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**CHARNWOOD CITIZENS ADVICE BUREAU**  
**(A Company Limited by Guarantee)**

**TRUSTEES REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**COMPANY NUMBER: 4984410**

**CHARITY NUMBER: 1102353**

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**CHARNWOOD CITIZENS ADVICE BUREAU**

**TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2012**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2012

**REFERENCE AND ADMINISTRATIVE DETAILS**

|                          |   |
|--------------------------|---|
| <b>CHARITY NUMBER</b>    | 1102353   |
| <b>COMPANY NUMBER</b>    | 4984410   |
| <b>REGISTERED OFFICE</b> | Woodgate Chambers<br>70 Woodgate<br>Loughborough<br>Leics<br>LE11 2TZ               |
| <b>PRINCIPAL OFFICE</b>  | Woodgate Chambers<br>70 Woodgate<br>Loughborough<br>Leics<br>LE11 2TZ               |
| <b>ACCOUNTANTS</b>       | Cound & Co LLP<br>1 Princes Court<br>Royal Way<br>Loughborough<br>Leics<br>LE11 5XR |
| <b>BANKERS</b>           | Unity Trust Bank plc<br>Nine Brindleyplace<br>Birmingham<br>B1 2HB                  |

**DIRECTORS AND TRUSTEES**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving during the year and since the year end were as follows

Gerry Jacobs  
Anthony Kidger (Resigned 15 November 2011)  
Richard Tabberer  
Barry Read  
Graham Martin  
Lynn Clarke  
Alastair Wood (Resigned 20 March 2012)  
Patricia Wood  
Claire Bellamy  
David Rodgers  
Ann Brass (Appointed 16 May 2011)

**SECRETARY & BUREAU MANAGER** Moya Hoult

## **CHARNWOOD CITIZENS ADVICE BUREAU**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

Charnwood Citizens Advice Bureau is a company (limited by guarantee) governed by its Memorandum and Articles of Association dated 24 November 2003. It is a charity registered with the Charity Commission.

##### **Appointment of Trustees**

Trustees are selected either from volunteers who approach the bureau to express interest in our work or via external recruitment, subject to the board approving their suitability. The recruitment process seeks to achieve a representative cross-section from our community.

New Trustees are provided with induction training and on-going training in specialist areas is available for all Trustees.

##### **Organisation**

The charity is governed by the Trustee Board and managed on a day to day basis by the Bureau Manager.

##### **Risk Management**

The charity carries out an annual risk assessment and this forms the basis for the preparation of its development plan. The most recent assessment (performed in mid 2012) identified the largest risk as being loss of income. This is discussed further below.

##### **Loss of Income**

Charnwood Citizens Advice Bureau receives the majority of its income in the form of grants from local government and from contracts with the Legal Services Commission (LSC).

**Local Government Funding** There is severe and continuing pressure on central and local government to reduce costs and this in turn has resulted in a reduction in grants received from both Charnwood Borough Council (CBC) and Leicestershire County Council (LCC), it is expected that these grants will continue to decline.

**Legal Services Commission (LSC) Contracts** Payments from the LSC are linked to the number of eligible clients that present themselves for advice (whereas the principal costs of servicing these contracts are salary costs) and therefore insufficient eligible clients will result in a loss on these contracts (as was the case for the LSC South Contract for the period Nov 2010 to Oct 2011). Furthermore, the income is subject to case review by the LSC that can lead to a retrospective clawback of revenues. The existing contracts are due to end in March 2013, beyond this date the services that the LSC will issue contracts for will be much reduced in scope and it is now known that the bureau will not be bidding for any of these contracts. Finally, arrangements for closing and paying for cases under the existing contract which are still open at the end of March 2013 have still to be agreed.

The Trustees are actively reviewing the financial circumstances of the Bureau in order to reduce these risks and ensure its long term viability.

#### **OBJECTIVES AND ACTIVITIES**

The charity's objects are to promote any charitable purpose for the benefit of the community in Charnwood and the surrounding areas by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

## CHARNWOOD CITIZENS ADVICE BUREAU

### TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

#### Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees considered how planned activities will contribute to the aims and objectives that they have set.

#### How our activities deliver public benefit

Charnwood Citizens Advice Bureau helps people resolve their legal, money and other problems by providing information, advice and assistance and by influencing policy makers.

#### Activities

Charnwood Citizens Advice Bureau provides information, advice and assistance free of charge to those with a wide range of legal, money and other difficulties. This 'Core Service' is provided to any person who asks for it. Depending on an individual's circumstances, we may be able to offer additional specialist advice in cases where we have additional tailored funding.

