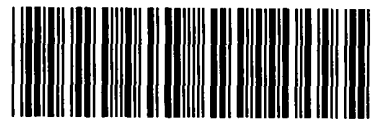


REGISTERED NUMBER: 4984410  
CHARITY NUMBER: 1102353

**CHARNWOOD CITIZENS ADVICE BUREAU**  
(A COMPANY LIMITED BY GUARANTEE)

FRIDAY



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16/12/2016

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COMPANIES HOUSE

**TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**Charnwood Citizens Advice Bureau  
Directors' Report and Financial Statements  
For The Year Ended 31 March 2016**

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**Charnwood Citizens Advice Bureau  
Company Information  
For The Year Ended 31 March 2016**

**Directors**

Mr Philip Gee (resigned 27/07/2016)  
Miss Beatrice Cooper  
Miss Aimee Martin  
Mrs Jean Anderson  
Mr Gerry Jacobs  
Mr Richard Tabberer (resigned 24/11/2015)  
Mrs Ann Brass  
Mr Anthony Wilkinson  
Mr David Rodgers  
Mr Michael Duggan

**Secretary**

Mrs Jo-Ann Murdoch

**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 joint Chief Executive Officers.

### **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 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 2015/16 almost exactly half of the Bureau's funding came from CBC and LCC. The big change is that the funding from the Big Lottery's Advice Services Transition Fund came to an end. Attempts to find alternative sources of funding have so far resulted in only limited success.

The financial pressures resulting from loss of income will 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 finished in September 2015.

The resources coming into general funds to support the generalist advice service provided by the Bureau includes £56,430 from CBC, £43,860 from LCC and £8,458 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:

- 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 to consider whether further action is required
- We were successful in our bid to deliver Energy Best Deal Extra sessions. This is grant funded by Ofgem and Citizens Advice. We have assisted 109 clients with energy related issues such as obtaining better deals by shopping around, offering energy saving tips to reduce bills, assisting with complaints, and dealing with fuel debts.
- We are continuing work with West Leicestershire Clinical Commissioning Group to deliver a Generalist advice service at GP practices in Charnwood. Initially this involved service delivery at 3 practices, and in August 2015 the project was extended to include 2 further practices located in South Charnwood. Feedback from the practices, health care professionals and clients supports our belief that this is an effective way of dealing with non-clinical issues that face patients, and aligns with wider social prescribing objectives.
- Our funding from the Big Lottery Advice Services Transition Fund for the Charnwood Connect project came to an end in September 2015. Charnwood CAB along with our Charnwood Connect partners have agreed to continue working together and have formed a Strategic Partnership Group which meets quarterly. The purpose is to identify and explore new funding/partnership opportunities when they arise, host local practitioner forums, and identify and deliver relevant training events.

## **ACHIEVEMENT AND PERFORMANCE**

During the 2015/16 financial year, the CAB continued to deliver advice for the benefit of the local community despite facing financial challenges.

In 2015/16 we recorded the total number of clients advised in Charnwood as 4777, this is a unique client count so represents the number of individuals who accessed the service once in the year and does not include repeat visits. The actual number of clients who walked through our doors in 2015/16 was 6026. This indicates that over 1200 clients had either multiple issues or issues too complex to be resolved in a single visit. We recorded a total of 17,356 issues in the past year, an increase of 800 on the previous year, and 58% of these related to Benefits and Debt. 32% of Benefit issues involved sickness and disability benefits. 98.9% of clients were seen on the day they came into the bureau and our average waiting time over the year was 16.2 minutes.

The Trustees wish to acknowledge the significant and essential contribution made by volunteers to the organisation; advisers, administrators, receptionists and trustees. Nearly 14,000 hours were donated by our volunteers (exc. Trustees) last year with a value of over £200k. We also have a small, dedicated team of paid staff and together we made financial gains of nearly £1.2m for our clients and we estimate that we saved our clients around £400k based on typical fees charged by law firms in the UK. 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 £407,459 in 2014/15 to £336,146 in 2015/16. Total funds have decreased from £149,795 in March 2015 to £104,268 by March 2016. Of this, £97,909 (2015 - £119,322) relates to unrestricted funds. The number of paid staff in post at the end of the year has decreased from 13 to 12.

### **Reserves policy**

The Trustees review their reserves policy on an annual basis. The current policy is that the Bureau should retain 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 2016, the reserves necessary to meet the policy were £77,257 and the unrestricted reserves available were £97,909.

### **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 have now finished 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, is rolling out an ambitious programme of modernisation and development. We intend to play a full part in this programme wherever it will benefit our clients.

