187</b>	<b>£58,126,204</b>

We are proud of the impact and benefits to our clients the above table outlines. These results benefit some of the most vulnerable people in our County and our contact with clients often brings greater comfort beyond just financial gains.

# Citizens Advice County Durham

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2019

## Achievements and Performance *(continued)*

In addition to the advice projects above, we also deliver our successful DurhamWorks programme. This project works with young people aged 16 to 24 across the county who are not in employment, education or training. This project was due to end in July 2018 but has received funding for a further three years until July 2021. During the period June 2016 to July 2018 we worked with 116 young people. During the period October 2018 to 31 March 2019 we worked with 49 young people.

At the annual DurhamWorks awards CACD won four awards for: Unsung Hero, Innovation, Extra Mile and Giving Back.

Another project we deliver is Reaching Out Across Durham (ROAD). The project works with unemployed people aged 25 and over with the aim of moving them closer to the labour market. Our involvement is delivering Financial & Digital Inclusion to participants. Originally funded until July 2019, the project has been confirmed to extend until 2022.

During 2018/19 the following outcomes were recorded under the project:

<b>Outcome</b>	<b>Achieved</b>
Increased aspiration & motivation	90
Increased job specific skills & experience	70
Increased job search skills	84
Reduced barriers to employment	90

During the 2018/19 the Money Advice Service became part of the Single Financial Guidance Body, which subsequently became the Money and Pensions Service, we continue to engage with the new entity.

In January 2019 it was announced the MaPs funded DRO Unit had successfully written off £100 million of debt for clients in England and Wales since the Unit was set up.

The most important asset of most charities is its people, CACD is no exception. Our people, both paid staff and volunteers provide the people of County Durham with an exemplary service, delivering relief and hope to service users.

# Citizens Advice County Durham

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2019

## **Financial Review**

2018-19 was a year of consolidation for our financial performance, with continued growth in restricted sources of income counterbalancing reductions in unrestricted income to deliver an overall increase in income of 5.7%. The year ended with a small deficit of £56k, but after allowing for depreciation and other cash flows actually delivered a small cash surplus of £13k.

Our main funder allowing us to support the needs of the people of County Durham remains Durham County Council, with whom we have a Service Level Agreement scheduled to expire in March 2021. We enjoy an excellent relationship with the Council and have every confidence that the Agreement will be renewed at the appropriate time. Our main funder for our National services is Citizens Advice, who manage the allocation of Money Advice Service and other major national funds and with whom we also have a strong relationship founded on the excellence of the services we are delivering on the Money Advice Project, Debt Relief Order unit and other services. Capital investment in IT and telephone equipment continues to ensure that our staff are able to handle their vital work providing support and advice to those in need with both efficiency and compassion.

## **Reserves policy**

In accordance with good practice and the requirements of Citizens Advice, we hold and regularly monitor a reserves policy to ensure our finances are sufficiently robust to:

- Continue to run essential services for clients in the event of funding loss
- Hold funds to protect services in the event of the unplanned closure of projects
- Finance major, essential unplanned works to capital assets owned by the charity

The value of free reserves required to achieve these goals is re-evaluated twice yearly by the Finance Sub-Committee and recommended for approval by the Trustee Board.

The reserves target for Citizens Advice County Durham agreed in April 2019 is £532,513.

## **Plans for Future Periods**

In the next few years the charity faces a number of challenges:

- 1) How we deliver the service across the County and the channels used, face to face, telephone, web chat.
- 2) Continued funding challenges across the charity sector.
- 3) Maintaining a vibrant volunteer workforce.
- 4) Continuing to work with like minded partners, including Advice in County Durham.

CACD is well placed to meet these challenges and continues to provide independent free advice, an active Research and Campaigns unit to all the people of County Durham.

# **Citizens Advice County Durham**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year Ended 31 March 2019**

## **Structure, Governance and Management**

### **Governing document**

The charity was established under a memorandum of association which outlined the objects and powers of the charitable company and is governed under its articles of association.

### **Organisational Structure**

The Bureau functions through a board of directors, the members of which are the Trustees of the Charity, and sub-committees appointed by the Trustees when they are required. Trustees currently usually meet on a bi monthly basis. There are currently finance, personnel and health and safety sub committees which also meet on a bi-monthly basis. The day-to-day running of Citizens Advice County Durham is delegated to the management. The board is independent from the management of the charity.

