

Charity Registration No. 1096130

Company Registration No. 04578503 (England and Wales)

Bradford And Airedale Citizens Advice Bureau
Annual Report And Financial Statements
For The Year Ended 31 March 2019

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Essler M Robinson R Stinton S Azam M Hadfield A Northage R Lister S Valentine (Appointed 5 September 2018)
Principal staff	A Taylor - Chief Executive
Secretary	A Taylor
Charity number	1096130
Company number	04578503
Principal and registered office	31 Manor Row Bradford BD1 4PS
Auditor	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY
Bankers	Unity Trust Bank plc 4 Brindleyplace Birmingham B1 2JB

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

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

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 Memorandum of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

When reviewing the aims and objectives of the charity, and in planning future activities, the Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

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

Achievements and performance

The year 2018/19 has seen us developing our work on the BMDC Commissioning contract which was awarded from 2017 to 2021. We were successful in securing 2 of the lots as lead contractor (Bradford West and Shipley / Keighley) and are involved in a further 2 lots as a subcontractor. This new method of advice funding has given us new challenges as we are subcontracting some of the advice delivery to partner agencies – Manningham Project, North East Windhill Community Association, Bangladeshi Community Association (Keighley), Gillington Advice Centre and Foundation Housing.

During 2018/19 we made a successful application for a new Legal Aid Agency contract for Specialist Housing advice along with securing a continuation of our Immigration & Asylum contract. In addition to this we also secured the Housing Possession Court Duty Desk from the Legal Aid Agency. This has resulted in us creating a specialist Housing Advice team. This is a significant development for the organisation and means that we now have staff covering all of the main specialist areas of advice, meaning that we can provide a fully holistic advice service to our clients internally.

Given the current economic climate we, along with most other voluntary sector agencies, have been very concerned about funding. I would like to thank our funders for this continued support in what is a very difficult time for everyone. It is essential that the organisation continues to provide high quality services and to show the outcome of our interventions on client's lives. We have continued to develop our outcome monitoring information and now collect data about the additional income we have secured for our clients and the debts we have managed on our clients' behalf. This has resulted in some very impressive figures and clearly demonstrates the positive social impact we have on the local community and economy. During 2018/19 we secured £3,063,769 in additional income for our clients and we managed £7,678,545 in debts.

The service went from strength to strength during the year as we provided services from our 4 main offices and over 65 outreach venues around the District either directly or via subcontracts. We have staff specialising in Debt, Welfare Benefits, Employment, Housing, Immigration and Asylum along with staff supporting specific groups of clients for example those with Mental Health issues.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

I would like to thank all the paid and voluntary staff for their hard work over the last 12 months. Without their commitment it would be impossible to provide the high quality service to clients.

The organisation continues to work in partnership with a variety of different funders. The principal funder is Bradford Metropolitan District Council which continues to give us significant levels of funding to enable us to provide open door, specialist, GP Surgeries, Children's Centres and generalist appointment services at our Bradford, Shipley and Keighley offices through our Lot 3 (Keighley & Shipley) and Lot 5 (Bradford West).

Other funders include:

Equality Together through their lot 1 contract with BMDC subcontracted us to provide advice in Mental Health support venues.

Family Action through their Lot 2 contract with BMDC subcontract us to provide Specialist Advice in Welfare Benefits.

The Money Advice Service, through Citizens Advice, funds our Face to Face Debt advice project, which employs 10 caseworkers to deliver debt advice to the financially excluded. This project has had a significant impact on our work and has allowed us to help a large number of additional clients.

Warm Homes Healthy People and BMDC Public Health fund a project to provide targeted advice and information about welfare issues facing people during the winter months.

The Legal Aid Agency fund Housing, Immigration and Asylum work under the Legal Aid scheme.

We are grateful to all our funders whose continued support enables us to provide a valuable service to the local community. We are mindful of the difficulties for funders in the current economic climate. We are particularly grateful to those organisations and individuals who donate money to the Organisation.

Fundraising

The organisation does not actively fundraise from the public, no professional fundraisers or commercial participators are engaged. Where donations are received this is on a voluntary basis from individuals and is not actively sought. Fundraising in the charity sector has been regulated by the Fundraising Regulator (FR) since 2015 but the organisation is not specifically registered. The Trustee Board is not aware of any failure by the Charity to comply with this regulation and no complaints have been received in relation to any form of fundraising.

