

Charity Registration No. 1121988

Company Registration No. 6347304 (England and Wales)

**CITIZENS ADVICE SUNDERLAND**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

## **CITIZENS ADVICE SUNDERLAND**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr C Graham	
	Mr T Taylor	
	Doctor D W Reed	
	Mr D R Wood	
	Mr P Wallace	
	Mr R Singh	
	Ms N Islam	(Appointed 27 May 2021)
	Mr Thomas Johnston	(Appointed 29 July 2021)
<b>Secretary</b>	Mrs D Irving	
<b>Charity number</b>	1121988	
<b>Company number</b>	6347304	
<b>Registered office</b>	5a Waterloo Place Sunderland Tyne and Wear United Kingdom SR1 3HT	
<b>Independent examiner</b>	Ian Whitfield ( BA FCA) Bede House 3 Belmont Business Park Durham DH1 1TW	

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# CITIZENS ADVICE SUNDERLAND

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 22

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# **CITIZENS ADVICE SUNDERLAND**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees present their report and accounts for the year ended 31 March 2022.

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 bureau'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) (effective 1 January 2019)".

#### **Objectives and activities**

The charity's objects 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 Sunderland and surrounding areas.

All of the charity's activities focus on advice provision and support for public benefit and the work is carried out through face-to-face consultations, telephone advice and community talks/sessions.

Through free, independent, confidential and impartial advice, we aim to provide the advice people need for the problems they face and to improve the policies that affect people's lives. We also recognise the positive value of diversity, promote equality and challenge discrimination.

Under normal circumstances, advice is provided through a number of channels including telephone, webchat and face to face. However, with the unanticipated pandemic and national lockdown, all of our services have been delivered remotely by telephone, webchat and email this year, due to our offices being closed.

#### **Contribution of Volunteers**

Although very few in number at present, the organisation receives help and support in the form of voluntary assistance in administering the charity through its Trustee Board. In addition to the nine trustees, we currently benefit from having one volunteer, with others who we can call on to help one off events such as bag packs and manning information stalls.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the bureau should undertake.

#### **Achievements and performance**

Despite the uncertain and difficult financial landscape, Citizens Advice Sunderland has performed well and has helped 13,400 clients this year with over 35,000 issues. Due to lockdown the pandemic, demand for debt and benefit advice has been constantly high and our telephone advice line and our drop in services continue to be extremely busy.

We continue to struggle to meet demand and we have put a hold on recruiting volunteers this year. On returning to the office, we planned to carry out a large scale volunteer recruitment drive to help meet the anticipated increase in demand following the end of lockdown and the furlough scheme. In preparation, we have been reviewing and revising our existing training plan to make it more robust, timely and allow for continual practise throughout.

## **CITIZENS ADVICE SUNDERLAND**

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

#### ***FOR THE YEAR ENDED 31 MARCH 2022***

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We have a three year contract with Sunderland City Council to provide First Tier advice for those living in the East of Sunderland. This contract runs until November 2023 and it supports our daily drop in generalist service and benefit form filling service. We offer benefit, debt, employment and housing advice under the First Tier contract predominantly face to face. However, our Adviceline telephone service also helps to support the contract.

In addition to our First Tier contract, we offer money advice/debt support through the funding we receive from the Money and Pensions Service (MAPS). This is our largest contract which is managed through our national Citizens Advice body. Sunderland is one of the most indebted regions in the country and the area suffers from high levels of deprivation and high levels of unemployment and sickness. Despite the success of our Help to Claim service, we were unsuccessful in retendering for the contract. Fortunately, TUPE applies and the contract has been awarded to another local office nearby, so while we will be losing three members of staff, their jobs will be safe. We are also facing a difficult time ahead with a new commissioning process being undertaken by the Money and Pensions service which could have a huge impact on our organisation and services if we were to lose the contract.

