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CHARITY NUMBER: 1102353

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CHARNWOOD CITIZENS ADVICE BUREAU
(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

**Charnwood Citizens Advice Bureau
Directors' Report and Financial Statements
For The Year Ended 31 March 2015**

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The following pages do not form part of the statutory accounts:

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Charnwood Citizens Advice Bureau
Company Information
For The Year Ended 31 March 2015

Directors and Trustees

Mr David Rodgers
Mr Anthony Wilkinson
Mrs Ann Brass
Mr Ian Bradford RESIGNED 18/11/2014
Mrs Jean Anderson
Mr Richard Tabberer
Mr Gerry Jacobs
Mr Michael Duggan APPOINTED 25/11/2014

Secretary

Mrs Moya Hoult

Company Number

4984410

Registered Office

Woodgate Chambers
70 Woodgate
Loughborough
Leicestershire
LE11 2TZ

Accountants

CBS (Accounting) Ltd
Oak Business Centre
79-93 Ratcliffe Road
Sileby
Loughborough
LE12 7PU

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, as amended on 20 November 2013. 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 and to ensure that the Board has the appropriate skills and experience.

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 2014) identified the largest risks as being loss of income.

Charnwood CAB continues to receive much of its income in the form of grants from local government: Charnwood Borough Council (CBC) and Leicestershire County Council (LCC). There is severe and continuing pressure on local government to reduce costs and this in turn has resulted in actual and threatened reductions in grants receivable from both CBC and LCC; it is expected that these grants will continue to decline and that grants will increasingly be for targeted and specific areas of advice. As a consequence, the Bureau has to work increasingly hard to find and secure other funding opportunities.

In 2014/15, about 50% of the Bureau's funding came from CBC and LCC. The overall level of funding has been maintained in the short term by the Big Lottery's Advice Services Transition Fund (ASTF). Other sources of funding have been secured for 2014/15, but competition for appropriate funding is increasing.

The financial pressures resulting from any loss of income would be likely to have a significant effect on the level and complexity of services that we can offer to our clients.

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.

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 policymakers.

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 and LCC. The service is provided mainly from our offices in Loughborough. Also, 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 a team of paid staff and volunteer supervisors.

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. In October 2013 we received a grant under the Big Lottery Advice Services Transition Fund to lead a partnership which promotes volunteering and allows us to recruit and train volunteers who work at the Bureau and also within our partner agencies. This project started in October 2013 and will finish in September 2015.

The resources coming into general funds to support the generalist advice service provided by the Bureau includes £55,728 from CBC, £43,860 from LCC and £8295 from Shepshed. We provide quarterly reports to all three funders. In the case of Charnwood Borough Council and Leicestershire County Council, these reports demonstrate that our generalist advice work is delivering a service which promotes the priorities of both authorities.

In addition to the Core Service, Charnwood CAB provides help and support to individuals with specific personal and family problems:

- A strong partnership between Surestart and the Bureau has continued 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. Sadly, funding for this service ceased at the end of the year.
- Charnwood, Leicester Shire and Rutland Bureaux provided advice to cancer sufferers and their families. This was funded by the Macmillan Cancer Support Trust. This funding ended in March 2014, but our clients are still able to access the service by direct referral.
- Specialist debt advice is available to clients by virtue of funding from CBC via homelessness prevention and specialist money advice grants.
- The Bureau continues to manage the Consumer Information Gathering Project, funded by the Trading Standards Departments of LCC. This enables information about illegal or inappropriate trading activities from all over the County to be passed on to the Department

- A new pilot project which started in January 2014 is to work with two Loughborough GP practices to offer advice to patients in their surgeries. This work has continued, with significant success, during 2014/15 and is ongoing. Indeed, we will be extending our work to additional surgeries during 2015/16 and hopefully even more going forward.
- An exciting project which was started in October 2013 is "Charnwood Connect". Funded by the Big Lottery Advice Services Transition Fund, this is an ambitious project bringing together a number of voluntary agencies, with the CAB as the lead organisation. One of the main aims of Charnwood Connect has been the design and development of an IT Knowledge Hub for practitioners and clients. Specialist advice and promoting volunteers are other objectives of the project. This project went from strength to strength during 2014/15 and we are currently building the legacy which we hope will result from it.

