

Company registration number: 02114435

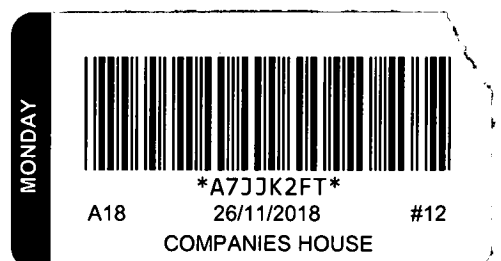
Charity registration number: 1135396

CITIZENS ADVICE NEWCASTLE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2018



Citizens Advice Newcastle Limited

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Citizens Advice Newcastle Limited

Reference and Administrative Details

Trustees

A Bellamy
C Hall
I Mackintosh
S Jaidka
C M Purdon
J Y Chan
N S Ahmad
A Carver
K Reed
S M Steele
I R Harris
A L Crawley
R A Chadeyron (appointed 9 July 2018)
S Parker (resigned 12 March 2018)

Secretary

S Alexander

Key Management Personnel

S Alexander, Chief Executive
T Armstrong, Head of Advice Services
C Iredale, Head of Customer Services
G Dryden, Business Manager

Principal Office

4th Floor City Library
Charles Avison Building
33 New Bridge Street
Newcastle Upon Tyne
NE1 8AX

The charity is incorporated in England and Wales.

Citizens Advice Newcastle Limited

Reference and Administrative Details

Company Registration Number 02114435

Charity Registration Number 1135396

Auditor Tait Walker LLP
Chartered Accountant & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

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 2018.

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.

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, originally formed in September 1939, 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.

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 cultural and experience 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.

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 one year after membership ceases.

New members of the board are elected by the Board or by the members of the Charity in a general meeting. New members are encouraged to attend 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 have assessed the major risks which the Charity is exposed to and have put in place mitigation to remove those risks, in particular those relating to its operations and finance.

The Trustees have appointed one Board member to be their "Risk Champion" and he has compiled a specific Risk Register which he maintains. He provides an update report on this Register for all Trustees to consider at each Board meeting.

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.

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.

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 Charity continued to operate from our central location, City Library, and to run some outreach events at various community venues. Continued funding was successfully maintained for core services, including general advice, debt advice, financial capability support, fuel debt advice and research and campaigning. Most of the advice is provided by over 50 specially trained volunteers, who are well supported by the staff team.

This year has seen a lot of additional work generated by the roll-out of Universal Credit, from April 2017. Newcastle was the first city where the new benefit was introduced for all eligible clients. This created a significant increase in benefit and debt enquiries relating to Universal Credit. Staff and volunteers have been specially trained to deal with these, and we continue to liaise closely with staff at the local Job Centres, Newcastle City Council, housing providers and other agencies as required. Our advisors use computer tablets and mobile phones to help clients to access and understand their Universal Credit Journal, and then liaise with DWP and HMRC in a three-way conversation to resolve problems as quickly as possible.

The last year saw a sharp rise in client requests for food bank vouchers. Fuel poverty problems have increased over the last year, so we have secured funding from Northern Powergrid to provide one-off hardship payments for clients who have no fuel in their homes because they cannot afford to put money in their pre-payment meters. We continue to work in a number of very successful partnerships with other agencies including the Wise Group, Streetwise North East and Mental Health Concern to deliver specific advice projects for their key client groups.

Research and campaigning activities continues to be a core part of our everyday work, and this year we have worked closely with national Citizens Advice on a number of campaigns particularly Universal Credit problems. We have also campaigned on employment discrimination, consumer scams and school meals charges.

Financial review

The overall deficit for the year is £7,229 (2016 - deficit £5,821) with a surplus of £287 relating to restricted activities and a deficit of £7,516 relating to unrestricted activities. 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:

Citizens Advice Newcastle Limited

Trustees' Report

Policy on reserves

The trustees believe 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 trust 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 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 £600k, 3 months free reserves would equate to approximately £150k.

