

Charity registration number 1109872

Company registration number 05453262 (England and Wales)

**WATFORD CITIZENS ADVICE BUREAU**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# WATFORD CITIZENS ADVICE BUREAU

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                |  |  |
|----------------|--|--|
| <b>Trustee</b> | Mr Abayomi Akisanya<br>Mr Laurence Blake<br>Mr Richard Boulton<br>Dr Pui Wah Carter<br>Ms Leena Nagrecha<br>Ms Danielle Sherman<br>Mr Mohammed Farrukh Siddiqi<br>Mr Anthony Swabe<br>Cllr Kennedy Rodrigues | Representing Watford Borough Council<br>(appointed 10 August 2022)                           |
|                | Cllr Jennifer Pattinson  | Representing Watford Borough Council<br>(appointed 10 August 2022)                           |
|                | Mr George Derbyshire   | Representing Watford Borough Council<br>(resigned 04 August 2022)                            |
|                | Cllr Stephen Johnson   | Representing Watford Borough Council<br>(appointed 26 October 2021, resigned 04 August 2022) |

### **Honorary Officers**

|                   |                             |
|-------------------|-----------------------------|
| Chairman          | Mr Mohammed Farrukh Siddiqi |
| Treasurer         | Dr Pui Wah Carter           |
| Company Secretary | Ms Leena Nagrecha           |

### **Principal Staff**

|                        |                        |
|------------------------|------------------------|
| Chief Officer          | Ms Emma Burgham        |
| Advice Service Manager | Ms Catherine Markowski |
| Projects Manager       | Ms Kalpna Budhdeo      |

**Charity number** 1109872

**Company number** 05453262

**Principal address** St Mary's Churchyard  
High Street  
Watford  
Hertfordshire  
WD17 2BE

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# WATFORD CITIZENS ADVICE BUREAU

## LEGAL AND ADMINISTRATIVE INFORMATION

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|-----------------------------|--|
| <b>Registered office</b>    | St Mary's Churchyard<br>High Street<br>Watford<br>Hertfordshire<br>WD17 2BE  |
| <b>Independent examiner</b> | Gary Howard FCA<br>Howard Wilson Chartered Accountants<br>36 Crown Rise<br>Watford<br>Hertfordshire<br>WD25 0NE  |
| <b>Bankers</b>              | CAF Bank<br>25 Kings Hill Avenue<br>West Malling<br>Kent<br>ME19 4JQ<br><br>Virgin Money<br>Jubilee House<br>Gosforth<br>Newcastle Upon Tyne<br>NE3 4PL<br><br>United Trust Bank Limited<br>One Ropemaker Street<br>London<br>EC2Y 9AW<br><br>Flagstone<br>1st Floor<br>Clareville House<br>26-27 Oxenden Street<br>London<br>SW1Y 4EL |

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# WATFORD CITIZENS ADVICE BUREAU

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# WATFORD CITIZENS ADVICE BUREAU

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustee Board of Watford Citizens Advice Bureau ("the Bureau" or "the Company") presents its 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 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) (effective 1 January 2019)".

### **Objectives and activities**

Watford Citizens Advice Bureau is a local charity funded by local grants and donations. We are also a member of the National Association of Citizens Advice Bureaux (National Citizens Advice) and shares its key aim 'to shape a society where people face far fewer problems'

We value diversity and promote equality in all we do. We seek to challenge discrimination, both within our own organisation and when, in the course of our work, we encounter it in the communities we serve. In all our work we seek to act in accordance with National Citizens Advice fundamentals:

- Led by people's needs
- Rooted in the community
- Strengthened by volunteers
- Holistic
- Trusted experts

The above fundamentals are achieved by:

- Providing Information, Advice and Advocacy
- Offering a free, independent, confidential and impartial service
- Providing a unique feedback loop, from frontline insights to policy change
- Building partnerships
- Working as one service
- Prioritising the needs of marginalised communities

The objectives of the Bureau are to promote any charitable purposes for the benefit of principally the community in the Borough of Watford by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

The Trustees have given consideration to the guidance issued by the Charity Commission in respect of public benefit in respect of all its activities.

The Bureau's service is independent and it provides free, confidential and impartial advice to everybody regardless of race, gender, disability, sexual orientation, religion, age or nationality. The Bureau recognises the positive value of diversity, promotes equality and challenges discrimination.

### **The Bureau's Activities**

The Bureau helps people in Watford to resolve their problems. As part of the UK's largest advice network, we are equipped to deal with issues from anyone, spanning debt and benefits to employment and housing, plus everything in between. Our clients are at the heart of the service, and we are here to ensure that people who need help get the right support at the right time.

The activities of the Bureau continue to be advising the individual client and engaging in research and campaigns work. By advising clients, the Bureau ensures that individuals do not suffer through a lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their needs effectively. The Bureau exercises a responsible influence on the development of research and campaigns, both locally and nationally.

# WATFORD CITIZENS ADVICE BUREAU

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

**FOR THE YEAR ENDED 31 MARCH 2023**

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The main area of the charitable activity is providing advice. Generalist advice is offered by volunteer and paid staff. Paid caseworkers provide specialist advice on debt and benefits issues. Along with other Hertfordshire Citizens Advice Services, we have access to a British Sign Language (BSL) adviser funded via Hertfordshire County Council. The Bureau is a referral agency for the Free Representation Unit whereby solicitors represent clients at Tribunals and court hearings on a pro bono basis.

