

Charity registration number 1109872

Company registration number 05453262 (England and Wales)

WATFORD CITIZENS ADVICE BUREAU
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

WATFORD CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Mr Abayomi Akisanya	
	Mr Laurence Blake	
	Mr Richard Boulton	
	Ms Leena Nagrecha	
	Mr Mohammed Farrukh Siddiqi	
	Mr Keith Holmes	(Appointed 24 August 2023)
	Ms Suzannah Trivedi	(Appointed 16 November 2023)
	Cllr Kennedy Rodrigues	Representing Watford Borough Council
	Cllr Jennifer Pattinson	Representing Watford Borough Council
	Ms Danielle Sherman	(Resigned 4 August 2023)
	Mr Anthony Swabe	(Resigned 12 October 2023)
	Dr Pui Wah Carter	(Resigned 7 November 2023)

Honorary Officers

Chairman	Mr Mohammed Farrukh Siddiqi	
Treasurer	Mr Laurence Blake	
	Dr Pui Wah Carter	(Retired 1 September 2023)
Company Secretary	Ms Leena Nagrecha	

Principal Staff

Chief Officer	Ms Emma Burgham
Advice Service Manager	Mr Duncan Burden
Projects Manager	Ms Kalpna Budhdeo

Charity number 1109872

Company number 05453262

Principal address St Mary's Churchyard
High Street
Watford
Hertfordshire
WD17 2BE

Registered office St Mary's Churchyard
High Street
Watford
Hertfordshire
WD17 2BE

Independent examiner Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

WATFORD CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

CAF Bank
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

United Trust Bank Limited
One Ropemaker Street
London
EC2Y 9AW

Flagstone
1st Floor
Clareville House
26-27 Oxenden Street
London
SW1Y 4EL

WATFORD CITIZENS ADVICE BUREAU

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WATFORD CITIZENS ADVICE BUREAU

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustee Board of Watford Citizens Advice Bureau ("the Bureau" or "the Company") presents its report and accounts for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Watford Citizens Advice Bureau is a local charity funded by local grants and donations. Being a member of the National Citizens Advice we share its key missions:

- Provide advice fit for the future - Be there for people when they need us in the ways that make the biggest impact
- Close the gap - End the disparities in access and experience of marginalized people
- Take early action - Prevent more people from reaching crisis by addressing problems earlier

We add value and relieve pressure on statutory providers by bringing benefits to the Watford economy and reducing dependency on their services.

Public Benefit

The Trustees have given consideration to the guidance issued by the Charity Commission in respect of public benefit in respect of all its activities.

The Bureau's Activities

The Bureau provides free, confidential, independent and impartial advice to everybody regardless of race, gender, disability, sexual orientation, religion, age or nationality. The Bureau recognises the positive value of diversity, promotes equality and challenges discrimination.

The Bureau helps people in the Watford to resolve their problems. As part of the UK's largest advice network, we are equipped to deal with many issues including debt, benefits, employment, housing, energy advice and many more. Our clients are at the heart of the service, and we are here to ensure that people who need help get the right support at the right time.

Expert, confidential and compassionate advice and advocacy is provided to help people move forward out of poverty or financial hardship, supporting at points of crisis, including preventing homelessness. Our intervention and advice contribute to breaking cycles of deprivation, relieving the pressure on statutory services and reducing the need for referral to other agencies. We help everyone when facing a significant challenge in their lives, reducing the need for further 'downstream' intensive and costly services as well as reducing the adverse impact on the individual and their family.

The main area of the charitable activity is providing advice. Generalist advice is offered by volunteers and paid staff. Paid caseworkers provide specialist advice on debt and benefits issues. Along with other Hertfordshire Citizens Advice offices, we have access to a British Sign Language (BSL) adviser funded via Hertfordshire County Council. The Bureau is a referral agency for the Free Representation Unit whereby solicitors represent clients at Tribunals and court hearings on a pro bono basis.

Face-to-face advice is provided to clients at the Bureau's Watford office situated in the Advice Centre. Telephone advice is provided by advisors in partnership with nine other Hertfordshire Citizens Advice Services. Watford residents can access information on the Citizens Advice website or contact Watford Citizens Advice via email. There is free internet access for clients from computers in the reception area, providing access to the Citizens Advice website, other key advice sites and local information.

