

Charity Registration No. 701882

Company Registration No. 02366214 (England and Wales)

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Anderton	
	G Bretherton	
	J Chadwick	(Appointed 5 November 2019)
	B A Jordan	
	G Merrett	
	G Smith	(Appointed 13 September 2019)
	M Wright	(Appointed 13 September 2019)
Secretary	L Kidston	
Charity number	701882	
Company number	02366214	
Registered office	Magnum House 33 Lord Street Suite 2.1 Leigh Lancashire WN7 1BY	
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD	
Bankers	National Westminster Bank plc 4 Standishgate Wigan Lancashire WN1 1UE	
Network membership	Citizens Advice 3rd Floor North 200 Aldersgate Street London E1A 4HD	
Membership number	35/0033	

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and accounts for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The Charitable Company's objectives are to promote any charitable purpose for the public benefit by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress in particular, but without limitation, for the benefit of the community in the Borough of Wigan and surrounding areas. The trustees have had regard to the Charity Commission guidance on public benefit.

These objectives are expressed through the Charitable Company Mission Statement as follows:

- To provide high quality, timely advice and information to help residents overcome their problems.
- To campaign on the big issues affecting people's lives.
- Promote equality and diversity in our community, by challenging and preventing prejudice and discrimination.

Overview of Services

The Citizens Advice Service in the Borough of Wigan provides a Borough-wide advice service through a range of methods of delivery and seeks to make its services available for all sections of the community in the Borough and to provide services that are relevant to their needs. Services are the subject of Delivery Plans, agreed with the main funders.

The service is free, independent, impartial and confidential. It is accessible to anyone, regardless of age, race, sex, ethnic origin, sexual orientation, disability or religious belief.

The voluntary contribution

The Charitable Company relies on volunteers undertaking advice work, administrative support and governance to enable us to deliver our services. Their continued commitment and dedication is recognised with appreciation.

The Charitable Company's volunteers provided 12,357 advice and administrative support hours during the year. The monetary value of the voluntary contribution to the Charitable Company is estimated at £142,106 for the year. This is not recorded in these financial statements.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

The Charitable Company has met the performance requirements under contracts and service level agreements. A complete review of the Charitable Company's strategic plan was undertaken in the previous year, and good progress has continued to be made on the Service Development Programme.

During the year, we:

- Continued to work with partner organisations for the benefit of clients
- Assisted 18,385 clients with 45,921 issues; debt and welfare benefits advice continues to dominate and accounts for 65.1% of the total issues dealt with
- Have been re-awarded the Money Advice Service contract to assist vulnerable clients in debt and promote money management through budgeting advice
- Have assisted fuel poor households under the Energy Advice Programme, to address the underlying issues contributing to their situation, including advice and assistance with switching energy suppliers, applications for grants and information about energy saving measures
- Continued delivering pensions guidance under the Government's Pension Wise service
- Continued to provide specialist advice in debt and welfare benefits specifically for people experiencing mental ill health
- Commenced delivery of the Universal Credit: Help to Claim service; supporting people to claim Universal Credit and helping them to understand their rights and responsibilities in relation to this
- Were awarded continuation funding from Wigan CCG and Wigan Council to expand advice provision within General Practice
- Worked with the Council and other partners on a problem gambling task and finish group
- Worked with students from Edge Hill University to understand the advice needs of under 25's
- Helped our clients gain or maintain over £10 million income (based on an annual equivalent)
- Dealt with almost £5.6 million worth of client debt
- Attended 63 Welfare Benefit tribunal hearings with vulnerable clients with an 87% success rate

As a result of extensive developmental work throughout the year to widen access to our services and deliver services which achieve positive client outcomes, the level of satisfaction achieved was:

98.3% respondents were satisfied or very satisfied

97.6% found our services easy to access

99.6% respondents would recommend our services to others

As a member of Citizens Advice, the Charitable Company operates and implements the equal opportunities policies of the Association, and requests that all employees, volunteers and Board members accept and act in line with the policies. The Charitable Company operates an on-going cultural monitoring survey of its clients, covering disability, ethnicity and gender groups.