ACHIEVEMENT AND PERFORMANCE.

During the 2014/15 financial year, the CAB continued to deliver advice for the benefit of the local community despite facing financial challenges.

Petra (the Citizens Advice electronic case recording package) allows us to monitor our case load. During 2014/15 we dealt with 4701 unique clients who generated 16,557 issues. Our main enquiry areas remain benefit and debt which together account for 60% of enquiries.

The Trustees wish to acknowledge the significant contribution made by volunteers to the organisation, as advisers, administrators, receptionists and trustees. It is estimated that 17,150 volunteer hours (excluding trustees) were donated during the year. Using Citizens Advice's recommended valuation table, the contribution made by these volunteers amounted to an impressive £284,690. Without this contribution, we could not have provided our services to nearly as many clients as we in fact achieved. Additionally, the many hours donated by the trustees ensured that our charity has been well governed during the year.

FINANCIAL REVIEW

Annual income has decreased from £492,581 in 2013/14 to £407,459 in 2014/15. Total funds have decreased from £162,123 in March 2014 to £149,795 by March 2015. Of this, £119,322 (2014: £109,851) relates to unrestricted funds. The number of paid staff in post at the end of the year has decreased from 16 to 13.

Reserves policy

The charity carried out a review of its reserves policy in November 2014. 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 financial year plus 200% of the next quarter's CBC Core grant."

The rationale for this 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 volunteers.

As of 31 March 2015, the reserves necessary to meet the policy were £72,305 and the unrestricted reserves available were £119,322.

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 therefore provided mostly by volunteer advisers.

The Trustees' first priority is therefore to ensure the long term sustainability of the Bureau and its ability to meet this objective in the light of reduced funding. Nevertheless, specialist advice and casework bring range and depth to our advice work which is immensely valuable to our clients and increasingly important to the community.

Staff and Trustees will be seeking new sources of funding both to replace those sources which do not continue beyond the end of the year and if opportunities arise to open new channels to ensure that we continue to provide as wide a service as possible to the greatest possible number of clients.

In addition, Citizens Advice, the national organisation to which we belong, has recently set out an ambitious programme of modernisation and development which it hopes to roll out over the next three years. We hope to play a full part in this programme wherever it will benefit our clients.

Specifically, we intend to:

- Develop and improve our generalist advice service. An example will be advising clients who require advice related to energy costs using a new source of funding provided by Ofgen.
- Continue to develop the work we do with the health sector, particularly with GP's and health visitors and including work with clients with mental health problems.
- Seek funding to continue Charnwood Connect partnership and seek similar opportunities for working in partnership.
- Ensure that specialist debt and welfare benefit advice is available
- Improve the accessibility of the Bureau to clients, in particular by outreach, telephone and electronic media.

On behalf of the board of trustees

A handwritten signature in black ink, appearing to read 'A. Wilkinson', with a long horizontal flourish extending to the right.

Mr Anthony Wilkinson

15 September 2015

Charnwood Citizens Advice Bureau
Independent Examiners's Report
For The Year Ended 31 March 2015

I report on the accounts of the Charity for the year ended 31 March 2015 which are set out on the following pages.

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:

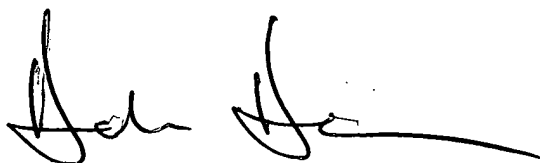
1) which gives me reasonable cause to believe that in any material respect the requirements

- 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 Charities

have 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.