The service and projects of the bureau include:

- Generalist Advice
- Debt Advice
- Energy Advice
- Housing Advice
- Benefits Advice
- Charitable Support & Food Banks
- Relationships & Family

Face-to-face advice is provided to clients at the Bureau's Watford office situated in the Advice Centre. Telephone advice is provided by advisors in partnership with nine other Hertfordshire Citizens Advice Services. Watford residents can access information on the Citizens Advice website or contact Watford Citizens Advice via email. There is free internet access for clients from computers in the reception area, providing access to the Citizens Advice website, other key advice sites and local information.

The Bureau is involved in the community, works with local or community partners and attends local events. Advisers, assessors, administrative workers, receptionists, and project workers make up the bulk of the Bureau's workforce. Our volunteers form the backbone of the service and the Trustees are responsible for governing the organisation.

### **Major Risks**

The Bureau maintains a risk register which is agreed by the Trustee Board. The Trustee Board assesses the major risks to which the Bureau may be exposed. These include operational, financial, regulatory, external and governance risks. The Trustees recognise that any major risks to which the Bureau is exposed need to be reviewed and systems put in place to mitigate those risks. To that end, the risk register is continually monitored by the Chief Officer to manage the risks and to ensure that appropriate action plans are in place to mitigate its key risks.

The Bureau has a balanced approach to risk management and adopts an active process to the mitigation of risk. The most significant risks faced by the Bureau have been identified by the Trustee Board and relate to the following:

- Maintaining volunteer recruitment at a level that keeps pace with turnover and enables the delivery of our strategic objectives
- Servicing an increased demand for Benefits, Housing and Debt advice arising from welfare reform, the Covid-19 pandemic and the rise in the cost of living
- Income sustainability in a highly competitive environment with ongoing pressures on public funding.

As part of its risk management policy the Finance & Risk sub-committee of the Board regularly reviews the Risk Register and reports to the Board on the policies and process for identifying and assessing business risks and the management of those risks by the Company. The Finance & Risk sub-committee also reviews and reports to the Board on the Business Continuity plan, Insurances, Health and Safety and Information Assurance matters.

The Trustees remain satisfied that all insurable risks have been identified and adequately dealt with and that the Bureau's exposure to other risks is kept at a minimum by good working practice by the management team, paid staff and volunteers.

# WATFORD CITIZENS ADVICE BUREAU

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Achievements and performance 2022-23

We took the strategic decision in 2022, coming out of Covid, to increase opening hours and assist more clients in person to ensure the most vulnerable and the digitally isolated are supported. Advice is provided by a number of channels including face-to-face, phones, and email. Support and useful information is also available via the new website.

### 2022/23 Service Highlights

- Advised 670 people a month (14% increase on 21/22)
- Clients came with 13,000 issues (12,300 in 21/22)
- Helped 1,772 clients at drop-in (593 in 21/22, restricted by Covid)
- 3,233 clients advised by phone (4,547 in 21/22 as no face-to-face advice)
- 2,464 follow up advice appointments (2,441 in 21/22)
- 959 clients helped by email (878 in 21/22)
- Increased income of clients with benefits & tax credit issues by an average of £5,431 per client
- Wrote off & stabilised debts of £976,094 (£400,000 in 21/22), an average of £4,564 per client (£2,000 in year 21/22)

### Organisational Highlights

- New website launched with improved self-help resources
- Extended opening hours
- Cost of Living Survey undertaken & Report with recommendations published
- Tangibly improved partnership working, and external newsletter launched
- Cyber Security Plus accreditation acquired
- New IT Platform implemented

The demand for our service remains high and we are often limited by the available resources. Clients are increasingly coming with multiple and complex issues requiring detailed casework and more than one appointment, which has a direct impact on resources. We continue to seek additional funding to meet the continual and increasing demand.

We also provide advice to a large number of people who are disabled or have a long-term health condition. In 2022/23 they accounted for 39% of the clients that disclosed this information. This number rises to 53% for clients helped with cost of living issues, underlining the impact of price rises on this vulnerable group.

There are marked changes in the client issues compared to 2021/22, reflecting a community struggling with the cost of living. Benefits and Tax Credits remain the top issue for clients. Debt issues increase by 31% in the year compared to last year with significant increases in Council Tax and Credit card debts.

Other advice areas showing a significant increase include Charitable support which increased to 17% of the total issues compared to 7% in 2020/21. Help with energy issues (Utilities and Communications) accounted for 7%, having not featured in the top issues in the previous year.

We anticipate ongoing need for crisis support and expert debt advice as:

- Food prices continue to rise, hitting low-income families hard. The inflation rate for low-income families is almost 50% higher than that for high-income families
- Rental costs are rising, and Local Housing Allowance remains frozen
- The number of debt clients we support with negative budgets (when essential outgoings are higher than income) is rising

The Trustees are pleased to report that the Bureau has continued its volunteer recruitment and training program and the total number of volunteers is being maintained around 40.

Specialist legal advice is available for family and immigration issues. Expert advice is available for Benefits, Debt, Employment and Housing issues.

# WATFORD CITIZENS ADVICE BUREAU

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Projects**

Projects undertaken by the Bureau during 2022/23 included:

Hertfordshire County Council funded projects:

- Crisis Intervention - support for Hertfordshire clients facing crisis
- Crisis Enhancement - additional energy support for Hertfordshire clients facing crisis
- Cost of Living Advisor - additional support for people facing cost of living difficulties
- HERT Debt - Specialist debt casework advice for Hertfordshire clients

National Citizens Advice funded projects:

- MaPS - Continued delivery of debt casework via Money and Pensions Service (MaPS)
- Foodbank Trussell Trust - Dedicated Money and benefits advice for Foodbank clients

Watford Community Housing - debt and benefits advice to residents

Disability Benefits - Additional support for Disability Benefits claimants

National Lottery - County-wide training to 9 Hertfordshire Citizens Advice offices

### **Achievements of the volunteers**

Volunteers are an essential part of the service provided by Watford Citizens Advice, providing advice and information to the clients. All the volunteers are very generous with their time either working in the office or remotely. During the 2022-23 period, volunteers contributed an average of 336 hours per week of time which is estimated as £297,024 in value.