The Core Service is funded primarily by CBC. The service is provided mainly from our offices in Loughborough. However, Shepshed Town Council provides funding for an extension in Shepshed. Volunteer advisers are at the forefront of this part of our activities and they provide advice on a wide range of subjects. They are supported by volunteers in other capacities.

As the Core Service depends on having a sufficient number of trained volunteers available, attracting, training and retaining volunteer advisers is a vital feature of the Bureau's activity.

Funding had been received in earlier years to support this activity, the most recent being the Additional Hours grant from Citizens Advice. This finished at the end of 2010/11. In 2011/12, we supported this activity by dipping into funds that had been set aside in earlier years for this purpose – Advice Session Supervisor Hours. As this money came out of diminishing reserves, the balance in hand at 31 March 2012, namely £15,581, was transferred to general funds. At the end of the 2011/12, we received a grant of £59,280 from the Big Lottery to support the training of volunteers to deliver specialist advice. We called this project VISA – Volunteers in Specialist Advice. This has enabled us to continue with a high level of support of our volunteer advisers in 2012/13.

In addition to the Core Service, Charnwood Citizens Advice Bureau provides help and support to individuals with specific personal and family problems.

- A strong partnership between Surestart and Charnwood Citizens Advice Bureau has continued during the last year enabling the Bureau to provide advice and information to families with young children living in the most deprived areas of Charnwood. The CAB advisers work within the Surestart team alongside other professionals such as health visitors and family support workers. The service is delivered from four centres throughout the Borough.
- Charnwood and other Leicestershire CABs provide financial advice to cancer sufferers and their families. This is funded by the Macmillan Cancer Support Trust.
- The Bureau undertakes Legal aid work in the fields of debt and welfare benefits. This is funded under contract with the LSC. At the start of the year, we held two contracts, one for the north of the County and the other for the south. Unfortunately, the south contract proved to be unsustainable through lack of take up and the contract was terminated in October 2011.
- Clients that are not eligible for legal aid for debt nevertheless receive advice as a result of funding from LCC (Debtline) and CBC (Homelessness Prevention).

## **CHARNWOOD CITIZENS ADVICE BUREAU**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)**

A new development during the year was the inception of the Consumer Information Gathering Project, funded by the Trading Standards Department of LCC and Leicester City Council. This enables information about illegal or inappropriate trading activities from all over the County to be passed on to the Department. Also during the year we received grants from CBC and Citizens Advice (Nationwide Foundation) which enabled us to deliver financial capability training.

#### **ACHIEVEMENT AND PERFORMANCE**

During the 2011/12 financial year the CAB continued to deliver advice for the benefit of the local community despite facing financial difficulties. In particular, the contract with the LSC for the provision of debt and welfare benefits advice in the southern half of Leicestershire proved to be loss making, as the number of clients coming forward was much smaller than expected. The trustees took the decision to hand back the contract in October 2011. As a result, there was a restructuring of the bureau. CASE (Citizens Advice electronic case recording package) allows us to monitor the quality of casework quickly and effectively. We are also able to extract statistical data to compile comprehensive reports. During 2011/2012 the Bureau handled 14,114 client contacts (2010/2011 14,489). These generated 23,170 issues (2010/2011 21,440). In addition to client contacts, the Bureau also made 4,667 contacts with third parties on behalf of clients (2010/2011 4,616).

The Trustees also wish to acknowledge the significant contribution made by volunteers to the organisation, as advisors, administrators, receptionists and trustees. It is estimated that nearly 14,500 volunteer hours were donated during the year. Using Citizens Advice's recommended valuation table, the contribution by the volunteers amounted to £223,000. Without this contribution, we could not have provided our services to nearly as many clients as we, in fact, achieved.

#### **FINANCIAL REVIEW**

Annual income has decreased from £411,653 in 2010/2011 to £405,619 in 2011/12. The number of paid staff in post at the end of the year has increased from 18 to 20 (a decrease from 13 to 12 full time equivalents). Total funds have decreased from £73,535 in March 2011 to £39,087 by March 2012. Of this, £24,588 (2011 £65,300) relates to unrestricted funds.

#### **Reserves Policy**

The charity carried out a fundamental review of its reserves policy in May 2012. As a result, the policy is now that

"The Bureau retains sufficient reserves to cover statutory redundancy pay for all staff assuming it is payable as of the last day of the current 2012/2013 financial year plus 150% of the next quarter's CBC core grant." The rationale for this policy is to ensure that the charity could meet all its liabilities in the event of the worst credible case of the bureau reducing in size, offering generalist advice only and being staffed mostly by volunteer advisors.