A summary of the results for 2019/20 is given below:

Ethnicity

90.6% White

2.2% Asian

3.2% Black

1.0% Mixed

3.0% Other

Gender

50.9% female

49.0% male

0.1% not disclosed

Disability/Long Term Health Condition

38.0% clients with a disability/LTH condition

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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

FOR THE YEAR ENDED 31 MARCH 2020

Factors affecting the service

During the year Universal Credit has continued to have an impact on people's ability to manage financially. This has implications for their health and wellbeing and for community cohesion. There is a growing need for specialist casework intervention, particularly in relation to disability benefit assessment outcomes. Council Tax arrears remains the biggest debt issue clients require help with.

The impact of Covid-19 on people's lives will last for some time. At the start of the pandemic we saw a large increase in employment related queries and this will likely surge again depending on the support the Government provides in the future to businesses. We anticipate that this will be followed by a greater number of people needing our help to deal with debts, including rent and mortgage arrears, council tax arrears and personal credit. We expect to see the number of relationship enquiries increase as families start to break under the pressure and the number of potential homeless or illegal evictions may also increase as landlords try to recover rent arrears.

Now, more than ever, we need funding certainty and are relying on our funders to continue supporting us, so that in turn, we can continue to provide vital support to our residents.

Key aims and objectives

Our key aims for the next business planning period, therefore, are to:

- Provide easily accessible, timely, high quality advice service to improve people's sense of health & wellbeing
- Be a strong, sustainable and socially responsible organisation
- To attract and retain high calibre staff and volunteers
- To provide an inclusive service and continue to promote equality and diversity and challenge discrimination
- To speak up more for people on the issues which matter most to them

Acknowledgements

The Trustee Board gratefully acknowledges the support of our funders. In 2019/20 these were: Wigan Council, Wigan CCG, National Association of Citizens Advice Bureaux (Money Advice Service, Pension Wise, EnergyAdvice Programme, Help to Claim funding).

Grateful thanks goes to the clients and members of the public who have also made donations to our organisation.

Financial review

The Statement of Financial Activities provides a summary of the Charity's Income and Expenditure during 2019/20.

Over the year income has increased by £152,804 (17%) to nearly £1.1m with a substantial increase in funding for the Help To Claim initiative, which supports new Universal Credit claimants, more than offsetting funding decreases in some projects and the cessation of others such as the pilot to provide advice in GP practices. Supporting the additional advice provision, expenditure on our charitable activities increased by £190,821 to just over £1m, the growth being driven by increased salary costs and staff and volunteer costs as a result of increasing our workforce.

Going forward we anticipate some squeeze on social funding budgets, not least post the impact of COVID19, and as such there remains a risk to the Charity's income in the new financial year. The Board of Trustees and the Management Team are committed to continuing to identify new sources of funding and strategic investments in the Charity to ensure the business model is sustainable and we can continue to provide the vitally important services to those who need them in the local community.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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

FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

Citizens Advice Service in the Borough of Wigan is a charitable company limited by guarantee, and was registered as a charity on 10 August 1989. The Company was established under a Memorandum of Association, and incorporated on 29 March 1989. The Memorandum & Articles of Association were amended by special resolution dated 4 July 1996 and by special resolution dated 30 April 2015. Notices of these special resolutions have been filed at Companies House and the Charity Commission.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Anderton

G Bretherton

J Chadwick

(Appointed 5 November 2019)

B Colman

(Resigned 26 March 2020)

B A Jordan

G Merrett

G Smith

(Appointed 13 September 2019)

M Wright

(Appointed 13 September 2019)

National Association of Citizens Advice Bureaux (Citizens Advice)

The Charitable Company is a member of the National Association of Citizens Advice Bureaux (trading as Citizens Advice) and is subject to the terms and conditions of the Membership Agreement entered into with Citizens Advice.