### **Recruitment and appointment of new trustees**

Trustees are appointed at the Annual General Meeting. Additional Trustees may be co-opted by the Board throughout the year where appropriate.

### **Induction and training of trustees**

All newly-appointed trustees are given a detailed introduction to the work of Citizens Advice County Durham through relevant information, guidance notes and discussions with experienced staff and trustees. They are also encouraged to undertake relevant training opportunities through Citizens Advice and other bodies.

### **Wider Network**

Citizens Advice County Durham is a member of Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux, which provides support, guidance and training to member bureaux to a national standard. They also provide a national case management and information system. A condition of membership is to meet and maintain national advice and management standards which are audited regularly. We meet the Advice Quality Standard and are registered with the Information Commissioner and the Financial Conduct Authority.

Citizens Advice County Durham is a full member of the Advice in County Durham Partnership, which works with all the advice providers in the county to produce efficient referral services, upskill the advice sector and encourage collaboration.

### **Risk Management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

### **Public Benefit**

Our main activities and who we help are described elsewhere in this report. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Committee have had regard to the Charity Commission's guidance on public benefit throughout the year when deciding on the activities of the charity.

### **Pay Policy for Senior Staff**

The pay of the senior staff is reviewed annually by the Board without staff being present.

# Citizens Advice County Durham

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2019

## Reference and Administrative Details

**Registered charity name** Citizens Advice County Durham  
**Charity registration number** 1151790  
**Company registration number** 08357279  
**Principal office and registered office** Armstrong House  
Abbeywoods Business Park  
Pity Me  
Durham  
DH1 5GH

## The Trustees

Ms K Coulson-Patel  
Ms B Davidson  
Mr A K Roxborough  
Mrs A Collins  
Mr M Smith  
Mr A J Pensom  
Mr J Scollen  
Mr J W Taylor  
Ms A Cheek  
Mr G C McPherson  
Cllr A Surtees  
Mr W Kellett (Appointed 20 November 2018)  
Mr P S Conway (Retired 17 July 2018)  
Mr D Hall (Retired 19 November 2018)

**Auditor** Jane Ascroft Accountancy Limited  
Chartered Accountants & statutory auditor  
Enterprise House  
Harmire Enterprise Park  
Barnard Castle  
County Durham  
DL12 8XT

**Bankers** Unity Trust Bank Plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

## Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.



# Citizens Advice County Durham

## Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

### Year Ended 31 March 2019

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 17<sup>th</sup> September 2019 and signed on behalf of the board of trustees by:



Mr J Scollen  
Trustee

# **Citizens Advice County Durham**

## **Independent Auditor's Report to the Members of Citizens Advice County Durham**

**Year Ended 31 March 2019**

### **Opinion**

We have audited the financial statements of Citizens Advice County Durham (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity 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 Relating to Going Concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Citizens Advice County Durham**

**Independent Auditor's Report to the Members of Citizens Advice County Durham (continued)**

**Year Ended 31 March 2019**

## **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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Opinions on Other Matters Prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Citizens Advice County Durham

Independent Auditor's Report to the Members of Citizens Advice County Durham *(continued)*

Year Ended 31 March 2019

## Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate 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.

# Citizens Advice County Durham

Independent Auditor's Report to the Members of Citizens Advice County Durham *(continued)*

Year Ended 31 March 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of Our Report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Ascroft (Senior Statutory Auditor)

For and on behalf of  
Jane Ascroft Accountancy Limited  
Chartered Accountants & statutory auditor  
Enterprise House  
Harmire Enterprise Park  
Barnard Castle  
County Durham  
DL12 8XT