Our ongoing contract with the Wise Group to provide Financial Capabilities to people on the Wise Steps programme, continues to do well. This programme is funded by the European Social Fund and the Big Lottery Community Fund and we work with other local stakeholders in preparing people to get back into work. We are working with other local support agencies to support clients with specialist advice and the partnership is proving very successful in providing clients with a holistic approach to getting them back into work. This contract is due to end in December of 2022 and we will carry forward what we have learned into the future.

Our grants with the British Gas Energy Trust and the Energy Redress Scheme are performing well and they are supporting the people of our community with energy and resilience support. Now more than ever before, are we offering a wrap around and holistic service to clients and we are seeing great benefits in this approach.

We have additional funding from the British Gas Energy Trust to offer a pilot scheme of working with our local Social Prescribing team offering home visits to support their beneficiaries with dedicated debt and benefit support. The six month pilot will help us to reach people who would not have used our services and make a difference to their lives.

We have had a number one off grants through Citizens Advice, Newcastle Building Society, Aviva and the Community Foundation to support ongoing energy work, financial capabilities and volunteer recruitment. These grants allow us to undertake one off projects that support our core service and help us to pilot ideas and target specific groups or areas that would benefit from dedicated support.

We end the year with a new contract from the Cumbria Northumberland Tyne and Wear NHS Foundation Trust to have a dedicated member of staff working from their three premises to support people with benefit/debt support at source. Research shows that the issues we see impacts on people's health and wellbeing and early intervention can have a positive effect on people and their ability to cope. This contract will test the impact of introducing our services early into the process to see if makes a difference long term.

## **CITIZENS ADVICE SUNDERLAND**

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

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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It has been another good year for securing income gains and writing off debts on behalf of clients and gains of just under £5.2 million were recorded. This is very similar to what we achieved last year and is good news for our clients and the local community.

Despite the pandemic, the difficulties of returning to the office and the uncertainty we are facing this year, the staff and volunteers have been outstanding. They adapted admirably to the lockdown and the urgent changes we have needed to make and they have been just as flexible in returning to the office and reopening our doors. We have an excellent and cohesive team who are all willing to go the extra mile to make a real difference to people's lives. It is important that we take care of our greatest and most valuable asset, and the trustees are keen to look after the team's wellbeing and our own mental health and resilience.

In terms of our premises, we have completely renovated the Galleries office in Washington. Since moving in in 2015, no improvements have been made and the office was dated and needed upgrading.

We are proud of our achievements, however, we have faced some difficult challenges and it has been an extremely tough year for us, our local community and the whole country. We anticipate that we will see an increase in demand next year and the economic and political landscape is uncertain. Nevertheless, we will continue to work very hard within the community to build a local network with other partner organisations and community groups to both promote the work the organisation does and to work in partnership to help meet the ever increasing need.

#### **Financial review**

The organisation is primarily funded by grants from the Money Advice and Pensions Service to provide advice on debt and financial issues and the British Gas Energy Trust to provide support people energy and debt issues. We have two other major contracts which are the First Tier Service funded by Sunderland Council and Wise Steps, managed by the Wise Group and funded by the European Social Fund and the Big Lottery Community Fund. This year, we have received funding to provide Energy and Debt support from the British Gas Energy Trust (BGET) and the Energy Redress Scheme. Both of these grants complement our existing services and are a welcome addition to our services. They allow us to find ways of helping clients make savings through energy measures as well as deal with debts and maximise income cohesively. Other income comes from one-off projects, donations and bank interest.

The organisation ends the year with a surplus of £52,986 (2021: £117,858) which puts us in a strong position moving forward. Most of the savings come from salary savings and a reduction in office costs due to all staff working from home. Having lost some staff that have not been replaced, we need to rebuild our numbers and focus our attention on regrowth. We have no spare capacity to cover us for sickness or holidays and this is something we need to address if we are to achieve our goal of growth and meeting client demand.

