

Company registration number: 02114435

Charity registration number: 1135396

# CITIZENS ADVICE NEWCASTLE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

# **Citizens Advice Newcastle Limited**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 8
Independent Auditors' Report	9 to 11
Statement of Financial Activities	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 28

# **Citizens Advice Newcastle Limited**

## **Reference and Administrative Details**

<b>Chief Executive Officer</b>	T Armstrong
<b>Trustees</b>	K Reed, Chair I Mackintosh, Vice Chair A L Crawley, Treasurer A Carver C Hall (resigned 23 May 2022) I R Harris C C Irving S Jaidka C M Purdon S Parker (appointed 10 May 2021) F Haider (appointed 12 July 2021 and resigned 18 July 2022)
<b>Key Management Personnel</b>	S Alexander, Chief Executive T Armstrong, Head of Advice Services C Iredale, Head of Customer Services G Dryden, Business Manager
<b>Registered Office</b>	4th Floor City Library Charles Avison Building 33 New Bridge Street Newcastle Upon Tyne NE1 8AX The charity is incorporated in England and Wales.
<b>Charity Registration Number</b>	1135396
<b>Auditor</b>	Azets Audit Services Chartered Accountant & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Unity Trust Bank plc 4 Brindley Place Birmingham B1 2JB
<b>Company Registration Number</b>	02114435

# **Citizens Advice Newcastle Limited**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

### **Structure, governance and management**

#### **Nature of governing document**

Citizens Advice Newcastle is a Charitable Company Limited by Guarantee. The charity was originally formed in September 1939, and incorporated as a not-for-profit limited charity on 23 March 1987. All references to the "Charity" or "Company" refer to the Charitable Company. The Company was established under a Memorandum of Association which set out the objects and powers of the Charitable Company and is governed under its Articles of Association, last updated May 2022.

The Memorandum and Articles of Association state that the Company's main objectives are "the advancement of education, the protection of health and the relief of poverty, sickness and distress." This is achieved through the provision of free, confidential, impartial and independent advice and information for the benefit of the community, and by influencing the development of social policies which ensure individuals do not suffer through a lack of knowledge, or an inability to express their needs effectively.

The Charity is organised so that the members meet regularly to manage its affairs. The Chief Executive, who is also Company Secretary, is responsible for the day-to-day administration of the Charity, together with the staff management team. The workforce comprises a combination of paid staff and volunteers, and they provide all the Charity's services and activities.

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

The directors of the Company are also Charity trustees 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 Memorandum and Articles of Association the members of the Trustee Board are elected to serve for a period of three years after which they must be re-elected at the next General Meeting.

Our Vice Chair Ian Mackintosh had to step down temporarily and Richard Harris stepped in to cover the role until Ian was able to return to duties.

The Trustee Board seeks to ensure that the needs of the Charity's clients are appropriately reflected and met through the diversity of the Trustee Board which includes members with local charitable and voluntary agency knowledge, sound business skills, professional experience and knowledge of working with statutory agencies. Trustees are drawn from a cross section of different cultural and community backgrounds, and include members with disabilities.

# **Citizens Advice Newcastle Limited**

## **Trustees' Report**

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

All new Trustees are provided with an induction which:

- informs them about their roles, responsibilities and liabilities;
- inform them about the current work of the Charity; the business and development plans; financial and staffing resources; service quality standards and performance, and project funding requirements.
- enables them to identify and utilise the particular knowledge, skills and experience which their particular contribution brings to the Trustee board;
- identifies any further information, training or support they might require to fulfil their roles.
- Supports and encourages them to develop new skills and expertise which will benefit the charity.

### **Organisational structure**

The activities of the Charitable Company are overseen by the Board of Trustees (see page 1) and the Company Secretary. The Trustees receive no remuneration for their services and no trustees were reimbursed for any expenses incurred in the year.

All the trustees, as listed on page 1, have undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the Charitable Company being wound up. This guarantee applies during the period of membership and extends for one year after membership ceases.

New Trustees are elected by the Board or by the members of the Charity in a general meeting. New members are encouraged to attend all regular Board meetings to ensure that they are fully informed about the objectives and current activities of the Charity. Each Trustee is encouraged and supported to regularly review and update their Trustee skills and knowledge so that they are fully aware of their responsibilities as a Trustee of the Charity.