The Bureau offers excellent training to staff and volunteers. Each volunteer adviser undergoes over 400 hours of training before becoming qualified to advise at a generalist level and additional training is required for specialist advisers.

### **Strategic report**

The description under the headings "Achievements and Performance 2022- 23" and "Financial Review" meet the company law requirements for the Trustees to present a Strategic Report.

### **Financial review**

The year ended 31 March 2023 saw income of £513,815 and expenditure of £483,401. Both the income and expenditure are higher than last year reflecting the new projects secured and additional associated resources.

The pension liabilities further decreased significantly from £8,899 to £5,672 based on the latest evaluation by the pension provider.

At the year end, £431,843 was held as cash at bank, of which £59,409 related to restricted funds.

### **Principal Funding Sources**

Watford Borough Council (WBC) remains the largest funder of the Bureau, providing 48% of income. WBC also provides premises as part of the annual grant.

In addition to this, the Bureau also received 26% of its income from Hertfordshire County Council for various projects. Other principal funders included Watford Community Housing Trust, Watford Foodbank, National Citizens Advice and Community Justice Foundation.

### **Investment Policy**

The Articles of Association gives the Trustees power to invest or deposit funds in any lawful manner. The WBC grant is paid quarterly, and the Bureau has placed any surplus funds on deposit mainly with the Flagstone platform. In order to mitigate any losses should there be another banking crisis, the Flagstone funds have been invested in a number of bank accounts, within the level of the financial compensation scheme.



# WATFORD CITIZENS ADVICE BUREAU

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Reserves policy**

The Trustees believe that the Bureau should hold financial reserves in order to ensure that it can continue to operate and meet the needs of clients and creditors in the event of unforeseen circumstances. The pension fund deficit is considered to be an operating expense and as such the liability for the pension fund is met out of current income.

### **Unrestricted reserves**

The Trustees consider that it would be prudent to set aside 6 - 9 months of operating expenditure; at 31 March 2023 this equates to between £241,700 and £362,550 compared to actual unrestricted reserves of £330,759.

### **Plans for Future Periods**

The strategic priorities of the two year Business Development Plan are:

- Advice - to improve the experience people have when they come to us for help, so everyone leaves with the knowledge and confidence they need to find a way forward
- Culture - to be a collaborative, supportive and proactive service that promotes equality, diversity and inclusion
- Sustainability - to secure our future through a more collaborative, proactive and competitive approach to fundraising
- Advocacy - to be a stronger voice on the issues that matter most to the people who come to us for help
- Technology - to use technology to enable a good experience for the people who come to us for help, while freeing up resources that will allow us to meet more demand

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

#### **Governing Document**

The Bureau is a company limited by guarantee governed by its Articles of Association dated 9th December 2022. It is registered as a charity with the Charity Commission. All directors are members of the Company and cease to be a member when he or she ceases to be a director. Membership is also open to other individuals or organisations provided the individuals are over 16 years of age and not paid workers, employees or unpaid volunteers of the charity. There are currently 13 members, each of whom have agreed to contribute £1 in the event of the charity winding up.

#### **Appointment of Trustees**

The Trustees who served during the year are listed on the Legal and Administrative Information Page.

The directors of the Company are also trustees of the Bureau for the purposes of Charity law and under the Company's Articles are known as members of the Trustee Board. Under the requirements of the Articles of Association, elected Trustees serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Trustees nominated by WBC are also subject to the appointment processes of that body and the guidelines on appointment to public office as they apply to local government nominees.

#### **Trustee Induction and Training**

New Trustees attend Induction Training, which gives them an outline of the Citizens Advice Services and its aims, principles and policies. Trustees are given introductory information and the new Trustees also spend time in the Bureau and have meetings with the specialist advisers, the Chief Officer and the Company Secretary. There are explanations of the role of a Trustee/Director, the Board, the development plan and issues including funding and client statistics. Trustees with interests in particular areas are encouraged to go on with further training. There are learning materials available for Trustees and these range from recruitment & selection to health & safety. Trustees are able to attend regional training events and are updated on governance issues as necessary. Trustees are asked to complete on annual basis online training in Information Assurance.

# WATFORD CITIZENS ADVICE BUREAU

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Organisation**

The Trustee Board currently comprises ten Trustees, including the Chairman, Treasurer, Company Secretary, and two Trustees representing WBC. The Trustee Board meets at least four times a year and has collective responsibility for setting strategic objectives, ensuring sound governance and overall management of the Bureau, including risk management, direction and performance of the Bureau. The Trustee Board gives the Chief Officer duties and powers to represent and to manage the Bureau in accordance with the delegation of authorities and policies approved by the Trustee Board.

The Board has established two sub-committees, Governance and Finance, Risk and Remuneration Committee to assist the Trustee Board in the carrying out of its business by reviewing and analysing certain matters prior to being considered by the full Trustee Board. The scope of responsibilities for the Governance Committee includes governance and regulatory compliance matters as well as review of policies. The scope of responsibilities for the Finance, Risk and Remuneration Committee covers business, financial reporting and controls, risk and remuneration related matters.

### **Related Parties**

The Bureau is a member of National Citizens Advice, which provides the Bureau with its Information System, Intranet and the case-recording system Casebook. Citizens Advice also provides specialist support and audits the Bureau for organisational performance and for quality of advice.