WATFORD CITIZENS ADVICE BUREAU

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Bureau is involved in the community, works with local or community partners and attends local events. Advisers, assessors, administrative workers, receptionists, and project workers make up the bulk of the Bureau's workforce. Our volunteers form the backbone of the service and the Trustees are responsible for governing the organisation.

Major Risks

The Bureau maintains a risk register which is agreed by the Trustee Board. A comprehensive annual budgeting process is approved by the Board, during which a thorough assessment of our key external and internal risks is undertaken, together with how these risks are being managed. In addition, the Board received regular reports from the Finance Risk and Remuneration Committee which reviews the risk register with the Chief Officer. Together, they assess the adequacy of internal control systems and risk management processes in place. The Board reviews the risk register quarterly including the key risks, the adequacy of the actions being taken to address them and the advent of any new risks.

The Bureau has a balanced approach to risk management and adopts an active process to the mitigation of risk. The most significant risks faced by the Bureau have been identified by the Trustee Board and relate to the following:

- Maintaining volunteer recruitment at a level that keeps pace with turnover and service requirements.
- Sustaining income in a highly competitive environment with the ongoing pressures on public funding.
- Servicing the anticipated increases to demand due to welfare reforms and ongoing cost of living crisis.

The Trustees remain satisfied that all insurable risks have been identified and adequately dealt with and that the Bureau's exposure to other risks is kept at a minimum by good working practice by the management team, paid staff and volunteers.

Achievements and performance 2023-24

In 2023/24, we worked at operational capacity, optimising resources across service channels to maximise support to the community.

We continued to prioritise the maintenance of our drop-in service 4 mornings a week to meet the needs of our most vulnerable clients, including those in crisis and those facing language and/or digital barriers. Advice is provided by a number of channels including face-to-face, phones, and email. Support and useful information is also available via the website.

2023/24 Service Highlights

- Advised 670 people a month
- Helped clients with 14,252 issues
- Answered an average of 239 calls per month
- Approx. 180 people helped at drop-in every month
- Average of 190 advice appointments per month
- Increased income of clients with benefits & tax credit issues by an average of £5,530 per client
- Wrote off & stabilised debts of £797,297
- Regular newsletters with key communications for the community
- Publications of Housing Insecurity Report
- Cyber Essentials and Cyber Essentials Plus accreditation

The demand for our service remains high and we are often limited by the available resources. Significant increase in client issues requiring detailed casework and more than one appointment, is directly impacting the available resources.

We continued to provide advice to a large number of people who are disabled or have a long-term health condition. In 2023/24 they accounted for 45% of the clients that disclosed this information. This number rises to 55% for clients helped with cost of living issues, underlining the impact of price rises on this vulnerable group.

WATFORD CITIZENS ADVICE BUREAU

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2024**

Eight issues (Debt, Benefits & Tax Credits, Charitable Support & Foodbanks, Housing, Utilities, Universal Credit, Relationships & Family, and Employment) accounted for 85% of the total issues we helped clients with during 2023/24.

There are marked changes in the client issues compared to 2022/23, reflecting a community struggling with the cost of living. Benefits and Tax Credits remain the top issue for clients. Debt issues increase by 31% in the year compared to the previous year, with significant increases in Council Tax and Credit card debts.

The ongoing impact of cost of living pressures are evident. It is good news that benefits have been uprated in line with inflation from 1st April 2024, but this has not reduced the financial pressures on low-income households.

We anticipate the high demand for crisis support and expert debt and housing advice to continue as:

- Food and energy prices remain very high, hitting low-income families hard in particular.
- The number people of struggling on negative budgets (essential outgoings greater than income) is rising, exacerbated by bills having risen in April
- A lack of low cost housing and high rental rates in Watford, plus the delay in banning no-fault evictions continue to create a high level of housing insecurity

The Trustees are pleased to report that the Bureau has continued its volunteer recruitment and training program and the total number of volunteers is being maintained around 40.

