

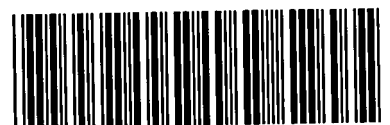
Company Registration Number: 08357279  
Charity Registration Number: 1151790

**Citizens Advice County Durham**  
**Financial Statements**  
**For the Year Ending**  
**31 March 2018**

**JANE ASCROFT ACCOUNTANCY LIMITED**

Chartered Accountants and Statutory Auditor & statutory auditor  
Enterprise House  
Harmire Enterprise Park  
Barnard Castle  
County Durham  
DL12 8XT

FRIDAY



A23 \*A7D06ZGH\* #193  
24/08/2018  
COMPANIES HOUSE

# **Citizens Advice County Durham**

## **Financial Statements**

**Year Ended 31 March 2018**

	<b>Page</b>
Trustees' Annual Report (Incorporating the Director's Report)	<b>1</b>
Independent Auditor's Report to the Members	<b>6</b>
Statement of Financial Activities (Including Income and Expenditure Account)	<b>10</b>
Statement of Financial Position	<b>11</b>
Statement of Cash Flows	<b>12</b>
Notes to the Financial Statements	<b>13</b>

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2018.

### **Objectives and Activities**

Citizens Advice County Durham provides free, confidential, impartial and independent advice and information for the benefit of the local community, campaigning for change and to ensure individuals do not suffer through lack of knowledge or an inability to express their needs effectively. These objectives are shared by all members of Citizens Advice. The Charity's Vision plan is reviewed annually to ensure that its activities remain focused on the stated purposes.

### **Significant Activities**

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

### **Volunteers**

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

### **Achievements and Performance**

2017-18 was a year of Consolidation, building our services and focussing on improving quality and customer service. The highlights have included:

- 29,843 clients were helped
- Dealt with 97,080 issues on behalf of clients, delivering 159,808 individual contacts with clients or on their behalf. - Our work with clients helped to maximise their income by £48.65m, which has been injected into the Counties economy. - Rolled our longer drop in opening hours in our community advice sessions. - Our Debt Relief Order unit went from strength to strength, being turned from a pilot into a mainstream project by Citizens Advice.
- Changed the way we provide advice for GPs referrals to being on the phone, which resulted in triple the outcomes for clients and changed our commissioned work with families and people at risk of homelessness - Improved our quality of advice and entered into a new membership scheme with our national body, Citizens Advice.
- Worked with Durham County Council to grow the Advice in County Durham (AiCD) network to over 150 agencies working together to improve clients lives. The collaboration has seen over 3,000 clients securely referred using the new portal and increased client outcomes.

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

### **Financial Review**

In 2017-18 we had a satisfactory financial year, recording a small surplus and increasing our reserves while fully satisfying our charitable objectives. We continue to look for economies at the same time as improving the quality and reach of our charitable work. Unrestricted net income reflects payments received in advance of service delivery in some sectors of our activity.

### **Reserves policy**

The reserves policy of Citizens Advice County Durham is that it will aim to hold £529,000 free reserves in unrestricted funds.

Citizens Advice County Durham has grown in recent years to be a major financial inclusion charity in the North East of England region. It employs in excess of 90 staff and has contractual responsibilities for ten premises. As such it needs a reserve policy to be able to:

- run essential services for clients in the event of funding loss
- hold funds in case of unplanned closure of projects
- fund major unplanned works to capital assets owned by the charity

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

At 31st March 2018 reserves were £574,711.

### **Plans for Future Periods**

In 18-19 we have plans to:

- Continue to expand opening hours
- Meet rising demand on the phone for advice and continue to provide webchat advice
- Look at how we provide services to ensure it is in line with what our clients need
- Recruit more volunteers to provide more services well
- Improve as an employer, always striving to be excellent
- Work ever more closely with our partners in AiCD and with other Local Citizens Advices.

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

### **Structure, Governance and Management**

#### **Governing document**

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

#### **Organisational Structure**

The Bureau functions through a board of directors, the members of which are the Trustees of the Charity, and sub-committees appointed by the Trustees when they are required.

Trustees currently usually meet on a bi monthly basis. There are currently finance, personnel and health and safety sub committees which also meet on a bi-monthly basis. The day-to-day running of Citizens Advice County Durham is delegated to the management. The board is independent from the management of the charity.

