

Charity registration number 701556

Company registration number 02363690 (England and Wales)

CITIZENS ADVICE SANDWELL & WALSALL LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CITIZENS ADVICE SANDWELL & WALSALL LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Dowman (Trustee and Chair of Trustee Board) M Lorimer J Lilley C Bower D Wright A Green D Loon	(Appointed 27 May 2022) (Appointed 27 May 2022) (Appointed 6 December 2022) (Appointed 6 December 2022)
Charity number	701556	
Company number	02363690	
Principal address	Municipal Buildings Halesowen Street Oldbury B69 2AB	
Registered office	Municipal Buildings Halesowen Street Oldbury B69 2AB	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	

CITIZENS ADVICE SANDWELL & WALSALL LTD

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CITIZENS ADVICE SANDWELL & WALSALL LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and audited accounts for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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

Aims of the charity

The charity's objects are to promote any charitable purpose for the benefits of the community in the area of Sandwell & Walsall Metropolitan boroughs and adjacent areas by the advancement of education, the protection and preservation of health and the relief of poverty sickness and distress (As defined in clause 3.1 of the Memorandum and Articles of Association) The charity is also a member of its National Association now known as Citizens Advice, which provides a framework for standards of governance advice and casework management as well as monitoring progress against these standards.

Strategies for achieving objectives

1. To follow the principles and guidelines set out by Citizens Advice
2. To produce an effective frontline advice service by harnessing a local diversity of volunteers and training them to a high standard
3. To sustain and assist the volunteer services by providing networked teams of managerial specialist and outreach staff
4. To control financial operations on a year to year basis by the appropriate use of a Business Plan and budget.

The charity also operates a Health and Safety Policy and an Equalities Policy which are reviewed annually.

Achievements and performance

During this year we set ourselves the following objectives:

1. Supporting Citizens through the Cost of Living crisis
2. Securing a further three year grant agreement with the Local Authorities
3. Utilising an amount of reserves to pilot work with young people leaving care and to support people working in advice services

We secured funding to deliver the Cost Of Living Team (COLT) project in Sandwell and continue to provide assistance to Citizens by consistently delivering our British Gas Energy Trust (BGET) Project. Additionally, we have successfully obtained several smaller funding sources to sustain this ongoing effort.

We successfully obtained an additional three-year agreement with Sandwell Metropolitan Borough Council. Our contract with Walsall Metropolitan Borough Council was reduced and shortened to a duration of 12 months, concluding in March 2024. The nature of the services in Walsall underwent substantial changes, with the exclusion of financial support for a general advice service and delivering a service for welfare benefits casework. We secured funding to continue the Thrive and British Gas Energy Trust initiatives delivering energy projects to combat the rising issue of fuel poverty.

Reserves were allocated to initiate a pilot program aimed at assisting young people transitioning from care. This pilot initiative will be delivered through the Sandwell Children's Trust Leaving Care Service in Sandwell. An evaluation of the pilot's effectiveness will be conducted throughout the upcoming financial year, with the intention of securing additional funding to sustain its continuation.

Our training contracts project is making excellent progress, aiming to transition all participants into paid roles within the organisation.

Our efforts have raised awareness and increased referrals to both our debt and energy products, providing vital assistance to some of our most vulnerable Citizens.

CITIZENS ADVICE SANDWELL & WALSALL LTD

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

FOR THE YEAR ENDED 31 MARCH 2023

Our mobile advice unit (CASSIE) and its staff were prominently featured in the Guardian's Cost of Living article, which encouraged public donations to National Citizens Advice.

We were able to secure £10,000 from the National Grid, enabling us to provide warm home packs to households struggling with rising fuel costs.

Additionally, we secured £212,000 in new business from Multiply, SMART Energy, CADENT, CitA Energy, and British Gas Energy Trust - Energy Outreach Project.

Financial review

Total income for the year was £2,135,825 compared with £2,606,686 in the previous year. Total expenditure amounted to £2,079,429 compared with £2,490,242 in the previous year. The charity achieved a surplus of £56,396 compared with the previous year surplus of £116,444.