Specialist legal advice is available for family and immigration issues. Expert advice is available for Benefits, Debt, Employment and Housing issues.

Projects

Projects undertaken by the Bureau during 2023/24 included:

Hertfordshire County Council funded projects:

- Crisis Intervention - support for Hertfordshire clients facing crisis
- Cost of Living Advisor - additional support for people facing cost of living difficulties
- HERT Debt - Specialist debt casework advice for Hertfordshire clients

National Citizens Advice – Energy advice project

Foodbank Trussell Trust – provision of voucher phone line & dedicated Money and benefits advice for Foodbank clients

Watford Community Housing - debt and benefits advice to WCH residents

Disability Benefits - Additional support for Disability Benefits claimants

National Lottery - Support for Cost of Living advice

Housing Support – housing advisor supporting WBC housing team

Achievements of the volunteers

Volunteers are an essential part of the service provided by Watford Citizens Advice, providing advice and information to the clients. All the volunteers are very generous with their time either working in the office or remotely. During the 2023-24 period, volunteers contributed an average of 265 hours per week of time which is estimated as £306,105 in value.

The Bureau offers excellent training to staff and volunteers. Each volunteer adviser undergoes over 400 hours of training before becoming qualified to advise at a generalist level and additional training is required for specialist advisers.

Acknowledgements

We are very grateful to every funder who has made our work possible this year and would like to thank the following:

Watford Borough Council, Hertfordshire County Council, Watford Community Housing Trust, Watford Foodbank, National Citizens Advice, Bugler Foundation, Watford & Three Rivers Trust and the National Lottery.

WATFORD CITIZENS ADVICE BUREAU

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Strategic report

The description under the headings "Achievements and Performance 2023- 24" and "Financial Review" meet the company law requirements for the Trustees to present a Strategic Report.

Financial review

The year ended 31 March 2024 saw income of £615,792 and expenditure of £576,095. Both the income and expenditure are higher than last year reflecting the new projects secured and additional associated resources.

The pension liabilities further decreased significantly from £5,672 to £2,649 based on the latest evaluation by the pension provider.

At the year end, £521,743 was held as cash at bank, of which £77,455 related to restricted funds.

Investment Policy

The Articles of Association gives the Trustees power to invest or deposit funds in any lawful manner. The WBC grant is paid quarterly, and the Bureau has placed any surplus funds on deposit mainly with the Flagstone platform. In order to mitigate any losses should there be another banking crisis, the Flagstone funds have been invested in a number of bank accounts, within the level of the financial compensation scheme.

Reserves policy

The Trustees believe that the Bureau should hold financial reserves in order to ensure that it can continue to operate and meet the needs of clients and creditors in the event of unforeseen circumstances. The pension fund deficit is considered to be an operating expense and as such the liability for the pension fund is met out of current income.

Unrestricted reserves

The Trustees consider that it would be prudent to set aside at least 6-9 months of operating expenditure; at 31 March 2024 this equates to between £288,157 and £432,235, compared to actual unrestricted reserves of £352,410.

Plans for Future Periods

The strategic priorities of the two-year Business Development Plan 2024-26 are:

- Sustainability - secure our organisation through funding, people retention, flexible workforce and innovation
- Culture - to be a collaborative, supportive and proactive service that promotes equality, diversity and inclusion
- Advice - improve our advice process to maintain quality and optimise client pathway
- Advocacy - to be a stronger voice on the issues that impact all those in need - particularly those in marginalised groups

Structure, governance and management

Governing Document

The Bureau is a company limited by guarantee governed by its Articles of Association dated 9th December 2022. It is registered as a charity with the Charity Commission. All directors are members of the Company and cease to be a member when he or she ceases to be a director. Membership is also open to other individuals or organisations provided the individuals are over 16 years of age and not paid workers, employees or unpaid volunteers of the charity. There are currently 12 members, each of whom have agreed to contribute £1 in the event of the charity winding up.

WATFORD CITIZENS ADVICE BUREAU

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Appointment of Trustees

The Trustees who served during the year are listed on the Legal and Administrative Information Page.

