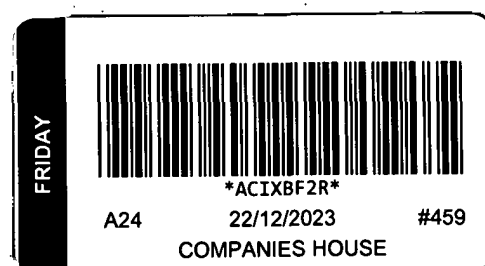


**CITIZENS ADVICE NEWCASTLE LIMITED**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2023**

**Charity Number 1135396**  
**Company Number 02114435**



# **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2023

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# **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

## **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

### **Reference and Administrative Details**

#### **Chief officer**

T Armstrong

#### **Trustees**

K. Reed, Chair  
IR Harris, Vice Chair  
A L Crawley, Treasurer  
A Carver  
I R Harris  
C C Irving  
S Jaidka  
I Mackintosh  
C M Purdon  
S Parker  
H Fawzi (appointed 16 September 2022)  
O Holmes (appointed 10 November 2022)  
G Roll (appointed 10 November 2022)  
C Maclaren (appointed 10 November 2022)  
S Wood (appointed 19 January 2023)

#### **Key Management Personnel**

T Armstrong, Chief Officer  
C Iredale, Office manager

#### **Registered office**

4<sup>th</sup> Floor City Library  
Charles Avison Building  
33 New Bridge Street  
Newcastle upon Tyne  
NE1 8AX  
The Charity is incorporated in England and Wales

#### **Charity Registration Number**

1135396

#### **Independent Examiner**

Connected Voice Business Services  
One Strawberry Lane  
Newcastle upon Tyne  
NE1 4BX

#### **Bankers**

Unity Trust Plc  
Nine Brindley Place  
Birmingham  
B1 2JB

#### **Company Registration Number**

02114435

# **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

## **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and independent examiners report of the charitable company for the year ended 31 March 2023.

### **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 is organised so that the members meet regularly to manage its affairs. The Chief Officer, 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 different cultural and community backgrounds.

#### **Affiliations**

Citizens Advice Newcastle is a member of the National Association of Citizens Advice and is required to comply with the regulations provided by this umbrella organisation.

#### **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.

## **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

### **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

#### **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.

#### **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.

## **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

### **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

#### **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.

Our strategic priorities for 2022-2023 were

- 1) to improve the financial position of the organisation – to reduce the organisations forecast deficit and we transformed this to a healthy surplus at the end of 2023; To develop a small fundraising team from the existing staff to concentrate on funding bids that will pay for core costs, and we successfully developed a small fundraising team who were successful in applying for some smaller core bids.
- 2) To build upon and improve the relationships with Newcastle City Council by connecting with all councillors to highlight and promote our services and to meet with all cabinet members to highlight and promote our services following local elections, we have met with or had contact with all councillors and many of them attended our offices to see what we did.
- 3) To redesign our digital advice service and we achieved this by re-deploying a member of staff and placing more advisers on our telephone advice line.
- 4) To continue and build upon our great Research and Campaigns work – as this is a twin aim of the organisation we continue to highlight the issues that affect those in need and we were instrumental in getting the City Council to accredit as a living wage employer and we continue to highlight the cost of living issues and campaign for inflationary rises in benefits and the implications around energy price cap rises. We cannot do this work without the help of Millfield House Foundation who fund our Research and Campaigns Manager.

As an organisation that provides essential support and guidance to individuals facing financial challenges, we experienced a surge in demand for our services in 2022-2023 when the cost of living started to bite and many more people found themselves struggling to make ends meet, which led to an increased need for financial advice, debt management and other services provided by the organisation.

In 2022-2023 we helped nearly 17,000 people with a massive 26,000 different issues achieving overall outcomes of £3.2 million back to the Newcastle community during very difficult circumstances. Some of the work comes through our core face to face, telephone and digital advice service which is funded primarily by Newcastle City Council and without this funding many of the people who initially contact us for help would have nowhere else to go.

As part of our involvement with Newcastle's active inclusion team we became a registered organisation to provide Household Support Fund referrals and we managed 654 applications between September and January which put £130,800 into the pockets of the people of Newcastle.

Our client numbers smashed pre-Covid levels and whilst we managed the increase in demand through a lot of staff goodwill our volunteer numbers were still greatly reduced. We obtained some funding through the Community Foundation to campaign for older volunteers to assist the service and we managed to successfully recruit not only older volunteers but also, early retirees. We were lucky enough to attract some younger volunteers through our normal recruitment, who saw the benefits of volunteering with the service following a time when they were in lockdown and only just returning to University.