Nevertheless, having reviewed the organisation's current financial position, the Trustee Board is assured that the charity has adequate financial resources and is able to manage all known business risks going forward. The Management Committee has a reasonable expectation that it has adequate resources to continue in operation for the foreseeable future and believe that there are no material uncertainties that call into doubt its ability to continue as a going concern.

#### **Investment Policy**

The Management Committee regularly reviews available investment products and seeks to invest reserve funds in low risk, short term investment products which provide the best interest rates attainable. To mitigate investment risk, diversification is limited to those institutions with a solid reputation and a strong credit rating.

## **CITIZENS ADVICE SUNDERLAND**

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Reserves Policy**

The Trustee Board has a policy for holding unrestricted reserves to protect the organisation from the impact of shortfalls in forecast income, unforeseen expenditure or planned expenditure that will support the delivery of its charitable objectives.

Reserves carried forward as at 31 March 2022 are £595,145 Unrestricted (2021: £649,866) and £390,018 Restricted (2021: £272,311), totalling £922,177 (2021: £922,177).

In light of the current climate and an uncertain future, the Trustee Board seeks to maintain a minimum of nine months' (2022: £69,392) running costs in reserve. The unrestricted reserves position of reserves as at the 31 March 2022 continues to stay above that intended, however, with the additional staff, we believe that this will change in the coming year. Given the uncertainty of the funding landscape and the economic climate, it is important to remain prudent, agile and flexible

Any restricted balances held for the purpose of specific projects at year end do not form part of the reserves policy other than to spend the money in accordance with funders' restrictions.

The trustees has assessed the major risks to which the bureau is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Plans for 2022-23**

We expect that 2022 will be another busy year. With a cost of living crisis looming and rising energy costs, it's likely that many people in Sunderland will be affected. In the coming year, our aim is to get out and about within the community to raise awareness of our services and encourage everyone to have a benefit check. We are seeing some major successes particularly with pensioners and disabled people who are missing out on a number of benefits they are entitled to. The Welfare Benefit system is complex and we want to ensure that everyone is claiming the right benefits to suit their needs and claiming all that they are entitled to.

With the support of our funders, we have the opportunity to work in outreach venues helping people to save energy, make better and informed choices and understand their rights. Demand for our services is already high and our drop in services are busy but we know that a lot of people aren't aware of our services and how we can help them, so we need to invest in raising our profile and be in locations where people visit on a regular basis. This is undoubtedly resource heavy, but we feel it is a worthwhile investment to we reach people.

We are investigating the opportunity to have an information 'bus' which will visit supermarkets, community centres and doctors' premises so that we will be seen and we can have informal chats with people passing.

The trustee board are reviewing our strategy and how we can reach more people and improve people's lives and that will take priority. The first step will be to ensure the team's wellbeing and to grow our numbers. We started the year with 29 staff but, because of uncertainty and contracts ending, we end the year with just 22. In order to meet existing demand, further investment is needed in additional resource and that will be predominantly in staffing.

In addition to the investment in the workforce, we are also looking to increase our numbers on the trustee board with a focus on diversity and those who have backgrounds in finance, HR, marketing and EDI.

We find ourselves coming out of a pandemic and straight into a recession, so we need to be equipped and ready to deal with high levels of demand, crisis and complex enquiries while meeting our funders' requirements through KPIs and positive outcomes. We are in a fortunate position of having a solid financial base with a dedicated and hardworking workforce. Whatever the future holds, we will ensure that we will continue to provide an excellent and efficient service to those in our community but we need to protect our assets, starting with the team.

## **CITIZENS ADVICE SUNDERLAND**

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

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Structure, governance and management**

Citizens Advice Sunderland is a member of the National Association of Citizens Advice Bureaux (NACAB) which provides support and a framework of agreed memberships standards of advice and casework management. However, the organisation maintains its independence and all policy decisions are taken by the Trustee Board in meeting its charitable objects.