The directors of the Company are also trustees of the Bureau for the purposes of Charity law and under the Company's Articles are known as members of the Trustee Board. Under the requirements of the Articles of Association, elected Trustees serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Trustees nominated by WBC are also subject to the appointment processes of that body and the guidelines on appointment to public office as they apply to local government nominees.

Trustee Induction and Training

New Trustees attend Induction Training, which gives them an outline of the Citizens Advice Services and its aims, principles and policies. Trustees are given introductory information and the new Trustees also spend time in the Bureau and have meetings with the specialist advisers, the Chief Officer and the Company Secretary. There are explanations of the role of a Trustee/Director, the Board, the development plan and issues including funding and client statistics. Trustees with interests in particular areas are encouraged to go on with further training. There are learning materials available for Trustees and these range from recruitment & selection to health & safety. Trustees are able to attend regional training events and are updated on governance issues as necessary. Trustees are asked to complete on annual basis online training in Information Assurance.

Organisation

The Trustee Board currently comprises nine Trustees, including the Chairman, Treasurer, Company Secretary, and two Trustees representing WBC. The Trustee Board meets at least four times a year and has collective responsibility for setting strategic objectives, ensuring sound governance and overall management of the Bureau, including risk management, direction and performance of the Bureau. The Trustee Board gives the Chief Officer duties and powers to represent and to manage the Bureau in accordance with the delegation of authorities and policies approved by the Trustee Board.

The Board has established two sub-committees, Governance and Finance, Risk and Remuneration Committee to assist the Trustee Board in the carrying out of its business by reviewing and analysing certain matters prior to being considered by the full Trustee Board. The scope of responsibilities for the Governance Committee includes governance and regulatory compliance matters as well as review of policies. The scope of responsibilities for the Finance, Risk and Remuneration Committee covers business, financial reporting and controls, risk and remuneration related matters.

Related Parties

The Bureau is a member of National Citizens Advice, which provides the Bureau with its Information System, Intranet and the case-recording system Casebook. Citizens Advice also provides specialist support and audits the Bureau for organisational performance and for quality of advice.

WBC provides the essential core funding for the Bureau and this includes premises costs. The Bureau also works closely with other Citizens Advice offices in Hertfordshire to make joint funding bids and delivery of associated services. The Bureau is a member of the local Voluntary Sector consortium Watford and Three Rivers Trust. The Bureau has links with local solicitors who offer pro-bono advice.

The Trustees Report was approved by the Board of Trustees.

M F Siddiqi

Mr M. F. Siddiqi

Chairman

Dated: 6 August 2024

WATFORD CITIZENS ADVICE BUREAU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

WATFORD CITIZENS ADVICE BUREAU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF WATFORD CITIZENS ADVICE BUREAU

I report to the trustees on my examination of the financial statements of Watford Citizens Advice Bureau (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

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

Independent examiner's statement

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

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

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

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



Gary Howard FCA

Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

Dated: 16 August 2024

WATFORD CITIZENS ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	249,252	-	249,252	269,110
Advisory services	4	948	349,288	350,236	239,179
Investments	5	16,179	-	16,179	5,154
Other income	6	-	125	125	372
Total income		266,379	349,413	615,792	513,815
<u>Expenditure on:</u>					
Raising funds	7	346	-	346	642
Advisory services	8	244,382	331,367	575,749	482,759
Total expenditure		244,728	331,367	576,095	483,401
Net income for the year/ Net incoming resources		21,651	18,046	39,697	30,414
<u>Other recognised gains and losses</u>					
Actuarial (loss)/gain on defined benefit pension schemes		-	-	-	152
Net movement in funds		21,651	18,046	39,697	30,566
Fund balances at 1 April 2023		330,759	59,409	390,168	359,602
Fund balances at 31 March 2024		352,410	77,455	429,865	390,168

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD CITIZENS ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	268,675	435	269,110
Advisory services	4	1,471	237,708	239,179
Investments	5	5,154	-	5,154
Other income	6	372	-	372
Total income		275,672	238,143	513,815
<u>Expenditure on:</u>				
Raising funds	7	642	-	642
Advisory services	8	268,546	214,213	482,759
Total expenditure		269,188	214,213	483,401
Net incoming resources before transfers		6,484	23,930	30,414
Net income for the year/ Net incoming resources		6,484	23,930	30,414
<u>Other recognised gains and losses</u>				
Actuarial (loss)/gain on defined benefit pension schemes		152	-	152
Net movement in funds		6,636	23,930	30,566
Fund balances at 1 April 2022		324,123	35,479	359,602
Fund balances at 31 March 2023		330,759	59,409	390,168