Recruitment and Appointment of the Trustees

The Articles of Association provide that the Trustees shall consist of members who are elected, representative and co-opted. One third of elected members and all representative and co-opted members retire from office each year and are eligible for re-election or re-appointment.

The Trustees retain overall responsibility and control of the process for recruiting members of the Board. Prospective trustees are selected for their ability to make an effective contribution to the Charitable Company through their skills, knowledge and experience. In addition, consideration is given as to how representative the Board is of the community.

Organisational structure

The Trustee Board is responsible for:

- the overall control and conduct of the affairs of the Charitable Company;
- establishing the strategic direction and the strategic objectives of the Charitable Company;
- the determination of the terms of reference and the composition of Committees;
- the review of Board Membership in accordance with the Memorandum and Articles of Association;
- the financial viability of the Charitable Company, including financial policies and control; and
- monitoring the performance of all the Charitable Company's functions, to ensure that it performs in accordance with legislative and regulatory requirements, and to the highest standards of probity, efficiency, effectiveness and service.

The Trustee Board/Management Committee may appoint committees to undertake various aspects of its work, but responsibility for matters that are so delegated remains with the full Board. The Board of Trustees/Management Committee ensures that the committee structure of the Charitable Company is appropriate to the scope and nature of its operations and is capable of ensuring that its responsibilities can be properly controlled and conducted. There are no separate committees at the present time.

The delegation of managerial authority

The Trustees Board has resolved that the operational management of the affairs of the Charitable Company shall be delegated to the Chief Officer of the Charitable Company (L Kidston) with the Chief Officer being responsible to the Board for the proper conduct of the Charitable Company's operations. The Chief Officer must assist the Trustee Board to ensure that the Charitable Company's objectives are achieved.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Risk Management

The Trustee Board has considered the significant risks which the Charitable Company faces. These were included in the Charitable Company Business Plan.

The Trustee Board recognises that:

- A balance needs to be achieved between benefits and risks; that is, between being concerned not only to prevent adverse situations from happening, but also to ensure that worthwhile changes do happen and are not prevented by a disproportionate assessment of possible difficulties.
- The resources expended in mitigating a risk must be in proportion to its probable impact on the service.

The Charitable Company's risk management process consists of:

- The systematic identification and assessment of potential risks.

Performance & Quality Management

The Charitable Company's quality programme is applied to meet its responsibilities to clients, the community and its funders and other stakeholders to provide good quality advice and support services for Wigan Borough which are cost effective, fairly delivered and relevant to the community's needs.

Reserves and Depositing Funds

The Articles of Association of the Charitable Company make provision for the Trustee Board to invest monies not immediately required in such investments or other assets as the Board in its complete discretion thinks fit, subject nevertheless to such conditions and consents as may be imposed or required by law.

In establishing its policy on the holding of reserves, the Trustee Board considers the following:

- income and expenditure forecasts for the core service based on the levels of service to be provided and the amount of grant paid under the Service Level Agreement with the Wigan Metropolitan Borough Council, and in respect of any special projects, under the relevant funding arrangements;
- a risk assessment covering financial and operational matters, including the dependability of income sources, and the level and nature of expenditure commitments;
- the Charitable Company's Development Plan and service developments arising under Citizens Advice requirements.

The Trustee Board has agreed to hold an amount in reserve equivalent to three months salaries and other running costs (equates to £242,906 based on current known expenditure for 2020-21). In addition, the Trustee Board has considered its financial responsibilities for redundancy provision at the end of the Council contract and has deemed it prudent to set aside an amount for redundancy costs of £66,319.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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

FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Citizens Advice Service in the Borough of Wigan for the purpose 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 charity will continue in operation.

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

The auditor, Jackson Stephen LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

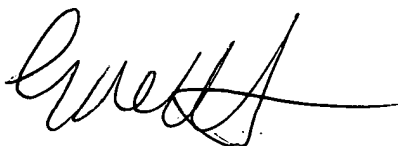
Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.