Fixed assets are used only for charitable purposes to provide the necessary environment and resources to deliver the services to our clients. The charity has no subsidiary undertakings.

Reserves Policy

The reserves policy of the organisation is in line with good practice recommendations from Citizens Advice National guidelines for Financial Health Monitoring. Unrestricted and designated reserves should be maintained at approximately 3 months operating cost. The purpose of this reserve is for both short term emergencies and long term contingencies arising from such matters such as a major reduction in funding or even total cessation of income. In the latter event, liabilities could arise such as rental and other obligations on leases, statutory and contractual employment obligations and other incidental costs of winding up the charity reduction in funding or even total cessation of income. In the latter event, liabilities could arise from rent, leases, financial obligations such as contractual obligations to staff and other costs arising from winding up the charity.

The trustees acknowledge their responsibilities for Risk Management as set out in SORP (FRS102). They have identified and assessed the major risks to which the charity is exposed, and following on from this have established systems to mitigate those risks.

Plans for the future

The Trustee Board determines the business priorities for the Charity. For the forthcoming year the priorities are:

1. Supporting citizens who have a deficit budget and increasing debt prevention support.
2. Securing further funding to ensure we can continue to support the residents of Sandwell & Walsall.
3. Supporting citizens with the rising Costs of Living.

We plan to take proactive steps to address the growing debt crisis and support citizens who are facing financial difficulties and managing deficit budgets. We aim to focus on budgeting, income maximisation, and raise awareness of high interest borrowing.

We are committed to retaining ongoing grant funding from Local Authorities and prioritising the diversification of funding sources for sustainability and to help mitigate the financial risk to the organisation.

The organisation will maintain its focus on addressing the Cost of Living Crisis in the upcoming year, with plans to continually seek funding to sustain these efforts throughout 2023-2024.

CITIZENS ADVICE SANDWELL & WALSALL LTD

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

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Nature of governing document

The charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association. The Trustees, who are also the directors for the purpose of company law, who served during the year are showing on the legal and administration page. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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:

K Dowman (Trustee and Chair of Trustee Board)

N Parkes (Resigned 25 September 2022)

M Lorimer

J Lilley

J Kaur (Resigned 12 May 2022)

C Bower (Appointed 27 May 2022)

N Bila-Lebuono (Appointed 27 May 2022 and resigned 9 September 2022)

D Wright (Appointed 27 May 2022)

A Green (Appointed 6 December 2022)

D Loon (Appointed 6 December 2022)

The Board reviews its skills and diversity regularly. An annual appraisal of the board takes place and the Board identifies skills gaps and attempts to recruit to fill these. The Board also looks at the make-up of the Board in terms of diversity of age, gender, race and disability and also in terms of the demography of the local population, having done this an analysis of the gap is undertaken and recruitment takes place in an attempt to fill gaps. Trustee positions are advertised locally and on the national website and are recruited through application and interview. New Trustees can be co-opted onto the Board until the AGM where they are voted on to join the Board fully.

Organisational Structure

The charity is organised so that the trustees meet regularly to manage its affairs. Full board meetings are now being held bi-monthly with additional meetings if required.

The company is run by the Trustee Board with day to day responsibility for the day to day running of the organisation delegated to other senior management.

Restrictions and Investment powers

The Memorandum and Articles of Association authorises the charity to receive income by way of donations, gifts and grants, provided that it does not undertake any permanent trading activities in raising funds for its primary objectives.

The Memorandum also authorises investment of surplus monies not immediately required subject to conditions and consents imposed or required by law.

Related parties

As with all other Citizens Advice organisations, the charity is connected with its National Association who are themselves a charity registered under Number 279057 operating from 3rd Floor North, 200 Aldersgate, London EC1A 4HD Payments have been made throughout the year to the National Association amounting to £11,235.55 in respect of insurance, subscriptions, training services, AGM and Sundry stationery.

CITIZENS ADVICE SANDWELL & WALSALL LTD

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

FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Citizens Advice Sandwell & Walsall Ltd 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; 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

In accordance with the company's articles, a resolution proposing that CK Audit be reappointed as auditor of the company will be put at a General Meeting.

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.