Specifically, we intend to:

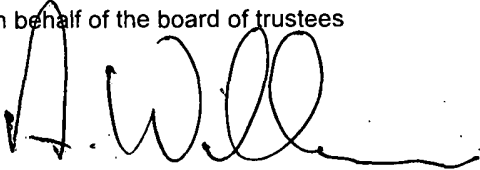
- Develop and improve our Generalist advice service. An example will be to continue to offer advice to clients related to energy costs under EBDx funding offered by Ofgem and Citizens Advice.
- Continue to develop the work we do with the health sector, particularly with GPs and health visitors and including work

with clients with mental health problems.

1.

- Continue to be an active member of the Charnwood Connect Strategic Partnership Group, and with our partners, identify potential funding opportunities for future collaborative partnership working
- 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', written in a cursive style.

Mr Anthony Wilkinson

15 November 2016

Charnwood Citizens Advice Bureau  
Independent Examiner's Report  
For The Year Ended 31 March 2016

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I report on the accounts of the Charity for the year ended 31 March 2016 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 November 2016



**Charnwood Citizens Advice Bureau**  
**Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For The Year Ended 31 March 2016**

**INCOMING RESOURCES**

	Notes	Restricted Funds 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>						
Voluntary income	2			1237	1237	4813
Investment income	3			1108	1108	1322
<b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>						
Charitable activities	4	275,311.25	0	58,489.74	333801	401324
<b>TOTAL INCOMING RESOURCES</b>		<u>275311</u>	<u>0</u>	<u>60835</u>	<u>336146</u>	<u>407459</u>

**RESOURCES EXPENDED**

Charitable Activities	5	316138	4019	32650	352807	398117
Governance costs	6	12712	0	16156	28867	21670
<b>TOTAL RESOURCES EXPENDED</b>		<u>328850</u>	<u>4019</u>	<u>48806</u>	<u>381674</u>	<u>419787</u>

**NET MOVEMENT IN FUNDS**

		-53538	-4019	12029	-45528	-12328
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**RECONCILIATION OF FUNDS**

Total Funds Brought Forward	13	30472	21000	98324	149794	162123
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<b>TOTAL FUNDS CARRIED FORWARD</b>		-23066	16981	110353	104266	149794
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**Charnwood Citizens Advice Bureau  
Balance Sheet  
As at 31 March 2016**

	Notes	2016		2015	
<b>CURRENT ASSETS</b>					
Debtors	9	75		882	
Cash at Bank and in Hand		125591		188166	
		125666		189048	
<b>CURRENT LIABILITIES</b>					
(Amounts falling due within one year)	10	21400		39254	
<b>NET CURRENT ASSETS</b>					
		104266		149794	
<b>NET ASSETS</b>					
		104266		149794	
<b>REPRESENTED BY THE FOLLOWING FUNDS</b>					
<b>RESTRICTED FUNDS</b>					
Shepshed	12	1192		1161	
Big Lottery ASTF CAB	12	2671		17397	
Pensionwise	12	228		0	
Money Advice	12	752		0	
CIG	12	0		1375	
Homelessness Project	12	0		5150	
CBC Outreach	12	0		1487	
LCC	12	0		736	
CCG	12	1514	6356	3166	30473
<b>UNRESTRICTED FUNDS</b>					
Designated Funds					
ASS Fund	12	16982		21000	
Undesignated Funds					
General Funds	12	80928	97909	98322	119322
		<u>104266</u>		<u>149794</u>	

For the year ending 31 March 2016 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 read 'J M', with a large, sweeping flourish extending to the right.

Mr David Rodgers

15 November 2016

## CHARNWOOD CITIZENS ADVICE BUREAU

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 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 January 2015) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in accordance with the Financial reporting Standards for Smaller Entities (FRSSE) effective January 2015. There are contingent liabilities of £304,361 at 30/09/2015 and £76,164 at 31/03/2016 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 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
Donations	0	0	1237	1237	4813
Gift Aid Recoverable	0	0	0	0	862
Other Income	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>1237</u>	<u>1237</u>	<u>5675</u>

## 3. INVESTMENT INCOME

	Restricted Funds 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
Interest Receivable	0	0	1108	1108	1322
	<u>0</u>	<u>0</u>	<u>1108</u>	<u>1108</u>	<u>1322</u>