Financial review

The net income for the year amounted to £50,806, consisting of a surplus of £39,127 on unrestricted funds and a surplus of £11,679 before transfers relating to restricted funds. Total funds stood at £706,974 at 31 March 2019. The financial position of the charity is satisfactory.

Reserves Policy

The trustees have established a policy whereby the unrestricted funds, not committed or invested in tangible fixed assets and not designated, being the free reserves held by the charity, should be three months of expenditure, which equates to £543,000 in general funds. At this level the Trustees believe they would be able to continue the operations of the charity. At present the free reserves amount to £387,426 (after deducting and fixed assets, but before the creditors due after more than one year), which is below the target level of reserves. The trustees will review the policy annually.

The principal funding source is from Bradford Metropolitan District Council and Citizens Advice through Money Advice Service.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

Pension Liability

The charity participates in The Pensions Trust Growth Plan scheme and has an obligation to pay a past service deficit contribution, this is payable monthly in addition to future service contributions. The pension liability at the year end stands at £83,031 which is the present value of the deficit reduction contributions payable under the agreement.

Going Concern

We have set out above a review of financial performance and the charity's general reserves position. Our planning process, including financial projections, which has taken into consideration the decision by Bradford Metropolitan District Council to award a 4 year contract for the delivery of advice which is in place until March 2021 confirms that we have adequate resources going forward. We have a reasonable expectation that we will be able to continue in operational existence for the foreseeable future.

Consequently the financial statements have been prepared on the basis that the charity is a going concern.

Risk Management

The trustees have reviewed their procedures in the light of corporate governance guidance contained within the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

A risk assessment report is contained within the business plan and anticipates potential changes to the environment in which CAA is working and highlights how these would impact on its services. In addition it produces a risk register, based on a matrix supplied by Citizens Advice – the national association. The organisational Risk Register is reviewed and updated at each Trustee Board meeting.

The Trustees are satisfied that systems are in place to mitigate the charity's exposure to the major risks to which it is exposed.

Citizens Advice Bradford & Airedale and Bradford Law Centre faces a range of operational risks and the key to successful risk management is to identify potential risks, the likelihood of them occurring and then obviate their impact. The Risk Register is a formal statement of Citizens Advice Bradford & Airedale and Bradford Law Centre risk management strategy and how the impact of potential risks can be minimised. Identifying the risks is an important element of risk management and has been given detailed and careful consideration. Areas which have been covered in this process include:

- activities and services undertaken by the organisation
- our objectives
- targets and outputs required by funders and others
- the operating structure
- external factors (statutory obligations, relationships with funders)
- comparisons with other CABx/comparable organisations
- past performance and previous risks encountered

Citizens Advice Bradford & Airedale and Bradford Law Centre objectives, its internal organisation and the environment in which it operates are continually evolving and as a result, the risks it faces are not constant. Organisational success, derives in part, from successful risk taking and so the purpose of internal control is to help manage and control risk appropriately rather than to eliminate it.

The following measures will help minimise the risks inherent in any large and diverse voluntary sector organisation which relies on a diverse range of funding to meet all its commitments:

Trustee Board recognises its role as the ultimate authority with regard to the governance of the organisation and that the management team and staff recognise that they operate with delegated authority.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

- Effective appraisal of the Chief Executive and Management Team.
- Internal management and supervisory controls which minimise risk of failing to deliver on existing grant
- Staff awareness of sources of funding and the consequences arising from any failure to deliver services in line with grant agreements and contracts.
- The effective use of probationary periods, JPR's, staff supervision and HR policies to promptly identify and deal with issues of concern.
- Regular case sheet checking, IFRs, training to ensure quality.
- Regular review and analysis of statistics to ensure targets are met.
- Maintain good relationships with funders to identify potential future funding problems and potential funding opportunities.
- Ensure adequate financial reserves.
- Monthly financial monitoring against annual budget.
- Good communication between volunteers, staff, the Management Team and the Trustee Board.
- Maintaining independence and political neutrality to avoid conflict of interests.

Plans for the future

The organisation has no plans for significant change over the next 12 month period, we will be continuing to grow our Specialist Housing Advice offering and will be bidding for the LAA court Duty scheme.

We have successfully secured funding from the DWP via Citizens Advice to deliver Universal Credit – Help to claim. The project will provide support to individuals to assist them in preparing and making their Universal Credit application. We will be delivering the service both over the telephone (as a partner in the national Citizens Advice telephone support line) and face to face by providing appointments at BMDC contact centres in Bradford and Keighley and also in Job Centre Plus offices in Bradford and Keighley.