WATFORD CITIZENS ADVICE BUREAU

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	12		-		2,316
Current assets					
Debtors	13	6,887		8,838	
Cash at bank and in hand		521,743		431,843	
		<u>528,630</u>		<u>440,681</u>	
Creditors: amounts falling due within one year	14	(96,116)		(47,157)	
Net current assets			432,514		393,524
Total assets less current liabilities			432,514		395,840
Provisions for liabilities	15		(2,649)		(5,672)
Net assets			<u>429,865</u>		<u>390,168</u>
Income funds					
Restricted funds	18		77,455		59,409
<u>Unrestricted funds</u>					
General unrestricted funds		355,059		336,431	
Pension reserve		<u>(2,649)</u>		<u>(5,672)</u>	
			352,410		330,759
			<u>429,865</u>		<u>390,168</u>

The Balance Sheet continues on the following page

WATFORD CITIZENS ADVICE BUREAU

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 6 August 2024

M F Siddiqi

Mr M. F. Siddiqi
Chairman

Laurence Blake

Mr L. Blake
Treasurer

Company Registration No. 05453262

WATFORD CITIZENS ADVICE BUREAU

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	21		73,721		19,145
Investing activities					
Investment income received		16,179		5,154	
		<u>16,179</u>		<u>5,154</u>	
Net cash generated from investing activities			16,179		5,154
Net cash used in financing activities			-		-
			<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents			89,900		24,299
Cash and cash equivalents at beginning of year			431,843		407,544
			<u>431,843</u>		<u>407,544</u>
Cash and cash equivalents at end of year			<u>521,743</u>		<u>431,843</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Watford Citizens Advice Bureau is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Churchyard, High Street, Watford, Hertfordshire, WD17 2BE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised when a liability is incurred. Contractual and performance related arrangements are recognised as goods or services are supplied. Expenditure includes any non-recoverable VAT.

Expenditure is allocated to activities as follows:

Charitable activities comprise costs which relate directly to delivering activities.

Governance comprises of costs which relate directly to governance arrangements and meeting statutory requirements.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	straight line over 3 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of financial activities.

It is the policy of the charity not to capitalise individual assets costing under £1,000.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminating the employment of an employee or to providing termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

There are some employees who are members of the Pensions Trust's Growth Plan which is a multiemployer pension Plan. The charitable company is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for on a defined contribution basis. The annual contributions payable are charged to the Statement of Financial Activities. Further information concerning the Plan is given at note 15.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities it is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.12 Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2024 £	2023 £	2023 £	2023 £
Donations and gifts	962	6,109	435	6,544
Grants receivable for core activities	248,290	262,566	-	262,566
	<u>249,252</u>	<u>268,675</u>	<u>435</u>	<u>269,110</u>
Grants receivable for core activities				
Watford Council Direct Grant	204,190	204,190	-	204,190
Watford Council Premises	39,500	39,500	-	39,500
Watford & Three Rivers Trust	-	7,370	-	7,370
Hertfordshire Community Foundation	600	-	-	-
Hertfordshire Citizens Advice Service	4,000	-	-	-
Citizens Advice Bureau	-	11,506	-	11,506
	<u>248,290</u>	<u>262,566</u>	<u>-</u>	<u>262,566</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Advisory services

	Advisory services 2024 £	Advisory services 2023 £
Income from services provided	4,448	5,971
Performance related grants	345,788	233,208
	<u>350,236</u>	<u>239,179</u>
Analysis by fund		
Unrestricted funds	948	1,471
Restricted funds	349,288	237,708
	<u>350,236</u>	<u>239,179</u>
Performance related grants		
Watford Foodbank	34,393	20,657
Hertfordshire Citizens Advice Service	20,850	135,782
Citizens Advice Bureau - National and Local	139,285	16,841
Watford Borough Council	28,323	-
Bugler Group Limited	3,000	3,000
Community Fund	19,693	1,400
Watford Community Housing Trust	30,815	29,348
Access to Justice - Community Justice Fund	-	14,672
Hertfordshire County Council	57,150	-
Watford Health Trust	6,063	5,212
Other	6,216	6,296
	<u>345,788</u>	<u>233,208</u>