Our successful partnership with Northumbria University and our Law in the Community project continues to thrive and this year we had 22 enthusiastic students who were with us for a period of 2 months. The students increased their skills and thoroughly enjoyed their time with us.

## **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

### **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

Staff working on the Core service returned to the office 5 days per week. Project staff were hybrid working and the balance became 2 days in the office and 3 days at home with some project staff attending 4:1.

We had learned early in the year that our face to face debt advice service was being recommissioned and although our contract had been extended we lost 2 debt advisers from 6 down to 4 and this left us with some challenges as many of the experienced Debt advisers had by this time managed to obtain employment elsewhere.

With the demise of our help to claim service we managed to redeploy one member of staff as a family welfare adviser working in deprived communities, with the help of a service level agreement to provide advice services through Action for Children. This meant we were able to retain the services of a skilled employee.

Our Northern Powergrid project assisted nearly 1,500 people with over 5,000 issues with financial outcomes of £841,717. The current contract ended in December 2022 and an extension to the contract was given so that there could be a wider collaboration and whilst we continued to advise clients, we were excited to be involved with a wider group of local Citizens Advice in a new collaboration in the future.

Our Energy Redress fund continued and we were lucky to extend this project through to North Tyneside with the generous co-operation of North Tyneside Citizens Advice who thought we would be better placed to take on the half post as we had experience through our Newcastle side of the project.

Our Wise Steps project expanded to include an extra post of a Benefits and Money Adviser and between the two posts they managed to advise people so that they were able to remove the barriers to employment. We were informed in early 2023 that the Wise Steps project funding was ending and both caseworkers needed to wind down their casework for this project. We understood that Wise Steps would be bidding for a new fund people and skills with North of Tyne Combined Authority but because the funding was drastically reduced our Wise Steps project would not exist in its current form. We were able to retain the skills of both employees and redeploy them to other projects.

We were lucky enough to receive further funding from the Department of Levelling Up, Housing and Communities for our work with Hong Kong B(NO). We were able to continue with our helpline and email address for anyone coming from Hong Kong as a British National Overseas that needed advice on anything. We also were able to recruit a B(NO) volunteer during this time who had an induction and completed some training but left because of family circumstances.

We extended our outreach services through a local service partnership with Action for Children. Action for children have provided funding to us for an adviser who attends their Benwell office and this partnership has been so successful it has continued for a number of years. Action for children also have Centres in Newbiggin Hall (Galafield) and North Kenton (the Haven) and they approached us to replicate the partnership we had with Benwell. Sessions started in Galafield in July and the Haven in September.

We were also fortunate to procure a partnership with Walker and District Foodbank who had received some funding through the Trussell Trust to provide an adviser to attend their foodbank day. The contract is for 2 years and is a successful project which is extremely busy.

With the general Cost of Living not set to decrease for some time demand for our services has never been higher. 2023-2024 is set to be another record-breaking year in increased poverty and the need for help.

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

## **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

### **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

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 £92,679 (2022 - £19,181). 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 £700 - £800k, 3 months free reserves would equate to approximately £157k.

As at 31st March 2023 free reserves were £369,154 (2022: £260,939). 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 continues 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.

#### **Investment policy and objectives**

The Trustees are committed to retaining a prudent amount of reserves within the Charity's funds. Cash funds that exceed its immediate requirements to finance its charitable activities are held in bank savings accounts.



# **CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

## **TRUSTEES' ANNUAL REPORT**

For the year ended 31 March 2023

### **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**

We will continue to provide a free, independent and impartial general advice service and will look for new ways to provide support to those who need it.

#### **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. Covid-19 risk is continually reviewed as noted above.

### **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.

### **Small companies provision statement**

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

The annual report was approved by the trustees of the charity on 20 December 2023 and signed on its behalf by:



K Reed, Trustee

## CITIZENS ADVICE NEWCASTLE LIMITED

(A company limited by guarantee)

### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2023

---

I report on the financial statements of Citizens Advice Newcastle Limited for the year ended 31 March 2023, which are set out on pages 9 to 22.

#### Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ('the Charities Act') and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Institute of Chartered Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

#### Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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



Lilian Hetherington FCA  
Fellow of the Institute of Chartered Accountants  
Connected Voice Business Services  
One Strawberry Lane  
Newcastle upon Tyne  
NE1 4BX

Date: 20/12/2023

**CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**

(INCLUDING SUMMARY INCOME &amp; EXPENDITURE ACCOUNT)

For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b><u>Income from:</u></b>					
Donations and legacies	3	5,897	1,000	6,897	3,747
Charitable activities					
Grants and contracts	4	172,000	554,317	726,317	743,048
Other trading activities	5	1,201	-	1,201	3,401
Investments	6	1,513	-	1,513	671
<b>Total income</b>		<b>180,611</b>	<b>555,317</b>	<b>735,928</b>	<b>750,867</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	93,506	549,743	643,249	731,686
<b>Total expenditure</b>		<b>93,506</b>	<b>549,743</b>	<b>643,249</b>	<b>731,686</b>
<b>Net income/(expenditure)</b>		<b>87,105</b>	<b>5,574</b>	<b>92,679</b>	<b>19,181</b>
Transfers between funds		21,110	(21,110)	-	-
<b>Net movement of funds</b>		<b>108,215</b>	<b>(15,536)</b>	<b>92,679</b>	<b>19,181</b>
<b><u>Reconciliation of funds</u></b>					
Total funds brought forward		321,939	25,724	347,663	328,482
<b>Total funds carried forward</b>		<b>430,154</b>	<b>10,188</b>	<b>440,342</b>	<b>347,663</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 12 to 22 form an integral part of these financial statements.

**CITIZENS ADVICE NEWCASTLE LIMITED**  
(A company limited by guarantee)

Charity Number 1135396  
Company Number 02114435

**BALANCE SHEET**  
As at 31 March 2023

	Notes	£	Total 2023 £	£	Total 2022 £
<b>Fixed assets</b>					
Tangible assets	15		-		-
<b>Total fixed assets</b>			-		-
<b>Current assets</b>					
Debtors	16	25,165		15,630	
Cash at bank and in hand	17	442,654		453,387	
<b>Total current assets</b>		<b>467,819</b>		<b>469,017</b>	
<b>Creditors: amounts falling due within one year</b>	18	<b>( 27,477 )</b>		<b>( 121,354 )</b>	
<b>Net current assets</b>			<b>440,342</b>		<b>347,663</b>
<b>Total assets less current liabilities</b>			<b>440,342</b>		<b>347,663</b>
<b>Total net assets or liabilities</b>			<b>440,342</b>		<b>347,663</b>
<b>Funds of the charity</b>					
Unrestricted income funds			430,154		321,939
Restricted income funds			10,188		25,724
<b>Total funds</b>			<b>440,342</b>		<b>347,663</b>

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

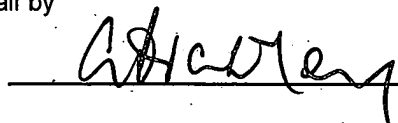
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 12 to 22 form an integral part of the financial statements. These financial statements were approved by the Board on 20/12/2023 and are signed on its behalf by

A L Crawley  
Trustee



K Reed  
Trustee



**STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2023

	Notes	2023 £	2022 £
<b><u>Cash flows from operating activities</u></b>			
Profit before taxation		92,679	19,181
<b><u>Add back:</u></b>			
Depreciation		-	1,505
Investment income		( 1,513 )	( 671 )
		<u>91,166</u>	<u>20,015</u>
Increase in trade receivables		( 9,535 )	975
Decrease in trade payables		( 20,672 )	7,084
Increase/(decrease) in deferred income		( 73,205 )	69,622
<b><i>Net cash from operating activities</i></b>		<b>( 12,246 )</b>	<b>97,696</b>
<b><u>Cash flow from investing activities</u></b>			
Interest received		1,513	671
<b><i>Net (decrease)/increase in cash and cash equivalents</i></b>		<b><u>( 10,733 )</u></b>	<b><u>98,367</u></b>
 <b>Decrease in cash and cash equivalents</b>		 <b>( 10,733 )</b>	 <b>98,367</b>
<b>Cash and cash equivalents at start of year</b>		<b>453,387</b>	<b>355,020</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>442,654</u></b>	<b><u>453,387</u></b>

# **Citizens Advice Newcastle Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **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 BAX.

### **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 charity's ability to continue as a going concern.

#### **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 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.

## **Citizens Advice Newcastle Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

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.