Over the next 12 months we have been invited by BMDC to be involved in their review of Advice Services and to sit on a co-design group looking at the future of advice. We have committed to be fully involved in this process and will be investing a significant amount of Management time into supporting its development.

Structure, governance and management

Citizens Advice Bradford & Airedale and Bradford Law Centre is a charitable company limited by guarantee and was set up by a Memorandum of Association on 31 October 2002. The charitable company commenced operations on 1 April 2003 after acquiring the assets of the unincorporated Organisation founded in 1962. The Organisation changed its Name from Bradford and Airedale Citizens Advice Bureau to Citizens Advice Bradford & Airedale and Bradford Law Centre on the 3rd Feb 2016 following the acquisition of Bradford Law Centre.

The Organisation is constituted under a Memorandum of Association dated 31 October 2002 (Updated 3rd Feb 2016 to reflect Name Change) and is registered charity number 1096130.

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

P Essler	
M Robinson	
D Fearnside	(Resigned 1 September 2018)
A Steele	(Resigned 4 April 2019)
J Prestage	(Resigned 1 September 2018)
R Stinton	
S Azam	
A Nair	(Resigned 6 February 2019)
M Hadfield	
A Northage	

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

R Lister	
N Rowlands	(Resigned 1 September 2018)
P Alexander	(Resigned 1 September 2018)
S Valentine	(Appointed 5 September 2018)

The management of the Organisation is the responsibility of the Trustee Board who are elected and co-opted under the terms of the Articles of Association.

Members' Liability

The trustees of the bureau guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Organisation Structure

The Trustee Board is responsible for the strategic direction of the Organisation with certain powers delegated to the Finance and Personnel Committees. The Chief Executive works closely with the Trustees to agree organisational priorities and is responsible for ensuring that the Organisation meets its contractual, legal and membership obligations. Five Service Managers are responsible for the delivery of services as specified in accordance with quality and contractual requirements. In addition to its 66 paid staff, the Organisation has around 70 volunteers who work in a variety of roles throughout the organisation. Volunteer advisers are central to the Organisation's service delivery strategy and the training and support of volunteers is a key element of the Organisation's activities.

Trustee Induction & Training

New Trustees are provided with an induction pack containing information about the Organisation, the work it carries out and the national Citizens Advice network. Induction meetings are held by the Chair of the Trustee Board and the Chief Executive, covering:

- The role and obligations of trustees
- Governing documents including the Memorandum and Articles
- The Organisation's aims and objectives and the membership requirements of Citizens Advice
- The Organisation's financial position and funding sources
- Future plans and objectives

Trustees are also invited to attend training and conferences run by Citizens Advice at regional and national levels.

Key management personnel remuneration

The pay of the President and Senior Management Team is reviewed annually and is normally increased in line with inflation and comparable roles within the sector.

Related Parties

All trustees give their time voluntarily. Any expenses reclaimed by trustees from the charity are set out in note 7 to the accounts.

Auditor

Garbutt & Elliott Audit Limited were reappointed as auditor to the company and have indicated their willingness to stand for reappointment.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

Small Company Rules

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

Disclosure of information to auditor

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

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

P Essler

Trustee

Dated: 18 September 2019

M Hadfield

Trustee

Dated:18 September 2019

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2019

The trustees, who are also the directors of Bradford and Airedale Citizens Advice Bureau for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

Opinion

We have audited the financial statements of Bradford and Airedale Citizens Advice Bureau (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Mashedor (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott Audit Limited

25 October 2019

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

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

	Notes	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations		307	-	307	909
Charitable activities	3	1,663,917	557,361	2,221,278	2,097,712
Total income		<u>1,664,224</u>	<u>557,361</u>	<u>2,221,585</u>	<u>2,098,621</u>
Expenditure on:					
Charitable activities	4	1,625,097	545,682	2,170,779	2,114,169
Net income/(expenditure) for the year		39,127	11,679	50,806	(15,548)
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes		(1,800)	-	(1,800)	1,000
Net movement in funds		<u>37,327</u>	<u>11,679</u>	<u>49,006</u>	<u>(14,548)</u>
Fund balances at 1 April 2018		657,968	-	657,968	672,516
Fund balances at 31 March 2019		<u><u>695,295</u></u>	<u><u>11,679</u></u>	<u><u>706,974</u></u>	<u><u>657,968</u></u>

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.