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

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

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

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

#### **Wider Network**

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

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

#### **Risk Management**

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

#### **Public Benefit**

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

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

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

# Citizens Advice County Durham

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

Year Ended 31 March 2018

### Reference and Administrative Details

**Registered charity name** Citizens Advice County Durham

**Charity registration number** 1151790

**Company registration number** 08357279

**Principal office and registered office** Armstrong House  
Abbeywoods Business Park  
Pity Me  
Durham  
DH1 5GH

### **The Trustees**

Mr P S Conway  
Ms K Coulson-Patel  
Ms B Davidson  
Mr A K Roxborough  
Mrs A Collins  
Mr M Smith  
Mr A J Pensom  
Mr J Scollen  
Mr J W Taylor  
Mr D Hall  
Ms A Cheek (Appointed 16 January 2018)  
Mr G C McPherson (Appointed 16 January 2018)  
Cllr A Surtees (Appointed 16 January 2018)  
Mrs R Lumsdon (Retired 15 June 2017)  
Miss L Allcroft (Retired 19 December 2017)  
Cllr J Brown (Served from 25 May 2017 to 16 January 2018)

**Company Secretary** N J Bradbury

**Auditor** Jane Ascroft Accountancy Limited  
Chartered Accountants and Statutory Auditor  
Enterprise House  
Harmire Enterprise Park  
Barnard Castle  
County Durham  
DL12 8XT

### **Trustees' Responsibilities Statement**

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

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

# Citizens Advice County Durham

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

Year Ended 31 March 2018

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

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

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

### Auditor


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

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

### Small Company Provisions

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

The trustees' annual report was approved on 17/07/18 and signed on behalf of the board of trustees by:

  
N J Bradbury  
Charity Secretary

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

### **Opinion**

We have audited the financial statements of Citizens Advice County Durham (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

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

### **Conclusions Relating to Going Concern**

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

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



# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on Which We are Required to Report by Exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

### **Responsibilities of Trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

## **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

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.

*J Ascroft*

Jane Ascroft (Senior Statutory Auditor)

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

*17/7/18*

# Citizens Advice County Durham

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

31 March 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	6,500	–	6,500	6,500
Charitable activities	6	902,498	1,537,667	2,440,165	2,449,746
Investment income	7	4,490	–	4,490	4,244
<b>Total income</b>		<u>913,488</u>	<u>1,537,667</u>	<u>2,451,155</u>	<u>2,460,490</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	797,021	1,626,983	2,424,004	2,285,616
<b>Total expenditure</b>		<u>797,021</u>	<u>1,626,983</u>	<u>2,424,004</u>	<u>2,285,616</u>
<b>Net income</b>		<u>116,467</u>	<u>(89,316)</u>	<u>27,151</u>	<u>174,874</u>
Transfers between funds		(7,218)	7,218	–	–
<b>Net movement in funds</b>		<u>109,249</u>	<u>(82,098)</u>	<u>27,151</u>	<u>174,874</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		984,483	124,162	1,108,645	933,771
<b>Total funds carried forward</b>		<u>1,093,732</u>	<u>42,064</u>	<u>1,135,796</u>	<u>1,108,645</u>

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

The notes on pages 13 to 24 form part of these financial statements.

# Citizens Advice County Durham

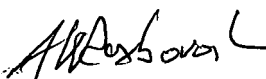
## Statement of Financial Position

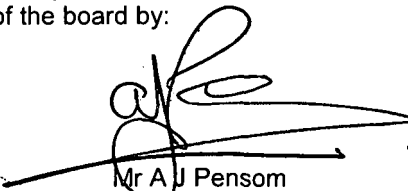
31 March 2018

		2018	2017
		£	£
<b>Fixed Assets</b>			
Tangible fixed assets	14	624,410	664,502
<b>Current Assets</b>			
Debtors	15	165,423	116,258
Cash at bank and in hand		559,422	567,531
		<u>724,845</u>	<u>683,789</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>108,070</u>	<u>129,671</u>
<b>Net Current Assets</b>		<u>616,775</u>	<u>554,118</u>
<b>Total Assets Less Current Liabilities</b>		<u>1,241,185</u>	<u>1,218,620</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>105,389</u>	<u>109,975</u>
<b>Net Assets</b>		<u>1,135,796</u>	<u>1,108,645</u>
<b>Funds of the Charity</b>			
Restricted funds		42,064	124,162
Unrestricted funds		<u>1,093,732</u>	<u>984,483</u>
<b>Total charity funds</b>	19	<u>1,135,796</u>	<u>1,108,645</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 17/3/18, and are signed on behalf of the board by:

  
Mr A K Roxborough  
Trustee

  
Mr A J Pensom  
Trustee

The notes on pages 13 to 24 form part of these financial statements.