As 31st March 2018, free reserves were £193,068. They have designated reserves accordingly, but continue to balance the ongoing pressures placed upon those free reserves, by the demand for ongoing services, against future obligations. Therefore the trustees recognise that in the medium and longer term that the charity will need to continue to generate surpluses in order to be in a position to meet those future obligations. Furthermore, the need for the charity's services continue to grow and therefore the demand on future free reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

Restricted funds are restricted by the donor or funder and 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 under spend, but may result from 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. This reserves policy is monitored and reviewed by the trustees annually.

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 few funds available for long term investment. Having considered the options available, the Trustee Board decided to invest monies in a high interest account.

Citizens Advice Newcastle Limited

Trustees' Report

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. 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 average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Plans for future periods

Aims and key objectives for future periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. These plans are stated in the charity's Business and Development Plan 2015-2020, which was agreed in January 2015. It will take an active role in implementing the Financial Inclusion Strategy of Newcastle City Council, working in close partnership with the Council and other key agencies to tackle the problems faced by our clients, especially poverty, ill-health, homelessness and unemployment.

Funds held as custodian trustee on behalf of others

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 impartial advice and their estimated value is not materially different from that shown on the balance sheet. The trustees believe that the Charity's assets are available and adequate to fulfil the obligations of the Charity.

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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Tait Walker LLP 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 12.11.2018 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 2018, 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 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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.

Citizens Advice Newcastle Limited

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

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.

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 company 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 9], 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.

Citizens Advice Newcastle Limited

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

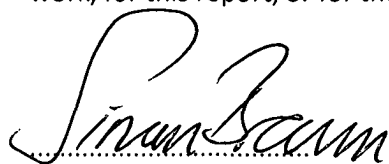
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Citizens Advice Newcastle Limited

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

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 ACA (Senior Statutory Auditor)
For and on behalf of Tait Walker LLP
Chartered Accountant & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 21.11.18

Citizens Advice Newcastle Limited

Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income and Endowments from:					
Donations and legacies	3	26,224	72,091	98,315	92,349
Charitable activities	4	117,157	397,545	514,702	543,557
Other trading activities	5	1,205	40	1,245	1,631
Investment income	6	-	-	-	71
Total Income		<u>144,586</u>	<u>469,676</u>	<u>614,262</u>	<u>637,608</u>
Expenditure on:					
Charitable activities	7	<u>(157,108)</u>	<u>(464,383)</u>	<u>(621,491)</u>	<u>(643,429)</u>
Total Expenditure		<u>(157,108)</u>	<u>(464,383)</u>	<u>(621,491)</u>	<u>(643,429)</u>
Net (expenditure)/income		(12,522)	5,293	(7,229)	(5,821)
Transfers between funds		<u>5,006</u>	<u>(5,006)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(7,516)	287	(7,229)	(5,821)
Reconciliation of funds					
Total funds brought forward		<u>262,523</u>	<u>450</u>	<u>262,973</u>	<u>268,794</u>
Total funds carried forward	18	<u>255,007</u>	<u>737</u>	<u>255,744</u>	<u>262,973</u>

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

Citizens Advice Newcastle Limited

(Registration number: 02114435)

Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	941	16,714
Current assets			
Debtors	15	40,156	48,757
Cash at bank and in hand		260,488	296,931
		300,644	345,688
Creditors: Amounts falling due within one year	16	(45,841)	(99,429)
Net current assets		254,803	246,259
Net assets		255,744	262,973
Funds of the charity:			
Restricted funds		737	450
Unrestricted income funds			
Unrestricted funds		255,007	262,523
Total funds	18	255,744	262,973

The financial statements on pages 14 to 29 were approved by the trustees, and authorised for issue on 12.11.2018 and signed on their behalf by:

