

Charity Registration No. 701882

Company Registration No. 02366214 (England and Wales)

**CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
PAGES FOR FILING WITH REGISTRAR**



# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B A Jordan	
	G Merrett	
	G Bretherton	(Appointed 5 August 2018)
	D Anderton	(Appointed 2 October 2018)
	B Colman	(Appointed 1 October 2018)
<b>Secretary</b>	L Kidston	
<b>Charity number</b>	701882	
<b>Company number</b>	02366214	
<b>Registered office</b>	Magnum House 33 Lord St Suite 2.1 Leigh Lancashire WN7 1BY	
<b>Independent examiner</b>	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD	
<b>Bankers</b>	National Westminster Bank plc 4 Standishgate Wigan Lancashire WN1 1UE	
<b>Network membership</b>	Citizens Advice 3rd Floor North 200 Aldersgate Street London E1A 4HD	
<b>Membership number</b>	35/0033	

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# **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 2019**

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The trustees present their report and accounts for the year ended 31 March 2019.

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, sexuality 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 14,131 advice and administrative support hours during the year. The monetary value of the voluntary contribution to the Charitable Company is estimated at £162,502 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 2019**

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#### **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 during the year, and good progress has been made on the Service Development Programme.

During the year, we:

- Continued to work with partner organisations for the benefit of clients.
- Helped to make access easier for clients by increasing the number of outreach locations.
- Assisted 14,352 clients with 32,500 issues; debt and welfare benefits advice continues to dominate and accounts for 52.1% of the total issues dealt with.
- Successfully bid for funding from the Access to Justice Fund to assist people with welfare benefit appeals and tribunal hearings.
- Established a digital hub and enhanced our IT infrastructure to enable us to help our residents more effectively, through a grant from the National Lottery Awards For All programme.
- 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 Best Deal extra project, 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.
- Were awarded continuation funding from Wigan CCG and Wigan Council to expand advice provision within General Practice as part of a pilot exercise.
- Worked with the Council and other partners on a problem gambling task and finish group.
- Helped our clients gain or maintain over £4.1 million income (based on an annual equivalent).
- Dealt with almost £2 million worth of client debt.
- Attended 57 Welfare Benefit tribunal hearings with vulnerable clients with an 81% 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 rose to:

98.9% respondents were satisfied or very satisfied

99.4% found our services easy to access

98.9% 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 2018/19 is given below:

#### **Ethnicity**

94.4% White

1.2% Asian

2.1% Black

0.7% Mixed

1.6% Other

#### **Gender**

55.8% female

44.2% male

#### **Disability/Long Term Health Condition**

42.3% 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 2019**

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### **Factors affecting the service**

The present economic circumstances are adversely impacting on our clients in terms of their personal finances. Universal Credit continues to roll out across the Borough leaving people waiting a minimum of 5 weeks for payments, often with no other means of supporting themselves. 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.

Funding uncertainties continue to have a huge adverse impact on the capacity of the advice sector in responding to needs. We can no longer place traditional voluntary-sector reliance solely on the grants system to provide our services, and so we must support our work through making ourselves more effective and efficient; developing social enterprise; enhancing the voluntary contribution; and by making the best use of resources through working and sharing with other agencies.

### **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 improves 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 2018/19 these were: Wigan Council, Wigan CCG, National Association of Citizens Advice Bureaux (Money Advice Service, Pension Wise, Energy Best Deal, Help to Claim funding), National Lottery - Awards for All, Access to Justice Foundation.

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 2018-19.

Over the year income has increased by approximately £198k to nearly £907k. This increase is due to the securing of funding from new projects and the increase in funding for some existing projects. Over the year, and as a result of the increased income, expenditure on our charitable activities increased by approximately £166k to around £860k, of which approximately £690k, related to staff and volunteer costs.

Going forward we anticipate a continued squeeze on social funding budgets and as such the risk of further reduction in the Charity's income remains. 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.