WBC provides the essential core funding for the Bureau and this includes premises costs. The Bureau is part of the Hertfordshire Citizens Advice Service, which works in close partnership and makes joint bids for funding. The Bureau is a member of the local Voluntary Sector consortium Watford and Three Rivers Trust. The Bureau has links with local solicitors who offer pro-bono advice.

The Trustees Report was approved by the Board of Trustees.



**Mr M. F. Siddiqi**

Chairman

Dated: 8 August 2023

# **WATFORD CITIZENS ADVICE BUREAU**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

# WATFORD CITIZENS ADVICE BUREAU

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF WATFORD CITIZENS ADVICE BUREAU

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I report to the trustees on my examination of the financial statements of Watford Citizens Advice Bureau (the charity) for the year ended 31 March 2023.

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

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

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

#### **Independent examiner's statement**

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

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

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

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



**Gary Howard FCA**

Howard Wilson Chartered Accountants  
36 Crown Rise  
Watford  
Hertfordshire  
WD25 0NE

Dated: 15 August 2023

# WATFORD CITIZENS ADVICE BUREAU

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

### Current financial year

|  | Notes | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                  |       |                                    |                                  |                    |                    |
| Donations and legacies                                     | 3     | 268,675                            | 435                              | 269,110            | 260,187            |
| Advisory services  | 4     | 1,471                              | 237,708                          | 239,179            | 185,328            |
| Investments  | 5     | 5,154                              | -                                | 5,154              | 825                |
| Other income   | 6     | 372                                | -                                | 372                | 206                |
| <b>Total income</b>  |       | <b>275,672</b>                     | <b>238,143</b>                   | <b>513,815</b>     | <b>446,546</b>     |
| <b><u>Expenditure on:</u></b>                              |       |                                    |                                  |                    |                    |
| Raising funds  | 7     | 642                                | -                                | 642                | 41                 |
| Advisory services  | 8     | 268,546                            | 214,213                          | 482,759            | 441,780            |
| <b>Total expenditure</b>                                   |       | <b>269,188</b>                     | <b>214,213</b>                   | <b>483,401</b>     | <b>441,821</b>     |
| <b>Net income for the year/<br/>Net incoming resources</b> |       | <b>6,484</b>                       | <b>23,930</b>                    | <b>30,414</b>      | <b>4,725</b>       |
| <b>Other recognised gains and losses</b>                   |       |                                    |                                  |                    |                    |
| Actuarial gain on defined benefit pension schemes          |       | 152                                | -                                | 152                | 28,251             |
| <b>Net movement in funds</b>                               |       | <b>6,636</b>                       | <b>23,930</b>                    | <b>30,566</b>      | <b>32,976</b>      |
| Fund balances at 1 April 2022                              |       | 324,123                            | 35,479                           | 359,602            | 326,626            |
| <b>Fund balances at 31 March 2023</b>                      |       | <b>330,759</b>                     | <b>59,409</b>                    | <b>390,168</b>     | <b>359,602</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.

# WATFORD CITIZENS ADVICE BUREAU

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

|  | Notes | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
|--|-------|------------------------------------|----------------------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                  |       |                                    |                                  |                    |
| Donations and legacies                                     | 3     | 258,487                            | 1,700                            | 260,187            |
| Advisory services  | 4     | -                                  | 185,328                          | 185,328            |
| Investments  | 5     | 825                                | -                                | 825                |
| Other income   | 6     | 52                                 | 154                              | 206                |
| <b>Total income</b>  |       | <b>259,364</b>                     | <b>187,182</b>                   | <b>446,546</b>     |
| <b><u>Expenditure on:</u></b>                              |       |                                    |                                  |                    |
| Raising funds  | 7     | 41                                 | -                                | 41                 |
| Advisory services  | 8     | 258,948                            | 182,832                          | 441,780            |
| <b>Total expenditure</b>                                   |       | <b>258,989</b>                     | <b>182,832</b>                   | <b>441,821</b>     |
| <b>Net incoming resources before transfers</b>             |       | <b>375</b>                         | <b>4,350</b>                     | <b>4,725</b>       |
| Gross transfers between funds                              |       | 860                                | (860)                            | -                  |
| <b>Net income for the year/<br/>Net incoming resources</b> |       | <b>1,235</b>                       | <b>3,490</b>                     | <b>4,725</b>       |
| <b>Other recognised gains and losses</b>                   |       |                                    |                                  |                    |
| Actuarial gain on defined benefit pension schemes          |       | 28,251                             | -                                | 28,251             |
| <b>Net movement in funds</b>                               |       | <b>29,486</b>                      | <b>3,490</b>                     | <b>32,976</b>      |
| Fund balances at 1 April 2021                              |       | 294,637                            | 31,989                           | 326,626            |
| <b>Fund balances at 31 March 2022</b>                      |       | <b>324,123</b>                     | <b>35,479</b>                    | <b>359,602</b>     |