The reserves necessary to comply with the above policy is £72,000. The Trustees believed that the bureau will have sufficient reserves at the end of March 2013 to comply. However, achieving this will depend upon a satisfactory winding up of our remaining LSC contract.

#### **Plans for the Future**

The Trustees' principal objective remains the preservation of the primary function of the bureau which is to provide an advice service, free to those who use it and provided mostly by volunteer advisors.

The Trustees' immediate priority is therefore to ensure the long term sustainability of the bureau in the light of reduced funding. We are actively looking for other sources of funding to cover the range of advice services we provide and are working closely with Leicestershire CAB to jointly bid for county-wide funding.

Our core grant from CBC has continued in 2011/12, albeit with a 10% reduction. Other funding that has continued has been the LSC contract, Surestart, Macmillan, Debtline and the Homelessness Prevention project. The Consumer Information Gathering project has again been funded by LCC with additional funds from Leicester City Council. Also, Shepshed Town Council has continued its funding for the Shepshed extension. The VISA funding from the Big Lottery will all be spent in 2012/13.

**CHARNWOOD CITIZENS ADVICE BUREAU**

**TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)**

New funding has been received from LCC for the provision of financial capability training for ex offenders and from CBC to assist us in moving from our existing case management system to a new one called PETRA

During the year both staff and Trustees will be seeking new sources of funding to replace those sources which do not continue beyond the end of the year to ensure that we continue to provide as wide a service as possible to the maximum number of clients

On behalf of the board of trustees

A handwritten signature in black ink, appearing to be 'JD Rodgers', with a long, sweeping horizontal stroke extending to the right.

J D Rodgers  
Chair

13 November 2012

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF  
CHARNWOOD CITIZENS ADVICE BUREAU**

I report on the accounts of the Charity for the year ended 31 March 2012, which are set out on pages 7 to 17

**Respective Responsibilities of Trustees and Examiner.**

The charity's trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act and
- state whether particular matters have come to my attention

**Basis of Independent Examiner's Statement**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent Examiner's Statement**

In connection with my examination, no matter has come to my attention

- 1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met, or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

D R Gradon  
Cound & Co LLP  
Chartered Accountants  
1 Princes Court  
Royal Way  
Loughborough  
Leics  
LE11 5XR

*Cound & Co*

13<sup>th</sup> November 2012

**CHARNWOOD CITIZENS ADVICE BUREAU**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2012**

|   |              | Restricted<br>Funds<br><u>2012</u> | Unrestricted<br>Designated<br>Funds<br><u>2012</u> | Unrestricted<br>Undesignated<br>Funds<br><u>2012</u> | Total<br>Funds<br><u>2012</u> | Total<br>Funds<br><u>2011</u> |
|---|--------------|------------------------------------|--|--|-------------------------------|-------------------------------|
| <b>INCOMING RESOURCES</b>   | <u>Notes</u> |                                    |  |  |                               |                               |
| <b>INCOMING RESOURCES<br/>FROM GENERATED FUNDS:</b>                 |              |                                    |  |  |                               |                               |
| Voluntary income  | 2            | 2000                               | -  | 3509   | 5509                          | 12491                         |
| Investment income   | 3            | -                                  | 41   | 273  | 314                           | 625                           |
| <b>INCOMING RESOURCES<br/>FROM CHARITABLE ACTIVITIES:</b>           |              |                                    |  |  |                               |                               |
| Charitable activities   | 4            | 141565                             | 160049   | 98182  | 399796                        | 398537                        |
| <b>TOTAL INCOMING RESOURCES</b>                                     |              | <u>143565</u>                      | <u>160090</u>                                      | <u>101964</u>  | <u>£405619</u>                | <u>£411653</u>                |
| <b>RESOURCES EXPENDED</b>   |              |                                    |  |  |                               |                               |
| Charitable activities   | 5            | 130312                             | 181588   | 99536  | 411436                        | 432976                        |
| Governance costs  | 6            | 6989                               | 3828   | 17814  | 28631                         | 27993                         |
| <b>TOTAL RESOURCES EXPENDED</b>                                     |              | <u>137301</u>                      | <u>185416</u>                                      | <u>117350</u>  | <u>£440067</u>                | <u>£460969</u>                |
| <b>RESOURCES EXPENDED (INCOMING<br/>RESOURCES) BEFORE TRANSFERS</b> |              | 6264                               | (25326)  | (15386)  | (34448)                       | (49316)                       |
| Transfers between funds   |              | -                                  | (15581)  | 15581  | -                             | -                             |
| <b>NET MOVEMENT IN FUNDS</b>  |              | <u>6264</u>                        | <u>(40907)</u>                                     | <u>195</u>   | <u>(34448)</u>                | <u>(49316)</u>                |
| <b>RECONCILIATION OF FUNDS</b>                                      |              |                                    |  |  |                               |                               |
| Total funds brought forward   |              | <u>8235</u>                        | <u>42208</u>                                       | <u>23092</u>   | <u>73535</u>                  | <u>122851</u>                 |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                                  | 13           | <u>14499</u>                       | <u>1301</u>  | <u>23287</u>   | <u>£39087</u>                 | <u>£73535</u>                 |