# Citizens Advice County Durham

## Statement of Cash Flows

Year Ended 31 March 2018

	2018 £	2017 £
<b>Cash Flows from Operating Activities</b>		
Net income	27,151	174,874
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	49,682	55,755
Other interest receivable and similar income	(4,490)	(4,244)
Accrued (income)/expenses	(181)	3,773
<i>Changes in:</i>		
Trade and other debtors	(49,165)	40,970
Trade and other creditors	(26,006)	25,039
Cash generated from operations	(3,009)	296,167
Interest received	4,490	4,244
Net cash from operating activities	<u>1,481</u>	<u>300,411</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible assets	(9,590)	(24,454)
Net cash used in investing activities	<u>(9,590)</u>	<u>(24,454)</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(8,109)</b>	<b>275,957</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>567,531</b>	<b>291,574</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>559,422</u></b>	<b><u>567,531</u></b>

The notes on pages 13 to 24 form part of these financial statements.

# **Citizens Advice County Durham**

## **Notes to the Financial Statements**

**Year Ended 31 March 2018**

### **1. General Information**

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

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

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

### **3. Accounting Policies**

#### **Basis of Preparation**

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

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

The entity is a Public Benefit Entity.

#### **Going Concern**

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

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

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

#### **Fund Accounting**

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

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

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

# **Citizens Advice County Durham**

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

**Year Ended 31 March 2018**

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

#### **Income**

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

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

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

Investment income is included when receivable.

Income from charitable trading activity is accounted for when earned.

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

#### **Expenditure**

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

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

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

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

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

#### **Tangible Assets**

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



# Citizens Advice County Durham

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

Year Ended 31 March 2018

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

#### Depreciation

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

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

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

#### Impairment of Fixed Assets

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

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

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

#### Financial Instruments

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

#### Defined Contribution Plans

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

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

# Citizens Advice County Durham

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

Year Ended 31 March 2018

### Debtors

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

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

### Cash at Bank and in Hand

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

### Creditors

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

### Taxation

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

#### 4. Limited by Guarantee

The company is limited by guarantee. At 31st March 2018 there were 13 members each of whom had undertaken to contribute an amount not exceeding £1 in the event of a winding up.

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

#### 5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
<b>Gifts</b>				
Donated facilities	6,500	6,500	6,500	6,500

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

# Citizens Advice County Durham

## Notes to the Financial Statements (continued)

Year Ended 31 March 2018

### 6. Charitable Activities

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Durham County Council funding	844,288	—	844,288
Citizens Advice Funding	—	1,257,622	1,257,622
European Social Fund funding	—	128,946	128,946
Big Lottery funding	—	—	—
Other funding	138,939	43,850	182,789
Other income from charitable activities	36,101	—	36,101
	<u>1,019,328</u>	<u>1,430,418</u>	<u>2,449,746</u>

### 7. Investment Income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>4,490</u>	<u>4,490</u>	<u>4,244</u>	<u>4,244</u>

# Citizens Advice County Durham

## Notes to the Financial Statements (continued)

Year Ended 31 March 2018

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

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Durham County Council funding	644,557	—	644,557
Citizens Advice Funding	—	995,862	995,862
Big Lottery funding	—	—	—
Other funding	111,177	28,693	139,870
European Social Fund funding	—	139,578	139,578
Support costs	151,439	214,310	365,749
	<u>907,173</u>	<u>1,378,443</u>	<u>2,285,616</u>

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

	Activities undertaken directly	Support costs	Total funds 2018 £	Total fund 2017 £
Durham County Council funding	577,960	122,581	700,541	775,751
Citizens Advice Funding	1,002,504	317,606	1,320,110	1,191,049
Big Lottery funding	8,240	—	8,240	—
Other funding	169,058	8,912	177,970	163,850
European Social Fund funding	193,041	24,102	217,143	154,966
	<u>1,950,803</u>	<u>473,201</u>	<u>2,424,004</u>	<u>2,285,616</u>

### 10. Net Income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>49,682</u>	<u>55,755</u>

# Citizens Advice County Durham

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

Year Ended 31 March 2018

### 11. Staff Costs

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

	2018	2017
	£	£
Wages and salaries	1,673,583	1,548,253
Social security costs	125,767	117,227
Employer contributions to pension plans	79,698	65,670
	<u>1,879,048</u>	<u>1,731,150</u>

The average head count of employees during the year was 91 (2017: 84). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Number of staff	<u>73</u>	<u>68</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £96,480 (2017:£96,000).

### 12. Trustee Remuneration and Expenses

During the year trustees received no remuneration nor expenses (2017 - Travel expenses of £329).