### **Major risks and management of those risks**

The Directors / Trustees are responsible for keeping proper accounting records, and safeguarding the assets of the Charity. They continuously assess the major risks which the Charity is exposed to and put in place mitigation to remove, minimise and manage those risks, in particular those relating to finance and to the health, safety and wellbeing of all staff, volunteers and clients.

The Trustees have appointed one Trustee to be their "Risk Champion" and he has compiled a specific Risk Register which he maintains. He provides an updated Risk Register report for all Trustees to consider at Board meetings.

# **Citizens Advice Newcastle Limited**

## **Trustees' Report**

### **Objectives and activities**

#### **Objects and aims**

Citizens Advice Newcastle is established for the purpose of benefiting the community of the Metropolitan District of Newcastle upon Tyne and the wider North East region. The Charity achieves this by advancing the education of the public in matters relating to mental, physical and social welfare, and by relieving poverty and distress.

Citizens Advice Newcastle provides free, confidential, impartial and independent advice and information for the benefit of the community. The Charity provides advice to everyone, regardless of age, race, gender, sexuality or disability.

The Charity continues to employ skilled and experienced staff in order to supply advice services to clients face-to-face, by telephone, e-mail and webchat. The Charity has not made any material changes to these policies in the last year.

To obtain necessary funding, applications were made to various local, regional and national providers of community finance.

#### ***Fundraising disclosures***

The Charity is required to report how it deals with fundraising from the public. The Charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public are used for charitable activities, in accordance with the guidelines set out by the Charity Commission and UK law. We always respect the privacy and contact preferences of all public donors, including those who choose to remain anonymous.

#### **Public benefit**

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Going concern**

The Trustees are satisfied that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected levels of income and therefore the going concern basis of accounting is appropriate.

# **Citizens Advice Newcastle Limited**

## **Trustees' Report**

### **Achievements and performance**

The main objective of the Charity is the provision of free, impartial and independent advice to people who live, work or study in Newcastle upon Tyne, and to improve the policies and practices which affect their lives.

The Covid 19 pandemic in March 2020 still had an effect on our services in 2021-22 and our general sessions remained closed until June 2021. We did manage to see clients by appointment at Covid safe interview spaces on Floor 4 in early 2021.

In 2021-2022 we helped over 7,000 unique clients with nearly 18,000 different problems achieving an income gain to our clients of £2.1 million back to the Newcastle community during very difficult circumstances.

Working by appointment only had its challenges making sure that everyone was working in a Covid safe way and with Covid safe equipment. We acquired some Perspex screens so that our clients, staff and volunteers felt safe and we changed the total layout of the interview and reception area for staff safety.

Our client numbers went back to pre-Covid levels and we managed the increase in demand through a lot of staff goodwill as our volunteer numbers were greatly reduced. During this time, our volunteer advisors started to return but on a very limited basis. We still were able to cover our advice line and 2 of our volunteers continued to assist clients with Personal Independence payment application forms over the phone.

For the first part of the financial year staff remained in their bubbles with an increase in office numbers to 10 each day. Some staff returned to the office 5 days per week, but the projects continued to work from home attending the office one day per week.

Our face to face drop in sessions opened in September 2021 and continued in a Covid safe way. Some of our outreach services started advising clients at the outreach sessions in a safe Covid environment. Our Energy Redress project is a project that advises clients who are having difficulties with their energy bills, will provide advice on energy efficiency and switching providers. As part of this project the adviser will carry out a benefit check and assist the client to claim those benefits, help with challenges and generally make sure that they are getting all they are entitled to. Our ERF adviser achieved some great outcomes for clients and managed to secure income gains in the region of £190,000.00

Our Northern Powergrid project assisted nearly 700 people with 1955 issues and an income gain of £47,678.00. The current contract ended in December 2021 and a new contract was formed with Leeds Citizens Advice to advise people digitally with a new virtual private network telephone service between the two organisations. The team continued to provide energy vouchers throughout the year.

In February 2022 we learned that our help to claim project would not be renewed for the following financial year which was a great loss to our clients and the organisation.

We also learned that our face-to-face debt advice service was being recommissioned into a telephone and digital service with the potential loss of the service altogether.