The charity was incorporated on the 20 August 2007 and is governed by its Memorandum and Articles of Association (as amended in 2012). Overall responsibility for governance rests with the Trustee Board.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr C Graham	
Mr T Taylor	
Mr J Hicks	(Resigned 13 July 2022)
Doctor D W Reed	
Mr D R Wood	
Mr A Holland	(Resigned 29 April 2021)
Mr P Wallace	
Mr M Hankins	(Resigned 8 September 2022)
Mr R Singh	
Ms N Islam	(Appointed 27 May 2021)
Mr Thomas Johnston	(Appointed 29 July 2021)



## **CITIZENS ADVICE SUNDERLAND**

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

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees are also directors of Citizens Advice Sunderland for the purposes of Company Law. Starting the year with 10 trustees, the newly recruited Board members have been getting to grips with learning about the organisation and looking to the future. We now have a cohesive and ambitious Board of Directors who are keen to make a difference in our local community and the trustees are working hard on drawing up an achievable but ambitious strategic action plan.

The Trustee Board:

- sets the policy of the charity
- determines corporate strategy including setting key strategic objectives
- makes major decisions about the use of finances

All newly appointed trustees receive a Welcome Pack and a full induction using training and resources provided through the Citizens Advice intranet site. Skillbook. All trustees are encouraged to take up further training opportunities as appropriate and engagement with the wider service is undertaken throughout the year in participating in forums, conferences and consultations wherever possible.

The local Citizens Advice trustee board oversee the information security of all personal information of our clients, staff, funders and strategic partners that is processed. The local Citizens Advice hold joint responsibility for client data that is held in our case management system, with the national Citizens Advice Service. An information assurance management team exists to ensure the confidentiality, integrity and availability of all personal and sensitive data is maintained to a level which is compliant with the requirements the General Data Protection Regulation and Data Protection Act 2018.

We plan to carry out another trustee recruitment drive in the coming year to ensure that the work we have to do can be shared evenly amongst the board and that all meetings are quorate, particularly as many of our trustees have careers outside of the organisation. The Board have ambitious plans for the coming year and the trustees are keen to ensure the infrastructure and our strategy are fit for purpose and will ensure our ongoing ability to meet demand, survive a possible recession and ensure a quality and efficient service for our service users.

#### **Management team**

Denise Irving is the Chief Officer and is supported by a small management team of Susan White and Louise Young, Advice Services Managers and Peter Wilson, the Finance Officer, who help manage the day to day operations of the organisation.

#### **Administrative details**

**Company Number:** 6347304

**Registered Charity Number:** 1121988

**Company Secretary:** Denise Irving

**Registered Office:** 5a Waterloo Place, Sunderland, SR1 3HT

**Independent Examiner:** Ian Whitfield BA FCA (Bede House, 3 Belmont Business Park, Durham, DH1 1TW)

**Bankers:** HSBC (101 Front Street, Chester le Street, Co Durham, DH3 3BL)

## **CITIZENS ADVICE SUNDERLAND**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees' report was approved by the Board of Trustees.

**Mr C Graham**

Trustee

Dated: 24 November 2022

# **CITIZENS ADVICE SUNDERLAND**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF CITIZENS ADVICE SUNDERLAND**

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I report to the trustees on my examination of the financial statements of Citizens Advice Sunderland (the bureau) for the year ended 31 March 2022.

#### **Responsibilities and basis of report**

As the trustees of the bureau (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 bureau 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 bureau'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 bureau'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 bureau 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 accounts to be reached.