### 13. Transfers Between Funds

During the year £7,218 was transferred from general funds to restricted funds as follows:

	2018
	£
Match funding for Durham Works ESF project	34,455
Payments to top up the Stanley Town Council Fund	7,858
Payments from Cita funded projects to general funds	(27,538)
Other contributions to general funds	(7,557)
	<u>7,218</u>

# Citizens Advice County Durham

## Notes to the Financial Statements (continued)

Year Ended 31 March 2018

### 14. Tangible Fixed Assets

	Freehold property £	Leasehold Property Improvements £	Computer & Office Equipment £	Total £
<b>Cost</b>				
At 1 April 2017	530,000	178,734	179,907	<b>888,641</b>
Additions	—	—	9,590	<b>9,590</b>
<b>At 31 March 2018</b>	<b>530,000</b>	<b>178,734</b>	<b>189,497</b>	<b>898,231</b>
<b>Depreciation</b>				
At 1 April 2017	—	79,730	144,409	<b>224,139</b>
Charge for the year	—	22,227	27,455	<b>49,682</b>
<b>At 31 March 2018</b>	<b>—</b>	<b>101,957</b>	<b>171,864</b>	<b>273,821</b>
<b>Carrying amount</b>				
<b>At 31 March 2018</b>	<b>530,000</b>	<b>76,777</b>	<b>17,633</b>	<b>624,410</b>
At 31 March 2017	530,000	99,004	35,498	664,502

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

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

### 15. Debtors

	2018 £	2017 £
Trade debtors	40,393	35,764
Prepayments	27,019	19,091
Accrued income	98,011	61,218
Other debtors	—	185
	<b>165,423</b>	<b>116,258</b>

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

	2018 £	2017 £
Trade creditors	31,002	25,698
Accruals	21,913	22,094
Social security and other taxes	37,750	46,356
Deferred income	6,727	24,845
Futurebuilders loan	10,678	10,678
	<b>108,070</b>	<b>129,671</b>

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

# Citizens Advice County Durham

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

Year Ended 31 March 2018

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

Deferred income comprises funding received in advance for the 2017-18 financial year.

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

	2018 £	2017 £
Futurebuilders loan	<u>105,389</u>	<u>109,975</u>

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

Included within creditors: amounts falling due after more than one year is an amount of £68,388 (2017: £72,974) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

### 18. Pensions and Other Post Retirement Benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £79,698 (2017: £65,670).

### 19. Analysis of Charitable Funds

#### Unrestricted funds

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

# Citizens Advice County Durham

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

Year Ended 31 March 2018

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

#### Restricted funds

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



# Citizens Advice County Durham

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

Year Ended 31 March 2018

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

#### Citizens Advice Funding

MAS Debt Advice Project is funded by the Money Advice Service in partnership with Citizens Advice and provides debt advice via telephone & face to face appointments.

MAS Debt Relief Order unit is funded by the Money Advice Service in partnership with Citizens Advice and provides delivery of a centralised debt relief order (DRO) unit.

Energy Best Deal Extra is funded by EDF energy, UK Power Networks and Scottish Power in partnership with Citizens Advice advising consumers on energy related matters and activities.

#### European Social Funding

Durham County Council coordinates DurhamWorks partnership to help NEET 16-24 year olds into employment. DurhamWorks is partially funded by the European Social Fund: Youth Employment Initiative until June 2018 and matched by Citizens Advice County Durham.

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

#### Big Lottery Funding

The Big Lottery Awards 4 All funded the digital advice project to provide accessible, online internet & digital accessibility to clients in waiting rooms & improved training equipment.

#### Other Funding

Area Action partnerships have funded the following projects during 2017-2018 Stanley Advice Hub

Willington Advice Project  
Teesdale Rural Outreach  
Wear Valley Rural Outreach  
Universal Credit Pilot

Stanley Town Council continued to fund the 3 day generalist service in The Venue, Stanley during 2017-18

National Energy Actions funded a Big Energy Saving Network (BESN) Champion in County Durham

### 20. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	624,410	–	624,410
Current assets	682,781	42,064	724,845
Creditors less than 1 year	(108,070)	–	(108,070)
Creditors greater than 1 year	(105,389)	–	(105,389)
<b>Net assets</b>	<b>1,093,732</b>	<b>42,064</b>	<b>1,135,796</b>

# Citizens Advice County Durham

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

Year Ended 31 March 2018

### 21. Operating Lease Commitments

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

	2018	2017
	£	£
Not later than 1 year	103,127	99,771
Later than 1 year and not later than 5 years	165,952	211,054
Later than 5 years	13,050	27,850
	<u>282,129</u>	<u>338,675</u>

### 22. Related Parties

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