Our Mesothelioma Project worker was commissioned by Mesothelioma UK to work for them directly with the loss of that project in March 2022.

With the energy cap set to rise during 2022-2023 demand for our services will increase. We continue to see increasing numbers of clients in crisis, unable to buy food or heat their homes. Requests for food bank vouchers continue on a daily basis. We continue to provide the vouchers electronically.

# Citizens Advice Newcastle Limited

## Trustees' Report

Our partnerships with other agencies, including the WISE Group, Action for Children and Northumbria University Law School have continued successfully. With the emphasis on child poverty in the region we are in early discussions with Action for children to look at outreach sessions in some areas of the City.

### Financial review

The overall surplus for the year is £19,181 (2021: £15,120). The memorandum of association does not provide for any distribution to members. The trustees consider the reserves position to be satisfactory.

It is the policy of the Charity to maintain unrestricted funds, which are free reserves of the Charity, at a level which provides sufficient funds to cover management, administration and support costs.

Further detail is given under the Reserves Policy heading below.

### Policy on reserves

This Reserves Policy is monitored and reviewed on an annual basis by the Trustees. The Trustees consider that the Charity should hold financial reserves in order to ensure that the Charity can continue to operate and meet the needs of clients in the event of unforeseen and potentially damaging financial circumstances.

The Charity operates with only limited financial resources.

The calculation of free reserves is based on the definition included in the Charity Statement Of Recommended Practice (SORP) which provides recommendations for accounting and reporting for charities. The Trustees have examined the requirements of the charitable company to hold free reserves – those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of the Charity's operations. Resulting from this, the Trustees considered it would be appropriate to hold the equivalent of three months' unrestricted running costs. Thus, considering the next 12 months expenditure of circa £700k - £800k, 3 months free reserves would equate to approximately £157k to £200k.

As at 31st March 2022 free reserves were £260,939 (2021: £255,658). The Trustees have designated reserves accordingly, but continue to balance the ongoing pressures placed upon those free reserves by the demand for the Charity's services, against future obligations. Therefore, the Trustees recognise that in the medium and longer term the Charity will need to continue to generate surpluses in order to be in a position to meet those future obligations. Further, demand for the Charity's services continue to grow each year, so the demand on future free reserves will also be greater. The Charity will therefore seek to secure continued funding from existing sources, but also diversify the funding base by attracting for long term investment. Having considered the options available, the Trustees decided to invest monies in a high interest account.

### ***Movement in fixed assets are shown in the notes to the accounts***

The Charity's assets are held in order to facilitate the giving of free, confidential and independent advice and their estimated value is not materially different from that shown on the balance sheet. The Trustees consider that the Charity's assets are available and adequate to fulfil the obligations of the Charity.

Restricted funds are those which are specifically restricted by the donor or funder for a particular project or activity and which cannot be used for the general purposes of the Charity. Their existence, and the sums of money therein, do not imply that there has been an underspend. They may have accrued through a variety of circumstances including timing differences between the Charity's financial year and the funding year of the project concerned. Details of these can be found in Note 18 to the financial statements.



# **Citizens Advice Newcastle Limited**

## **Trustees' Report**

### **Investment policy and objectives**

The Trustees are committed to retaining a prudent amount of reserves within the Charity's funds. However, most of these funds are spent in the short term so there are relatively few funds available.

### **Key Management Personnel**

The Board all give their time freely and no Trustees received remuneration in the year. They consider that the Key Management Personnel (KMP) of the charity are those noted in the Reference and Administration section of this report. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the Charity on a day-to-day basis. The pay of the KMP is reviewed annually and normally increased in accordance with the average cost of living award. The Trustees benchmark salaries against the pay levels of other comparable charities and similar organisations within the advice sector. Pay levels are set using this information, together with the budget and forecast figures to ensure that the Charity can afford any proposed increases. The Board then agree any uplift in staff remuneration.

### **Plans for future periods**

#### **Aims and key objectives for future periods**

To set up a fundraising group so that those staff that are interested can be involved in some bids. To set up a funding group to maintain a funding spreadsheet to keep an eye on deadlines for funding bids. To refresh the Business and Development Plan and produce a formal funding strategy. To work through an exit plan for the large contracts that are due to end. Finalising funding to have an adviser at the Foodbank in Walker.