K Reed
K Reed
Trustee

A L Crawley
A L Crawley
Trustee

Citizens Advice Newcastle Limited

Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash expenditure		(7,229)	(5,821)
Adjustments to cash flows from non-cash items			
Depreciation		314	7,377
Investment income	6	-	(71)
Loss on disposal of tangible fixed assets		<u>15,459</u>	<u>-</u>
		8,544	1,485
Working capital adjustments			
Decrease/(increase) in debtors	15	8,601	(39,535)
Decrease in creditors	16	(49,968)	(33,139)
(Decrease)/increase in deferred income		<u>(3,620)</u>	<u>40,629</u>
Net cash flows from operating activities		(36,443)	(30,560)
Cash flows from investing activities			
Interest receivable and similar income	6	<u>-</u>	<u>71</u>
Net decrease in cash and cash equivalents		(36,443)	(30,489)
Cash and cash equivalents at 1 April		<u>296,931</u>	<u>327,420</u>
Cash and cash equivalents at 31 March		<u><u>260,488</u></u>	<u><u>296,931</u></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 2018

1 Charity status

The charity is a charity limited by guarantee 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.

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 2015) - (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.

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

Going concern

The trustees have prepared budgets and a forecast which gives them adequate comfort that the charity is a going concern. Therefore, the trustees are of the view that the charity has sufficient resources for at least the next 12 months (from the date of approving the financial statements). As a result the charity's financial statements have been prepared on a going concern basis.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of financial instruments have not been presented.

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Estimation uncertainty and judgements

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

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.

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.

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.

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.

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

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 or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	25% straight line

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.

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

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.

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.

Pensions and other post retirement obligations

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.

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General £	£	£	£
Donations and legacies;				
General donations	2,774	390	3,164	16,056
Grants, including capital grants;				
Grants	23,450	71,701	95,151	76,293
	<u>26,224</u>	<u>72,091</u>	<u>98,315</u>	<u>92,349</u>

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

4 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General			
	£	£	£	£
Charitable activities	<u>117,157</u>	<u>397,545</u>	<u>514,702</u>	<u>543,557</u>

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General			
	£	£	£	£
Other income from other trading activities	<u>1,205</u>	<u>40</u>	<u>1,245</u>	<u>1,631</u>
	<u>1,205</u>	<u>40</u>	<u>1,245</u>	<u>1,631</u>

6 Investment income

	Total 2018	Total 2017
	£	£
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>71</u>

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

7 Expenditure on charitable activities

	Unrestricted funds			
	General	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Generalist Advice	91,322	318,411	409,733	397,856
Support Costs	65,786	145,971	211,757	245,573
	<u>157,108</u>	<u>464,382</u>	<u>621,490</u>	<u>643,429</u>
	Activity undertaken directly	Activity support costs	Total 2018	Total 2017
	£	£	£	£
Generalist Advice	409,733	191,439	601,172	619,395
Governance Costs	-	20,318	20,318	24,034
	<u>409,733</u>	<u>211,757</u>	<u>621,490</u>	<u>643,429</u>

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Direct charitable	Governance costs	Total 2018	Total 2017
	£	£	£	£
Staff costs	113,153	9,639	122,792	145,974
Premises	37,990	2,094	40,084	42,564
Communications and IT	8,512	-	8,512	6,356
Staff and volunteer	6,546	557	7,103	4,716
Depreciation	-	-	-	7,377
Office costs	23,527	3,872	27,399	20,986
Audit fees	-	3,972	3,972	4,800
Legal and professional	1,711	184	1,895	12,800
	<u>191,439</u>	<u>20,318</u>	<u>211,757</u>	<u>245,573</u>

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018 £	2017 £
Loss on disposal of tangible fixed assets	15,459	-
Depreciation of fixed assets	<u>314</u>	<u>7,379</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

11 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	442,762	432,343
Social security costs	36,198	32,074
Pension costs	10,266	8,955
	<u>489,226</u>	<u>473,372</u>

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

	2018 No	2017 No
Employees	<u>22</u>	<u>18</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 £111,888 (2017 - £113,652).