K Dowman (Trustee and Chair of Trustee Board)

Dated: 26 September 2023

CITIZENS ADVICE SANDWELL & WALSALL LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITIZENS ADVICE SANDWELL & WALSALL LTD

Opinion

We have audited the financial statements of Citizens Advice Sandwell & Walsall Ltd (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 2023 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; 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

CITIZENS ADVICE SANDWELL & WALSALL LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITIZENS ADVICE SANDWELL & WALSALL LTD

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company by discussion and enquiry with the directors and management team and our general knowledge and experience of the charity sector.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

CITIZENS ADVICE SANDWELL & WALSALL LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITIZENS ADVICE SANDWELL & WALSALL LTD

Audit response to risks identified

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with directors and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Identifying and testing journal entries;
- Agreeing funding to underlying service agreements and ensuring income is recognised in the correct period;
- Agreeing classification of funding between restricted and unrestricted funds and ensuring amounts are spent for the purposes intended;
- Reviewing the allocation of direct and support costs and ensuring comparable to previous periods;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

8 November 2023

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

CITIZENS ADVICE SANDWELL & WALSALL LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Donations and legacies	3	1,956	-	1,956	39	-	39
Charitable activities	4	816,110	1,288,053	2,104,163	756,455	1,821,697	2,578,152
Investments	5	1,483	-	1,483	152	-	152
Other income	6	1,165	27,058	28,223	10,505	17,838	28,343
Total income		820,714	1,315,111	2,135,825	767,151	1,839,535	2,606,686
Expenditure on:							
Charitable activities	7	779,545	1,299,884	2,079,429	839,662	1,650,580	2,490,242
Net incoming resources before transfers		41,169	15,227	56,396	(72,511)	188,955	116,444
Gross transfers between funds		(4,426)	4,426	-	176,186	(176,186)	-
Net income for the year/ Net movement in funds		36,743	19,653	56,396	103,675	12,769	116,444
Fund balances at 1 April 2022		1,053,559	42,553	1,096,112	949,884	29,784	979,668
Fund balances at 31 March 2023		1,090,302	62,206	1,152,508	1,053,559	42,553	1,096,112

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 SANDWELL & WALSALL LTD

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		51,971		49,142
Current assets					
Debtors	13	138,158		149,825	
Cash at bank and in hand		1,080,944		1,070,142	
		<u>1,219,102</u>		<u>1,219,967</u>	
Creditors: amounts falling due within one year	14	<u>(115,174)</u>		<u>(167,678)</u>	
Net current assets			<u>1,103,928</u>		<u>1,052,289</u>
Total assets less current liabilities			<u>1,155,899</u>		<u>1,101,431</u>
Provisions for liabilities			<u>(3,391)</u>		<u>(5,319)</u>
Net assets			<u><u>1,152,508</u></u>		<u><u>1,096,112</u></u>
Income funds					
Restricted funds	18		62,206		42,553
Unrestricted funds			1,090,302		1,053,559
			<u>1,152,508</u>		<u>1,096,112</u>

The financial statements were approved by the Trustees on 26 September 2023

K Dowman (Trustee and Chair of Trustee Board)

Company registration number 02363690

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Citizens Advice Sandwell & Walsall Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Municipal Buildings, Halesowen Street, Oldbury, B69 2AB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's 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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 financial statements 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 Income

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Expenditure on charitable activities includes the direct costs undertaken to further the purposes of the charity and their associated support costs.

Support costs are those functions that assist the work of the charity but do not directly relate to charitable activities. These costs include back office costs, finance, personnel, payroll and governance costs.

1.6 Tangible fixed assets

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

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

Leasehold land and buildings	over the term of the lease
Fixtures and fittings	25% per annum straight line
Motor vehicles	20% per annum straight line

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 the statement of financial activities.

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.

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.

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

Critical judgements

Allocation of support costs

Determine the basis of allocation of support costs between restricted and unrestricted funds.

