

MAIDSTONE CITIZENS ADVICE BUREAU
(A company limited by guarantee)

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013



Registered Charity No 299055

Company No 02234220

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
Mrs G Higgins (resigned July 2012)
Mr P Stokes
Mr I Dawson

REPRESENTATIVE TRUSTEES

Cllr Mrs J Gibson
Cllr M Ring
Ms K Dickinson
Mr J Fowler (appointed September 2012)
Mr I Owen
Mr P Green
Mr R Sawtell
Mr D'Souza (appointed September 2012)
Mr P Coles
Ms E Tredget (resigned September 2012)

CO-OPTED MEMBERS

Ms S Hawkins

STAFF TRUSTEES

Mr S Malhotra
Mrs J S Woods
Mr P Taylor (appointed September 2012)
Mr R Bennet (appointed September 2012)
Mr M Ford (resigned September 2012)
Mr R Rixon (resigned September 2012)

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 2013

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2013. 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 the Trustee Board shall consist of not less than 13 nor more than 30 Trustees of whom -

- not less than 2 nor more than 5 shall be 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,
- not less than 8 nor more than 15 shall be Representative Trustees (Schedule 2 members) who are nominated by voluntary and statutory organisations from within the Borough of Maidstone and appointed at the Annual Public Meeting, and
- not less than 3 nor more than 6 shall be Staff Trustees, 2 of whom are the Chief Executive and Service Manager and the remainder can be elected by the volunteers at the July Staff Meeting and presented at the Annual Public Meeting,

Additionally the Trustee Board may co-opt up to 4 members.

(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 of outgoing resources for the year amounted to £14,399. There was a deficit of £3,808 in relation to core business. As at 31 March 2013 general unrestricted reserves amount to £89,841.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2013

(continued)

ACHIEVEMENTS AND PERFORMANCE

Maidstone Citizens Advice Bureau is an advice service provider that makes a difference to the lives of individuals, their families and their communities. The service provides free, independent, impartial and confidential advice to help people resolve their problems and take control of their lives. Our advisers are equipped to deal with a wide range of issues including debt, benefits, housing, employment, consumer issues, relationships, family matters, health, education, discrimination, immigration, and the law. The Bureau's advisers are trained and empowered to work with those in greatest need and who cannot afford to seek costly paid advice. The Organisation also provides people opportunities for volunteering and helps them back into work through training and work experience. In addition to our work in helping people manage their problems we also aim to prevent problems happening in the first place, by providing money management training and support, supporting the local economy by training people and helping them back into employment, tackling social exclusion by helping clients obtain the right benefits, and promoting community cohesion through our Social Policy and anti-discrimination work.

This report celebrates our Bureau completing the eventful year of 2012/13 successfully. The continuing recession, concerns over welfare reform, further funding restrictions and changes to the Legal Aid system meant that the Bureau, its staff, volunteers and Trustees dug deeper into their resolve to ensure that the Organisation did not step back from its aims of providing an excellent service to its clients.

The Citizens Advice Bureau is Maidstone's largest advice-giving charity and during the year the Bureau consolidated its position by being well thought of by both its Core funder and clients. On five days a week, from 10.00am to 4.00pm, the Bureau provides an open-door service to all who contact it by coming in, by telephone, or by e-mail. The Bureau also operates a face to face drop in service at the Maidstone Gateway in King Street. This service continues to be well used and more than 50% of our face to face work is now carried out in the town centre. With the introduction of a Gateway Assessor at our Maidstone Gateway we have streamlined our provision of service to clients and further developments are planned for the future.

The organisation has traditionally provided its generalist advice predominantly by trained, supported and experienced volunteer advisers funded through the Core Grant from Maidstone Borough Council. The specialist advice service has been provided through financial support from various agencies including the Council, Legal Services Commission, EDF Trust and Ministry of Justice. Other external funders such as Barclays and Britannia Trust have supported Financial Capability sessions to young people between the ages of 14-25. Citizens Advice nationally have accessed funds from Corporate bodies to ensure that further training sessions on raising the Communities' awareness in energy saving and choosing the right kind of utility suppliers.

The Trustee Board has empowered the Bureau Management to establish good working practices for its volunteers and staff so that they keep up their professional development and provide a good service. The enhanced training and development of the Bureau staff meant that the quality of advice to clients has been maintained throughout the year.

Funding for the Specialist Domestic Violence Court Service continued to provide help and assistance to victims suffering from domestic abuse at Maidstone Magistrate's Court. The Bureau supports the Independent Domestic Violence Adviser who worked with more than 328 victims of domestic abuse seeking redress within the legal system.