CHARNWOOD CITIZENS ADVICE BUREAU

BALANCE SHEET AS AT 31 MARCH 2012

|  | <u>Notes</u> | <u>2012</u>          | <u>2011</u>          |
|--|--------------|----------------------|----------------------|
| <b>CURRENT ASSETS</b>  |              |                      |                      |
| Debtors  | 9            | 42607                | 38872                |
| Cash at Bank and in Hand   |              | 104773               | 77237                |
|  |              | <u>147380</u>        | <u>116109</u>        |
| <b>CURRENT LIABILITIES – Amounts falling due within one year</b> |              |                      |                      |
|  | 10           | <u>94543</u>         | <u>42574</u>         |
| <b>NET CURRENT ASSETS</b>  |              | <b>52837</b>         | <b>73535</b>         |
| <b>CREDITORS – Amounts falling due after more than one year</b>  |              |                      |                      |
|  | 11           | <u>13750</u>         | <u>-</u>             |
| <b>NET ASSETS</b>  |              | <b><u>£39087</u></b> | <b><u>£73535</u></b> |
| <b>REPRESENTED BY the Following Funds</b>                        |              |                      |                      |
| <b>RESTRICTED FUNDS</b>  |              |                      |                      |
| Shepshed   | 12           | 648                  | 341                  |
| Surestart  | 12           | 4317                 | 4117                 |
| Severn Trent   | 12           | -                    | (394)                |
| Macmillan  | 12           | 1491                 | 1375                 |
| Mortgage Rescue  | 12           | -                    | 2796                 |
| 60 <sup>th</sup> Anniversary                                     | 12           | -                    | -                    |
| CIG  | 12           | 2803                 | -                    |
| Homelessness Project   | 12           | 2926                 | -                    |
| Moneywise  | 12           | 2314                 | -                    |
|  |              | <u>14499</u>         | <u>8235</u>          |
| <b>UNRESTRICTED FUNDS</b>  |              |                      |                      |
| <b>Designated Funds</b>  |              |                      |                      |
| Legal Services Commission  | 12           | (215)                | 12191                |
| Debtline   | 12           | 1516                 | 3847                 |
| Advice Session Supervisor Hours                                  | 12           | -                    | 26170                |
| <b>Undesignated Funds</b>  |              |                      |                      |
| General Funds  | 12           | 23287                | 23092                |
|  |              | <u>24588</u>         | <u>65300</u>         |
|  |              | <b><u>£39087</u></b> | <b><u>£73535</u></b> |

Continued

**CHARNWOOD CITIZENS ADVICE BUREAU**  
**BALANCE SHEET AS AT 31 MARCH 2012**

For the year ending 31 March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

**Directors' responsibilities**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

These financial statements were approved by the directors on 13<sup>th</sup> November 2012 and signed on their behalf by



R Tabberer

**CHARNWOOD CITIZENS ADVICE BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts

**a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005. There are contingent liabilities of £248611 and £6195 in respect of multi-employer pension schemes (as set out in note 8). If these liabilities were to crystallise then the going concern basis would not be appropriate.

**b) Company Status**

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**c) Fund Accounting**

Undesignated general funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. The funds which have been designated for specific purposes have been so designated either -

- To meet the risk of the charity failing to meet performance targets and as a consequence being required to repay part of its funding or,
- To ensure that the charity has sufficient funds to meet anticipated future financial needs which cannot be achieved out of normal recurring income.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim of each restricted fund is set out in the notes to the financial statements.

**d) Incoming Resources**

All incoming resources are included in the Statement of Financial Resources (SOFA) when the charity is legally entitled to the income and the income can be quantified with reasonable accuracy.

**e) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of those resources.

**f) Pensions**

Scottish Council for Voluntary Organisations (SCVO) Final Salary Pension Scheme

The charity participates in a multi-employer defined benefit pension scheme. The assets of the scheme are held separately from those of the charity. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

This scheme was closed to future contributions as at 31 March 2010 (see note 8).