A full comparative Statement of Financial Activities is shown in note 19 of these Financial Statements.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	8		377,125		400,948
Current assets					
Debtors	10	206,782		156,379	
Cash at bank and in hand		364,985		333,848	
		<u>571,767</u>		<u>490,227</u>	
Creditors: amounts falling due within one year	11	(172,662)		(153,469)	
Net current assets			399,105		336,758
Total assets less current liabilities			<u>776,230</u>		<u>737,706</u>
Creditors: amounts falling due after more than one year	12		(69,256)		(79,738)
Net assets			<u>706,974</u>		<u>657,968</u>
Income funds					
Restricted funds	14		11,679		-
Unrestricted funds			695,295		657,968
			<u>706,974</u>		<u>657,968</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Trustees on 18 September 2019

P Essler
Trustee

M Hadfield
Trustee

Company Registration No. 04578503

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(used in) operations	18		31,137		(19,900)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			31,137		(19,900)
Cash and cash equivalents at beginning of year			333,848		353,748
Cash and cash equivalents at end of year			364,985		333,848

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Bradford and Airedale Citizens Advice Bureau is a private company limited by guarantee incorporated in England and Wales. The registered office is 31 Manor Row, Bradford, BD1 4PS .

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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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

General unrestricted funds - are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated unrestricted funds - are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds - are subject to specific conditions by donors as to how they may be used. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs. 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 charity.

1.4 Income

Income is recognised in the Statement of Financial Activities ("SoFA") 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 in the SoFA 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 is recognised at the time of the donation.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised in the SoFA when the charity becomes unconditionally entitled to the grant.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

1.5 Expenditure

Expenditure, which includes attributable VAT which cannot be recovered, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Governance costs, included in support costs, include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements and are allocated to charitable activities.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost 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:

Freehold building	Not depreciated
Leasehold improvements	10% straight line

Freehold land is not depreciated. It is the charitable company's policy to maintain the freehold building in continual state of sound repair. Accordingly, the trustees consider that the residual value, at the end of the economic life, is expected to be such that any depreciation, including accumulated depreciation, would be immaterial.

1.7 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.

1.8 Financial instruments

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

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

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

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

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

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.

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

The charity contributes to The Growth Plan administered by TPT Retirement Solutions. The Plan is a multi-employer pension plan. It is not possible in the normal course of events to identify on a reasonable and consistent basis the charity's share of underlying assets and liabilities. In accordance with Charities SORP (FRS 102) the obligation to make good the deficit by way of deficit contributions has been recognised in these Financial Statements at fair value.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

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, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Defined benefit pension scheme

The charity is a member of a multi-employer defined benefit scheme. The charity has recognised its liability under the deficit recovery plan at fair value which is based on the recommendations of the scheme actuary. The actuary uses certain critical assumptions, such as discount rate, mortality and expected rates of return when setting the deficit recovery plan for the scheme at each triennial review.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Charitable activities

	2019 £	2018 £
Grants, contracts and fees	2,220,047	2,086,987
Other income	1,231	10,725
	<u>2,221,278</u>	<u>2,097,712</u>
Analysis by fund		
Unrestricted funds	1,663,917	1,551,752
Restricted funds	557,361	545,960
	<u>2,221,278</u>	<u>2,097,712</u>
Grants, contracts and fees		
BMDC Lot 1 (Equality Together)	25,993	26,000
BMDC Lot 2 (Family Action)	7,400	7,400
BMDC Lot 3	573,798	570,472
BMDC Lot 5	905,999	899,383
Adult and Community Services - Advocacy	-	25,260
BMDC - OISC - Translation	55,000	-
Money Advice Service - Debt Awareness Programme	515,455	521,584
Legal Aid Agency	87,079	36,288
Energy Best Deal	-	600
Universal Credit: Help to Claim - set up grant	41,906	-
Other	7,417	-
	<u>2,220,047</u>	<u>2,086,987</u>

Restricted grants, contracts and fees for the current and previous year are detailed in note 14 to the Financial Statements.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	2019 £	2018 £
Staff costs	1,341,728	1,402,007
Other staff and volunteer costs	53,713	16,903
Office costs	108,884	105,052
Premises costs	126,340	65,532
Other	393,183	387,600
	<hr/>	<hr/>
	2,023,848	1,977,094
Share of support costs (see note 5)	137,564	129,183
Share of governance costs (see note 5)	9,367	7,892
	<hr/>	<hr/>
	2,170,779	2,114,169
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	1,625,097	1,618,225
Restricted funds	545,682	495,944
	<hr/>	<hr/>
	2,170,779	2,114,169
	<hr/>	<hr/>