5 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	<u>16,179</u>	<u>5,154</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Other income

	Restricted funds	Unrestricted funds
	2024	2023
	£	£
Other income	125	372
	<u>125</u>	<u>372</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Costs of generating voluntary income		
Advertising	346	642
	<u>346</u>	<u>642</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Advisory services

	2024 £	2023 £
Staff costs	419,565	357,367
Depreciation and impairment	2,316	2,316
Other staff costs	5,395	785
Training	3,083	15,684
Project costs	8,011	12,857
Premises costs	43,993	19,629
Insurance	3,187	1,357
Repairs	168	456
Office costs	26,043	30,861
Computer costs	11,316	23,093
Travel expenses	13,375	8,036
General costs	25,369	1,017
Legal and professional costs	10,427	6,661
Bank charges and other finance costs	1,111	384
Governance costs	2,390	2,256
	<u>575,749</u>	<u>482,759</u>
Analysis by fund		
Unrestricted funds	244,382	268,546
Restricted funds	331,367	214,213
	<u>575,749</u>	<u>482,759</u>

Governance costs comprise of independent examiner's fees £1,620 (2023: £1,620) and AGM costs £770 (2023: £636).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £95 for travel expenses incurred on behalf of Watford Citizens Advice Bureau.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Advice services	17	13
Management and administration	2	2
	<u>19</u>	<u>15</u>

Employment costs

	2024 £	2023 £
Wages and salaries	375,552	317,480
Social security costs	23,205	21,545
Other pension costs	20,808	18,342
	<u>419,565</u>	<u>357,367</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2023	<u>28,930</u>
At 31 March 2024	<u>28,930</u>
Depreciation and impairment	
At 1 April 2023	26,614
Depreciation charged in the year	<u>2,316</u>
At 31 March 2024	<u>28,930</u>
Carrying amount	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>2,316</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	5,708	4,477
Prepayments and accrued income	1,179	4,361
	<u>6,887</u>	<u>8,838</u>

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		6,281	5,097
Deferred income	16	75,957	31,700
Trade creditors		1,230	3,160
Other creditors		5,333	5,148
Accruals and deferred income		7,315	2,052
		<u>96,116</u>	<u>47,157</u>

15 Provisions for liabilities

	Notes	2024 £	2023 £
Retirement benefit obligations	17	2,649	5,672
		<u>2,649</u>	<u>5,672</u>

16 Deferred income

	2024 £	2023 £
Other deferred income	<u>75,957</u>	<u>31,700</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	<u>75,957</u>	<u>31,700</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: (payable monthly)	£3,312,000 per annum
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Retirement benefit schemes

(Continued)

	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Present value of provision	2,649	5,673	8,899
Reconciliation of opening and closing provisions		Period Ended 31 March 2023 (£s)	Period Ended 31 March 2023 (£s)
Provision at start of period		5,673	8,899
Unwinding of the discount factor (interest expense)		217	168
Deficit contribution paid		(3,242)	(3,242)
Remeasurements - impact of any change in assumptions		1	(152)
Remeasurements - amendments to the contribution schedule		.	-
Provision at end of period		2,649	5,673
Income and Expenditure Impact		Period Ended 31 March 2023 (£s)	Period Ended 31 March 2023 (£s)
Interest expense		217	168
Remeasurements – impact of any change in assumptions		1	(152)
Remeasurements – amendments to the contribution schedule		-	-
Assumptions	31 March 2024 % per annum	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The pension charge for the year was £21,025 (2023: £18,342).