G Merrett

Trustee

Dated: 23 June 2020



CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

Opinion

We have audited the financial statements of Citizens Advice Service in the Borough of Wigan (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 directors' report included within 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 Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charitable company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

In the previous accounting period the trustees of the charitable company took advantage of the available audit exemption. Therefore, the comparative figures have not been subject to audit.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

Use of our report

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

Jackson Stepler LLP

Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP

29 July 2020
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Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	3	446,761	-	446,761	457,697
Charitable activities	4	-	604,038	604,038	439,630
Other trading activities	5	7,611	-	7,611	8,423
Investments	6	1,191	-	1,191	1,047
Total income		455,563	604,038	1,059,601	906,797
Expenditure on:					
Charitable activities	7	437,742	612,574	1,050,316	859,495
Other	11	(68)	-	(68)	(1,173)
Total resources expended		437,674	612,574	1,050,248	858,322
Net incoming/(outgoing) resources before transfers		17,889	(8,536)	9,353	48,475
Gross transfers between funds		(1,541)	1,541	-	-
Net income/(expenditure) for the year/ Net movement in funds		16,348	(6,995)	9,353	48,475
Fund balances at 1 April 2019		338,980	23,461	362,441	313,966
Fund balances at 31 March 2020		355,328	16,466	371,794	362,441

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

All income and expenditure derive from continuing activities.

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

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		5,738		9,337
Current assets					
Debtors	13	16,499		11,929	
Cash at bank and in hand		397,410		402,706	
		<u>413,909</u>		<u>414,635</u>	
Creditors: amounts falling due within one year	14	<u>(43,332)</u>		<u>(55,759)</u>	
Net current assets			370,577		358,876
Total assets less current liabilities			376,315		368,213
Creditors: amounts falling due after more than one year	15		(4,521)		(5,772)
Net assets			<u>371,794</u>		<u>362,441</u>
Income funds					
Restricted funds			16,466		23,461
Unrestricted funds			355,328		338,980
			<u>371,794</u>		<u>362,441</u>

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

The financial statements were approved by the Trustees on 23 June 2020

G Merrett
Trustee



Company Registration No. 02366214

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(5,398)		37,111
Investing activities					
Purchase of tangible fixed assets		(1,089)		-	
Interest received		1,191		1,047	
Net cash generated from investing activities			102		1,047
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(5,296)		38,158
Cash and cash equivalents at beginning of year			402,706		364,548
Cash and cash equivalents at end of year			<u>397,410</u>		<u>402,706</u>

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Citizens Advice Service in the Borough of Wigan is a private company limited by guarantee incorporated in England and Wales. The registered office is Magnum House, 33 Lord Street, Suite 2.1, Leigh, Lancashire, WN7 1BY.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Incoming resources

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

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

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure, including irrecoverable VAT is recognised on the accrual basis.

In particular, the policy for including items within costs of generating funds is as follows:

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

All costs are allocated between the expenditure categories of the Statement of Financial Activities on bases designed to reflect the uses of particular resources. Costs relating to a particular activity are allocated directly, while others are apportioned on an appropriate basis.

1.6 Tangible fixed assets

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

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

Fixtures and fittings	20% per annum straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

The pension costs charged in the accounts represent the contributions payable by the charity during the period.

The charity has also entered into a deficit funding agreement and the company has recognised its liability for this obligation as disclosed in note 10.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The trustees consider the company's share of the pension scheme to be a critical area of judgement as it is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme as detailed in note 10.

No other critical accounting estimates or judgements have been made by the trustees during the preparation of these accounts.

3 Donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Donations and gifts	446,761	-	446,761	457,697
For the year ended 31 March 2019	447,697	10,000		457,697
Donations and gifts				
Donations	529	-	529	10,465
Core services	446,232	-	446,232	447,232
	446,761	-	446,761	457,697

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	2020 £	2019 £
Energy Advice Project	12,360	-
Access to Justice Foundation	9,455	3,545
Help to Claim	231,628	29,229
Money Advice Service	119,683	114,422
Energy Best Deal	-	20,409
Pension Wise	145,173	129,776
Community Investment Fund	62,739	82,459
General Practitioners' Advice Service	23,000	59,790
	<u>604,038</u>	<u>439,630</u>

All income for both years relates to restricted funds.