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5	Support costs	Support costs	Governance costs	2019	Support costs	Governance costs	2018	Basis of allocation
	£	£	£	£	£	£	£	
	Staff costs	53,280	-	53,280	59,770	-	59,770	FTE
	Other staff and volunteer costs	1,477	-	1,477	2,732	-	2,732	FTE
	Office costs	37,414	-	37,414	15,071	-	15,071	FTE
	Premises costs	5,087	-	5,087	23,805	-	23,805	FTE
	Depreciation	23,823	-	23,823	23,823	-	23,823	Direct
	Other	16,483	-	16,483	3,982	-	3,982	FTE
	Audit fees	-	2,915	2,915	-	2,880	2,880	
	Accountancy	-	2,760	2,760	-	2,634	2,634	
	Legal and professional	-	3,144	3,144	-	1,980	1,980	
	Trustee expenses	-	-	-	-	261	261	
	Other	-	548	548	-	137	137	
		<u>137,564</u>	<u>9,367</u>	<u>146,931</u>	<u>129,183</u>	<u>7,892</u>	<u>137,075</u>	
	Charitable activities	<u>137,564</u>	<u>9,367</u>	<u>146,931</u>	<u>129,183</u>	<u>7,892</u>	<u>137,075</u>	

Governance costs includes payments to the auditors of £2,429 (2018- £2,400) for audit fees, net of VAT.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
	57	59
	<u>57</u>	<u>59</u>

Employment costs

	2019	2018
	£	£
Wages and salaries	1,232,366	1,293,648
Social security costs	102,660	110,256
Other pension costs	59,982	57,873
	<u>1,395,008</u>	<u>1,461,777</u>

No employee earned £60,000 or more during the year (2018: no employee).

The cost of sub-contract agency services was £360,833 (2018: £350,643).

The key management personnel of Citizens Advice Bradford & Airedale and Bradford Law Centre Ltd are the Trustees, Chief Executive, two Specialist Services Managers and two Generalist Services Managers for both financial years. The aggregate employment benefits, including employer's national insurance and pension contributions of the key management personnel of the charity were £203,231 (2018: £199,500).

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2018: none).

No travel expense were reimbursed to trustees during the year (2018: £261).

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Tangible fixed assets

	Freehold building £	Leasehold improvements £	Total £
Cost			
At 1 April 2018	212,350	238,229	450,579
At 31 March 2019	212,350	238,229	450,579
Depreciation and impairment			
At 1 April 2018	-	49,631	49,631
Depreciation charged in the year	-	23,823	23,823
At 31 March 2019	-	73,454	73,454
Carrying amount			
At 31 March 2019	212,350	164,775	377,125
At 31 March 2018	212,350	188,598	400,948

9 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Financial assets measured at amortised cost	555,969	476,019
Carrying amount of financial liabilities		
Financial liabilities measured at fair value	(83,081)	(91,533)
Financial liabilities measured at amortised cost	(133,025)	(113,346)

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	145,341	137,827
Prepayments and accrued income	61,441	18,552
	206,782	156,379

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	25,862	28,328
Trade creditors	51,468	87,178
Other creditors	81,557	26,168
Pension scheme deficit obligations	13,775	11,795
	<u>172,662</u>	<u>153,469</u>

12 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Pension scheme deficit obligations	69,256	79,738
	<u>69,256</u>	<u>79,738</u>

13 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activity in respect of defined contribution schemes was £59,982 (2018: £57,873), at the balance sheet date contributions of £187 (2018: £438) were outstanding.

Defined benefit scheme

The company participates in The Pensions Trust Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it in accordance with Charities SORP (FRS102) by providing for the present value of all contribution to make good the deficit.

Where the scheme is in deficit and where the charity 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.

Present Value of Obligation

	2019 £000's	2018 £000's	2017 £000's
Present value of obligation	83	92	103
	<u>83</u>	<u>92</u>	<u>103</u>

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Retirement benefit schemes

(Continued)

Reconciliation of opening and closing provision

	2019 £000's	2018 £000's
Provision at the start of the year	92	103
Unwinding of discount	1	1
Deficit contributions paid	(12)	(11)
Actuarial re-measurements:		
– Impact of any change in assumptions	1	(1)
– Amendments to the contribution schedule	1	-
	<u>83</u>	<u>92</u>
Provision at end of year	<u><u>83</u></u>	<u><u>92</u></u>
Amounts falling due within one year (Note 12)	14	12
Amounts falling due after more than one year (Note 13)	69	80
	<u>83</u>	<u>92</u>
	<u><u>83</u></u>	<u><u>92</u></u>