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 March 2024
	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 1 April 2023	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Client Funds	2,670	5,416	(6,954)	1,132	6,188	(5,935)	1,385
Hertfordshire Welfare Assistance Scheme	15,025	60,287	(45,312)	30,000	76,429	(68,938)	37,491
Watford Community Housing Trust	-	29,578	(25,136)	4,442	30,815	(35,257)	-
Disability Benefits Service	1,151	10,000	(8,695)	2,456	10,000	(4,477)	7,979
CitA Guardian- Cost of Living Grant	-	-	-	-	15,000	(15,000)	-
Housing Partnership	-	-	-	-	31,470	(26,689)	4,781
Client Emergency Fund	-	3,000	(2,969)	31	3,070	(2,626)	475
Cost of Living Project	-	-	-	-	53,975	(53,975)	-
Hertfordshire Community Training Project	12,496	14,480	(22,664)	4,312	3,500	(7,812)	-
Energy Advice Programme	-	-	-	2,211	16,800	(19,011)	-
Watford Foodbank	-	22,057	(15,863)	6,194	34,393	(33,742)	6,845
The HERT project	3,752	44,935	(40,056)	8,631	48,080	(38,212)	18,499
The Money and Pensions Service (MaPS)	-	23,359	(23,359)	-	-	-	-
Access to Justice (Community Justice Fund)	-	14,672	(14,672)	-	-	-	-
Community Fund Grant	-	-	-	-	19,693	(19,693)	-
Other	385	10,359	(8,533)	-	-	-	-
	<u>35,479</u>	<u>238,143</u>	<u>(214,213)</u>	<u>59,409</u>	<u>349,413</u>	<u>(331,367)</u>	<u>77,455</u>

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Restricted funds

(Continued)

Client Funds is funding received to assist clients purchase items of household equipment.

Hertfordshire Welfare Assistance Scheme is funding to provide advice and guidance to clients in extreme hardship situations, to reduce debt and increase income.

Watford Community Housing Trust is funding to provide debt and benefits advice to Watford Community Housing tenants.

Disability Benefits Service is funding from Blandford Trust towards the cost of the service.

CitA Guardian is a Cost of Living Grant

The Housing Partnerships Grant is for the funding of a housing advisor

Client Emergency Funds is funding received from The Bugler Foundation to provide emergency funds for clients in financial crisis.

Hertfordshire Community Training Project - We received funding from the National Lottery Fund to train staff and volunteers based across Hertfordshire Citizens Advice Services.

Energy Advice Programme is funding for energy advice

Watford Foodbank is funding to provide debt and benefits advice to clients in receipt of multiple food vouchers.

The HERT project is funded by Hertfordshire County Council to provide benefits and debt advice to Primary Care Network (PCN) Link Workers, Community Navigators and Social Prescribers in Hertfordshire. The project is run by The Money Advice Unit (MAU) and Citizens Advice Hertfordshire (Hertsmere and Watford). MAU provide benefit advice with Citizens Advice Hertsmere and Watford providing debt advice.

Money and Pensions Service (MaPS) is funding secured by the National Citizens Advice to increase the capacity of debt advice nationwide.

Access to Justice (Community Justice Fund) is funding to support the escalating impact of the cost-of-living crisis on Citizens Advice Watford.

Community Fund grant is National Lottery funding for generalist advice

Other represents other smaller restricted funds.

WATFORD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Fund balances at 31 March 2024 are represented by:				
Tangible assets	-	-	-	2,316
Current assets/(liabilities)	355,059	77,455	432,514	393,524
Provisions and pensions	(2,649)	-	(2,649)	(5,672)
	<u>352,410</u>	<u>77,455</u>	<u>429,865</u>	<u>390,168</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

21 Cash generated from operations

	2024 £	2023 £
Surplus for the year	39,697	30,414
Adjustments for:		
Investment income recognised in statement of financial activities	(16,179)	(5,154)
Depreciation and impairment of tangible fixed assets	2,316	2,316
Difference between pension charge and cash contributions	(3,395)	(40,420)
Movements in working capital:		
Decrease in debtors	1,951	423
Increase/(decrease) in creditors	4,702	(12,103)
Increase in deferred income	44,257	6,324
Cash generated from/(absorbed by) operations	<u>73,349</u>	<u>(18,200)</u>

22 Analysis of changes in net funds

The charity had no debt during the year.