Helen Harrison MAAT
CBS (Accounting) Ltd
Oak Business Centre
79-93 Ratcliffe Road
Sileby





Loughborough
LE12 7PU

15 September 2015

**Charnwood Citizens Advice Bureau
Statement of Financial Activities
(Including Income and Expenditure Account)
For The Year Ended 31 March 2015**

INCOMING RESOURCES

	Notes	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary income	2			4813	4813	1530
Investment income	3			1322	1322	2004
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Charitable activities	4	337,771.60	3428	60,124.21	401324	489047
TOTAL INCOMING RESOURCES		<u>337772</u>	<u>3428</u>	<u>66259</u>	<u>407459</u>	<u>492581</u>

RESOURCES EXPENDED

Charitable Activities	5	353253	6595	38268	398117	397582
Governance costs	6	9762	0	11908	21670	23628
TOTAL RESOURCES EXPENDED		<u>363015</u>	<u>6595</u>	<u>50177</u>	<u>419787</u>	<u>421210</u>

NET MOVEMENT IN FUNDS

-25243 -3167 16082 -12328 71372

RECONCILIATION OF FUNDS

Total Funds Brought Forward	13	56178	24167	81777	162123	90751
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TOTAL FUNDS CARRIED FORWARD

30935 21000 97859 149795 162123

**Charnwood Citizens Advice Bureau
Balance Sheet
As at 31 March 2015**

	Notes	2015		2014
CURRENT ASSETS				
Debtors	9	882		4302
Cash at Bank and in Hand		188166		189553
		189048		193856
CURRENT LIABILITIES				
(Amounts falling due within one year)	10	39254		27982
NET CURRENT ASSETS				
		149794		165874
CREDITORS				
Amounts falling due after more than one year	11	0		3750
NET ASSETS				
		149794		162124
 REPRESENTED BY THE FOLLOWING FUNDS				
RESTRICTED FUNDS				
Shepshed	12	1161		1022
Supporting Families	12	0		800
Big Lottery ASTF CAB	12	17397		27860
Ex-Offenders	12	0		1681
Surestart	12	0		5149
MacMillan	12	0		397
CIG	12	1375		8828
Homelessness Project	12	5150		6536
CBC Outreach	12	1487		0
LCC	12	736		0
CCG	12	3166	30473	0 52273
 UNRESTRICTED FUNDS				
Designated Funds				
Debtline	12	0		3169
Advice Session Supervisor	12	21000		21000
Undesignated Funds				
General Funds	12	98322	119322	85682 109851
		<u>149794</u>		<u>162124</u>

For the year ending 31 March 2015 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 in accordance with section 476 of the Companies Act 2006.
- 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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

On behalf of the board

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

Mr David Rodgers
15 September 2015

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 £256,953 and £6499 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).

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 defined contribution schemes. The costs of contributions are charged to the SOFA in the year they are payable.

2. VOLUNTARY INCOME

	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
Donations	0	0	4813	4813	820
Gift Aid Recoverable	0	0	862	862	1185
Other Income	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>5675</u>	<u>5675</u>	<u>2004</u>

3. INVESTMENT INCOME

	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
Interest Receivable	0	0	1322	1322	1181
	<u>0</u>	<u>0</u>	<u>1322</u>	<u>1322</u>	<u>1181</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Grants received for charitable activities	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
Charnwood Borough Council			55728	55728	54568
Citizens Advice				0	572
Leicestershire County Council - Rent				0	36288
Leicestershire County Council - Debtline		3428		3428	16506
Leicestershire County Council - Ex Offenders				0	14911
Leicestershire County Council Innov				0	20500
Leicestershire County Council Supporting Families				0	13764
Leicestershire County Council	43860			43860	0
Shepshed Town Council	8293			8293	8293
Charnwood Borough Council - Surestart	41900			41900	52480
LSC Contract Income - New Contract				0	21844
Rent Receivable - Grant Thornton				0	225
MacMillan Cancer Research				0	29111
Charnwood Borough Council - Outreach	40000			40000	0
Leicestershire County Council - CIGS Funding	16171			16171	45541
Charnwood Borough Council - Homelessness Project	22700			22700	23000
CCG	10445			10445	0
Big Lottery ASTF CAB	153599			153599	111494
Money Matters				0	25000
PETRA				0	5000
Santander				0	9950
	<u>336968</u>	<u>3428</u>	<u>55728</u>	<u>396123</u>	<u>489047</u>