Key sources of estimation uncertainty

Useful economic life of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	1,956	39
	<u> </u>	<u> </u>

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Provision of advocacy, advice and information	2,104,163	2,578,152
	<u>2,104,163</u>	<u>2,578,152</u>
Analysis by fund		
Unrestricted funds	816,110	756,455
Restricted funds	1,288,053	1,821,697
	<u>2,104,163</u>	<u>2,578,152</u>

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,483	152
	<u>1,483</u>	<u>152</u>

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6	Other Income									
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	2023	funds	2022	funds	2022	funds	2022
		2023	2023	2023	2022	2022	2022	2022	2022	2022
		£	£	£	£	£	£	£	£	£
	Other income	1,165	27,058	28,223	10,505	17,838	28,343			
		<u>1,165</u>	<u>27,058</u>	<u>28,223</u>	<u>10,505</u>	<u>17,838</u>	<u>28,343</u>			

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	2023	2022
	£	£
Staff costs	1,512,865	1,799,131
Premises costs	52,885	13,986
Staff & volunteer costs	23,164	13,502
Office costs	48,973	61,061
Professional fees and consultancy	1,739	40,351
Other costs	22,288	15,205
	<u>1,661,914</u>	<u>1,943,236</u>
Share of support costs (see note 8)	404,643	516,805
Share of governance costs (see note 8)	12,872	30,201
	<u>2,079,429</u>	<u>2,490,242</u>
Analysis by fund		
Unrestricted funds	779,545	839,662
Restricted funds	1,299,884	1,650,580
	<u>2,079,429</u>	<u>2,490,242</u>
For the year ended 31 March 2022		
Unrestricted funds	839,662	
Restricted funds	1,650,580	
	<u>2,490,242</u>	

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs	Support costs	Governance costs	2023 Support costs		Governance costs	2022
	£	£	£	£	£	£
Staff costs	200,991	-	200,991	356,202	-	356,202
Premises costs	59,581	-	59,581	70,464	-	70,464
Staff & volunteer costs	24,581	-	24,581	2,479	-	2,479
Office costs	119,490	-	119,490	87,660	-	87,660
Governance costs	-	13,265	13,265	-	28,308	28,308
Other costs	-	(393)	(393)	-	1,893	1,893
	<u>404,643</u>	<u>12,872</u>	<u>417,515</u>	<u>516,805</u>	<u>30,201</u>	<u>547,006</u>
Analysed between						
Charitable activities	<u>404,643</u>	<u>12,872</u>	<u>417,515</u>	<u>516,805</u>	<u>30,201</u>	<u>547,006</u>

Governance costs includes payments to the auditors of £8,750 (2022- £8,000) for audit fees.

9 Trustees

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

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Advice workers	43	65
Administrators (incl. Apprenticeships)	12	12
Managers	10	5
Cleaners	1	1
Total	<u>66</u>	<u>83</u>

Employment costs

	2023 £	2022 £
Wages and salaries	1,533,980	1,919,664
Social security costs	134,193	156,720
Other pension costs	45,683	78,949
	<u>1,713,856</u>	<u>2,155,333</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

11 Taxation

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

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	3,112	120,478	57,551	181,141
Additions	-	16,566	7,645	24,211
At 31 March 2023	3,112	137,044	65,196	205,352
Depreciation and impairment				
At 1 April 2022	3,112	105,867	23,020	131,999
Depreciation charged in the year	-	8,343	13,039	21,382
At 31 March 2023	3,112	114,210	36,059	153,381
Carrying amount				
At 31 March 2023	-	22,834	29,137	51,971
At 31 March 2022	-	14,611	34,531	49,142

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	77,332	7,557
Other debtors	50,345	131,811
Prepayments and accrued income	10,481	10,457
	138,158	149,825

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		26,801	-
Deferred income	16	25,627	81,897
Trade creditors		19,149	7,020
Other creditors		29,734	59,525
Accruals and deferred income		13,863	19,236
		115,174	167,678

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Provisions for liabilities	Notes	2023 £	2022 £
Retirement benefit obligations	17	3,391	5,319
		<u>3,391</u>	<u>5,319</u>
16 Deferred Income			
		2023 £	2022 £
Arising from Income received in advance		25,627	81,897
		<u>25,627</u>	<u>81,897</u>

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered Group Personal Pension Plan. At the year-end there were no unpaid contributions.

