

MAIDSTONE CITIZENS ADVICE BUREAU
(A company limited by guarantee)

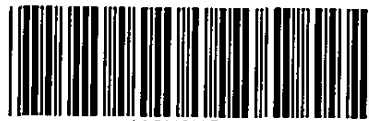
REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

Registered Charity No 299055

Company No 02234220

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MAIDSTONE CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

REFERENCE AND ADMINISTRATIVE DETAILS

The Maidstone Citizens Advice Bureau is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association (Charity number 299055 Company number 02234220)

THE BOARD OF TRUSTEES

The Trustees of the charitable company are its directors for the purposes of company law and throughout this report are collectively referred to as the Trustees

The members of the Board of Trustees who served during the year were as follows -

ELECTED TRUSTEES

Sir Michael Buckley
Mr J Cobbett
Mrs W Kneller
Mr P Stokes *(resigned July 2013)*
Mr I Dawson *(resigned September 2013)*
Mrs S Hawkins *(appointed as elected trustee September 2013)*
Mr I Owen
Cllr R Bird *(appointed September 2013)*
Mr S Cook *(appointed March 2014)*

REPRESENTATIVE TRUSTEES

(all resigned September 2013)

Cllr Mrs J Gibson
Ms K Dickinson
Mr J Fowler
Mr I Owen
Mr P Green
Mr R Sawtell
Mr D Souza
Mr P Coles

CO-OPTED MEMBERS

Cllr M Ring

STAFF TRUSTEES

(all resigned September 2013)

Mr S Malhotra
Mrs J S Woods
Mr P Taylor
Mr R Bennet

STAFF REPRESENTATIVES

Mr S Malhotra *(Hon Secretary)*
Mrs M McFarlane
Mr P Taylor

REGISTERED OFFICE AND PRINCIPAL ADDRESS

2 Bower Terrace, Tonbridge Road Maidstone, Kent ME16 8RY

STATUTORY AUDITORS

Day, Smith & Hunter, Globe House, Eclipse Park, Sittingbourne Road, Maidstone, Kent ME14 3EN

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2014

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2014. The Trustees confirm that the annual report and financial statements of the Bureau comply with current statutory requirements, the requirements of the Bureau's governing document and the provisions of the Statement of Recommended Practice Charities (SORP) issued in March 2005.

OBJECTIVES AND ACTIVITIES

The Bureau provides independent, free, confidential, impartial advice to everybody regardless of race, gender, sexuality or disability. The Bureau aims to ensure that individuals do not suffer through a lack of knowledge of their rights and responsibilities or of the services available to them, or through an inability to express their needs effectively.

The Bureau also aims to exercise a responsible influence on the development of social policies and services both locally and nationally.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Bureau's aims and objectives and in the planning of future activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board of Trustees produces an annual report detailing the Bureau's activities during the year. The report is available on request from the Bureau's office.

(a) Method of appointment or election of Trustees

In accordance with the Articles of Association (revised 23 September 2013 to bring our Memorandum and Articles of Association in line with the national policy of NACAB and The Charities Commission) the Trustee Board shall consist of not less than 3 nor more than 15 elected Trustees (Schedule 1 members) who are self-nominated from among the local community and elected by all those present at the Annual Public Meeting.

Additionally the Trustee Board may co-opt up to 3 members.

No member of the staff of the Bureau whether paid or voluntary can be a member of the Board. However, the Bureau Manager plus one representative of the paid and one of the voluntary staff would have the right to attend and speak (but not vote) at meetings of the Board.

(b) Operational structure and decision making

The Trustee Board sets the overall policy and direction of Bureau business within the parameters set by the Citizens Advice Membership Agreement and any Service Level Agreements or Contracts currently in being. Operational decisions are made by the Chief Executive subject to any specific Trustee Board directions and referring to the Trustee Board as necessary.

The Trustee Board meets once every two months. Financial oversight is delegated to the Finance Committee which meets 14 days before the Trustee Board to appraise financial reports and recommend action to the Trustee Board.