# WATFORD CITIZENS ADVICE BUREAU

## BALANCE SHEET

AS AT 31 MARCH 2023

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|   | Notes | 2023<br>£       | £              | 2022<br>£       | £              |
|---|-------|-----------------|----------------|-----------------|----------------|
| <b>Fixed assets</b>                                   |       |                 |                |                 |                |
| Tangible assets                                       | 12    |                 | 2,316          |                 | 4,632          |
| <b>Current assets</b>                                 |       |                 |                |                 |                |
| Debtors   | 13    | 8,838           |                | 9,261           |                |
| Cash at bank and in hand                              |       | 431,843         |                | 407,544         |                |
|   |       | <u>440,681</u>  |                | <u>416,805</u>  |                |
| <b>Creditors: amounts falling due within one year</b> | 14    | <u>(47,157)</u> |                | <u>(52,936)</u> |                |
| Net current assets                                    |       |                 | 393,524        |                 | 363,869        |
| <b>Total assets less current liabilities</b>          |       |                 | 395,840        |                 | 368,501        |
| <b>Provisions for liabilities</b>                     | 13    |                 | (5,672)        |                 | (8,899)        |
| <b>Net assets</b>                                     |       |                 | <u>390,168</u> |                 | <u>359,602</u> |
| <b>Income funds</b>                                   |       |                 |                |                 |                |
| Restricted funds                                      | 18    |                 | 59,409         |                 | 35,479         |
| <u>Unrestricted funds</u>                             |       |                 |                |                 |                |
| General unrestricted funds                            |       | 336,431         |                | 333,022         |                |
| Pension reserve                                       |       | <u>(5,672)</u>  |                | <u>(8,899)</u>  |                |
|   |       |                 | 330,759        |                 | 324,123        |
|   |       |                 | <u>390,168</u> |                 | <u>359,602</u> |

The Balance Sheet continues on the following page

# WATFORD CITIZENS ADVICE BUREAU

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2023**

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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 2023.

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

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 8 August 2023



Mr M. F. Siddiqi  
Trustee



Dr P. W. Carter  
Trustee

**Company Registration No. 05453262**



# WATFORD CITIZENS ADVICE BUREAU

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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|   | Notes | 2023<br>£ | £              | 2022<br>£ | £              |
|---|-------|-----------|----------------|-----------|----------------|
| <b>Cash flows from operating activities</b>                   |       |           |                |           |                |
| Cash generated from/(absorbed by) operations                  | 21    |           | 19,145         |           | (8,482)        |
| <b>Investing activities</b>                                   |       |           |                |           |                |
| Purchase of tangible fixed assets                             |       | -         |                | (6,948)   |                |
| Investment income received                                    |       | 5,154     |                | 825       |                |
| <b>Net cash generated from/(used in) investing activities</b> |       |           | 5,154          |           | (6,123)        |
| <b>Net cash used in financing activities</b>                  |       |           | -              |           | -              |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | 24,299         |           | (14,605)       |
| Cash and cash equivalents at beginning of year                |       |           | 407,544        |           | 422,149        |
| <b>Cash and cash equivalents at end of year</b>               |       |           | <u>431,843</u> |           | <u>407,544</u> |

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Watford Citizens Advice Bureau is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Churchyard, High Street, Watford, Hertfordshire, WD17 2BE.

#### 1.1 Accounting convention

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

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

The 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 when a liability is incurred. Contractual and performance related arrangements are recognised as goods or services are supplied. Expenditure includes any non-recoverable VAT.

Expenditure is allocated to activities as follows:

Charitable activities comprise costs which relate directly to delivering activities.

Governance comprises of costs which relate directly to governance arrangements and meeting statutory requirements.

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 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:

|                     |                            |
|---------------------|----------------------------|
| Plant and machinery | straight line over 3 years |
|---------------------|----------------------------|

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.

It is the policy of the charity not to capitalise individual assets costing under £1,000.

#### 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 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.

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 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 terminating the employment of an employee or to providing termination benefits.

#### 1.11 Retirement benefits

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

There are some employees who are members of the Pensions Trust's Growth Plan which is a multiemployer pension Plan. The charitable company is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for on a defined contribution basis. The annual contributions payable are charged to the Statement of Financial Activities. Further information concerning the Plan is given at note 15.

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 it 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.

#### 1.12 Creditors and provisions

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

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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### **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.

# WATFORD CITIZENS ADVICE BUREAU

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

### 3 Donations and legacies

|  | Unrestricted funds |            | Restricted funds |                | Total          |              | Unrestricted funds |              | Restricted funds |              | Total          |                |
|--|--------------------|------------|------------------|----------------|----------------|--------------|--------------------|--------------|------------------|--------------|----------------|----------------|
|  | 2023               | 2023       | 2023             | 2023           | 2023           | 2023         | 2022               | 2022         | 2022             | 2022         | 2022           | 2022           |
|  | £                  | £          | £                | £              | £              | £            | £                  | £            | £                | £            | £              | £              |
| Donations and gifts                          | 6,109              | 435        | 435              | 6,544          | 6,544          | 1,700        | 6,661              | 1,700        | 8,361            | 1,700        | 8,361          | 8,361          |
| Grants receivable for core activities        | 262,566            | -          | -                | 262,566        | 262,566        | -            | 251,826            | -            | 251,826          | -            | 251,826        | 251,826        |
|  | <u>268,675</u>     | <u>435</u> | <u>435</u>       | <u>269,110</u> | <u>269,110</u> | <u>1,700</u> | <u>258,487</u>     | <u>1,700</u> | <u>260,187</u>   | <u>1,700</u> | <u>260,187</u> | <u>260,187</u> |
| <b>Grants receivable for core activities</b> |                    |            |                  |                |                |              |                    |              |                  |              |                |                |
| Watford Council Direct Grant                 | 204,190            | -          | -                | 204,190        | 204,190        | -            | 204,190            | -            | 204,190          | -            | 204,190        | 204,190        |
| Watford Council Premises                     | 39,500             | -          | -                | 39,500         | 39,500         | -            | 39,500             | -            | 39,500           | -            | 39,500         | 39,500         |
| Watford & Three Rivers Trust                 | 7,370              | -          | -                | 7,370          | 7,370          | -            | -                  | -            | -                | -            | -              | -              |
| Tesco  | -                  | -          | -                | -              | -              | -            | 1,000              | -            | 1,000            | -            | 1,000          | 1,000          |
| Hertfordshire Community Foundation           | -                  | -          | -                | -              | -              | -            | 2,000              | -            | 2,000            | -            | 2,000          | 2,000          |
| Citizens Advice Bureau                       | 11,506             | -          | -                | 11,506         | 11,506         | -            | 5,136              | -            | 5,136            | -            | 5,136          | 5,136          |
|  | <u>262,566</u>     | <u>-</u>   | <u>-</u>         | <u>262,566</u> | <u>262,566</u> | <u>-</u>     | <u>251,826</u>     | <u>-</u>     | <u>251,826</u>   | <u>-</u>     | <u>251,826</u> | <u>251,826</u> |