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

f) Pensions (continued)

Pensions Trust Growth Plan Pension Scheme (Series 3 and 4)

The charity participates in a multi-employer pension scheme with The Pensions Trust. Series 4 of the scheme is a defined contributions scheme. However, following a recent change in Government legislation, Series 3 of the scheme has now been re-classified as a defined benefit scheme. The assets of the scheme are held separately from those of the charity. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Series 3 was closed to future contributions as at October 2010 (see note 8)

Defined contribution schemes

All employees who are part of a company pension scheme are in a defined contribution scheme. The costs of contributions are charged to the SOFA in the year they are payable.

2 VOLUNTARY INCOME

|                      | Restricted<br>Funds<br>2012 | Unrestricted<br>Designated<br>Funds<br>2012 | Unrestricted<br>Undesignated<br>Funds<br>2012 | Total<br>Funds<br>2012 | Total<br>Funds<br>2011 |
|----------------------|-----------------------------|---|---|------------------------|------------------------|
| Donations            | 2000                        | -   | 1021  | 3021                   | 11796                  |
| Gift Aid Recoverable | -                           | -   | 2488  | 2488                   | 689                    |
| Other Income         | -                           | -   | -   | -                      | 6                      |
|                      | <u>2000</u>                 | <u>-</u>                                    | <u>3509</u>                                   | <u>£5509</u>           | <u>£12491</u>          |

3 INVESTMENT INCOME

|                     | Restricted<br>Funds<br>2012 | Unrestricted<br>Designated<br>Funds<br>2012 | Unrestricted<br>Undesignated<br>Funds<br>2012 | Total<br>Funds<br>2012 | Total<br>Funds<br>2011 |
|---------------------|-----------------------------|---|---|------------------------|------------------------|
| Interest Receivable | -                           | 41  | 273   | £314                   | £625                   |
|                     | <u>-</u>                    | <u>41</u>                                   | <u>273</u>                                    | <u>£314</u>            | <u>£625</u>            |

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

|  | Restricted<br>Funds<br>2012 | Unrestricted<br>Designated<br>Funds<br>2012 | Unrestricted<br>Undesignated<br>Funds<br>2012 | Total<br>Funds<br>2012 | Total<br>Funds<br>2011 |
|--|-----------------------------|---|---|------------------------|------------------------|
| Grants receivable for charitable activities                    |                             |   |   |                        |                        |
| Charnwood Borough Council                                      | -                           | -   | 61030   | 61030                  | 64620                  |
| Leicestershire County Council - Rent                           | -                           | -   | 36288   | 36288                  | 19620                  |
| Leicestershire County Council – Debtline                       | -                           | 10571                                       | -   | 10571                  | 25814                  |
| Shepshed Town Council  | 8293                        | -   | -   | 8293                   | 8293                   |
| Charnwood Borough Council – Surestart                          | 48667                       | -   | -   | 48667                  | 46724                  |
| Big Lottery – Training Officer                                 | -                           | -   | -   | -                      | 25116                  |
| LSC Contract Income – Old Contract                             | -                           | 634   | -   | 634                    | 94420                  |
| LSC Contract Income – New Contract                             | -                           | 135510                                      | -   | 135510                 | 32796                  |
| Rent receivable – Leicester Counselling                        | -                           | -   | -   | -                      | 225                    |
| Rent receivable – Grant Thornton                               | -                           | -   | 300   | 300                    | 750                    |
| Severn Trent   | 11107                       | -   | -   | 11107                  | 10035                  |
| Citizens Advice – Additional Hours Project                     | -                           | -   | -   | -                      | 16484                  |
| Macmillan Cancer Research                                      | 35302                       | -   | -   | 35302                  | 35020                  |
| Charnwood Borough Council – 60 <sup>th</sup> Anniversary Grant | -                           | -   | -   | -                      | 8620                   |
| Big Lottery – 60 <sup>th</sup> Anniversary Grant               | -                           | -   | -   | -                      | 10000                  |
| Department of Work and Pensions – Access to Work               | -                           | 11334                                       | -   | 11334                  | -                      |
| Leicestershire County Council – CIG Funding                    | 16171                       | -   | -   | 16171                  | -                      |
| Charnwood Borough Council – Homelessness Project               | 16000                       | -   | -   | 16000                  | -                      |
| Citizens Advice – Moneywise                                    | 2000                        | -   | -   | 2000                   | -                      |
| Charnwood Borough Council - Moneywise                          | 4025                        | -   | -   | 4025                   | -                      |
| Eon – Charitable Grant   | -                           | 2000  | -   | 2000                   | -                      |
| Loughborough Building Society<br>Community Matters Grant       | -                           | -   | 564   | 564                    | -                      |
|  | <u>141565</u>               | <u>160049</u>                               | <u>98182</u>                                  | <u>£399796</u>         | <u>£398537</u>         |