FINANCIAL REVIEW

The net deficit for the year amounted to £21,134. There was a deficit of £14,733 in relation to core business. As at 31 March 2014 general unrestricted reserves amount to £75,108.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2014
(continued)

PLANNING FOR THE FUTURE

The business strategy adopted by the Trustee Board is to safeguard the core service of free generalist advice covering a full range of issues. This service is largely funded by a grant from Maidstone Borough Council for whose continuing support we are most grateful. The Bureau also seeks funding from other sources in order to be able to provide additional services if it is financially prudent to do so. The Bureau's management has been successful in securing such funding from a variety of sources including the Advice Services Transition Fund, Healthwatch, the J Paul Getty Jr Trust, the Multiple Sclerosis Society and Maidstone Prison Service.

An important element of the business strategy is to increase the range of skills of our volunteer advisers so that only the most complex cases need to be handled by specialist paid staff. Training courses have been developed to this end and successfully delivered in over 115 training sessions. In developing the Bureau's work further training is also being provided to volunteers and clients alike in the use of Digital Technology so that clients can be assisted from where they are without needing to make a journey to the Bureau premises. Further investigations are taking place to seek out innovative ways in which advice and assistance is provided to those in need. In order to increase the scope of our work, more people from different walks of life and communities are being encouraged to join the Bureau and train with us.

RESERVES POLICY

The Board of Trustees regularly reviews the reserves of the Bureau. Each review encompasses the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of reserves. The Bureau sets aside restricted funds as set out in the Statement of Financial Activities. All other monies are treated as general funds and are utilized accordingly. Although the level of reserves fell during 2013-14 this was largely due to the making of redundancy payments following a reduction in the number of paid staff. This correspondingly reduced the level of potential liabilities. In the opinion of the Trustees the present level of reserves is sufficient to maintain the activities of the Bureau in the event of a presently unforeseen crisis or interruption of income for a period time during which any adverse situation would be appropriately addressed.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the 'going concern' basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained.

The Trustees regard the 'going concern' basis as remaining viable as the charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the charity.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2014
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

The Bureau plays an integral role within our local community providing a service that draws on our extensive local knowledge and reaches out to a diverse and broad client base. Thanks to our recognised role as a provider of a non-judgmental environment where people can seek help and together with the fact that we work out of a range of outreach locations, our bureau has maintained a strong community presence, working with those most in need within the locality. Operating out of a range of community locations enables us to work with a broad range of clients including those that otherwise might have been hard to reach but most in need. By using different locations and mediums to communicate advice, we provide an equal service that can be accessed by all. We also have the capacity to be flexible and responsive to different client needs. This also adds value to the organisations we co-locate with, as we can be a vital point of referral for their service, as well as attracting new users. By reaching out to provide a client base, across the community, we gather extensive local knowledge. We engage holistically with the issues that affect our client's lives, and by drawing this information together, we provide an active voice to our clients on local issues that affect them. Time and again the Bureau has been required to comment on local issues and consultation carried out by the Borough Council and other Voluntary organisations strengthening our local standing within the Borough. This makes us valuable to our service users, as their concerns are raised and acted upon, but also makes us a knowledgeable and valuable partner within our community for other services and authorities.

Our ethos is to empower our clients to deal with the everyday issues in their lives, creating happier and healthier local communities. This is reinforced through the way we operate, how we use our local knowledge and the way we work with others to benefit our locality. Finally through working with local volunteers to provide our services, we enable individuals to gain a stake in their local community.

By providing advice, and improving policy and practice, we benefit society. Our advice has a positive impact on the health and well-being of our clients, reducing stress and anxiety, preventing relationship breakdown, promoting employment and empowering people to make wider positive changes to their life. We make public services more effective through referral relationships, and by sharing our insight with local and national partners to solve joint problems. Our unique and extensive knowledge of issues that affect our clients' lives, enable us to voice them at a local or national strategic level. This benefits more than just our immediate client base by making society fairer. In addition to our campaigning, we empower individuals and communities to engage with society, and make a difference to the issues that matter.

These aspects of our social value overlap, benefiting and enabling each other and are underpinned by the local and national structure of the Citizens Advice service. Our established brand makes us a household name, clients access a well-known and trusted service, local bureau can contribute to and benefit from a national infrastructure and stakeholders recognise our wealth of insight and expertise.