Ian Whitfield BA FCA

Azets Audit Services

Bede House  
Belmont Business Park  
DURHAM  
DH1 1TW  
United Kingdom

Dated: 23 March 2023

# CITIZENS ADVICE SUNDERLAND

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	631	-	631	1,673	-	1,673
Charitable activities	4	30,977	811,334	842,311	65,493	740,398	805,891
Investments	5	6,287	-	6,287	7,629	-	7,629
<b>Total income</b>		<b>37,895</b>	<b>811,334</b>	<b>849,229</b>	<b>74,795</b>	<b>740,398</b>	<b>815,193</b>
<b>Expenditure on:</b>							
Charitable activities	6	92,522	703,627	796,149	78,560	618,666	697,226
Other	11	94	-	94	168	(59)	109
<b>Total resources expended</b>		<b>92,616</b>	<b>703,627</b>	<b>796,243</b>	<b>78,728</b>	<b>618,607</b>	<b>697,335</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>							
		(54,721)	107,707	52,986	(3,933)	121,791	117,858
Fund balances at 1 April 2021		649,866	272,311	922,177	653,799	150,520	804,319
<b>Fund balances at 31 March 2022</b>		<b>595,145</b>	<b>380,018</b>	<b>975,163</b>	<b>649,866</b>	<b>272,311</b>	<b>922,177</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 SUNDERLAND

### BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13		39,314		20,673
<b>Current assets</b>					
Debtors	14	37,497		44,860	
Cash at bank and in hand		928,673		885,858	
		<u>966,170</u>		<u>930,718</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(30,321)</u>		<u>(29,214)</u>	
Net current assets			935,849		901,504
<b>Total assets less current liabilities</b>			<u>975,163</u>		<u>922,177</u>
<b>Income funds</b>					
Restricted funds	16		380,018		272,311
Unrestricted funds			595,145		649,866
			<u>975,163</u>		<u>922,177</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 2022.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 13 March 2023

Mr C Graham  
Trustee

Doctor D W Reed  
Trustee

Company Registration No. 6347304

# CITIZENS ADVICE SUNDERLAND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		76,795		144,250
<b>Investing activities</b>					
Purchase of tangible fixed assets		(40,267)		(7,640)	
Investment income received		6,287		7,629	
<b>Net cash used in investing activities</b>			(33,980)		(11)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			42,815		144,239
Cash and cash equivalents at beginning of year			885,858		741,619
<b>Cash and cash equivalents at end of year</b>			928,673		885,858

# **CITIZENS ADVICE SUNDERLAND**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Charity information**

Citizens Advice Sunderland is a private company limited by guarantee incorporated in England and Wales. The registered office is 5a Waterloo Place, Sunderland, Tyne and Wear, SR1 3HT, United Kingdom.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the bureau'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) (effective 1 January 2019)". The bureau is a Public Benefit Entity as defined by FRS 102.

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the bureau.

#### **1.4 Incoming resources**

Income is recognised when the bureau 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 bureau has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

#### 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 improvements	Straight line over 5 years
Computers	25% on cost

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 bureau 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 bureau 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 bureau's balance sheet when the bureau 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 SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 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 bureau'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 bureau 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.

### 2 Critical accounting estimates and judgements

In the application of the bureau'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.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	631	1,673

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Charitable activities

	Provision of advice	Provision of advice
	2022	2021
	£	£
Performance related grants	811,334	740,398
Other income	30,977	65,493
	<u>842,311</u>	<u>805,891</u>
Analysis by fund		
Unrestricted funds	30,977	65,493
Restricted funds	811,334	740,398
	<u>842,311</u>	<u>805,891</u>
MASDAP	310,533	340,361
First Tier	43,000	96,666
Wise Steps	40,516	39,869
Help to Claim	197,543	196,052
Energy Redress Scheme	21,563	5,844
British Gas Energy Trust	147,945	61,606
Mln Cap	15,234	-
Cumbria Northumberland Tyne and Wear NHS Foundation Trust	35,000	-