5 CHARITABLE ACTIVITIES

|                                 | Restricted<br>Funds<br>2012 | Unrestricted<br>Designated<br>Funds<br>2012 | Unrestricted<br>Undesignated<br>Funds<br>2012 | Total<br>Funds<br>2012 | Total<br>Funds<br>2011 |
|---------------------------------|-----------------------------|---|---|------------------------|------------------------|
| Staff costs                     | 115405                      | 163722                                      | 42057   | 321184                 | 332702                 |
| Travelling expenses             | 2000                        | 993   | 5549  | 8542                   | 9043                   |
| Premises Costs                  | 593                         | 19  | 48024   | 48636                  | 31522                  |
| Equipment                       | 3769                        | 4270  | 1372  | 9411                   | 30170                  |
| Postage and stationery          | 2563                        | 2444  | 877   | 5884                   | 6299                   |
| Telephone                       | 1708                        | 2258  | 914   | 4880                   | 8420                   |
| Information packs and resources | 913                         | 675   | 189   | 1777                   | 2127                   |
| Insurance                       | 830                         | 1852  | 440   | 3122                   | 2574                   |
| Subscriptions                   | -                           | 468   | 18  | 486                    | 409                    |
| Sundry expenses                 | 2208                        | 568   | (33)  | 2743                   | 4190                   |
| Recruitment and training        | 323                         | 650   | 129   | 1102                   | 1773                   |
| LSC medical reports             | -                           | 3669  | -   | 3669                   | 2310                   |
| Legal fees                      | -                           | -   | -   | -                      | 1437                   |
|                                 | <u>130312</u>               | <u>181588</u>                               | <u>99536</u>                                  | <u>£411436</u>         | <u>£432976</u>         |

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6 GOVERNANCE COSTS

|             | Restricted<br>Funds<br>2012 | Unrestricted<br>Designated<br>Funds<br>2012 | Unrestricted<br>Undesignated<br>Funds<br>2012 | Total<br>Funds<br>2012 | Total<br>Funds<br>2011 |
|-------------|-----------------------------|---|---|------------------------|------------------------|
| Staff costs | 6200                        | 1240  | 17360   | 24800                  | 25571                  |
| Accountancy | 789                         | 2588  | 454   | 3831                   | 2422                   |
|             | <hr/>                       | <hr/>                                       | <hr/>   | <hr/>                  | <hr/>                  |
|             | 6989                        | 3828  | 17814   | £28631                 | £27993                 |
|             | <hr/>                       | <hr/>                                       | <hr/>   | <hr/>                  | <hr/>                  |

7 STAFF COSTS

|                    | Total<br>2012 | Total<br>2011 |
|--------------------|---------------|---------------|
| Wages and salaries | 305728        | 315800        |
| National insurance | 23194         | 26358         |
| Pension Costs      | 17062         | 16115         |
|                    | <hr/>         | <hr/>         |
|                    | £345984       | £358273       |
|                    | <hr/>         | <hr/>         |

The average number of employees during the year was 21 (2011 20)

There were no employees whose annual emoluments were £60000 or more

No trustee received any remuneration during the year (2011 none)

No trustee received any expenses during the year (2011 none)

8 PENSION COSTS

(a) SCVO Final Salary Pension Scheme

The charity participates in the SCVO Final Salary Pension Scheme. As at 31 March 2010 the scheme was closed to future accrual and all contributions in respect of future services ceased. There is currently no intention to wind up the SCVO scheme and it continues in paid up form.

An actuarial valuation of the scheme is commissioned every three years to determine the financial position of the scheme.

The last formal valuation of the scheme was performed as at 30 September 2008 by a professionally qualified actuary using the projected unit method.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities of the scheme belonging to individual participating employers. Therefore these accounts have been drawn up in accordance with Financial Reporting Standard 17 on the basis that the pension cost is accounted for as a defined contribution scheme.

At 30 September 2008, the scheme's assets were valued at £45.1 million and the valuation revealed a shortfall of assets compared with the value of the liabilities of £20.438 million.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the trustees of the SCVO scheme must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

8 PENSION COSTS (continued)

On 1 April 2010 a new recovery plan came into effect, following the finalisation of the 2008 valuation. Under the recovery plan, the charity is required to make lump sum payments of £2947 per annum, increasing annually in line with the salary assumptions used in the valuation.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire shortfall by 31 March 2022.

An actuarial valuation as at 30 September 2011 is still in progress and has not yet been finalised. Therefore this disclosure note must still refer to the 2008 valuation, being the last one finalised.

Under the Occupational Pension Schemes (Employer Debt) Regulation 2005 there is a potential "employer debt" that the charity is liable for. The debt is due in the event of the charity becoming insolvent or ceasing to participate in the scheme, or the scheme winding up.