The Bureau conducts annual Client Satisfaction Surveys. In the Survey carried out in October/December 2013, 97% of our clients were happy with the service provided. 97% of clients would recommend us to others and 95% would use us again. 93% felt that they were more confident in dealing with their problem after advice from the Bureau.

The Bureau Trustees have devolved the power of financial controls to the Finance Committee which meets at least six times each year. The Finance Committee maintained a strict control on the Bureau finances and through careful management returned a small deficit at the end of the year. At the year end the Bureau's general unrestricted reserves stood at £75,108.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2014
(continued)

PLANNING FOR THE FUTURE

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MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2014
(continued)

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees as directors are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulation

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the results of the charity for that period. In preparing these financial statements the Trustees are required to -

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Companies Act 2006 and the Charities Act 2011

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

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with company law, as the company's directors, we confirm that

- so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

SPECIAL EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

REGISTERED OFFICE
2 Bower Terrace
Tonbridge Road
Maidstone
Kent ME16 8RY

11 September 2014

ON BEHALF OF THE
BOARD OF TRUSTEES


MR J COBBETT

MAIDSTONE CITIZENS ADVICE BUREAU
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Maidstone Citizens Advice Bureau for the year ended 31 March 2014 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2014 and of its outgoing resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MAIDSTONE CITIZENS ADVICE BUREAU
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- the financial statements are not in agreement with the accounting records and returns
- 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 and the Trustees' Annual Report in accordance with the small companies regime

Michael Startup FCA (Senior Statutory Auditor)
For and on behalf of Day, Smith & Hunter
Chartered Accountants
Statutory Auditor

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

11 September 2014

MAIDSTONE CITIZENS ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2014

| | <u>Notes</u> | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total 31 3 2014</u> | <u>Total 31 3 2013</u> |
|---|--------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from activities for generating funds | | | | | |
| Fundraising | | 9 607 | - | 9 607 | 5 030 |
| Donations | | 2,934 | - | 2 934 | 1,783 |
| Investment income | | 944 | - | 944 | 2 663 |
| Incoming resources from charitable activities | | | | | |
| Maidstone Borough Council grants | | 200,693 | - | 200 693 | 185,000 |
| Legal Services Commission | | 39 411 | - | 39 411 | 185 767 |
| IDVA Grant (Community) | | - | 40 000 | 40,000 | 49 933 |
| CITA Grants | | 18,300 | - | 18,300 | 10 138 |
| Golding Homes | | 3 000 | - | 3,000 | 3 000 |
| Advice Services Transition Fund | | - | 134 085 | 134,085 | - |
| Advice Services Fund | | - | - | - | 70 000 |
| EDF Energy Trust Project | | - | - | - | 27,652 |
| Britannia Foundation | | - | - | - | 16 500 |
| Kent County Council Children's Centres | | 6,000 | - | 6,000 | 12,000 |
| Healthwatch | | - | 85 768 | 85 768 | - |
| Orbit Housing | | 5,000 | - | 5,000 | - |
| Other projects | | 15,338 | - | 15,338 | - |
| Total incoming resources | | <u>301,227</u> | <u>259 853</u> | <u>561,080</u> | <u>569,466</u> |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 2 | 313,615 | 263,318 | 576,933 | 578,597 |
| Governance costs | 3 | 2 345 | 2,936 | 5,281 | 5 268 |
| Total resources expended | | <u>315,960</u> | <u>266,254</u> | <u>582,214</u> | <u>583,865</u> |
| NET (OUTGOING)/INCOMING RESOURCES | | | | | |
| | 4 | (14 733) | (6,401) | (21 134) | (14,399) |
| Total funds at 1 April 2013 | | 89 841 | 23 258 | 113,099 | 127 498 |
| Total funds at 31 March 2014 | 6,7 | <u>£75 108</u> | <u>£16,857</u> | <u>£91 965</u> | <u>113 099</u> |

The income and expenditure account should be read in conjunction with the reconciliation and analysis of movements of the funds in notes 6 and 7 on pages 13 and 14 respectively