The Bureau's Outreach and Home Visiting Service continues to provide a valuable service to all those who are unable to access the Bureau's established services. This is a growth area of demand as the population grows older and the economic downturn bites into the people's ability to use public transport to come into town to seek advice. During the year requirement for our service grew further and the Bureau recruited and trained additional volunteers to meet this demand.

All advisers joining the Bureau are provided with full basic training in advice giving skills, and a continued personal development programme ensures that volunteers continue to provide an excellent service. The comprehensive training programme ensures quality by the advice managers and senior advisers actively supporting the delivery of quality of advice and gateway assessment, through guiding staff to information sources, checking that all aspects of a client's situation have been considered and ensuring follow up work is progressed and social policy issues identified. The Managers actively enable each worker to develop their skills and competences, by guiding, encouraging, and providing constructive feedback and challenging appropriately - adapting the level of support to the competence and need of the worker, and taking account of the team as a whole. The success of the Bureau's training is demonstrated by the fact that many of our volunteers have been able to obtain paid employment on the strength of their work within our organisation.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2013
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Volunteers are the mainstay of the service and perform all sorts of roles from giving advice, to fundraising, IT, administration, publicity, campaigning and trusteeship. At Maidstone our Generalist Advisers and Gateway Assessors gave 508 hours of free advice each week, Trainee Advisers provided a further 111 hours each week, volunteers offering organisational support functions including administration and trusteeship gave the Bureau another 244 hours per week. Annualised and costed out at rates taken from the Office of National Statistics 2011 survey of hours and earnings, this works out as £635,411 worth of free voluntary work for the community of Maidstone.

In 2012/13 the Bureau saw 9,144 new clients and a further 4,143 clients who were already on our case-recording system. These clients brought in 55,986 issues and our advisers carried out 64,495 activities such as face to face advice, telephone calls and negotiations by letter and emails. Benefits, debt, housing, employment, relationship and Family matters were the main issues dealt with by the Bureau.

The Bureau conducts annual Client Satisfaction Surveys. In the Survey carried out in October/December 2012, 86% of our clients were happy with the service provided. 96% of clients would recommend us to others and 96% would use us again. 87% felt that their situation had improved 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 managed to return a small deficit at the end of the year. At the year end the Bureau's general unrestricted reserves stood at £89,841.

The Legal Aid Reforms brought in by the Government saw most of Social Welfare Law becoming out of scope for the provision of advice. These changes forced the Bureau to drastically review the way that we deliver our service, and as a consequence it's staffing structure. This was because all specialist advice work funded by the Legal Services Commission ceased as of March 2013. This meant that the Board of Trustees decided that the Bureau needed to ensure that it became less dependent on external funding and establish a Core service in response to the Borough Council's continued support of Core funding. The result of these changes meant that some paid staff chose to accept redundancy, or reduced hours of working, while others left to take positions in other organisations.

PLANNING FOR THE FUTURE

In order to ensure that a comprehensive service continued to be offered to the Community of Maidstone, further funding streams were investigated. The Bureau was successful in becoming part of the Consortium bidding to establish HealthWatch Kent and took the responsibility of providing the Information & Signposting element. Additional funding from the Advice Services Transition Fund was ensured by successfully establishing and leading the Maidstone Advice Services Partnership which provides much needed support and training to frontline workers of many Voluntary Agencies in Maidstone. These new developments have helped the Bureau both concentrate on its core objectives as detailed earlier and refocus its structure and personnel towards the challenges set by the major reforms of the Welfare State now underway. In making these changes the Trustees have endeavoured to ensure that Maidstone Citizens Advice Bureau continues to evolve to meet the changing and challenging circumstances the citizens of Maidstone face. We are very grateful for the continued support of Maidstone Borough Council as we go through this period of increased uncertainty.

Looking to the future further changes will inevitably be needed as the transition funding period comes to an end. The way we deliver our services will continue to be kept under review to ensure that we provide the best possible service with the changing levels of resources available to us.

RESERVES POLICY

The Board of Trustees has reviewed the reserves of the Bureau. The review encompassed the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of the reserves. The Bureau continues to maintain a reserves policy. The policy is reviewed at least annually. 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 utilised accordingly. The Bureau will aim to maintain at all times a free reserve equivalent to 25% of its annual budget as an emergency reserve. The purpose of this emergency reserve is to ensure that the charity can continue its operations in the event of an unforeseen crisis in expenditure or interruption of income until the crisis has been effectively addressed. It is the opinion of the Trustees that 25% is an appropriate ratio of reserves to expenditure in view of the Bureau's contractual commitments and the precarious nature of its income.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2013

(continued)

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.