The charity has been notified by the Pensions Trust that the estimated "employer debt" as at 31 September 2011 is £248611. This employer debt is the charity's proportion of the overall scheme and will include a share of any "orphan" liabilities in respect of previous participants in the scheme. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the charity, financial considerations at the time of the cessation event and the insurance buy-out market. The amount of debt can therefore be volatile over time. The trustees consider that, in view of the uncertainty surrounding the timing and amount of the employer debt, the debt is a contingent liability within the meaning of Financial Reporting Standard 12 and so no provision for the debt has been made in the charity's balance sheet.

(b) Pensions Trust Growth Plan (Series 3)

Charnwood Citizens Advice Bureau participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan. There were employees who were active members of the scheme but as at 31 October 2010 we closed the scheme to future accrual and all contributions in respect of future services ceased.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The Pensions Trust commissions an actuarial valuation of the Plan every three years to determine the financial position of the scheme.

The last formal valuation of scheme was performed as at 30 September 2008 by a professional qualified actuary using the projected unit method.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

At 30 September 2008, the Plan's assets were valued at £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million.

The preliminary triennial valuation results as at 30 September 2011 were received in March 2012 but, as the valuation will not be finalised until later this year, this disclosure note must still refer to the 2008 valuation results as the last completed valuation.

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

8 PENSION COSTS (continued)

The Scheme Actuary's preliminary results for 30 September 2011 show that the Plan's assets at that date were £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustees must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Under the Occupational Pension Scheme (Employer Debt) Regulations 2005 and a change in definitions of the Pensions Act 2011, there is a potential employer debt that the charity is liable for. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan being wound up.

The charity has been notified by the Pensions Trust that the estimated "employer debt" as at 30 September 2011 was £6915. The employer debt is the charity's proportion of the overall scheme and will include a share of any "orphan" liabilities in respect of previous participants in the scheme. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the charity, financial conditions at the time of the cessation event and the insurance buy out market. The amount of debt can therefore be volatile. The trustees consider that, in view of the uncertainty surrounding the timing and amount of the "employer debt", the debt is a contingent liability within the meaning of the Financial Reporting Standard 12 and so no provision for the debt has been made in the charity's balance sheet.

(c) Defined Contribution Scheme

Charnwood Citizens Advice Bureau participates in the Pensions Trust Ethical Plan, which is a multi-employer defined contribution scheme and also in an Aviva defined contribution scheme.

The costs of these schemes are charged to the profit and loss account as they are incurred.

| 9 <u>DEBTORS</u> – All Receivable Within One Year         | <u>2012</u> | <u>2011</u> |
|---|-------------|-------------|
| Prepayments   | 2485        | 5480        |
| Gift Aid Recoverable                                      | 1305        | -           |
| Income Receivable - Macmillan Cancer Support Trust        | 819         | -           |
| - Legal Services Commission                               | 22823       | 19220       |
| - Leicester City Council CIG Funding                      | 3000        | -           |
| - Department for Work and Pensions Access to Work Support | 528         | -           |
| - Citizen Advice Moneywise Project                        | 500         | -           |
| Legal Services Commission Work in Progress                | 11147       | 14172       |
|   | <hr/>       | <hr/>       |
|   | £42607      | £38872      |
|   | <hr/>       | <hr/>       |



CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

|    |   |               |               |
|----|---|---------------|---------------|
| 10 | <u>CREDITORS</u> – Amounts Falling Due Within One Year          | <u>2012</u>   | <u>2011</u>   |
|    | Trade creditors and accruals                                    | 10397         | 17400         |
|    | Income in advance - Debtline                                    | -             | 881           |
|    | - Macmillan Cancer Support Trust                                | 5104          | 5104          |
|    | - Leicestershire County Council – Rent                          | -             | 16667         |
|    | - Severn Trent  | -             | 165           |
|    | - Big Lottery Fund – Visa Project                               | 59280         | -             |
|    | - Charnwood Borough Council Community Grant                     | 5000          | -             |
|    | - Leicester City Council - CIG Funding                          | 2500          | -             |
|    | - Charnwood Borough Council Office Refurbishment Creditor       | 5000          | -             |
|    | PAYE/NIC Payable  | -             | 410           |
|    | VAT Payable   | 7262          | 1547          |
|    | Client Funds Owing  | -             | 400           |
|    |   | <u>£94543</u> | <u>£42574</u> |
| 11 | <u>CREDITORS</u> – Amounts Falling Due After More Than One Year | <u>2012</u>   | <u>2011</u>   |
|    | Charnwood Borough Council Office Refurbishment Creditor         | £13750        | £ -           |