5. CHARITABLE ACTIVITIES

	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
Salaries	253047	3766	24379	281192	307322
Staff & Volunteer	15584	108	4392	20084	16460
Office	46177	426	5329	51931	34410
Premises	33655	460	6005	40120	31335
Other	4790	0	0	4790	8055
	<u>353253</u>	<u>4758</u>	<u>40105</u>	<u>398117</u>	<u>397582</u>

6. GOVERNANCE COSTS

	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015	Total Funds 2014
Staff costs	9762		9762	19523	21569
Accountancy/Legal	0	0	2147	2147	2060
	<u>9762</u>	<u>0</u>	<u>11908</u>	<u>21670</u>	<u>23629</u>

7. STAFF COSTS

	2015	2014
Wages and salaries	269665	295230
National Insurance	18467	20469
Pension Costs	12540	14705
	<u>300672</u>	<u>330403</u>

The average number of employees during the year was 14 (2014 – 16)

There were no employees whose annual emoluments were £60,000 or more (2014 – none)

No trustee received any remuneration during the year (2014 – none)

No trustee received any expenses during the year (2014 – none)

8. PENSION COSTS

a) SCVO Final Salary Pension Scheme

1. Charnwood Citizens Advice Bureau participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit (DB) pension scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the Scheme was closed to future accrual.
2. The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60th accrual rate and final salary with an 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.
3. The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.
4. The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.
5. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
6. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.
7. The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).
8. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	5.8
Rate of return post retirement	4.0
Rate of salary increases	4.4
Rate of pension increases pre 5 April 2005	2.4
Rate of pension increases post 5 April 2005	1.9
Rate of price inflation (CPI)	2.4

9. 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.
10. From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Confirmation of the contributions payable from 1 April 2014 to 31 March 2015 was advised to employers by letter in February 2014.
11. If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall, by 31 March 2028.
12. A copy of the recovery plan must be sent to The Pensions Regulator after each valuation is finalised. The 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 the 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).

13. The recovery plan from the 2011 valuation has been submitted to The Pensions Regulator.
14. The Scheme Actuary prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £81 million (from £73m at 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34 million (from £36m at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2012). The 30 September 2014 valuation process is underway and the results of this valuation, which is expected to be finalised by 31 December 2015, will be included in next year's disclosure note.
15. 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 Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme, or the Scheme winding up.
16. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.
17. The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme'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. Therefore, the amount of the debt depends on many factors including total Scheme liabilities, Scheme 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 be volatile over time.
18. Charnwood Citizens Advice Bureau has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for Charnwood Citizens Advice Bureau was £256,935.

b) Pensions Trust Growth Plan (Series 3)

1. 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.
2. 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.
3. 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.
4. The Trustee commissions an actuarial valuation of the 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.
5. The rules of the 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.
6. 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.
7. 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.
8. Charnwood Citizens Advice Bureau paid contributions at the rate of 3% during the accounting period.
9. As at the balance sheet date there were 9 active members of the Plan employed by Charnwood Citizens Advice Bureau. Charnwood Citizens Advice Bureau continues to offer membership of the Plan to its employees
10. 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.
11. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £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, equivalent to a funding level of 84%.
12. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