# WATFORD CITIZENS ADVICE BUREAU

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

### 4 Advisory services

|   | <b>Advisory<br/>services<br/>2023<br/>£</b> | <b>Advisory<br/>services<br/>2022<br/>£</b> |
|---|---|---|
| Income from services provided               | 5,971                                       | -   |
| Performance related grants                  | 233,208                                     | 185,328                                     |
|   | <u>239,179</u>                              | <u>185,328</u>                              |
| <b>Analysis by fund</b>                     |   |   |
| Unrestricted funds                          | 1,471                                       | -   |
| Restricted funds                            | 237,708                                     | 185,328                                     |
|   | <u>239,179</u>                              | <u>185,328</u>                              |
| <b>Performance related grants</b>           |   |   |
| Watford Foodbank                            | 20,657                                      | -   |
| Hertfordshire Citizens Advice Service       | 135,782                                     | 46,866                                      |
| Citizens Advice Bureau - National and Local | 16,841                                      | 128,416                                     |
| St Albans District Council                  | 2,500                                       | -   |
| Bugler Group Limited                        | 3,000                                       | -   |
| Community Fund                              | 1,400                                       | -   |
| Watford Community Housing Trust             | 29,348                                      | -   |
| Access to Justice - Community Justice Fund  | 14,672                                      | -   |
| Watford Health Trust                        | 5,212                                       | 2,432                                       |
| Other                                       | 3,796                                       | 7,614                                       |
|   | <u>233,208</u>                              | <u>185,328</u>                              |

### 5 Investments

|                     | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> |
|---------------------|--|--|
| Interest receivable | 5,154  | 825  |
|                     | <u>5,154</u>                                 | <u>825</u>                                   |

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Other income

|              | Unrestricted<br>funds | Unrestricted<br>funds | Restricted<br>funds | Total      |
|--------------|-----------------------|-----------------------|---------------------|------------|
|              | 2023<br>£             | 2022<br>£             | 2022<br>£           | 2022<br>£  |
| Other income | <u>372</u>            | <u>52</u>             | <u>154</u>          | <u>206</u> |

### 7 Raising funds

|                                      | Unrestricted<br>funds | Unrestricted<br>funds |
|--------------------------------------|-----------------------|-----------------------|
|                                      | 2023<br>£             | 2022<br>£             |
| Costs of generating voluntary income |                       |                       |
| Advertising                          | <u>642</u>            | <u>41</u>             |
|                                      | <u>642</u>            | <u>41</u>             |



# WATFORD CITIZENS ADVICE BUREAU

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

### 8 Advisory services

|                                      | 2023           | 2022           |
|--------------------------------------|----------------|----------------|
|                                      | £              | £              |
| Staff costs                          | 357,367        | 324,141        |
| Depreciation and impairment          | 2,316          | 2,316          |
| Other staff costs                    | 785            | 228            |
| Training                             | 15,684         | 10,344         |
| Project costs                        | 12,857         | -              |
| Premises costs                       | 19,629         | 59,543         |
| Insurance                            | 1,357          | 1,819          |
| Repairs                              | 456            | 704            |
| Office costs                         | 30,861         | 20,723         |
| Computer costs                       | 23,093         | 9,342          |
| Travel expenses                      | 8,036          | 4,027          |
| General costs                        | 1,017          | 3,457          |
| Legal and professional costs         | 6,661          | 2,806          |
| Bank charges and other finance costs | 384            | 382            |
| Governance costs                     | 2,256          | 1,948          |
|                                      | <u>482,759</u> | <u>441,780</u> |
| <b>Analysis by fund</b>              |                |                |
| Unrestricted funds                   | 268,546        | 258,948        |
| Restricted funds                     | 214,213        | 182,832        |
|                                      | <u>482,759</u> | <u>441,780</u> |

Governance costs comprise of independent examiner's fees £1,620 (2022: £1,320) and AGM costs £636 (2022: £628).

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £88 for miscellaneous expenses incurred on behalf of Watford Citizens Advice Bureau.

# WATFORD CITIZENS ADVICE BUREAU

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

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                               | 2023<br>Number | 2022<br>Number |
|-------------------------------|----------------|----------------|
| Advice services               | 13             | 13             |
| Management and administration | 2              | 2              |
|                               | <u>15</u>      | <u>15</u>      |

#### Employment costs

|                       | 2023<br>£      | 2022<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 317,480        | 287,235        |
| Social security costs | 21,545         | 19,593         |
| Other pension costs   | 18,342         | 17,313         |
|                       | <u>357,367</u> | <u>324,141</u> |

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

### 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.

### 12 Tangible fixed assets

|                                    | Plant and machinery<br>£ |
|------------------------------------|--------------------------|
| <b>Cost</b>                        |                          |
| At 1 April 2022                    | 28,930                   |
| At 31 March 2023                   | <u>28,930</u>            |
| <b>Depreciation and impairment</b> |                          |
| At 1 April 2022                    | 24,298                   |
| Depreciation charged in the year   | 2,316                    |
| At 31 March 2023                   | <u>26,614</u>            |
| <b>Carrying amount</b>             |                          |
| At 31 March 2023                   | <u>2,316</u>             |
| At 31 March 2022                   | <u>4,632</u>             |