The notes on pages 11 to 17 form part of these accounts

MAIDSTONE CITIZENS ADVICE BUREAU

BALANCE SHEET

As at 31 March 2014

| | <u>Notes</u> | | <u>31 3 2013</u> |
|--|--------------|----------------|------------------|
| INTANGIBLE FIXED ASSETS | 5 | 2 962 | 2 908 |
| CURRENT ASSETS | | | |
| Other debtors and prepayments | 25 585 | 27,294 | |
| Cash at bank | 210 100 | 139 611 | |
| Cash in hand | 408 | 248 | |
| | | <u>236,093</u> | <u>167 153</u> |
| CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| Accruals and deferred income | 146 474 | 51 380 | |
| Other taxes and social security | 616 | 5,582 | |
| | | <u>147 090</u> | <u>56 962</u> |
| NET CURRENT ASSETS | | 89,003 | 110 191 |
| NET ASSETS | | <u>£91 965</u> | <u>£113,099</u> |
| UNRESTRICTED FUNDS | 6 | 75 108 | 89 841 |
| RESTRICTED FUNDS | 7 | 16,857 | 23 258 |
| | | <u>£91 965</u> | <u>£113 099</u> |

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board of Trustees on *11 September 2014*

M S Buckley
SIR MICHAEL BUCKLEY
CHAIR OF THE BOARD OF TRUSTEES

J Cobbett
MR J COBBETT
MEMBER OF THE BOARD OF TRUSTEES

Company No 02234220

The notes on pages 11 to 17 form part of these accounts

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

In preparing the financial statements the Bureau follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) published in March 2005

The Bureau has availed itself of Paragraph 4(1) of Schedule 1 of The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Bureau's activities

b) Charitable status

The Bureau was incorporated with charitable status and is limited by guarantee, not having a share capital. 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

No corporation tax liabilities therefore arise on the surplus of any income over expenditure for the year

c) Fund accounting

Unrestricted funds are those available for use at the discretion of the Trustees in the furtherance of the general objectives of the Bureau and which have not been designated for other purposes. Designated funds are funds that have been set aside by the Trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Bureau for particular purposes

d) Incoming resources

Income is recognised in the accounts on an accruals basis with the exception of donations which are recognised on a cash received basis

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable

e) Resources expended

Expenditure is recorded on an accruals basis and allocated on the following basis -

- Costs directly allocated - actual basis
- Support costs - depending on type of cost and the Trustees' best estimate of usage
- Governance costs - actual basis

f) Tangible fixed assets and depreciation

Tangible fixed assets for use by the Bureau are stated at cost less depreciation. Depreciation is provided on office and computer equipment to write off the cost, less estimated residual value of assets over their expected useful economic life of two or three years

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term

h) Pensions

Contributions payable to the Bureau's multi-employer pension plan are charged to the income and expenditure account on a payments basis

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

(continued)

2 CHARITABLE ACTIVITIES

| | Unrestricted <u>funds</u> | Restricted <u>funds</u> | Total <u>31 3 2014</u> | Total <u>31 3 2013</u> |
|--|------------------------------|----------------------------|---------------------------|---------------------------|
| Costs directly allocated to activities | | | | |
| Staff costs | 217 770 | 170 159 | 387,929 | 410 268 |
| Travel | 8,992 | 1 782 | 10 774 | 10 548 |
| Training costs | 363 | 71 | 434 | 4,389 |
| Grants payable | - | 19 676 | 19 676 | - |
| Support costs allocated to activities | | | | |
| Staff costs | 29,696 | 23,203 | 52 899 | 72 400 |
| Premises costs | 24 528 | 11,776 | 36 304 | 30,963 |
| General office costs | 29,106 | 36,353 | 65,459 | 44,886 |
| Bank charges | 236 | 98 | 334 | 320 |
| Depreciation | 2,924 | 200 | 3 124 | 4,823 |
| | <u>313 615</u> | <u>263 318</u> | <u>576 933</u> | <u>578 597</u> |