### **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.

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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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:

B A Jordan

G Merrett

S E Ruffley

(Resigned 30 August 2018)

D K Stitt

(Resigned 24 July 2018)

M J Taylor

(Resigned 7 August 2018)

G Bretherton

(Appointed 5 August 2018)

L Ogden

(Appointed 12 July 2018 and resigned 20 September 2018)

D Anderton

(Appointed 2 October 2018)

B Colman

(Appointed 1 October 2018)

### **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 2019

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### 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

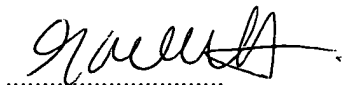
The Articles of Association of the Charitable Company make provision for the Trustee Board to invest monies not immediately required in such investments or other assets as the Board in its complete discretion thinks fit, subject nevertheless to such conditions and consents as may be imposed or required 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 £237,373 based on current known expenditure for 2019-20). 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 £72,000.

The trustees report was approved by the Board of Trustees.



G Merrett

Trustee

Dated: 14/11/19



# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

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I report to the Trustees on my examination of the financial statements of Citizens Advice Service in the Borough of Wigan (the charity) for the year ended 31 March 2019.

#### Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

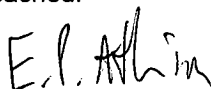
#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Peter Atkinson F.C.A.  
Jackson Stephen LLP  
James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

Dated: 19/11/19

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations and legacies	3	447,697	10,000	457,697	328,632
Charitable activities	4	-	439,630	439,630	373,741
Other trading activities	5	8,423	-	8,423	6,399
Investments	6	1,047	-	1,047	464
<b>Total income</b>		<b>457,167</b>	<b>449,630</b>	<b>906,797</b>	<b>709,236</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	435,858	423,637	859,495	692,707
Other	11	(1,173)	-	(1,173)	(6)
<b>Total resources expended</b>		<b>434,685</b>	<b>423,637</b>	<b>858,322</b>	<b>692,701</b>
<b>Net incoming resources before transfers</b>		<b>22,482</b>	<b>25,993</b>	<b>48,475</b>	<b>16,535</b>
Gross transfers between funds		8,173	(8,173)	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>30,655</b>	<b>17,820</b>	<b>48,475</b>	<b>16,535</b>
Fund balances at 1 April 2018		308,325	5,641	313,966	297,431
<b>Fund balances at 31 March 2019</b>		<b>338,980</b>	<b>23,461</b>	<b>362,441</b>	<b>313,966</b>

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 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		9,337		12,450
<b>Current assets</b>					
Debtors	14	11,929		7,069	
Cash at bank and in hand		402,706		364,548	
		<u>414,635</u>		<u>371,617</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(55,759)</u>		<u>(61,973)</u>	
Net current assets			358,876		309,644
<b>Total assets less current liabilities</b>			368,213		322,094
<b>Creditors: amounts falling due after more than one year</b>	16		(5,772)		(8,128)
<b>Net assets</b>			<u>362,441</u>		<u>313,966</u>
<b>Income funds</b>					
Restricted funds			23,461		5,641
Unrestricted funds			338,980		308,325
			<u>362,441</u>		<u>313,966</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 17.10.19



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 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	19		37,111		(71,868)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(11,291)	
Interest received		1,047		464	
<b>Net cash generated from/(used in) investing activities</b>			1,047		(10,827)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			38,158		(82,695)
Cash and cash equivalents at beginning of year			364,548		447,243
<b>Cash and cash equivalents at end of year</b>			<u>402,706</u>		<u>364,548</u>

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **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 St, 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 unless the funds have been designated for other purposes.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 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 2019

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### 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.

### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 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 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Donations and gifts	447,697	10,000	457,697	328,632
<b>For the year ended 31 March 2018</b>	<b>328,632</b>	<b>-</b>		<b>328,632</b>
<b>Donations and gifts</b>				
Donations	465	10,000	10,465	855
Core services	447,232	-	447,232	327,777
	447,697	10,000	457,697	328,632



# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Charitable activities

	2019 £	2018 £
Community Support Project	-	51,950
Access to Justice Foundation	3,545	-
Help to Claim	29,229	-
Money Advice Service	114,422	97,085
Energy Best Deal	20,409	27,450
Pension Wise	129,776	98,680
Community Investment Fund	82,459	82,932
General Practitioners' Advice Service	59,790	15,644
	<u>439,630</u>	<u>373,741</u>

All income for both years relates to restricted funds.

