

MAIDSTONE CITIZENS ADVICE BUREAU
(A company limited by guarantee)
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011

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COMPANIES HOUSE

Registered Chanty 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

Mrs P Garrett	
Sir Michael Buckley	
Mr J Cobbett	<i>(Elected 2010)</i>
Mrs G Higgins	<i>(Elected September 2010)</i>
Mr P Stokes	<i>(Elected September 2010)</i>

REPRESENTATIVE TRUSTEES

PS J Bradley	
Cllr Mrs J Gibson	
Cllr M Ring	
Mrs S Towns Okorodudu	<i>(Resigned September 2010)</i>
M I Owen	
Mr P Green	
Mr R Sawtell	
Mr P Coles	
Mr P Gray	<i>(Resigned May 2010)</i>
Mrs W Tull Kneller	<i>(Appointed September 2009)</i>
Mrs G C Walker	<i>(Appointed September 2010)</i>

CO-OPTED MEMBERS

Ms S Hawkins	
Mr R Press	<i>(Resigned May 2010)</i>

STAFF TRUSTEES

Mr S Malhotra
Mrs J S Woods
Mr M Ford
Mr R Rixon

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 2011

The Board of Trustees presents its report and the audited financial statements for the year ended 31st March 2011. 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 (SORP) issued in March 2005.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

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.

The Trustees confirm that they have referred 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 surplus of incoming resources for the year amounted to £21,998. There was a surplus of £13,219 in relation to core business. As at 31 March 2011 general unrestricted reserves amount to £72,475.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2011
(continued)

ACHIEVEMENTS AND PERFORMANCE

During another eventful year of 2010/11, the Bureau consolidated its position within the Community of Maidstone and the wider Citizens Advice Service. It continued to provide an excellent and open door service to all who contacted the Bureau for face to face advice, on the telephone and by email. The effects of the economic crisis deepened during the year as the recession bit and a new Coalition Government with an austerity agenda came into office. The National Association of Citizen Advice Trustees decided that all clients accessing a Bureau should be offered a mandatory initial assessment interview before a full adviser interview.

The Legal Services Commission introduced a fresh tender round for Legal Aid Advice and the Bureau had to work through a rigorous process to be successfully granted a contract. During this process all Housing, Benefits and Debt advice were bundled into a single category of Social Welfare Law and the criteria for providing Family Law were radically changed.

The Bureau successfully managed to procure additional Core funding to provide a Court Desk at the Maidstone County Court and clients facing possession hearings were offered immediate advice by our Housing Specialists.

Funding for the Specialist Domestic Violence Court Service was obtained to provide help and assistance to victims suffering from domestic abuse. The Bureau supported the Independent Domestic Violence Adviser to work with more than 220 clients at the Maidstone Magistrate's Court.

In an attempt to increase Financial Capability awareness of young people aged 16-25, the Bureau has been working in partnership with Barclays Bank to provide training in Kent, Sussex and Surrey. The take up for these training courses is over subscribed and the Bureau is in line to exceed its target well before the end of the Project.

Additional funding to provide money advice to customers of EDF was successfully negotiated from the EDF Trust. This Project not only provided advice but enabled the Bureau to obtain additional funds for clients to either get their debts to EDF written off or arrange a Debt Relief Order for all those whose debts were under £15,000.

The Bureau's Outreach and Home Visiting Service was extended further with a new contract with three Children's Centres in Parkwood, Tovil and Shepway. This essential service is provided to young parents with children under five who have until now been unable to access the Bureau for a variety of reasons.

The Bureau's Specialist advice service has been providing an essential service to the Community of Maidstone alongside the Generalist advice service that is predominantly provided by trained supported and experienced volunteer advisers. During the year 2010/11, the demand for our service grew further and the Bureau recruited and trained additional volunteers to meet this demand. 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.

Advice and assistance is provided to clients from 2 venues in Maidstone. The main office at Tonbridge Road continues to be busy and the additional service at the Maidstone Gateway in King Street is also well used by those who are unable to use the main office.

In 2010/11 the Bureau saw 7,720 new clients. These clients brought in 67,686 issues and our advisers had 35,687 contacts with their clients. Benefits, Debt, Housing, Employment, Relationship and Family matters were the main issues dealt with by the Bureau.

During the year the Benefits advisers helped 278 clients to claim £628,000 worth of unclaimed benefits to which they were entitled. 26 clients were assisted to claim disability benefits and another 26 clients were helped to appeal against unfavourable decisions on employment support allowance.

844 debt clients were helped to negotiate affordable terms with their creditors. These clients had a total debt of £10,998,000 with an average debt of £13,031 per client. Out of this total debt £1,202,000 was deemed to be priority debt. 59 Debt Relief Orders were obtained for debts of £586,000.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2011
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

73 clients were assisted with homelessness related issues 12% had issues relating to debt, 18% had rent arrears in social or private sector housing, 19% required legal advice to stay in their private rented accommodation, 22% were social tenants with issues other than rent arrears, 16% had mortgage arrears and 13% had other unrelated issues

104 clients were helped with Employment matters 36% of these clients were facing unfair dismissal, 21% unauthorised deductions and 20% wrongful dismissal 8% suffered from discrimination, 40% of those were disability related and 40% sex discrimination A total of £159,000 was clawed back on behalf of clients through Employment Tribunal claims, compromise agreements and negotiated settlements

The Bureau conducts annual Client Satisfaction Surveys In the Survey carried out in October 2010, 98% of our clients were happy with the service provided 100% of clients would recommend us to others and 99% would use us again 96% 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 surplus at the end of the year In line with the Trustees' wishes a further £5,000 was allocated to the Pensions deficit fund and £8,000 was added to the Premises and Development fund At the year end the Bureau's General Reserves showed as £72,475