5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Other income	<u>7,611</u>	<u>8,423</u>

All income for both years relates to unrestricted funds.

6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>1,191</u>	<u>1,047</u>

All income for both years relates to unrestricted funds.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Charitable activities

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
Staff costs	324,701	536,808	861,509	670,963
Depreciation and impairment	4,688	-	4,688	3,113
Staff and volunteer costs	10,983	14,760	25,743	19,528
Office costs	13,434	24,606	38,040	51,877
Premises costs	11,335	32,828	44,163	36,182
Other	70,550	782	71,332	72,424
	<u>435,691</u>	<u>609,784</u>	<u>1,045,475</u>	<u>854,087</u>
Share of governance costs	2,051	2,790	4,841	5,408
	<u>437,742</u>	<u>612,574</u>	<u>1,050,316</u>	<u>859,495</u>
Analysis by fund				
Unrestricted funds	437,742	-	437,742	
Restricted funds	-	612,574	612,574	
	<u>437,742</u>	<u>612,574</u>	<u>1,050,316</u>	
For the year ended 31 March 2019				
Unrestricted funds	435,858	-		435,858
Restricted funds	-	423,637		423,637
	<u>435,858</u>	<u>423,637</u>		<u>859,495</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Employees

Number of employees

	2020 Number	2019 Number
Employees	41	35

Employment costs

	2020 £	2019 £
Wages and salaries	775,450	602,763
Social security costs	57,920	46,025
Other pension costs	28,139	22,175
	861,509	670,963

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

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Pension Scheme

The company participates in the TPT Retirement Solutions - The Growth Plan scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost. The liability as at 31 March 2020 is £5,704 (2019: £6,920).

ASSUMPTIONS

% per annum	31 March 2020	31 March 2019	31 March 2018
Rate of discount	2.53	1.39	1.71

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

11 Other

	2020 £	2019 £
Financing credit	(68)	(1,173)

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2019	20,653
Additions	1,089
Disposals	(9,361)
	<u>12,381</u>
At 31 March 2020	<u>12,381</u>
Depreciation and impairment	
At 1 April 2019	11,316
Depreciation charged in the year	4,688
Eliminated in respect of disposals	(9,361)
	<u>6,643</u>
At 31 March 2020	<u>6,643</u>
Carrying amount	
At 31 March 2020	<u>5,738</u>
At 31 March 2019	<u>9,337</u>

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,800	-
Other debtors	500	-
Prepayments and accrued income	13,199	11,929
	<u>16,499</u>	<u>11,929</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	14,612	18,294
Accruals and deferred income	28,720	37,465
	<u>43,332</u>	<u>55,759</u>

15 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	4,521	5,772
	<u>4,521</u>	<u>5,772</u>

CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	5,738	-	5,738	9,337	-	9,337
Current assets/ (liabilities)	354,111	16,466	370,577	335,415	23,461	358,876
Long term liabilities	(4,521)	-	(4,521)	(5,772)	-	(5,772)
	<u>355,328</u>	<u>16,466</u>	<u>371,794</u>	<u>338,980</u>	<u>23,461</u>	<u>362,441</u>

17 Related party transactions

There were no other related party transactions during the year (2019: none).

18 Control

The charity is controlled by the trustees.

19 Cash generated from operations

	2020 £	2019 £
Surplus for the year	9,353	48,475
Adjustments for:		
Investment income recognised in statement of financial activities	(1,191)	(1,047)
Depreciation and impairment of tangible fixed assets	4,688	3,113
Movements in working capital:		
(Increase) in debtors	(4,570)	(4,860)
(Decrease) in creditors	(13,678)	(8,570)
Cash (absorbed by)/generated from operations	<u>(5,398)</u>	<u>37,111</u>

20 Analysis of changes in net funds

The charity had no debt during the year.