12 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>3,972</u>	<u>4,800</u>

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

14 Tangible fixed assets

	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2017	76,467	29,357	105,824
Disposals	<u>(72,577)</u>	<u>(29,357)</u>	<u>(101,934)</u>
At 31 March 2018	<u>3,890</u>	<u>-</u>	<u>3,890</u>
Depreciation			
At 1 April 2017	66,464	22,646	89,110
Charge for the year	314	-	314
Eliminated on disposals	<u>(63,829)</u>	<u>(22,646)</u>	<u>(86,475)</u>
At 31 March 2018	<u>2,949</u>	<u>-</u>	<u>2,949</u>
Net book value			
At 31 March 2018	<u>941</u>	<u>-</u>	<u>941</u>
At 31 March 2017	<u>10,003</u>	<u>6,711</u>	<u>16,714</u>

15 Debtors

	2018 £	2017 £
Trade debtors	27,756	37,592
Prepayments	958	2,076
Accrued income	1,184	9,089
Other debtors	<u>10,258</u>	<u>-</u>
	<u>40,156</u>	<u>48,757</u>

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	-	9,482
Other creditors	-	3,620
Accruals	8,832	45,698
Deferred income	37,009	40,629
	<u>45,841</u>	<u>99,429</u>

	2018 £
Deferred income at 1 April 2017	40,629
Resources deferred in the period	37,009
Amounts released from previous periods	<u>(40,629)</u>
Deferred income at 31 March 2018	<u>37,009</u>

17 Obligations under leases and hire purchase contracts

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

	2018 £	2017 £
Within one year	5,487	12,538
In two to five years	9,889	15,693
	<u>15,376</u>	<u>28,231</u>

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

18 Funds

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted funds					
<i>General</i>					
General funds	201,523	144,586	(157,108)	5,006	194,007
<i>Designated</i>					
Designated - service curtailment	61,000	-	-	-	61,000
Total Unrestricted funds	262,523	144,586	(157,108)	5,006	255,007
Restricted funds					
SKINT	-	22,635	(17,974)	(4,661)	-
Molineux	-	9,551	(4,646)	(4,905)	-
Money Advice Service	-	312,100	(306,475)	(5,625)	-
Brunswick	-	3,420	(3,963)	543	-
Wise Group Project	-	31,009	(37,328)	6,319	-
Millfield House	-	33,000	(32,647)	(353)	-
Powergrid Care	-	33,333	(32,596)	-	737
NPG Hardship	-	1,947	(1,947)	-	-
Energy Best Deal	-	1,500	(1,500)	-	-
Mental Health Concern	-	17,760	(18,818)	1,058	-
Northern Gas Networks	-	3,421	(1,520)	(1,901)	-
Parklands Ward	450	-	(450)	-	-
Access to Work	-	-	(4,519)	4,519	-
Total restricted funds	450	469,676	(464,383)	(5,006)	737
Total funds	262,973	614,262	(621,491)	-	255,744

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

18 Funds (continued)

Unrestricted Funds

General funds

General funding to provide services of the Charity. Within unrestricted funds, the charity received £18,400 from Northern Powergrid to provide a fuel debt advisor service.

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

Citizens Advice Bureau

Funding to provide citizens advice through web chat services.

Millfield House

Funding to employ a research and campaigns officer.

Money Advice Service

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

Brunswick

This fund is to provide advice sessions to the Roma community funded by the Children's Society based at Brunswick Methodist Church.

SKINT

This fund is to provide a weekly advice session for people using the Kitchen, many of them homeless or vulnerable, funded by the Sherburn House Charity.

Molineux

This fund is to provide advice to patients referred from the NHS.

Mental Health Concern

This fund is to provide support to mental health service users.

Powergrid Care

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

Wise Group Project

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

Energy Best Deal

This fund is to provide individuals with energy advice.

Citizens Advice Newcastle Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

18 Funds (continued)

Northern Gas Networks

This fund is to provide support to vulnerable individuals who require additional support.

Parklands Ward

This fund is to provide training for volunteers on offering money saving advice.

Access to Work

This fund is to provide special aids and equipment to assist in the workplace.

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	941	-	941
Current assets	299,908	736	300,644
Current liabilities	(45,841)	-	(45,841)
Total net assets	<u>255,008</u>	<u>736</u>	<u>255,744</u>

20 Analysis of net funds

	At 1 April 2017 £	Cash flow £	At 31 March 2018 £
Cash at bank and in hand	296,931	(36,443)	260,488
Net debt	<u>296,931</u>	<u>(36,443)</u>	<u>260,488</u>

21 Related party transactions

There were no related party transactions in the year.