The company participates in the 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 as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April).

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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.

Defined benefit schemes

Key assumptions

	2023	2022
	%	%
Discount rate	5.52	2.35

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes (Continued)

Amounts recognised in the profit and loss account:

	2023	2022
	£	£
Net interest on defined benefit liability/(asset)	101	171
Other costs and income	(91)	(17,038)
	<u>10</u>	<u>(16,867)</u>
Total costs/(income)	<u>10</u>	<u>(16,867)</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2023	2022
	£	£
Present value of defined benefit obligations	3,391	5,319
	<u>3,391</u>	<u>5,319</u>
Deficit in scheme	<u>3,391</u>	<u>5,319</u>

Movements in the present value of defined benefit obligations:

	2023
	£
Liabilities at 1 April 2022	5,319
Benefits paid	(1,938)
Interest cost	101
Other	(91)
	<u>3,391</u>
At 31 March 2023	<u>3,391</u>

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement In funds				Movement In funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
BBO Click Start	19,366	288,366	(300,331)	-	7,401	255,357	(323,093)	60,335	-
MAPS	-	443,338	(361,000)	(82,338)	-	445,651	(408,015)	(37,636)	-
Help To Claim	-	586,228	(494,787)	(91,441)	-	-	-	-	-
Municipal Buildings	6,053	15,995	(17,934)	-	4,114	20,061	(21,617)	-	2,558
WMBC - Core Grant	-	245,000	(242,389)	(2,611)	-	208,000	(188,678)	(19,322)	-
BBO - Family Matters	-	97,854	(87,755)	-	10,099	88,241	(93,771)	-	4,569
WATCH Project - community coronavirus relief fund	2,476	-	-	-	2,476	-	-	-	2,476
British Gas Energy Trust	1,889	147,754	(131,180)	-	18,463	137,925	(123,800)	-	32,588
CASSIE/CASPER - community coronavirus relief fund	-	-	-	-	-	92,228	(92,330)	102	-
Household Support Fund	-	15,000	(15,204)	204	-	-	-	-	-
Client Grants	-	-	-	-	-	6,563	(6,630)	67	-
Barclays	-	-	-	-	-	4,500	(4,688)	188	-
Community Renewal Fund	-	-	-	-	-	16,332	(17,024)	692	-
Multiply	-	-	-	-	-	31,329	(11,783)	-	19,546
Thrive	-	-	-	-	-	8,921	(8,155)	-	169
	<u>29,784</u>	<u>1,839,535</u>	<u>(1,650,580)</u>	<u>(176,186)</u>	<u>42,553</u>	<u>1,315,111</u>	<u>(1,299,884)</u>	<u>4,426</u>	<u>62,206</u>

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Total Unrestricted funds		Total Restricted funds	
	2023	2023	2023	2022	2022	2022	2022	
	£	£	£	£	£	£	£	
Fund balances at 31 March 2023 are represented by:								
Tangible assets	51,971	-	51,971	49,142	-	49,142		
Current assets/(liabilities)	1,041,722	62,206	1,103,928	1,009,736	42,553	1,052,289		
Provisions and pensions	(3,391)	-	(3,391)	(5,319)	-	(5,319)		
	<u>1,090,302</u>	<u>62,206</u>	<u>1,152,508</u>	<u>1,053,559</u>	<u>42,553</u>	<u>1,096,112</u>		

CITIZENS ADVICE SANDWELL & WALSALL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	13,200	24,086
Between two and five years	16,500	29,700
	<u>29,700</u>	<u>53,786</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	192,515	245,073
	<u>192,515</u>	<u>245,073</u>

Transactions with related parties

During the year, the charity made payments to the following related parties. £1,277 (2022 £299) was paid for casual labour to the mother of a member of the management team. £785 (2022 £450) in casual labour fees was paid to the daughter of a member of the management team. £0 (2022 £600) was paid for MAPS consultancy and £1,605 for advertising services to the son of the former Chief Executive Officer. There are no balances outstanding at the year end.

All transactions were considered to be at market rates.

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