#### **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.

## **Citizens Advice Newcastle Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

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



**CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

**Analysis of income**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>3 Donations and legacies</b>				
Donations and gifts	5,897	1,000	6,897	3,747
	<u>5,897</u>	<u>1,000</u>	<u>6,897</u>	<u>3,747</u>
<b>4 Income from Charitable activities</b>				
Charitable activities	172,000	554,317	726,317	743,048
	<u>172,000</u>	<u>554,317</u>	<u>726,317</u>	<u>743,048</u>
<b>5 Income from other trading activities</b>				
Training	1,201	-	1,201	3,401
	<u>1,201</u>	<u>-</u>	<u>1,201</u>	<u>3,401</u>
<b>6 Income from investments</b>				
Bank interest	1,513	-	1,513	671
	<u>1,513</u>	<u>-</u>	<u>1,513</u>	<u>671</u>

Income was £735,928 (2022: £750,867) of which £180,611 was unrestricted or designated (2022: £136,720) and £555,317 was restricted (2022: £614,147)

**CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

**Analysis of expenditure on charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>7 Charitable activities</b>				
Generalist advice	36,615	402,872	439,487	545,583
Support costs	56,891	146,871	203,762	186,103
	<u>93,506</u>	<u>549,743</u>	<u>643,249</u>	<u>731,686</u>
	Activity undertaken directly £	Activity support costs £	Total 2023 £	Total 2022 £
<u>Direct costs</u>				
Generalist advice	439,487	185,826	625,313	713,090
Support costs	-	17,936	17,936	18,596
	<u>439,487</u>	<u>203,762</u>	<u>643,249</u>	<u>731,686</u>

**8 Analysis of governance and support costs**  
**Support costs allocated to charitable activities**

	Direct Charitable	Governance Costs	Total 2023	Total 2022
Staffing costs	98,176	8,363	106,539	77,975
Premises	23,042	1,963	25,005	24,996
Communications and IT	42,180	1,780	43,960	44,143
Staff and volunteer	2,166	185	2,351	2,410
Depreciation	-	-	-	1,504
Office costs	19,557	3,405	22,962	24,047
Audit fees	-	2,180	2,180	4,455
Legal and professional	-	-	-	3,826
Other	705	60	765	2,747
	<u>185,826</u>	<u>17,936</u>	<u>203,762</u>	<u>186,103</u>

Expenditure on charitable activities was £643,249 (2022: £731,686) of which £93,506 was unrestricted or designated (2022: £133,386) and £549,743 was restricted (2022: £598,300)

## **CITIZENS ADVICE NEWCASTLE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

#### **9 Fees for examination of the accounts**

	2023 £	2022 £
Independent examiner's fees for reporting on the accounts	2,180	3,550
	<u>2,180</u>	<u>3,550</u>

There were no other fees paid to the examiner (2022: £nil)

#### **10 Analysis of staff costs and the cost of key management personnel**

	2023 £	2022 £
Salaries and wages	487,697	542,914
Social security costs	40,657	47,279
Pension costs (defined contribution pension plan)	12,728	15,630
	<u>541,082</u>	<u>605,823</u>

No employee received remuneration above £60,000 (2022: £nil)

The total employee benefits of the key management personnel of the charity were £170,011.

#### **11 Staff numbers**

The average monthly head count was 19 staff (2022: 23 staff).

#### **12 Transactions with trustees**

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

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

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £12,728 (2022: £15,630). There was £0 outstanding as at 31 March 2023 (2022: £2,470)

#### **14 Corporation Taxation**

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

**CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

	Office and computer equipment £	Total £
<b>15 Tangible fixed assets</b>		
<b>Cost</b>		
Balance brought forward	6,017	6,017
Additions	-	-
Disposals	-	-
<b>Balance carried forward</b>	<b>6,017</b>	<b>6,017</b>
<b>Depreciation</b>		
Basis	SL	
Rate	25%	
Balance brought forward	6,017	6,017
Depreciation charge for year	-	-
Disposals	-	-
<b>Balance carried forward</b>	<b>6,017</b>	<b>6,017</b>
<b>Net book value</b>		
<b>Brought forward</b>	-	-
<b>Carried forward</b>	-	-
<b>16 Debtors and prepayments (receivable within 1 year)</b>		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,100	6,750
Prepayments	4,290	5,657
Accrued income	16,775	3,223
	<b>25,165</b>	<b>15,630</b>

**CITIZENS ADVICE NEWCASTLE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

**17 Cash at bank and in hand**

	2023 £	2022 £
Short term deposits	228,700	229,422
Cash at bank and in hand	213,712	223,239
Cash in hand	242	726
	<u>442,654</u>	<u>453,387</u>