# Citizens Advice Newcastle Limited

## Trustees' Report

### Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### Small companies provision statement


This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

### Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 2/11/22 and signed on its behalf by:

  
.....  
K Reed  
Trustee

# **Citizens Advice Newcastle Limited**

## **Independent Auditor's Report to the Members of Citizens Advice Newcastle Limited**

### **Opinion**

We have audited the financial statements of Citizens Advice Newcastle Limited (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

# **Citizens Advice Newcastle Limited**

## **Independent Auditor's Report to the Members of Citizens Advice Newcastle Limited**

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report 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 our 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 where 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], the trustees 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Citizens Advice Newcastle Limited**

### **Independent Auditor's Report to the Members of Citizens Advice Newcastle Limited**

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations including fraud;

- Reviewing the most recent reports issued by regulators;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Employment Working Time arrangements; and compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Chartered Accountant & Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 15/11/2022.....

Azets Audit Services is a trading name of Azets Audit Services Limited.

# Citizens Advice Newcastle Limited

## Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	2,747	234,712	237,459	235,176
Charitable activities	4	129,901	379,435	509,336	567,703
Other trading activities	5	3,401	-	3,401	9,798
Investment income	6	671	-	671	2,489
Total Income		<u>136,720</u>	<u>614,147</u>	<u>750,867</u>	<u>815,166</u>
<b>Expenditure on:</b>					
Charitable activities	7	<u>(133,386)</u>	<u>(598,300)</u>	<u>(731,686)</u>	<u>(800,046)</u>
Total Expenditure		<u>(133,386)</u>	<u>(598,300)</u>	<u>(731,686)</u>	<u>(800,046)</u>
Net income		3,334	15,847	19,181	15,120
Transfers between funds		<u>442</u>	<u>(442)</u>	<u>-</u>	<u>-</u>
Net movement in funds		3,776	15,405	19,181	15,120
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>318,163</u>	<u>10,319</u>	<u>328,482</u>	<u>313,362</u>
Total funds carried forward	19	<u>321,939</u>	<u>25,724</u>	<u>347,663</u>	<u>328,482</u>

All of the charity's activities derive from continuing operations during the above two periods.

# Citizens Advice Newcastle Limited

## Comparative Statement of Financial Activities for the Year Ended 31 March 2021

### (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	8,570	226,606	235,176
Charitable activities	4	122,825	444,878	567,703
Other trading activities	5	9,554	244	9,798
Investment income	6	2,489	-	2,489
Total income		<u>143,438</u>	<u>671,728</u>	<u>815,166</u>
<b>Expenditure on:</b>				
Charitable activities	7	<u>(124,913)</u>	<u>(675,133)</u>	<u>(800,046)</u>
Total expenditure		<u>(124,913)</u>	<u>(675,133)</u>	<u>(800,046)</u>
Net income/(expenditure)		18,525	(3,405)	15,120
Transfers between funds		<u>(11,905)</u>	<u>11,905</u>	-
Net movement in funds		6,620	8,500	15,120
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>311,543</u>	<u>1,819</u>	<u>313,362</u>
Total funds carried forward	19	<u><u>318,163</u></u>	<u><u>10,319</u></u>	<u><u>328,482</u></u>


# Citizens Advice Newcastle Limited


(Registration number: 02114435)

## Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	-	1,505
<b>Current assets</b>			
Debtors	15	15,630	16,605
Cash at bank and in hand		453,387	355,020
		469,017	371,625
<b>Creditors: Amounts falling due within one year</b>	16	(121,354)	(44,648)
<b>Net current assets</b>		347,663	326,977
<b>Net assets</b>		347,663	328,482
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	19	25,724	10,319
<b>Unrestricted income funds</b>			
Unrestricted funds		321,939	318,163
<b>Total funds</b>	19	347,663	328,482

The financial statements on pages 12 to 28 were approved by the trustees, and authorised for issue on ...2/11/2022 and signed on their behalf by:

  
 K Reed  
 Trustee

  
 A L Crawley  
 Trustee



# Citizens Advice Newcastle Limited

## Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income		19,181	15,120
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		1,505	1,504
Investment income	6	<u>(671)</u>	<u>(2,489)</u>
		20,015	14,135
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	15	975	(10,045)
Increase in creditors	16	7,084	777
Increase/(decrease) in deferred income		<u>69,622</u>	<u>(1,417)</u>
Net cash flows from operating activities		97,696	3,450
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	<u>671</u>	<u>2,489</u>
Net increase in cash and cash equivalents		98,367	5,939
Cash and cash equivalents at 1 April		<u>355,020</u>	<u>349,081</u>
Cash and cash equivalents at 31 March		<u>453,387</u>	<u>355,020</u>

All of the cash flows are derived from continuing operations during the above two periods.