### 5 Other trading activities

	Unrestricted funds	Total
	2019 £	2018 £
Other income	<u>8,423</u>	<u>6,399</u>

All income for both years relates to unrestricted funds.

### 6 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	<u>1,047</u>	<u>464</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 2019

#### 7 Charitable activities

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
Staff costs	318,969	351,994	670,963	594,657
Depreciation and impairment	3,113	-	3,113	4,130
Staff and volunteer costs	9,287	10,241	19,528	27,796
Office costs	19,565	32,312	51,877	29,463
Premises costs	12,404	23,778	36,182	21,609
Other	70,862	1,562	72,424	2,507
	<u>434,200</u>	<u>419,887</u>	<u>854,087</u>	<u>680,162</u>
Share of governance costs	1,658	3,750	5,408	12,545
	<u>435,858</u>	<u>423,637</u>	<u>859,495</u>	<u>692,707</u>
<b>Analysis by fund</b>				
Unrestricted funds	435,858	-	435,858	
Restricted funds	-	423,637	423,637	
	<u>435,858</u>	<u>423,637</u>	<u>859,495</u>	
<b>For the year ended 31 March 2018</b>				
Unrestricted funds	327,628	-		327,628
Restricted funds	-	365,079		365,079
	<u>327,628</u>	<u>365,079</u>		<u>692,707</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 2019

### 9 Employees

#### Number of employees

	2019 Number	2018 Number
Employees	35	28

#### Employment costs

	2019 £	2018 £
Wages and salaries	579,023	511,198
Social security costs	46,025	42,317
Other pension costs	45,915	41,142
	670,963	594,657

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

### 10 Pension Scheme

The company participates in the TPT Retirement Solutions - The Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 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 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. 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 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 of 1.32% is recognised as a finance cost as detailed in note 11.

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 11 Other

	2019	2018
	£	£
Financing costs	(1,173)	(6)
	<u>(1,173)</u>	<u>(6)</u>

### 12 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2018	20,653
At 31 March 2019	<u>20,653</u>
<b>Depreciation and impairment</b>	
At 1 April 2018	8,203
Depreciation charged in the year	3,113
At 31 March 2019	<u>11,316</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>9,337</u>
At 31 March 2018	<u>12,450</u>

### 13 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	-	120
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>61,531</u>	<u>70,101</u>

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	120
Prepayments and accrued income	<u>11,929</u>	<u>6,949</u>
	<u>11,929</u>	<u>7,069</u>

# CITIZENS ADVICE SERVICE IN THE BOROUGH OF WIGAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Other creditors	18,294	11,817
Accruals and deferred income	37,465	50,156
	<u>55,759</u>	<u>61,973</u>

### 16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>5,772</u>	<u>8,128</u>

### 17 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	9,337	-	9,337	12,450
Current assets/(liabilities)	331,304	27,572	358,876	309,644
Long term liabilities	(5,772)	-	(5,772)	(8,128)
	<u>334,869</u>	<u>27,572</u>	<u>362,441</u>	<u>313,966</u>

### 18 Control

The charity is controlled by the trustees.

### 19 Cash generated from operations

	2019 £	2018 £
Surplus for the year	48,475	16,535
Adjustments for:		
Investment income recognised in statement of financial activities	(1,047)	(464)
Depreciation and impairment of tangible fixed assets	3,113	4,130
Movements in working capital:		
(Increase)/decrease in debtors	(4,860)	598
(Decrease) in creditors	(8,570)	(92,667)
<b>Cash generated from/(absorbed by) operations</b>	<u>37,111</u>	<u>(71,868)</u>