#### 4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Grants received for charitable activities	Restricted Funds 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
Charnwood Borough Council			57830	57830	55728
Leicestershire County Council - Debtline Energy	16350			16350	3428 0
Leicestershire County Council	43860			43860	43860
Shepshed Town Council	8458			8458	8293
Charnwood Borough Council - Surestart Money Advice	0 4360			0 4360	41900 0
Pensionwise	9000			9000	0
Charnwood Borough Council - Outreach	18000			18000	40000
Leicestershire County Council - CIGS Funding	17000			17000	16171
Charnwood Borough Council - Homelessness Project	23000			23000	22700
CCG	53055			53055	10445
Big Lottery ASTF CAB	81328			81328	153599
	<u>274411</u>	<u>0</u>	<u>57830</u>	<u>332241</u>	<u>396124</u>

## 5. CHARITABLE ACTIVITIES

	Restricted Funds 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
Salaries	222105	3422	18639	244166	281192
Staff & Volunteer	11682	92	3506	15280	20084
Office	26769	210	1994	28974	51931
Premises	33106	295	7893	41293	40120
Other	22476	0	618	23094	4790
	<u>316138</u>	<u>4019</u>	<u>32650</u>	<u>352807</u>	<u>398117</u>

## 6. GOVERNANCE COSTS

	Restricted Funds 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016	Total Funds 2015
Staff costs	12712		12712	25423	19523
Accountancy/Legal	0	0	3444	3444	2147
	<u>12712</u>	<u>0</u>	<u>16156</u>	<u>28867</u>	<u>21670</u>

## 7. STAFF COSTS

	2016	2015
Wages and salaries	223344	269665
National Insurance	15982	18467
Pension Costs	12328	12540
	<u>251654</u>	<u>300672</u>

The average number of employees during the year was 12 (2015 – 14)

There were no employees whose annual emoluments were £60,000 or more (2015 – none)

No trustee received any remuneration during the year (2015 – none)

No trustee received any expenses during the year (2015 – 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 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60<sup>th</sup> accrual rate and final salary with an 1/80<sup>th</sup> 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 8 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 2014 were completed in 2015 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 £793 million and the Plan's Technical Provisions (i.e. past service liabilities) were £970 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £177 million, equivalent to a funding level of 82%.
12. The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% p.a.
Rate of return pre retirement	4.2
Rate of return post retirement:	
Active/Deferred	3.3
Pensioners	3.3
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	3.1
Inflation: Consumer Prices Index (CPI)	2.2

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 has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan at 30 September 2015. 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 Plan to £857 million and indicated a fall in the Plan's deficit to approximately £139 million, equivalent to a past service funding level of 86%.
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.

### **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

	2016	2015
Prepayments	0	882
Gift Aid Recoverable		
Income Receivable		
Trade debtors	75	
	<u>75</u>	<u>882</u>

10. CREDITORS – Amounts falling due within one year

	2016	2015
Trade creditors and accruals	15808	16965
Income in advance		
CCG		13055
Charnwood Borough Council Office Refurbishment Creditor		3750
PAYE/NIC Payable		
Payroll	4810	4695
Pension control liability	781	789
	<u>21399</u>	<u>39254</u>

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

None

## 12. STATEMENT OF FUNDS

### STATEMENT OF FUNDS

Fund	At 31 March 2015	Incoming Resources	Resources Expended	Transfers	At 31 March 2016
<b>RESTRICTED FUNDS</b>					
Big Lottery ASTF CAB	17397	81328	96055		2671
LCC	736	43860	47484	2888	0
LCC Money Advice	0	4360	3609		752
CBC - Outreach	1487	18000	20925	1438	0
CCG	3166	53055	54706		1514
Shepshed	1161	8458	11711	3284	1192
Surestart	0	900	1259	359	0
CIGS	1375	17000	23034	4658	0
Homelessness	5150	23000	44512	16362	0
Energy	0	16350	16783	433	0
Pensionwise	0	9000	8772		228
<b>UNRESTRICTED FUNDS</b>					
Designated Funds					
ASS Fund	21000	0	4018		16982
Undesignated Funds					
General Funds	98323	60835	48806	-29423	80929
	<u>149795</u>	<u>336146</u>	<u>381675</u>	<u>0</u>	<u>104266</u>

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.

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

The Homelessness Prevention Project is funded by CBC.

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.

Energy is funding from Ofgem and Citizens Advice to assist clients with energy issues.

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 2016	Unrestricted Designated Funds 2016	Unrestricted Undesignated Funds 2016	Total Funds 2016
Fund Balances at 31 March 2016 are represented by:				
Current Assets	6356	16982	102327	125665
Current Liabilities	-12005		-9394	-21399
Long Term Liabilities	0	0	0	0
	-5649	16982	92933	104266

	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

### 14. CONTROL

The charity is controlled by the Trustees.