# **Citizens Advice Newcastle Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: 4th Floor City Library, Charles Avison Building, 33 New Bridge Street, Newcastle Upon Tyne, NE1 8AX.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared in Sterling, which is the functional currency of the entity and round to the nearest £.

Citizens Advice Newcastle Limited meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

The Trustees have considered the resources available, taking into account reasonable possible changes in performance and the potential impact on the level of donations received. Given the level of reserves and cash held, and the ability to reduce costs accordingly, the trustees consider that there are no material uncertainties about the charities ability to continue as a going concern.

# **Citizens Advice Newcastle Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Management have approved depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that these will not be exact.

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.

### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy income is recognised when receipt is probable and entitlement is established.

### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

### **Other trading activities**

Income from other trading activities is recognised when goods or services are sold.

### **Charitable activities**

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### Charitable activities

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.

### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

### Taxation

The charity 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 charity 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.

### Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Assets which are individually less than £1,000 are not typically capitalised.

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

# **Citizens Advice Newcastle Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **Trade 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.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **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.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

### **Pensions and other post retirement obligations**

The company operates a defined contribution pension scheme. Contributions to defined contribution plans are recognised as an expenses 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.

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	2,747	1,000	3,747	2,270
Grants, including capital grants;				
Grants from other charities	-	233,712	233,712	232,906
Total for 2022	<u>2,747</u>	<u>234,712</u>	<u>237,459</u>	<u>235,176</u>
Total for 2021	<u>8,570</u>	<u>226,606</u>	<u>235,176</u>	

### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Charitable activities	129,901	379,435	509,336	567,703
Total for 2022	<u>129,901</u>	<u>379,435</u>	<u>509,336</u>	<u>567,703</u>
Total for 2021	<u>122,825</u>	<u>444,878</u>	<u>567,703</u>	

### 5 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £	Total 2021 £
Other income from other trading activities	3,401	-	3,401	9,798
Total for 2022	<u>3,401</u>	<u>-</u>	<u>3,401</u>	<u>9,798</u>
Total for 2021	<u>9,554</u>	<u>244</u>	<u>9,798</u>	

### 6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Interest receivable and similar income;				
Interest receivable on bank deposits	671	-	671	2,489
Total for 2021	<u>2,489</u>	<u>-</u>	<u>2,489</u>	

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 7 Expenditure on charitable activities

	Unrestricted		Total	Total
	General	Restricted	2022	2021
	£	£	£	£
Generalist Advice	95,025	450,558	545,583	600,859
Support Costs	38,361	147,742	186,103	199,187
	<u>133,386</u>	<u>598,300</u>	<u>731,686</u>	<u>800,046</u>

	Activity undertaken directly	Activity support costs	2022	2021
	£	£	£	£
Generalist Advice	545,583	167,507	713,090	780,484
Governance Costs	-	18,596	18,596	19,562
	<u>545,583</u>	<u>186,103</u>	<u>731,686</u>	<u>800,046</u>

### 8 Analysis of governance and support costs

#### Raising funds expenditure

#### Support costs allocated to charitable activities

	Direct charitable	Governance costs	Total 2022	Total 2021
	£	£	£	£
Staff costs	71,854	6,121	77,975	89,846
Premises	23,034	1,962	24,996	24,996
Communications and IT	42,356	1,787	44,143	47,634
Staff and volunteer	2,221	189	2,410	(247)
Depreciation	1,504	-	1,504	1,504
Office costs	20,481	3,566	24,047	28,003
Audit fees	-	4,455	4,455	3,550
Legal and professional	3,526	300	3,826	860
Other	2,531	216	2,747	3,041
	<u>167,507</u>	<u>18,596</u>	<u>186,103</u>	<u>199,187</u>
Total for 2021	<u>19,562</u>	<u>179,625</u>	<u>199,187</u>	

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Audit fees	3,550	3,550
Depreciation of fixed assets	1,505	1,504

### 10 Trustees remuneration and expenses

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### 11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	542,914	598,927
Social security costs	47,279	47,066
Pension costs	15,630	16,584
	<u>605,823</u>	<u>662,577</u>

The average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Employees	<u>23</u>	<u>25</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £125,533 (2021 - £116,382).