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	<u>6,287</u>	<u>7,629</u>

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Charitable activities

	Provision of advice	Provision of advice
	2022	2021
	£	£
Staff costs	572,865	560,290
Depreciation and impairment	2,840	1,434
Staff and volunteer expenses	1,006	2,066
Repairs and renewals	237	719
Insurance	568	310
Postage, printing and stationery	1,092	828
Materials, subscriptions and licences	2,298	894
Telephone	1,982	1,124
Rent	4,885	2,069
Rates	325	179
Light and heat	933	193
Cleaning	2,509	788
Sundry expenses	46,685	18,853
Other charitable expenditure	2,218	1,234
	<u>640,443</u>	<u>590,981</u>
Share of support costs (see note 8)	150,124	101,634
Share of governance costs (see note 8)	5,582	4,611
	<u>796,149</u>	<u>697,226</u>
<b>Analysis by fund</b>		
Unrestricted funds	92,522	78,560
Restricted funds	703,627	618,666
	<u>796,149</u>	<u>697,226</u>
<b>For the year ended 31 March 2021</b>		
Unrestricted funds	78,560	
Restricted funds	618,666	
	<u>697,226</u>	

### 7 Description of charitable activities

#### Provision of advice

The charitable activity is the provision of advice.

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff costs	55,202	-	55,202	31,862
Depreciation	18,787	-	18,787	13,485
Independent examiners fee	-	2,500	2,500	4,611
Legal and professional	-	3,082	3,082	-
Staff and volunteer expenses	1,159	-	1,159	1,469
Repairs and renewals	764	-	764	1,957
Insurance	3,758	-	3,758	2,919
Printing, stationery and postage	4,042	-	4,042	2,486
Materials, subscriptions and licences	5,416	-	5,416	4,257
Telephone	12,513	-	12,513	10,564
Rent	32,255	-	32,255	19,586
Other support costs	16,228	-	16,228	13,049
	<u>150,124</u>	<u>5,582</u>	<u>155,706</u>	<u>106,245</u>
Analysed between				
Charitable activities	<u>150,124</u>	<u>5,582</u>	<u>155,706</u>	<u>106,245</u>

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed travelling expenses (2021- one was reimbursed travelling expenses of £39).

### 10 Employees

The average monthly number employees during the year was 26 :

	2022 Number	2021 Number
Management	4	4
Administrative	2	2
Caseworkers	22	19
Cleaner	1	1
Total	<u>29</u>	<u>26</u>

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10	Employees	(Continued)	
	Employment costs	2022 £	2021 £
	Wages and salaries	578,448	542,355
	Social security costs	37,365	38,476
	Other pension costs	12,254	11,321
		<u>628,067</u>	<u>592,152</u>

In addition a great amount of time, the value of which is impossible to reflect in these financial statements, is donated by volunteers.

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

11	Other	Unrestricted funds	Unrestricted funds	Restricted funds	Total
		2022	2021	2021	£ 2021
	Financing costs	11	62	(59)	3
	Other expenditure	83	106	-	106
		<u>94</u>	<u>168</u>	<u>(59)</u>	<u>109</u>

## 12 Taxation

Citizens Advice Sunderland, as a registered charity, is potentially exempt from taxation of income and gains falling within S505 of the Income and Corporation Taxes Act 1988 and S256 of the Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year.

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 13 Tangible fixed assets

	Leasehold improvements	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	43,203	114,416	157,619
Additions	38,684	1,583	40,267
	<u>81,887</u>	<u>115,999</u>	<u>197,886</u>
At 31 March 2022			
<b>Depreciation and impairment</b>			
At 1 April 2021	34,562	102,383	136,945
Depreciation charged in the year	16,377	5,250	21,627
	<u>50,939</u>	<u>107,633</u>	<u>158,572</u>
At 31 March 2022			
<b>Carrying amount</b>			
At 31 March 2022	30,948	8,366	39,314
	<u>8,641</u>	<u>12,032</u>	<u>20,673</u>
At 31 March 2021			

### 14 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	3,582	19,899
Other debtors	198	-
Prepayments and accrued income	33,717	24,961
	<u>37,497</u>	<u>44,860</u>