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.

ON BEHALF OF THE
BOARD OF TRUSTEES


MR J COBBETT

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

02-09-2013

MAIDSTONE CITIZENS ADVICE BUREAU
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Maidstone Citizens Advice Bureau for the year ended 31 March 2013 set out on pages 8 to 16. These financial statements have been prepared under the accounting policies set out herein, the Statement of Recommended Practice "Accounting and Reporting by Charities" and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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. 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 2013 and of its incoming 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 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 2013
(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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report



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

02-09-2013

MAIDSTONE CITIZENS ADVICE BUREAU
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2013

	<u>Notes</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total 31 3 2013</u>	<u>Total 31 3 2012</u>
INCOMING RESOURCES					
Incoming resources from activities for generating funds					
Fundraising		5,030	-	5,030	3,482
Donations		1,783	-	1,783	3,830
Investment income		2,663	-	2,663	1,700
Incoming resources from charitable activities					
Maidstone Borough Council grants		185,000	-	185,000	185,000
Legal Services Commission		185,767	-	185,767	219,704
IDVA Grant (Community)		-	49,933	49,933	62,000
CITA Grants		10,138	-	10,138	17,975
Golding Homes		3,000	-	3,000	3,000
Barclays Money Skills		-	-	-	38,067
Advice Services Fund		70,000	-	70,000	-
EDF Energy Trust Project		-	27,652	27,652	36,869
Britannia Foundation		-	16,500	16,500	5,500
Future Jobs Fund		-	-	-	10,625
Kent County Council Children's Centres		12,000	-	12,000	12,000
Other projects		-	-	-	3,000
Total incoming resources		<u>475,381</u>	<u>94,085</u>	<u>569,466</u>	<u>602,752</u>
RESOURCES EXPENDED					
Charitable activities	2	474,746	103,851	578,597	593,213
Governance costs	3	4,443	825	5,268	5,580
Total resources expended		<u>479,189</u>	<u>104,676</u>	<u>583,865</u>	<u>598,793</u>
NET (OUTGOING)/INCOMING RESOURCES					
	4	(3,808)	(10,591)	(14,399)	3,959
Total funds at 1 April 2012		<u>93,649</u>	<u>33,849</u>	<u>127,498</u>	<u>123,539</u>
Total funds at 31 March 2013	6,7	<u>89,841</u>	<u>23,258</u>	<u>113,099</u>	<u>£127,498</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 12 and 13

The notes on pages 10 to 16 form part of these accounts

MAIDSTONE CITIZENS ADVICE BUREAU

BALANCE SHEET

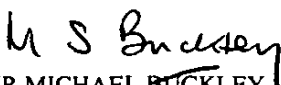
As at 31 March 2013

	<u>Notes</u>		<u>31 3 2012</u>
TANGIBLE FIXED ASSETS	5	2,908	5,235
CURRENT ASSETS			
Other debtors and prepayments	27,294		32,425
Cash at bank	139,611		214,635
Cash in hand	248		171
	<u>167,153</u>		<u>247,231</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Accruals and deferred income	51,380		115,409
Other taxes and social security	5,582		9,559
	<u>56,962</u>		<u>124,968</u>
NET CURRENT ASSETS		<u>110,191</u>	<u>122,263</u>
NET ASSETS		<u>£113,099</u>	<u>£127,498</u>
UNRESTRICTED FUNDS	6	89,841	93,649
RESTRICTED FUNDS	7	<u>23,258</u>	<u>33,849</u>
		<u>£113,099</u>	<u>£127,498</u>

The balance sheet should be read in conjunction with the reconciliation and analysis of movements of the funds in notes 6 and 7 on pages 12 and 13

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 02-09-2013


SIR MICHAEL BUCKLEY
CHAIR OF THE BOARD OF TRUSTEES


MR J COBBETT
MEMBER OF THE BOARD OF TRUSTEES

Company No 02234220

The notes on pages 10 to 16 form part of these accounts

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2013

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 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 2013

(continued)