### 12 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>3,550</u>	<u>3,550</u>

### 13 Taxation

The charity is 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.



# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 14 Tangible fixed assets

	Computer equipment £	Total £
<b>Cost</b>		
At 1 April 2021	6,017	6,017
At 31 March 2022	6,017	6,017
<b>Depreciation</b>		
At 1 April 2021	4,512	4,512
Charge for the year	1,505	1,505
At 31 March 2022	6,017	6,017
<b>Net book value</b>		
At 31 March 2022	-	-
At 31 March 2021	1,505	1,505

### 15 Debtors

	2022 £	2021 £
Trade debtors	6,750	-
Prepayments	5,657	2,151
Accrued income	3,223	14,454
	15,630	16,605

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

	2022 £	2021 £
Other taxation and social security	19,379	12,834
Other creditors	2,470	2,356
Accruals	5,800	5,375
Deferred income	93,705	24,083
	121,354	44,648

	2022 £	2021 £
Deferred income at 1 April 2021	24,083	25,500
Resources deferred in the period	93,705	24,083
Amounts released from previous periods	(24,083)	(25,500)
Deferred income at year end	93,705	24,083

## **Citizens Advice Newcastle Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **17 Obligations under leases and hire purchase contracts**

The total value of future minimum lease payments was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	6,936	7,379
In two to five years	<u>5,780</u>	<u>12,716</u>
	<u>12,716</u>	<u>20,095</u>

#### **18 Pension and other schemes**

##### **Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £15,630 (2021 - £16,584).

Contributions totalling £2,470 (2021 - £2,356) were payable to the scheme at the end of the year and are included in creditors.

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 19 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i><b>General</b></i>					
General funds	257,163	136,720	(133,386)	442	260,939
<i><b>Designated</b></i>					
Designated - service curtailment	61,000	-	-	-	61,000
<b>Total unrestricted funds</b>	<u>318,163</u>	<u>136,720</u>	<u>(133,386)</u>	<u>442</u>	<u>321,939</u>
<b>Restricted funds</b>					
Money Advice Service	-	258,326	(248,825)	(9,501)	-
Wise Group Project	-	35,225	(36,685)	1,460	-
Millfield House	-	44,500	(32,962)	(11,538)	-
Powergrid Care	-	125,500	(138,083)	12,583	-
NPG Hardship	8,319	10,000	(2,978)	(23)	15,318
Help to Claim	-	59,094	(66,963)	7,869	-
Help to Claim P&W	-	20,350	(19,392)	(958)	-
Action for Children	-	6,440	(5,070)	(1,370)	-
Mesothelioma	-	22,857	(25,422)	2,565	-
Energy Redress Scheme	-	20,855	(19,346)	(1,509)	-
Client Hardship Fund	2,000	1,000	(2,574)	(20)	406
Hong Kong	-	10,000	-	-	10,000
<b>Total restricted funds</b>	<u>10,319</u>	<u>614,147</u>	<u>(598,300)</u>	<u>(442)</u>	<u>25,724</u>
<b>Total funds</b>	<u>328,482</u>	<u>750,867</u>	<u>(731,686)</u>	<u>-</u>	<u>347,663</u>