# WATFORD CITIZENS ADVICE BUREAU

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

|   |              |               |               |
|---|--------------|---------------|---------------|
| <b>13 Debtors</b>   |              | <b>2023</b>   | <b>2022</b>   |
|   |              | <b>£</b>      | <b>£</b>      |
| <b>Amounts falling due within one year:</b>                         |              |               |               |
| Other debtors   |              | 4,477         | 7,119         |
| Prepayments and accrued income                                      |              | 4,361         | 2,142         |
|   |              | <u>8,838</u>  | <u>9,261</u>  |
| <br>  |              |               |               |
| <b>14 Creditors: amounts falling due within one year</b>            |              | <b>2023</b>   | <b>2022</b>   |
|   | <b>Notes</b> | <b>£</b>      | <b>£</b>      |
| Other taxation and social security                                  |              | 5,097         | -             |
| Deferred income   | <b>16</b>    | 31,700        | 25,376        |
| Trade creditors   |              | 3,160         | 399           |
| Other creditors   |              | 5,148         | 4,009         |
| Accruals and deferred income  |              | 2,052         | 23,152        |
|   |              | <u>47,157</u> | <u>52,936</u> |
| <br>  |              |               |               |
| <b>15 Provisions for liabilities</b>                                |              | <b>2023</b>   | <b>2022</b>   |
|   | <b>Notes</b> | <b>£</b>      | <b>£</b>      |
| Retirement benefit obligations                                      | <b>17</b>    | 5,672         | 8,899         |
|   |              | <u>5,672</u>  | <u>8,899</u>  |
| <br>  |              |               |               |
| <b>16 Deferred income</b>   |              | <b>2023</b>   | <b>2022</b>   |
|   |              | <b>£</b>      | <b>£</b>      |
| Other deferred income   |              | 31,700        | 25,376        |
|   |              | <u>31,700</u> | <u>25,376</u> |
| <br>  |              |               |               |
| Deferred income is included in the financial statements as follows: |              |               |               |
|   |              | <b>2023</b>   | <b>2022</b>   |
|   |              | <b>£</b>      | <b>£</b>      |
| Deferred income is included within:                                 |              |               |               |
| Current liabilities   |              | 31,700        | 25,376        |
|   |              | <u>31,700</u> | <u>25,376</u> |

# WATFORD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 17 Retirement benefit schemes

##### Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025:<br>(payable monthly) | £3,312,000 per annum |
|--|----------------------|

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.

# WATFORD CITIZENS ADVICE BUREAU

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

### 17 Retirement benefit schemes

(Continued)

|  | 31 March 2023<br>(£s) | 31 March 2022<br>(£s)         | 31 March 2021<br>(£s)         |
|--|-----------------------|-------------------------------|-------------------------------|
| Present value of provision                               | 5,673                 | 8,899                         | 49,354                        |
| <br>   |                       |                               |                               |
| Reconciliation of opening and closing provisions         |                       | Period Ended 31<br>March 2022 | Period Ended 31<br>March 2021 |
|  |                       | (£s)                          | (£s)                          |
| Provision at start of period                             |                       | 8,899                         | 49,354                        |
| Unwinding of the discount factor (interest expense)      |                       | 168                           | 285                           |
| Deficit contribution paid                                |                       | (3,242)                       | (12,489)                      |
| Remeasurements - impact of any change in assumptions     |                       | (152)                         | (205)                         |
| Remeasurements - amendments to the contribution schedule |                       | -                             | (28,046)                      |
| Provision at end of period                               |                       | 5,673                         | 8,899                         |
| <br>   |                       |                               |                               |
| Income and Expenditure Impact                            |                       | Period Ended 31<br>March 2022 | Period Ended 31<br>March 2021 |
|  |                       | (£s)                          | (£s)                          |
| Interest expense   |                       | 168                           | 285                           |
| Remeasurements – impact of any change in assumptions     |                       | (152)                         | (205)                         |
| Remeasurements – amendments to the contribution schedule |                       | -                             | (28,046)                      |
| <br>   |                       |                               |                               |
| Assumptions  | 31 March 2023         | 31 March 2022                 | 31 March 2021                 |
|  | % per annum           | % per annum                   | % per annum                   |
| Rate of discount   | 5.52                  | 2.35                          | 0.66                          |

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

The pension charge for the year was £18,342 (2022: £17,313).