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

	2022	2021
	£	£
Trade creditors	4,102	2,982
Other creditors	9,373	11,450
Accruals and deferred income	16,846	14,782
	<u>30,321</u>	<u>29,214</u>

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 16 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 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Business Innovation and Skills Money Advice Service Debt Advice Project	9,256	-	-	9,256	-	-	9,256
Sunderland City Council Big Lottery Fund and European Social Fund Universal Support - Help to claim Energy Redress Scheme British Gas Energy Trust (BGET) Mln Cap	52,063	340,361	(290,201)	102,223	310,533	(280,608)	132,148
	89,201	96,667	(46,811)	139,057	43,000	(41,248)	140,809
Cumbria Northumberland Tyne and Wear NHS Foundation Trust	-	39,869	(39,869)	-	40,516	(40,516)	-
	-	196,052	(196,052)	-	197,543	(197,543)	-
	-	5,844	(5,844)	-	21,563	(18,917)	2,646
	-	61,606	(39,831)	21,775	147,945	(109,561)	60,159
	-	-	-	-	15,234	(15,234)	-
	-	-	-	-	35,000	-	35,000
	150,520	740,399	(618,608)	272,311	811,334	(703,627)	380,018

### Unrestricted Funds

The Trustees seek to maintain minimum Reserves levels equivalent to nine months running costs of the Bureau. The Reserves Policy is outlined in the Trustees' Report on page 1 to 6.

# CITIZENS ADVICE SUNDERLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 16 Restricted funds

(Continued)

#### Restricted Funds

##### Money Advice Service Debt Advice Project (MASDAP)

This is an integrated debt advice service which is funded by the Money Advice Service and has funding until March 2023.

##### Sunderland City Council (First Tier Welfare Rights Contract)

This is a welfare benefits and debt advice service funded by Sunderland City Council. The project has funding until March 2023.

##### Energy Redress Scheme

This is a project to provide energy advice to vulnerable people to meet the objectives of the Energy Redress Scheme (ERS). Funding is from Stockton & District Advice & Information Service (SDAIS). The project has funding until March 2023.

##### British Gas Energy Trust (BGET)

This is a project to provide energy advice and assistance to the public aimed at reducing and managing debt, maximising income, reducing fuel poverty, and improving energy efficiency. The project has funding until March 2023.

##### CNTW NHS

Working alongside the three Sunderland NHS Foundation Trusts, the project provides dedicated advice and support to their patients particularly around welfare benefit support. The project has funding until March 2023.

##### Wise Steps

This project provides one-to-one tailored support to help people take positive steps towards work with funding from the Big Lottery and the European Social Fund. The project has funding until January 2023.

### 17 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31						
March 2022 are						
represented by:						
Tangible assets	39,314	-	39,314	20,673	-	20,673
Current assets/(liabilities)	555,012	380,837	935,849	629,193	272,311	901,504
	<u>594,326</u>	<u>380,837</u>	<u>975,163</u>	<u>649,866</u>	<u>272,311</u>	<u>922,177</u>

### 18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

### 19 Charitable Status

Citizens Advice Sunderland is a Registered Charity (Number 1121988). The Charity is a Company Limited by Guarantee, having no share capital. The liability of each member in the event of winding up is £1.



## CITIZENS ADVICE SUNDERLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

20	Cash generated from operations	2022	2021
		£	£
	Surplus for the year	52,986	117,858
	Adjustments for:		
	Investment income recognised in statement of financial activities	(6,287)	(7,629)
	Depreciation and impairment of tangible fixed assets	21,626	14,918
	Movements in working capital:		
	Decrease in debtors	7,363	10,771
	Increase in creditors	1,107	8,332
	<b>Cash generated from operations</b>	<b>76,795</b>	<b>144,250</b>
21	<b>Analysis of changes in net funds</b>		
	The bureau had no debt during the year.		

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