3 GOVERNANCE COSTS

| | Unrestricted <u>funds</u> | Restricted <u>funds</u> | Total <u>31 3 2014</u> | Total <u>31 3 2013</u> |
|------------------------|------------------------------|----------------------------|---------------------------|---------------------------|
| Auditors' remuneration | 1 341 | 2 517 | 3,858 | 3,270 |
| Meeting costs | 1 004 | 419 | 1 423 | 1,998 |
| | <u>2 345</u> | <u>2 936</u> | <u>5 281</u> | <u>£5 268</u> |

4 NET (OUTGOING)/INCOMING RESOURCES

This is stated after charging -

| | <u>31 3 2014</u> | <u>31 3 2013</u> |
|---|------------------|------------------|
| Trustees remuneration | £19 282 | £46,381 |
| Auditors' remuneration | £3 858 | £3,270 |
| Rent payable on property under operating leases | £22 000 | £22 000 |
| Depreciation of computer and office equipment | £3,124 | £4 823 |

Trustees remuneration relates wholly to two paid senior members of staff (who are also accruing retirement benefits under a defined benefit scheme) for the period to 24 September 2013 when they ceased to be trustees

The average number of salaried employees during the year was 24 (2013 26) No employee earned more than £60,000 per annum (2013 none)

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

(continued)

5 TANGIBLE FIXED ASSETS

| | <u>Office and computer equipment</u> |
|---------------------------|--|
| <u>Cost</u> | |
| At 1 April 2013 | 82,528 |
| Additions | 3,178 |
| At 31 March 2014 | <u>£85,706</u> |
| <u>Depreciation</u> | |
| At 1 April 2013 | 79,620 |
| Charge for the year | 3,124 |
| At 31 March 2014 | <u>£82,744</u> |
| <u>Net book value</u> | |
| At 31 March 2014 | <u>£2,962</u> |
| At 31 March 2013 | <u>£2,908</u> |

6 UNRESTRICTED FUNDS

Part of the unrestricted funds has been designated as being allocated to the Pension Fund to provide resources for future pension fund liabilities (note 10). The Premises and Development Fund has been designated to provide for future resources in these two areas. The movement on these funds for the year are as follows -

| | <u>31 3 2014</u> | | <u>31 3 2013</u> |
|--|------------------|--|------------------|
| General Funds | | | |
| Balance brought forward 1 April 2013 | 41,689 | | 45,497 |
| Net (outgoing)/incoming resources | (14,733) | | (3,808) |
| Transfer to Pension Fund | - | | - |
| | <u>26,956</u> | | <u>41,689</u> |
| Pension Fund | | | |
| Balance brought forward 1 April 2013 | 20,000 | | 20,000 |
| Transfer from General Fund | - | | - |
| | <u>20,000</u> | | <u>20,000</u> |
| Premises and Development Fund | | | |
| Balance brought forward 1 April 2013 | 28,152 | | 28,152 |
| Transfer from General Fund | - | | - |
| | <u>28,152</u> | | <u>28,152</u> |
| As at 31 March 2014 | <u>£75,108</u> | | <u>£89,841</u> |

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

(continued)

7 RESTRICTED FUNDS

| | <u>Balance at 1 April 2013</u> | <u>Incoming resources</u> | <u>Resources expended</u> | <u>Balance at 31 March 2014</u> |
|---|------------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| Independent Domestic Violence Adviser Project | 23,258 | 40 000 | (46 401) | 16,857 |
| Healthwatch | - | 85 768 | (85 768) | - |
| Advice Services Transition Fund | - | 134 085 | (134 085) | - |
| | <u>£23 258</u> | <u>£259 853</u> | <u>£(266 254)</u> | <u>£16 857</u> |

The objective of the Independent Domestic Violence Adviser Project is to provide domestic violence advice to people in the community

The objective of Healthwatch is to be a champion for the voice of the people within the health and social care services sector

The objective of the Advice Services Transition Fund is to support clients within the Social Welfare Law Services (housing debt employment and welfare benefits) and to provide training for frontline workers of the partner organisations

8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total</u> |
|---|-------------------------------|-----------------------------|----------------|
| Tangible fixed assets | 2 558 | 404 | 2 962 |
| Current assets | 170,007 | 66 086 | 236,093 |
| Creditors - Amounts falling due within one year | (97,457) | (49,633) | (147,090) |
| | <u>£75,108</u> | <u>£16,857</u> | <u>£91,965</u> |