# WATFORD CITIZENS ADVICE BUREAU

## 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:

|  | Balance at 1 April 2021 |   | Movement in funds  |                    | Transfers |   | Balance at 1 April 2022 |         | Movement in funds  |                    | Balance at 31 March 2023 |   |
|--|-------------------------|---|--------------------|--------------------|-----------|---|-------------------------|---------|--------------------|--------------------|--------------------------|---|
|  | £                       | £ | Incoming resources | Resources expended | £         | £ | £                       | £       | Incoming resources | Resources expended | £                        | £ |
| Client Funds                               | 1,565                   |   | 4,380              | (3,275)            | -         |   | 2,670                   | 5,416   | (6,954)            |                    | 1,132                    |   |
| Hertfordshire Welfare Assistance Scheme    | -                       |   | 44,468             | (29,443)           | -         |   | 15,025                  | 60,287  | (45,312)           |                    | 30,000                   |   |
| Watford Community Housing Trust            | -                       |   | -                  | -                  | -         |   | -                       | 29,578  | (25,136)           |                    | 4,442                    |   |
| Disability Benefits Service                | -                       |   | 10,833             | (9,682)            | -         |   | 1,151                   | 10,000  | (8,695)            |                    | 2,456                    |   |
| Rough Sleeping Prevention Project          | 3,362                   |   | -                  | (3,362)            | -         |   | -                       | -       | -                  |                    | -                        |   |
| Client Emergency Fund                      | -                       |   | -                  | -                  | -         |   | -                       | 3,000   | (2,969)            |                    | 31                       |   |
| Hertfordshire Community Training Project   | 9,162                   |   | 9,996              | (6,662)            | -         |   | 12,496                  | 14,480  | (22,664)           |                    | 4,312                    |   |
| Community Justice Fund                     | 1,500                   |   | -                  | (1,500)            | -         |   | -                       | -       | -                  |                    | -                        |   |
| Homeworking Initiative                     | 12,650                  |   | -                  | (12,650)           | -         |   | -                       | -       | -                  |                    | -                        |   |
| Watford Foodbank                           | -                       |   | -                  | -                  | -         |   | -                       | 22,057  | (15,863)           |                    | 6,194                    |   |
| The HERT project                           | 3,750                   |   | 38,320             | (38,318)           | -         |   | 3,752                   | 44,935  | (40,056)           |                    | 8,631                    |   |
| The Money and Pensions Service (MaPS)      | -                       |   | 38,218             | (38,218)           | -         |   | -                       | 23,359  | (23,359)           |                    | -                        |   |
| Help to Claim                              | -                       |   | 12,480             | (12,480)           | -         |   | -                       | -       | -                  |                    | -                        |   |
| Access to Justice (Community Justice Fund) | -                       |   | 28,487             | (27,242)           | (860)     |   | 385                     | 14,672  | (14,672)           |                    | -                        |   |
| Other                                      | -                       |   | -                  | -                  | -         |   | -                       | 10,359  | (8,533)            |                    | 2,211                    |   |
|  | 31,989                  |   | 187,182            | (182,832)          | (860)     |   | 35,479                  | 238,143 | (214,213)          |                    | 59,409                   |   |

## WATFORD CITIZENS ADVICE BUREAU

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Restricted funds

(Continued)

Client Funds is funding received to assist clients purchase items of household equipment.

Hertfordshire Welfare Assistance Scheme is funding to provide advice and guidance to clients in extreme hardship situations, to reduce debt and increase income.

Watford Community Housing Trust is funding to provide debt and benefits advice to Watford Community Housing tenants.

Disability Benefits Service is funding from Blandford Trust towards the cost of the service.

Rough Sleeping Prevention Project is funding from New Hope, Watford towards the cost of the project.

Client Emergency Funds is funding received from The Bugler Foundation to provide emergency funds for clients in financial crisis.

Hertfordshire Community Training Project - We received funding from the National Lottery Fund to train staff and volunteers based across Hertfordshire Citizens Advice Services.

Community Justice Fund is a grant from The Access to Justice Foundation to recruit a welfare benefits caseworker to mitigate the loss of volunteer capacity and meet the expected post lockdown surge in demand.

Homeworking Initiative is funding from Hertfordshire Community Foundation, Hertfordshire County Council and The National Lottery Community Fund to allow remote working for staff and volunteers and increase staff levels to meet the demand during lockdown.

Watford Foodbank is funding to provide debt and benefits advice to clients in receipt of multiple food vouchers.

The HERT project is funded by Hertfordshire County Council to provide benefits and debt advice to Primary Care Network (PCN) Link Workers, Community Navigators and Social Prescribers in Hertfordshire. The project is run by The Money Advice Unit (MAU) and Citizens Advice Hertfordshire (Hertsmere and Watford). MAU provide benefit advice with Citizens Advice Hertsmere and Watford providing debt advice.

Money and Pensions Service (MaPS) is funding secured by the National Citizens Advice to increase the capacity of debt advice nationwide.

Help to Claim is a project which offers support to clients setting up new claims for Universal Credit.

Access to Justice (Community Justice Fund) is funding to support the escalating impact of the cost-of-living crisis on Citizens Advice Watford.

Other represents other smaller restricted funds.

# WATFORD CITIZENS ADVICE BUREAU

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

### 19 Analysis of net assets between funds

|  | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--|------------------------------------|----------------------------------|--------------------|--------------------|
| Fund balances at 31 March 2023 are represented by: |                                    |                                  |                    |                    |
| Tangible assets                                    | 2,316                              | -                                | 2,316              | 4,632              |
| Current assets/(liabilities)                       | 335,865                            | 57,659                           | 393,524            | 363,869            |
| Provisions and pensions                            | (5,672)                            | -                                | (5,672)            | (8,899)            |
|  | <u>332,509</u>                     | <u>57,659</u>                    | <u>390,168</u>     | <u>359,602</u>     |

### 20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 21 Cash generated from operations

|   | 2023<br>£     | 2022<br>£      |
|---|---------------|----------------|
| Surplus for the year  | 30,414        | 4,725          |
| Adjustments for:  |               |                |
| Investment income recognised in statement of financial activities | (5,154)       | (825)          |
| Depreciation and impairment of tangible fixed assets              | 2,316         | 2,316          |
| Difference between pension charge and cash contributions          | (3,075)       | (12,204)       |
| Movements in working capital:                                     |               |                |
| Decrease in debtors   | 423           | 8,222          |
| (Decrease)/increase in creditors                                  | (12,103)      | 14,956         |
| Increase/(decrease) in deferred income                            | 6,324         | (25,672)       |
| <b>Cash generated from/(absorbed by) operations</b>               | <u>19,145</u> | <u>(8,482)</u> |

### 22 Analysis of changes in net funds

The charity had no debt during the year.