# Citizens Advice Newcastle Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<i><b>General</b></i>					
General funds	250,543	143,438	(124,913)	(11,905)	257,163
<i><b>Designated</b></i>					
Designated - service curtailment	61,000	-	-	-	61,000
<b>Total unrestricted funds</b>	<u>311,543</u>	<u>143,438</u>	<u>(124,913)</u>	<u>(11,905)</u>	<u>318,163</u>
<b>Restricted</b>					
Money Advice Service	-	326,274	(325,103)	(1,171)	-
Wise Group Project	-	33,686	(37,604)	3,918	-
Millfield House	-	34,597	(35,674)	1,077	-
Powergrid Care	-	125,410	(128,081)	2,671	-
NPG Hardship	1,819	10,000	(3,477)	(23)	8,319
Help to Claim	-	58,495	(67,012)	8,517	-
Help to Claim P&W	-	20,022	(18,813)	(1,209)	-
Action for Children	-	6,500	(5,946)	(554)	-
Big Energy Week	-	9,000	-	(9,000)	-
Mesothelioma	-	22,633	(25,800)	3,167	-
Northern Powergrid - Prospect Medical Group	-	7,917	(7,286)	(631)	-
Energy Redress Scheme	-	17,194	(20,337)	3,143	-
Client Hardship Fund	-	-	-	2,000	2,000
<b>Total restricted funds</b>	<u>1,819</u>	<u>671,728</u>	<u>(675,133)</u>	<u>11,905</u>	<u>10,319</u>
<b>Total funds</b>	<u>313,362</u>	<u>815,166</u>	<u>(800,046)</u>	<u>-</u>	<u>328,482</u>

# **Citizens Advice Newcastle Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **Unrestricted Funds:**

#### **Designated - service curtailment**

In accordance with the Charities Commission's guidance, the trustees have provided for staff redundancy costs in the event that the charity's operations needed to cease. Whilst this is not part of the future plans that trustees have for the charity, it is prudent to earmark against these potential costs.

### **Restricted Funds:**

#### **Money Advice Service**

This is funding from National Citizen Advice to continue face to face debt advice.

#### **Wise Group Project**

This fund is to provide unemployed individuals with advice and support.

#### **Millfield House**

Funding to employ a research and campaigns officer.

#### **Powergrid Care**

This fund is to provide vulnerable individuals with support in the event of power cuts.

#### **NPG Hardship**

This is to fund a project to help vulnerable customers, particularly those affected by fuel poverty, on all aspects of home energy, including best energy deals and fuel efficiencies. Project to be extended to support patients at the chest clinic of the Royal Victoria Infirmary for whom efficient and affordable home energy is essential for their health.

#### **Help To Claim**

This project, which helps people to claim Universal Credit and prepare for their first payment, continued for a further year. It is run as a sub-contract with Citizens Advice, as part of a national service which is funded by the Department for Work and Pensions.

#### **Action for Children**

This national charity funds us to provide a specialist advisor for a weekly outreach session at their premises in the West End of Newcastle. Our advisor works closely with local families, particularly from the Czech and Roma communities.

#### **Big Energy Week**

This funding is used to provide targeted home energy advice and guidance during a national campaign organised by Citizens Advice.

#### **Mesothelioma**

Since July 2019, this national charity has been funding us to provide a specialist welfare advisor to support people affected by Mesothelioma, an asbestos-related cancer, across the North East region.

#### **Northern Powergrid - Prospect Medical Group**

We have been running a weekly home energy advice session at the Prospect Medical Group, funded by Northern Powergrid.

#### **Energy Redress Scheme**

This project is a partnership with Stockton & District Advice & Information Service to provide energy advice to vulnerable people, this also includes home visits.

## Citizens Advice Newcastle Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Client Hardship Fund

Utilising a generous donation from an ex-volunteer, this project provides funding to finance one-off payments to clients in crisis, particularly during Covid.

#### Hong Kong

Funding received for the Hong Kong British National (Overseas) Welcome programme.

During the year a total of £442 was transferred from unrestricted to restricted reserves representing unrestricted funds used on specific projects.

#### 20 Analysis of net assets between funds

	Unrestricted			Total funds at 31 March 2022 £
	General £	Designated £	Restricted £	
Net current assets/(liabilities)	260,939	61,000	25,724	347,663

	Unrestricted			Total funds at 31 March 2021 £
	General £	Designated £	Restricted £	
Tangible fixed assets	1,505	-	-	1,505
Net current assets/(liabilities)	255,658	61,000	10,319	326,977
Total net assets	257,163	61,000	10,319	328,482

#### 21 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	355,020	98,367	453,387
Net funds	355,020	98,367	453,387

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	349,081	5,939	355,020
Net funds	349,081	5,939	355,020

#### 22 Related party transactions

There were no related party transactions in the year.