9 FINANCIAL COMMITMENTS

The Bureau had annual commitments under non-cancellable operating leases as follows -

| | <u>31 3 2014</u> | <u>Land and Buildings</u> <u>31 3 2013</u> |
|------------------------|------------------|---|
| Expiry in 2 to 5 years | <u>£22 000</u> | <u>£22 000</u> |

The lease is subject to 5 yearly rent reviews and at the last review in 2013 the annual rent remained at £22 000
The lease will expire in 2017

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

(continued)

10 PENSION COMMITMENTS

Maidstone Citizens Advice Bureau participates in the Pensions Trusts' Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid into the Growth 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 rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities known as Technical Provisions.

If the actuarial valuation reveals a deficit the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Maidstone Citizens Advice Bureau paid contributions of £15,627 (2013: £15,494) at the rate of 6% during the accounting period. Members paid contributions at the rate of 4% during the accounting period.

As at the balance sheet date there were four active members of the Plan employed by Maidstone Citizens Advice Bureau. Maidstone Citizens Advice Bureau continues to offer membership of the Plan to its employees.

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 Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contributions payable in the year.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £780 million and the Plan's Technical Provisions (ie past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014
(continued)

10 PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows -

| | % |
|---|-----------|
| | Per annum |
| Rate of return pre-retirement | 4.9 |
| Rate of return post retirement | |
| Actives/deferreds | 4.2 |
| Pensioners | 4.2 |
| Bonuses on accrued benefits | 0 |
| Inflation - Retail Prices Index (RPI) | 2.9 |
| Inflation - Consumer Prices Index (CPI) | 2.4 |

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (ie past service liabilities) were £927 million. The update therefore revealed a shortfall of assets compared with the value of liabilities of £155 million equivalent to a funding level of 83%.

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

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens and actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to the Pensions Regulator on 2 October 2012 as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and the Pensions Act 2011 has more recently altered the definition of Series 3 Growth Plan so that a liability arises to employees from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2014

(continued)

10 PENSION COMMITMENTS (continued)

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis ie the cost of securing benefits by purchasing annuity policies from an insurer plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any orphan liabilities in respect of previously participating employers. 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 employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit scheme which is in deficit the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Pensions Act 2011 also proposed regulations which will make "consequential or transitional provisions to avoid adverse consequences". Should an employer withdraw prior to the regulations coming in to force (expected to be at the end of July 2014) they should contact The Pensions Trust to check whether the regulations could affect their debt on withdrawal calculation.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

Maidstone Citizens Advice Bureau was notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of that date the estimated employer debt for Maidstone Citizens Advice Bureau was £80,309.

MAIDSTONE CITIZENS ADVICE BUREAU

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2014

| | Unrestricted <u>funds</u> | Restricted <u>funds</u> | Total <u>31 3 2014</u> | Total <u>31 3 2013</u> |
|---------------------------------------|------------------------------|----------------------------|---------------------------|---------------------------|
| INCOME | | | | |
| Maidstone Borough Council | | | | |
| - annual grant | 185,000 | - | 185,000 | 185 000 |
| - welfare reform initiative | 15 693 | - | 15 693 | - |
| Legal Services Commission | 39 411 | - | 39,411 | 185,767 |
| IDVA Grant (Community) | - | 40 000 | 40 000 | 49,933 |
| CIIA Grant | 18 300 | - | 18 300 | 10 138 |
| Advice Services Transition Fund | - | 134,085 | 134,085 | - |
| Advice Services Fund | - | - | - | 70 000 |
| Donations | 2 934 | - | 2,934 | 1 783 |
| Kent County Council Children's Centre | 6 000 | - | 6,000 | 12 000 |
| Deposit account interest | 944 | - | 944 | 2,663 |
| Golding Homes | 3 000 | - | 3 000 | 3 000 |
| Fundraising | 9 607 | - | 9 607 | 5 030 |
| EDF Energy Trust Project | - | - | - | 27,652 |
| Britannia Foundation | - | - | - | 16,500 |
| Healthwatch | - | 85,768 | 85 768 | - |
| Orbit Housing | 5 000 | - | 5 000 | - |
| Other projects | 15,338 | - | 15,338 | - |
| | <u>301,227</u> | <u>259 853</u> | <u>561 080</u> | <u>569 466</u> |
| EXPENDITURE | | | | |
| | <u>Schedules</u> | | | |
| GRANTS PAYABLE | - | 19 676 | 19 676 | - |
| ESTABLISHMENT EXPENSES | 1 | 24 528 | 11 776 | 36,304 |
| ADMINISTRATION EXPENSES | 2 | 281 052 | 231,544 | 512 596 |
| SUNDRY EXPENSES | 3 | 10 380 | 3 258 | 13 638 |
| | | <u>315 960</u> | <u>266,254</u> | <u>582 214</u> |
| DEFICIT FOR THE YEAR | | <u>£(14 733)</u> | <u>£(6 401)</u> | <u>£(21 134)</u> |
| | | | <u>£(21 134)</u> | <u>£(14 399)</u> |