Date: 17<sup>th</sup> September 2019

# Citizens Advice County Durham

## Statement of Financial Activities (including income and expenditure account)

Year Ended 31 March 2019

		2019		2018	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	6,500	–	6,500	6,500
Charitable activities	6	756,610	1,823,806	2,580,416	2,440,165
Investment income	7	5,252	–	5,252	4,490
<b>Total income</b>		<u>768,362</u>	<u>1,823,806</u>	<u>2,592,168</u>	<u>2,451,155</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	758,458	1,889,851	2,648,309	2,424,004
<b>Total expenditure</b>		<u>758,458</u>	<u>1,889,851</u>	<u>2,648,309</u>	<u>2,424,004</u>
<b>Net (expenditure)/income</b>		<u>9,904</u>	<u>(66,045)</u>	<u>(56,141)</u>	<u>27,151</u>
Transfers between funds		(44,811)	44,811	–	–
<b>Net movement in funds</b>		<u>(34,907)</u>	<u>(21,234)</u>	<u>(56,141)</u>	<u>27,151</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,093,732</u>	<u>42,064</u>	<u>1,135,796</u>	<u>1,108,645</u>
<b>Total funds carried forward</b>		<u>1,058,825</u>	<u>20,830</u>	<u>1,079,655</u>	<u>1,135,796</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

# Citizens Advice County Durham

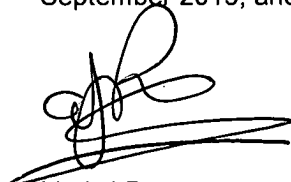
## Statement of Financial Position

31 March 2019

	Note	2019 £	£	2018 £
<b>Fixed Assets</b>				
Tangible fixed assets	14		611,943	624,410
<b>Current Assets</b>				
Debtors	15	239,840		165,423
Cash at bank and in hand		<u>572,967</u>		<u>559,422</u>
		812,807		724,845
<b>Creditors: amounts falling due within one year</b>	16	<u>206,467</u>		<u>108,070</u>
<b>Net Current Assets</b>			<u>606,340</u>	<u>616,775</u>
<b>Total Assets Less Current Liabilities</b>			<u>1,218,283</u>	<u>1,241,185</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>138,628</u>	<u>105,389</u>
<b>Net Assets</b>			<u>1,079,655</u>	<u>1,135,796</u>
<b>Funds of the Charity</b>				
Restricted funds			20,830	42,064
Unrestricted funds			<u>1,058,825</u>	<u>1,093,732</u>
<b>Total charity funds</b>	19		<u>1,079,655</u>	<u>1,135,796</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 17<sup>th</sup> September 2019, and are signed on behalf of the board by:



Mr A J Pensom  
Trustee

Company Registration Number: 08357279

The notes on pages 15 to 26 form part of these financial statements.

# Citizens Advice County Durham

## Statement of Cash Flows

Year Ended 31 March 2019

	2019 £	2018 £
<b>Cash Flows from Operating Activities</b>		
Net (expenditure)/income	(56,141)	27,151
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	39,791	49,682
Other interest receivable and similar income	(5,252)	(4,490)
Accrued expenses/(income)	69,860	(181)
<i>Changes in:</i>		
Trade and other debtors	(74,417)	(49,165)
Trade and other creditors	61,776	(26,006)
Cash generated from operations	35,617	(3,009)
Interest received	5,252	4,490
Net cash from operating activities	<u>40,869</u>	<u>1,481</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible assets	(27,324)	(9,590)
Net cash used in investing activities	<u>(27,324)</u>	<u>(9,590)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>13,545</b>	<b>(8,109)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>559,422</b>	<b>567,531</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>572,967</u></b>	<b><u>559,422</u></b>

The notes on pages 15 to 26 form part of these financial statements.



# **Citizens Advice County Durham**

## **Notes to the Financial Statements**

**Year Ended 31 March 2019**

### **1. General Information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Armstrong House, Abbeywoods Business Park, Pity Me, Durham, DH1 5GH.

### **2. Statement of Compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

### **3. Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going Concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees consider that there are no significant estimates or judgements affecting these financial statements.

#### **Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 3. Accounting Policies *(continued)*

#### Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Investment income is included when receivable.

Income from charitable trading activity is accounted for when earned.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

#### Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned based on the number of staff working on each activity.

#### Tangible Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. In addition assets are not capitalised where a funder has granted funds for capital items as part of the project.

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 3. Accounting Policies *(continued)*

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	10% straight line
Improvements		
Computer & Office Equipment	-	25% straight line

Freehold property is not depreciated as the properties are maintained to a high standard and any depreciation is considered to be immaterial.

#### Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

#### Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

### Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

### Taxation

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

## 4. Limited by Guarantee

The company is limited by guarantee. At 31st March 2019 there were 12 members each of whom had undertaken to contribute an amount not exceeding £1 in the event of a winding up.

The charity is not under the control of any one individual but of the board as a whole.