**18 Creditors and accruals (payable within 1 year)**

	2023 £	2022 £
Taxation and social security	-	19,379
Pension	-	2,470
Accruals		
Independent examination of accounts	2,000	4,260
Other accruals	2,043	1,540
Deferred income	20,500	93,705
Other creditors	2,934	-
	<u>27,477</u>	<u>121,354</u>

**19 Deferred income**

Deferred income comprises of advance payments from grants that relate to future periods

	2023 £
Balance brought forward	93,705
Amount released to income earned from charitable activities	( 93,705 )
Amount deferred in year	20,500
Balance carried forward	<u>20,500</u>

**20 Obligations under leases**

The total value of future minimum lease payments was as follows

	2023 £	2022 £
Within one year	1,320	6,936
In two to five years	4,460	5,780
	<u>5,780</u>	<u>12,716</u>

**21 Events after the end of the reporting period**

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

**CITIZENS ADVICE NEWCASTLE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31. March 2023

**22 Analysis of charitable funds****Analysis of movements in unrestricted funds 2023**

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
<b>Unrestricted funds</b>					
General unrestricted fund	260,939	180,611	( 93,506 )	21,110	369,154
Designated funds					
Service curtailment	61,000	-	-	-	61,000
<b>Totals</b>	<b>321,939</b>	<b>180,611</b>	<b>( 93,506 )</b>	<b>21,110</b>	<b>430,154</b>

**Purpose of unrestricted funds**

General unrestricted fund	The 'free reserves' of the charity
Designated - Service curtailment	Provision for costs in the event the charity's operations cease.

**Analysis of movements in unrestricted funds 2022**

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
<b>Unrestricted funds</b>					
General unrestricted fund	257,163	136,720	( 133,386 )	442	260,939
Designated funds					
Service curtailment	61,000	-	-	-	61,000
<b>Totals</b>	<b>318,163</b>	<b>136,720</b>	<b>( 133,386 )</b>	<b>442</b>	<b>321,939</b>

**CITIZENS ADVICE NEWCASTLE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2023

**Analysis of movement in restricted funds 2023**

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Money Advice Service	-	201,840	( 181,586 )	( 20,254 )	-
Wise Group Project	-	63,950	( 63,950 )	-	-
Millfield House	-	42,000	( 42,000 )	-	-
Powergrid Care	-	158,000	( 173,318 )	15,318	-
Action for Children	-	17,560	( 16,704 )	( 856 )	-
Energy Redress Scheme	-	22,467	( 22,467 )	-	-
Walker Foodbank	-	6,000	( 6,000 )	-	-
NPG Hardship Fund	15,318	2,500	( 2,500 )	( 15,318 )	-
Client Hardship Fund	406	1,000	( 377 )	-	1,029
Hong Kong	10,000	30,000	( 40,000 )	-	-
	-	10,000	( 841 )	-	9,159
National Lottery Community Fund					
<b>Totals</b>	<b>25,724</b>	<b>555,317</b>	<b>( 549,743 )</b>	<b>( 21,110 )</b>	<b>10,188</b>

**Purpose of restricted funds**

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

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.
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.
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.
NPG Hardship Fund	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.
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.
National Lottery Community Fund	Funding to provide paid interpreters for people with English as a second language or anyone needing sign language.

# CITIZENS ADVICE NEWCASTLE LIMITED

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### Analysis of movement in restricted funds 2022

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
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	-
Action For Children	-	6,440	( 5,070 )	( 1,370 )	-
Energy Redress Scheme	-	20,855	( 19,346 )	( 1,509 )	-
Mesothelioma	-	22,857	( 25,422 )	2,565	-
NPG Hardship Fund	8,319	10,000	( 2,978 )	( 23 )	15,318
Client Hardship Fund	2,000	1,000	( 2,574 )	( 20 )	406
Hong Kong	-	10,000	-	-	10,000
Help to Claim	-	59,094	( 66,963 )	7,869	-
Help to Claim P&W	-	20,350	( 19,392 )	( 958 )	-
	<u>10,319</u>	<u>614,147</u>	<u>( 598,300 )</u>	<u>( 442 )</u>	<u>25,724</u>

### Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	Representing unrestricted funds used on specific projects	21,110

## 23 Capital commitments

As at 31 March 2023, the charity had no capital commitments (2022 -£nil)

## 24 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Cash at bank and in hand	432,466	10,188	442,654
Other net current assets/(liabilities)	( 2,312 )	-	( 2,312 )
	<u>430,154</u>	<u>10,188</u>	<u>440,342</u>