MAIDSTONE CITIZENS ADVICE BUREAU

SCHEDULES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2014

| | Unrestricted funds | Restricted funds | Total 31 3 2014 | Total 31 3 2013 |
|---|-----------------------|---------------------|--------------------|--------------------|
| 1 ESTABLISHMENT EXPENSES | | | | |
| Rent | 13 967 | 8 033 | 22 000 | 22,000 |
| Insurance - premises | 1 065 | 132 | 1 197 | 1 215 |
| Water | 247 | 257 | 504 | 290 |
| Gas | 874 | 502 | 1,376 | 1 527 |
| Electricity | 1 375 | 1 191 | 2,566 | 2 357 |
| Repairs and renewals - premises | 5 579 | 1 189 | 6,768 | 1,599 |
| Cleaning and cleaning materials | 1,421 | 472 | 1 893 | 1,975 |
| | <u>£24 528</u> | <u>£11 776</u> | <u>£36 304</u> | <u>£30 963</u> |
| 2 ADMINISTRATION EXPENSES | | | | |
| Salaries and social security costs | 232,682 | 192 519 | 425,201 | 467 174 |
| Employer s pension scheme contributions | 14 784 | 843 | 15 627 | 15 494 |
| Volunteers' travel | 8,992 | 1,782 | 10,774 | 10,548 |
| Training | 363 | 71 | 434 | 4 389 |
| Books, information and IT systems | 9,533 | 4,996 | 14,529 | 14 680 |
| Telephone | 3 755 | 4 629 | 8 384 | 6 651 |
| Printing and stationery | 2,784 | 3,621 | 6,405 | 5,629 |
| Postage | 909 | 568 | 1 477 | 2 935 |
| Advertising and publicity | 379 | 3,614 | 3,993 | 2,937 |
| Computer and office expenses | 5 572 | 17,413 | 22 985 | 4 033 |
| Tea and coffee | 710 | 521 | 1,231 | 1,154 |
| Insurance | 1 020 | 767 | 1 787 | 1 621 |
| Hire of rooms | 432 | - | 432 | 520 |
| Depreciation of office and computer equipment | 2,924 | 200 | 3,124 | 4,823 |
| Project costs | 1 167 | - | 1 167 | 1,569 |
| Input VAT reclaimable | (4,954) | - | (4 954) | (4 292) |
| | <u>£281,052</u> | <u>£231,544</u> | <u>£512 596</u> | <u>£539 865</u> |
| 3 SUNDRY EXPENSES | | | | |
| Bank charges | 236 | 98 | 334 | 320 |
| Auditors' remuneration | 1,341 | 2 517 | 3 858 | 3,270 |
| Sundry expenses | 139 | 8 | 147 | 247 |
| AGM and other meetings | 1,004 | 419 | 1,423 | 1,998 |
| Professional fees | 7 660 | 216 | 7 876 | 7 202 |
| | <u>£10,380</u> | <u>£3,258</u> | <u>£13,638</u> | <u>£13 037</u> |