13. 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.
14. The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £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%.
15. 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.
16. 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 the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (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.
17. 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 of the Growth Plan so that a liability arises to employers 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.
18. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. 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.
19. 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. Therefore, the amounts of debt can be volatile over time.
20. When an employer withdraws from a multi-employer defined benefit pension 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.
21. 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.
22. Charnwood Citizens Advice Bureau has been notified by The Pensions Trust of the estimated debt on withdrawal from the Plan based on the financial position of the Plan as at 30th September 2014. As of this date the estimated employer debt for Charnwood Citizens Advice Bureau was £6499.

c) Defined Contribution Schemes

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. DEBTORS – All receivable within one year

	2015	2014
Prepayments	882	
Gift Aid Recoverable		
Income Receivable		
MacMillan Cancer Support Trust		4302
	<u>882</u>	<u>4302</u>

10. CREDITORS – Amounts falling due within one year

	2015	2014
Trade creditors and accruals	16965	15420
Income in advance		
CCG	13055	
Charnwood Borough Council Office Refurbishment Creditor	3750	5000
PAYE/NIC Payable		
Payroll	4695	5979
Pension control liability	789	1583
	<u>39254</u>	<u>27982</u>

11. CREDITORS – Amounts falling due after more than one year

	2015	2014
Charnwood Borough Council Office Refurbishment Creditor	<u>0</u>	<u>3750</u>

12. STATEMENT OF FUNDS

Fund	At 31 March 2014	Incoming Resources	Resources Expended	Transfers	At 31 March 2015
RESTRICTED FUNDS					
Big Lottery ASTF CAB	27860	153599	164061		17397
Supporting Families	800	0	1719	918	0
LCC	0	43860	43124		736
CBC - Outreach	0	40500	39013		1487
CCG	0	10445	7279		3166
Shepshed	1022	8293	8154		1161
Surestart	5149	41900	48398	1348	0
MacMillan Cancer Support Trust	4302	0	4302		0
CIGS	8828	16171	23623		1375
Homelessness	6536	23004	24390		5150
Ex-Offenders	1681	0	1687	6	0
UNRESTRICTED FUNDS					
Designated Funds					
Debtline	3169	3428	6597		0
ASS Fund	21000				21000
Undesignated Funds					
General Funds	81777	66259	47441	-2272	98323
	<u>162124</u>	<u>407459</u>	<u>419788</u>	<u>0</u>	<u>149795</u>

The Big Lottery Advice Services Transition Fund awarded a 2 year grant from October 2013 to set up Charnwood Connect, a partnership of advice providers in the voluntary sector.

The LCC grant is to support the generalist advice service.

The CBC outreach funding is to enable the Bureau to provide debt advice at locations away from its offices.

The funding from the CCG allows us to operate a pilot project working with GPs and from their surgeries.

Shepshed Town Council has continued its funding for the Shepshed extension.

Surestart began in 2005 and is funded by CBC. Bureau staff workers are part of the Surestart team which aims to help families with young children in the most deprived areas of Charnwood. This project ceased on 31 March 2015.

The Consumer Information Gathering Project (CIGS) is funded by the Trading Standards Department of LCC.

The Homelessness Prevention Project is funded by CBC.

Debtline was financed by LCC but this funding ceased during the year.

The ASS fund is the Advice Session Supervisor fund. This is money set aside by the Trustees out of general funds to enable us to employ paid supervisors to support the volunteer advisers.

The incoming undesignated general funds are mainly the core grant from CBC but also include donations, the proceeds of fundraising, bank interest and sundry receipts.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2015	Unrestricted Designated Funds 2015	Unrestricted Undesignated Funds 2015	Total Funds 2015
Fund Balances at 31 March 2015 are represented by:				
Current Assets	30473	21000	137574	189047
Current Liabilities	-23697		-15556	-39254
Long Term Liabilities	0	0	0	0
	6776	21000	122018	149794

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014
Fund Balances at 31 March 2014 are represented by:				
Current Assets	60480	24169	109207	193856
Current Liabilities	-5376	-4366	-18240	-27982
Long Term Liabilities	0	0	-3750	-3750
	55105	-1197	108217	162124

14. CONTROL

The charity is controlled by the Trustees.