Income and expenditure impact

	2019 £000's	2018 £000's
Interest expense	1	1
Actuarial re-measurements:		
– Impact of any change in assumptions	1	1
– Amendments to the contribution schedule	1	-
	<u>2</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>1</u></u>

Deficit Contributions Schedule

The following schedule details the future deficit contributions agreed between the charity and the scheme. These contributions have been used to derive the charity's balance sheet liability applying the discount factor noted below:

	2019 £000's	2018 £000's	2017 £000's
Year 1	14	12	11
Year 2	14	12	12
Year 3	15	13	12
Year 4	15	13	13
Year 5	16	13	13
Year 6	13	14	13
Year 7	-	14	14
Year 8	-	7	14
Year 9	-	-	7
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7</u></u>

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Retirement benefit schemes

(Continued)

Assumptions

	2019 %	2018 %	2017 %
Discount rate	1.39	1.71	1.32

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.

14 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:

Current year	Movement in funds				Balance at 31 March 2019 £
	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	
Money Advice Service - Debt Advice Project	-	515,455	(515,455)	-	-
Universal Credit : Help to Claim - Setup grant	-	41,906	(30,227)	-	11,679
	-	557,361	(545,682)	-	11,679

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

14 Restricted funds

(Continued)

Prior year	Movement in funds				Balance at 31 March 2018 £
	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	
Adult and Community Services - Advocacy	-	25,260	(23,620)	(1,640)	-
Money Advice Service - Debt Awareness Programme	-	520,100	(471,124)	(48,976)	-
Energy Best Deal 2017	600	600	(1,200)	-	-
	<u>600</u>	<u>545,960</u>	<u>(495,944)</u>	<u>(50,616)</u>	<u>-</u>

Purpose of restricted funds:

Adult and Community Services – Advocacy – funds an advocacy worker based in the Shipley office to support the physically, mentally or financially abused.

Money Advice Service - Debt Advice Project - funds 10 caseworkers to deliver debt advice to the financially excluded.

Energy Best Deal – funding to deliver public awareness raising presentations aimed at vulnerable consumers, offering information about getting good deals on energy, and assessing help and advice available from energy suppliers and Government for those struggling to pay their bills.

Universal Credit: Help to Claim Setup Grant - funding from the Department for Work and Pensions (DWP) to support the set up costs and to help mobilise the Universal Support project.

Where required, transfers have been made from unrestricted funds to cover shortfalls in project funding.

15 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019:				
Tangible assets	377,125	-	377,125	400,948
Current assets/(liabilities)	387,426	11,679	399,105	336,758
Long term liabilities	(69,256)	-	(69,256)	(79,738)
	<u>695,295</u>	<u>11,679</u>	<u>706,974</u>	<u>657,968</u>

All funds were unrestricted at 31 March 2018.

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Operating lease commitments

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

	2019 £	2018 £
Within one year	57,685	62,047
Between two and five years	183,166	189,596
In over five years	68,407	123,176
	<u>309,258</u>	<u>374,819</u>

17 Related party transactions

Pam Essler, a trustee, is also a trustee of Communication Action Bradford & District (CABD). During the year, total rents of £20,666 (2018: £20,906) were paid to CABD for office space.

18 Cash generated from operations

	2019 £	2018 £
Surplus/(deficit) for the year	50,806	(15,548)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	23,823	23,823
Difference between pension charge and cash contributions	(10,302)	(10,480)
Movements in working capital:		
(Increase) in debtors	(50,403)	(1,034)
Increase in creditors	17,213	26,053
(Decrease) in deferred income	-	(42,714)
Cash generated by/(used in) operations	<u>31,137</u>	<u>(19,900)</u>

BRADFORD AND AIREDALE CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

19 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total 2018 £
<u>Income from:</u>			
Donations	909	-	909
Charitable activities	1,551,752	545,960	2,097,712
Total income	1,552,661	545,960	2,098,621
<u>Expenditure on:</u>			
Charitable activities	1,618,225	495,944	2,114,169
Net (expenditure)/income before transfers	(65,564)	50,016	(15,548)
Gross transfers between funds	50,616	(50,616)	-
Net expenditure for the year	(14,948)	(600)	(15,548)
Actuarial gain on defined benefit pension schemes	1,000	-	1,000
Net movement in funds	(13,948)	(600)	(14,548)
Fund balances at 1 April 2017	671,916	600	672,516
Fund balances at 31 March 2018	657,968	-	657,968