The charity has been billed £20000 during the year for alterations and improvements made to their new premises at Woodgate, Loughborough Charnwood Borough Council have allowed the charity to repay the £20000 interest free, with repayment of £1250 being made every quarter

12 STATEMENT OF FUNDS

| <u>Fund</u>                     | <u>At 31 March 2011</u> | <u>Incoming Resources</u> | <u>Resources Expended</u> | <u>Transfers</u> | <u>At 31 March 2012</u> |
|---------------------------------|-------------------------|---------------------------|---------------------------|------------------|-------------------------|
| <b>RESTRICTED FUNDS</b>         |                         |                           |                           |                  |                         |
| Shepshed                        | 341                     | 8293                      | 7986                      |                  | 648                     |
| Surestart                       | 4117                    | 48667                     | 48467                     |                  | 4317                    |
| Severn Trent                    | (394)                   | 11107                     | 10713                     |                  | -                       |
| Macmillan Cancer Support Trust  | 1375                    | 35302                     | 35186                     |                  | 1491                    |
| Mortgage Rescue                 | 2796                    | -                         | -                         | (2796)           | -                       |
| 60 <sup>th</sup> Anniversary    | -                       | 2000                      | 2000                      | -                | -                       |
| CIG                             | -                       | 16171                     | 13368                     | -                | 2803                    |
| Homelessness                    | -                       | 16000                     | 15870                     | 2796             | 2926                    |
| Moneywise                       | -                       | 6025                      | 3711                      | -                | 2314                    |
| <b>UNRESTRICTED FUNDS</b>       |                         |                           |                           |                  |                         |
| Designated Funds                |                         |                           |                           |                  |                         |
| Legal Services Commission       | 12191                   | 147519                    | 159925                    | -                | (215)                   |
| Debtline                        | 3847                    | 10571                     | 12902                     | -                | 1516                    |
| Advice Session Supervisor Hours | 26170                   | 2000                      | 12589                     | (15581)          | -                       |
| Undesignated Funds              |                         |                           |                           |                  |                         |
| General Funds                   | 23092                   | 101964                    | 117350                    | 15581            | 23287                   |
|                                 | <u>£73535</u>           | <u>405619</u>             | <u>440067</u>             | <u>-</u>         | <u>£39087</u>           |

# CHARNWOOD CITIZENS ADVICE BUREAU

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Shepshed Town Council continues to fund an extension of the core service in Shepshed

Surestart began in 2005 Bureau staff workers are part of the Surestart team which aims to help families with young children in the most deprived areas of Charnwood,

The Macmillan Cancer Support Trust funding supports a countywide service to cancer sufferers and their carers

The Consumer Information Gathering project is funded by the Trading Standards Department of LCC and Leicester City Council

The Homelessness Prevention Project is funded by CBC

The Moneywise project is funded by Sure Start

The LSC funds our debt and welfare benefits advice work for clients who are eligible for legal aid

Debtline is a countywide project funded by LCC

### 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|   | Restricted<br>Funds | Unrestricted<br>Designated<br>Funds | Unrestricted<br>Undesignated<br>Funds | Total<br>Funds |
|---|---------------------|-------------------------------------|---------------------------------------|----------------|
| Fund balances at 31 March 2012 are represented by |                     |                                     |                                       |                |
| Current assets                                    | 89300               | 7598                                | 50482                                 | 147380         |
| Current liabilities                               | (74801)             | (6297)                              | (13445)                               | (94543)        |
| Long Term Liabilities                             | -                   | -                                   | (13750)                               | (13750)        |
|   | <hr/>               | <hr/>                               | <hr/>                                 | <hr/>          |
|   | 14499               | 1301                                | 23287                                 | £39087         |
|   | <hr/>               | <hr/>                               | <hr/>                                 | <hr/>          |

|   | Restricted<br>Funds | Unrestricted<br>Designated<br>Funds | Unrestricted<br>Undesignated<br>Funds | Total<br>Funds |
|---|---------------------|-------------------------------------|---------------------------------------|----------------|
| Fund balances at 31 March 2011 are represented by |                     |                                     |                                       |                |
| Current assets                                    | 15415               | 51828                               | 48866                                 | 116109         |
| Current liabilities                               | (7180)              | (9620)                              | (25774)                               | (42574)        |
|   | <hr/>               | <hr/>                               | <hr/>                                 | <hr/>          |
|   | 8235                | 42208                               | 23092                                 | £73535         |
|   | <hr/>               | <hr/>                               | <hr/>                                 | <hr/>          |

### 14 CONTROL

The charity is controlled by the Trustees