## 5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
<b>Gifts</b>				
Donated facilities	6,500	6,500	6,500	6,500

Donated facilities comprise the provision of property at Shakespeare House, Seaham, by Durham County Council at below market rent.

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 6. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Durham County Council funding	599,288	–	599,288
Citizens Advice Funding	–	1,567,889	1,567,889
European Social Fund funding	–	150,347	150,347
Big Lottery funding	–	–	–
Other funding	109,379	105,570	214,949
Other income from charitable activities	47,943	–	47,943
	<u>756,610</u>	<u>1,823,806</u>	<u>2,580,416</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Durham County Council funding	723,729	–	723,729
Citizens Advice Funding	–	1,251,673	1,251,673
European Social Fund funding	–	180,999	180,999
Big Lottery funding	–	9,498	9,498
Other funding	136,726	95,497	232,223
Other income from charitable activities	42,043	–	42,043
	<u>902,498</u>	<u>1,537,667</u>	<u>2,440,165</u>

### 7. Investment Income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bank interest receivable	<u>5,252</u>	<u>5,252</u>	<u>4,490</u>	<u>4,490</u>

# Citizens Advice County Durham

## Notes to the Financial Statements (continued)

Year Ended 31 March 2019

### 8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Durham County Council funding	534,113	–	<b>534,113</b>
Citizens Advice Funding	–	1,166,806	<b>1,166,806</b>
Big Lottery funding	–	–	–
Other funding	59,561	111,718	<b>171,279</b>
European Social Fund funding	–	210,774	<b>210,774</b>
Support costs	164,784	400,553	<b>565,337</b>
	<u>758,458</u>	<u>1,889,851</u>	<u><b>2,648,309</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Durham County Council funding	577,960	–	577,960
Citizens Advice Funding	–	1,002,504	1,002,504
Big Lottery funding	–	8,240	8,240
Other funding	92,586	76,472	169,058
European Social Fund funding	–	193,041	193,041
Support costs	126,475	346,726	473,201
	<u>797,021</u>	<u>1,626,983</u>	<u>2,424,004</u>

### 9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Durham County Council funding	534,113	148,867	<b>682,980</b>	700,541
Citizens Advice Funding	1,166,806	361,959	<b>1,528,765</b>	1,320,110
Big Lottery funding	–	–	–	8,240
Other funding	171,279	33,909	<b>205,188</b>	177,970
European Social Fund funding	210,774	20,602	<b>231,376</b>	217,143
	<u>2,082,972</u>	<u>565,337</u>	<u><b>2,648,309</b></u>	<u>2,424,004</u>

### 10. Net (Expenditure)/Income

Net (expenditure)/income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	<u><b>39,791</b></u>	<u>49,682</u>

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 11. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£
Wages and salaries	1,825,539	1,673,583
Social security costs	132,678	125,767
Employer contributions to pension plans	95,375	79,698
	<u>2,053,592</u>	<u>1,879,048</u>

The average head count of employees during the year was 101 (2018: 91). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Number of staff	<u>83</u>	<u>73</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £97,929 (2018: £96,480).

### 12. Trustee Remuneration and Expenses

During the year trustees received no remuneration nor expenses (2018 - Nil).

### 13. Transfers Between Funds

During the year £44,811 was transferred to restricted funds from general funds:

	2019
	£
Match funding for DurhamWorks project	(78,414)
Match funding for MAS DAP project	(21,860)
Contribution to overheads by EBDX project	41,758
Contribution to overheads by MAS DRO pilot	6,885
Contribution to overheads by UC Help to Claim project	6,885
Other minor transfers	(65)
	<u>(44,811)</u>

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 14. Tangible Fixed Assets

	Freehold property £	Leasehold Property Improvements £	Computer & Office Equipment £	Total £
<b>Cost</b>				
At 1 April 2018	530,000	178,734	189,497	<b>898,231</b>
Additions	–	–	27,324	<b>27,324</b>
Disposals	–	–	(62,479)	<b>(62,479)</b>
<b>At 31 March 2019</b>	<u>530,000</u>	<u>178,734</u>	<u>154,342</u>	<u><b>863,076</b></u>
<b>Depreciation</b>				
At 1 April 2018	–	101,957	171,864	<b>273,821</b>
Charge for the year	–	22,227	17,564	<b>39,791</b>
Disposals	–	–	(62,479)	<b>(62,479)</b>
<b>At 31 March 2019</b>	<u>–</u>	<u>124,184</u>	<u>126,949</u>	<u><b>251,133</b></u>
<b>Carrying amount</b>				
<b>At 31 March 2019</b>	<u>530,000</u>	<u>54,550</u>	<u>27,393</u>	<u><b>611,943</b></u>
At 31 March 2018	<u>530,000</u>	<u>76,777</u>	<u>17,633</u>	<u>624,410</u>