2 CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 31 3 2013	Total 31 3 2012
Costs directly allocated to activities				
Staff costs	333,896	76,372	410,268	414,737
Travel	9,059	1,489	10,548	12,319
Training costs	4,213	176	4,389	1,673
Support costs allocated to activities				
Staff costs	58,922	13,478	72,400	73,189
Premises costs	27,403	3,560	30,963	37,909
General office costs	36,153	8,733	44,886	46,024
Bank charges	277	43	320	287
Depreciation	4,823	-	4,823	7,075
	<u>474,746</u>	<u>103,851</u>	<u>578,597</u>	<u>£593,213</u>

3 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total 31 3 2013	Total 31 3 2012
Auditors' remuneration	2,721	549	3,270	3,540
Meeting costs	1,722	276	1,998	2,040
	<u>£4,443</u>	<u>£825</u>	<u>£5,268</u>	<u>£5,580</u>

4 NET (OUTGOING)/INCOMING RESOURCES

This is stated after charging -

	<u>31 3 2013</u>	<u>31 3 2012</u>
Board of Trustees' remuneration	£46,381	£52,036
Auditors' remuneration	£3,270	£3,540
Rent payable on property under operating leases	£22,000	£22,422
Depreciation of computer and office equipment	£4,823	£7,075

The Board of Trustees' remuneration relates wholly to two paid senior members of staff who are also Trustees and who are also accruing retirement benefits under a defined benefit pension scheme

The average number of salaried employees during the year was 26 (2012 26) No employee earned more than £60,000 per annum (2012 none)

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2013

(continued)

5 TANGIBLE FIXED ASSETS

	<u>Office and computer equipment</u>
<u>Cost</u>	
At 1 April 2012	80,032
Additions	2,496
At 31 March 2013	<u>£82,528</u>
 <u>Depreciation</u>	
At 1 April 2012	74,797
Charge for the year	4,823
At 31 March 2013	<u>£79,620</u>
 <u>Net book value</u>	
At 31 March 2013	<u>£2,908</u>
At 31 March 2012	<u>£5,235</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>31.3.2013</u>	<u>31.3.2012</u>
General Funds		
Balance brought forward 1 April 2012	45,497	29,323
Net (outgoing)/incoming resources	(3,808)	21,174
Transfer to Pension Fund	-	(5,000)
	<u>41,689</u>	<u>45,497</u>
Pension Fund		
Balance brought forward 1 April 2012	20,000	15,000
Transfer from General Fund	-	5,000
	<u>20,000</u>	<u>20,000</u>
Premises and Development Fund		
Balance brought forward 1 April 2012	28,152	28,152
Transfer from General Fund	-	-
	<u>28,152</u>	<u>28,152</u>
As at 31 March 2013	<u>£89,841</u>	<u>£93,649</u>

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2013

(continued)

7 RESTRICTED FUNDS

	<u>Balance at 1 April 2012</u>	<u>Incoming resources</u>	<u>Resources expended</u>	<u>Balance at 31 March 2013</u>
Independent Domestic Violence Adviser Project	29,310	49,933	55,985	23,258
EDF Energy Trust	5,355	27,652	33,007	-
Britannia Foundation	(816)	16,500	15,684	-
	<u>£33,849</u>	<u>£94,085</u>	<u>£104,676</u>	<u>£23,258</u>

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

The objective of the EDF Energy Trust is to provide money advice in respect of fuel bills. The project was completed on 31 December 2012

The objective of the Britannia Foundation is to provide financial education and training to young people within Kent. The project was completed on 31 December 2012

8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>
Tangible fixed assets	2,908	-	2,908
Current assets	122,730	44,423	167,153
Creditors Amounts falling due within one year	(35,797)	(21,165)	(56,962)
	<u>£89,841</u>	<u>£23,258</u>	<u>£113,099</u>

9 FINANCIAL COMMITMENTS

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

	<u>Land and Buildings</u>	
	<u>31 3 2013</u>	<u>31 3 2012</u>
Expiry in less than 1 year	£-	£22,000
Expiry in 2 to 5 years	£22,000	£-

The lease is subject to 5 yearly rent reviews and at the last review in 2012 the annual rent remained at £22,000. The lease will expire in 2017

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2013

(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 £15,494 (2012 £19,348) 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 ten 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 2013
(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 2012. The market value of the Plan's assets at that date was £784 million and the Plan's Technical Provisions (ie past service liabilities) were £928 million. The update therefore revealed a shortfall of assets compared with the value of liabilities of £194 million equivalent to a funding level of 80%.

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 2013

(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.

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 31 March 2013. As of that date the estimated employer debt for Maidstone Citizens Advice Bureau was £90,312.