The freehold property includes property at High Street, Spennymoor, which was transferred to Citizens Advice County Durham at market value. It was valued on 30th July 2014 by McGillivrays Chartered Surveyors on an Existing Use Value basis and will be revalued every 5 years.

It also includes Armstrong House, Durham which was acquired in May 2015 and is shown in the accounts at initial cost which the trustees consider to be the same as market value. It will be revalued every 5 years.

### 15. Debtors

	2019 £	2018 £
Trade debtors	<b>23,871</b>	40,393
Prepayments	<b>28,512</b>	27,019
Accrued income	<b>187,457</b>	98,011
	<u><b>239,840</b></u>	<u>165,423</u>

### 16. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	<b>37,391</b>	31,002
Accruals	<b>91,773</b>	21,913
Social security and other taxes	<b>37,815</b>	37,750
Deferred income	<b>16,310</b>	6,727
Futurebuilders loan	<b>10,678</b>	10,678
Other creditors	<b>12,500</b>	–
	<u><b>206,467</b></u>	<u>108,070</u>



# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 16. Creditors: amounts falling due within one year *(continued)*

The Futurebuilders loan is secured by a charge over the freehold property at 71 High Street, Spennymoor.

Deferred income comprises funding received in advance for the 2019-20 financial year.

### 17. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Futurebuilders loan	101,128	105,389
Other creditors	37,500	–
	<u>138,628</u>	<u>105,389</u>

Included within creditors: amounts falling due after more than one year is an amount of £64,127 (2018: £68,388) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The Futurebuilders loan is secured by a charge over the freehold property at 71 High Street, Spennymoor.

### 18. Pensions and Other Post Retirement Benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £95,375 (2018: £79,698).

### 19. Analysis of Charitable Funds

#### Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
General funds	574,711	768,362	(718,667)	(76,396)	548,010
Capital fund	519,021	–	(39,791)	31,585	510,815
	<u>1,093,732</u>	<u>768,362</u>	<u>(758,458)</u>	<u>(44,811)</u>	<u>1,058,825</u>

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	429,956	913,488	(747,339)	(21,394)	574,711
Capital fund	554,527	–	(49,682)	14,176	519,021
	<u>984,483</u>	<u>913,488</u>	<u>(797,021)</u>	<u>(7,218)</u>	<u>1,093,732</u>

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 19. Analysis of Charitable Funds *(continued)*

#### Restricted funds

	At 1 April 2018	Income	Expenditure	Transfers	At 31 March 2019
	£	£	£	£	£
MAS DAP	–	520,100	(541,960)	21,860	–
MAS DRO	–	853,359	(848,380)	(4,979)	–
AAP	26,242	23,000	(40,280)	1,732	<b>10,694</b>
BBO ROAD	3,312	78,033	(80,644)	102	<b>803</b>
Durham Works ESF funding	–	72,314	(150,728)	78,414	–
Energy Best Deal (EBDX)	–	60,893	(19,135)	(41,758)	–
Stanley Town Council	12,510	30,070	(33,830)	583	<b>9,333</b>
DRO Pilot	–	86,162	(76,234)	(9,928)	–
Help to Claim	–	35,924	(31,163)	(4,761)	–
BPL	–	11,451	(11,894)	443	–
NPower	–	30,000	(24,988)	(5,012)	–
AiCD	–	22,500	(30,615)	8,115	–
	<u>42,064</u>	<u>1,823,806</u>	<u>(1,889,851)</u>	<u>44,811</u>	<u><b>20,830</b></u>

	At 1 April 2017	Income	Expenditure	Transfers	At 31 March 2018
	£	£	£	£	£
Cestria	–	15,000	(15,000)	–	–
MAS DAP	42,718	474,040	(516,074)	(684)	–
MAS DRO	53,256	743,840	(775,919)	(21,177)	–
AAP	22,087	42,965	(33,610)	(5,200)	26,242
BBO ROAD	6,101	72,241	(73,931)	(1,099)	3,312
Durham Works ESF funding	–	108,757	(143,212)	34,455	–
Energy Best Deal (EBDX)	–	28,794	(24,452)	(4,342)	–
Big Energy Savings Network (BESN)	–	5,000	(3,665)	(1,335)	–
Awards For All	–	9,498	(8,240)	(1,258)	–
Stanley Town Council	–	37,532	(32,880)	7,858	12,510
	<u>124,162</u>	<u>1,537,667</u>	<u>(1,626,983)</u>	<u>7,218</u>	<u>42,064</u>

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 19. Analysis of Charitable Funds *(continued)*

#### **Citizens Advice Funding**

MAS Debt Advice Project is funded by the Single Financial Guidance Body in partnership with Citizens Advice and provides debt advice via telephone & face to face appointments. Funding is reviewed annually.

DRO unit is funded by the Single Financial Guidance Body in partnership with Citizens Advice and provides delivery of a centralised debt relief order (DRO) unit. The aim of the unit is to support frontline advisers nationally with the time consuming administrative processes involved in submitting a DRO, freeing them up to see more clients. Funding is reviewed annually.

DRO unit pilot is funded by the Single Financial Guidance Body in partnership with Citizens Advice and the new pilot will run along side the DRO unit to trial a new way of working, co-designed by staff from the DRO unit. The funding is agreed to 31st March 2020.

Energy Best Deal Extra is funded by energy providers in partnership with Citizens Advice. The Energy Best Deal extra programme provides advice appointments to vulnerable consumers who are struggling to pay their bills, require better deals on energy, need guidance on the most appropriate payment methods or information on how to access help from energy suppliers and the Government.

Help to Claim is funded by the Dept of Work & Pensions in partnership with Citizens Advice to provide advice to those who need help to apply for Universal Credit. Help will be tailored to the individual and available face-to-face, over the phone and online through webchat and advice content. The funding is agreed to 31st March 2020

Universal Support Best Practice Lead is funded by the Dept of Work & Pensions in partnership with Citizens Advice to gather and share learning about how Help to Claim and Universal Credit is performing, develop relationships with relevant local stakeholders and share ideas and best practice to Local Citizens Advice, Job Centres in the County Durham and Tees Valley districts.

#### **European Social Funding**

Durham County Council coordinates DurhamWorks partnership to help NEET 16-24 year olds into employment. DurhamWorks is partially funded by the European Social Fund: Youth Employment Initiative until June 2021 and matched by Citizens Advice County Durham.

Reaching out across Durham (ROAD) is a partnership led by Groundworks helping 625 people who live in County Durham and are aged 25 and over. ROAD is funded by the Big Lottery Fund and the European Social Fund until July 2019, and is a Building Better Opportunities (BBO) programme.

#### **Other Funding**

Area Action partnerships have funded the following projects during 2018-2019:

- Stanley Advice Hub
- 3 Towns Advice Project
- Willington Outreach
- Wear Valley Rural Outreach
- Universal Credit Pilot

Stanley Town Council continued to fund the 3 day generalist service in The Venue, Stanley during 2018-19 in collaboration with CACD debt advice project and help to claim

Durham County Council contributed funding to Advice in County Durham partnership direct costs Npower funded an Energy Adviser to provide Energy Advice to people referred through the Advice in County Durham Partnership

# Citizens Advice County Durham

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

### 20. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	611,943	–	<b>611,943</b>
Current assets	791,977	20,830	<b>812,807</b>
Creditors less than 1 year	(206,467)	–	<b>(206,467)</b>
Creditors greater than 1 year	(138,628)	–	<b>(138,628)</b>
<b>Net assets</b>	<b><u>1,058,825</u></b>	<b><u>20,830</u></b>	<b><u>1,079,655</u></b>

### 21. Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	<b>83,895</b>	103,127
Later than 1 year and not later than 5 years	<b>101,266</b>	165,952
Later than 5 years	<b>1,026</b>	13,050
	<b><u>186,187</u></b>	<b><u>282,129</u></b>

### 22. Related Parties

There are no transactions with related parties that require disclosure under SORP 2015 (FRS102).