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

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 1993

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2011
continued

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (continued)

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

M. S. Buckley
SIR MICHAEL BUCKLEY

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

26 August 2011

MAIDSTONE CITIZENS ADVICE BUREAU
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

We have audited the financial statements of Maidstone Citizens Advice Bureau on pages 8 to 16 of Maidstone Citizens Advice Bureau. 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 auditor's 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2011 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 2011
(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

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

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

26 August 2011

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

For the year ended 31 March 2011

	<u>Notes</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total 31 3 2011</u>	<u>Total 31 3 2010</u>
INCOMING RESOURCES					
Incoming resources from activities for generating funds					
Fundraising		4,001	-	4,001	4,306
Donations		3,644	-	3,644	3,347
Investment income		808	-	808	191
Incoming resources from charitable activities					
Maidstone Borough Council grants		195,160	-	195,160	193,359
Legal Services Commission		266,534	-	266,534	265,891
IDVA Grant (Community)		-	44,000	44,000	51,000
IDVA Grant (Civil)		-	-	-	3,400
CITA Grants		15,830	-	15,830	16,955
MHT Grant		3,000	-	3,000	3,000
KAMCA		-	-	-	20,000
Barclays Money Skills		-	56,809	56,809	22,486
Additional Hours of Advice Project		-	23,925	23,925	34,374
EDF Energy Trust		-	18,435	18,435	-
Future Jobs Fund		12,625	-	12,625	-
Greenfields Children's Centre		4,000	-	4,000	-
Total incoming resources		<u>505,602</u>	<u>143,169</u>	<u>648,771</u>	<u>618,309</u>
RESOURCES EXPENDED					
Charitable activities	2	488,271	133,100	621,371	566,688
Governance costs	3	4,112	1,290	5,402	5,083
Total resources expended		<u>492,383</u>	<u>134,390</u>	<u>626,773</u>	<u>571,771</u>
NET INCOMING RESOURCES	4	13,219	8,779	21,998	46,538
Total funds at 1 April 2010		<u>59,256</u>	<u>42,285</u>	<u>101,541</u>	<u>55,003</u>
Total funds at 31 March 2011	6,7	<u>£72,475</u>	<u>£51,064</u>	<u>£123,539</u>	<u>£101,541</u>

The income and expenditure account should be read in conjunction with the reconciliation and analysis of movements of the funds 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 2011

	<u>Notes</u>		<u>31 3 2010</u>
TANGIBLE FIXED ASSETS	5	8,582	6,704
CURRENT ASSETS			
Debtors and prepayments	42,519	55,493	
Cash at bank	172,294	191,436	
Cash in hand	120	216	
	<u>214,933</u>	<u>247,145</u>	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Accruals and deferred income	89,862	138,247	
Other taxes and social security	10,114	14,061	
	<u>99,976</u>	<u>152,308</u>	
NET CURRENT ASSETS		<u>114,957</u>	<u>94,837</u>
TOTAL ASSETS		<u>£123,539</u>	<u>£101,541</u>
UNRESTRICTED FUNDS	6	72,475	59,256
RESTRICTED FUNDS	7	<u>51,064</u>	<u>42,285</u>
		<u>£123,539</u>	<u>£101,541</u>

The balance sheet should be read in conjunction with the reconciliation and analysis of movements of the funds 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 *26 August 2011.*


MR J COBBETT

)
)
)
) MEMBERS OF THE BOARD OF TRUSTEES
)


SIR MICHAEL BUCKLEY

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

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2011

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

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 accounts basis and allocating on the following basis -

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

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 2011

(continued)

2 CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 31 3 2011	Total 31 3 2010
Costs directly allocated to activities				
Staff costs	331,280	92,819	424,099	374,201
Recruitment	-	-	-	6,312
Travel	10,190	4,768	14,958	11,145
Training costs	3,373	226	3,599	7,082
Support costs allocated to activities				
Staff costs	54,197	18,905	73,102	60,806
Premises costs	43,827	6,009	49,836	45,921
General office costs	39,642	9,481	49,123	49,815
Bank charges	254	33	287	229
Depreciation	5,508	859	6,367	11,177
-	<u>£488,271</u>	<u>£133,100</u>	<u>£621,371</u>	<u>£566,688</u>

3 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total 31 3 2011	Total 31 3 2010
Auditors' remuneration	2,429	991	3,420	3,381
Meeting costs	1,683	299	1,982	1,702
	<u>£4,112</u>	<u>£1,290</u>	<u>£5,402</u>	<u>£5,083</u>

4 NET INCOMING RESOURCES

This is stated after charging -

	<u>31 3 2011</u>	<u>31 3 2010</u>
Board of Trustees' remuneration	£52,321	£52,235
Auditors' remuneration	£3,420	£3,381
Rent payable on property under operating leases	£22,000	£22,000
Depreciation of computer and office equipment	<u>£6,367</u>	<u>£11,177</u>

The Board of Trustees' remuneration relates wholly to two paid senior members of staff who are also trustees

The average number of salaried employees during the year was 27 (2010 24) No employee earned more than £60,000 per annum (2010 none)

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2011

(continued)

5 TANGIBLE FIXED ASSETS

	<u>Office and computer equipment</u>
<u>Cost</u>	
At 1 April 2010	68,059
Additions	8,245
At 31 March 2011	<u>£76,304</u>
 <u>Depreciation</u>	
At 1 April 2010	61,355
Charge for the year	6,367
At 31 March 2011	<u>£67,722</u>
 <u>Net book value</u>	
At 31 March 2011	<u>£8,582</u>
At 31 March 2010	<u>£6,704</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 2011</u>	<u>31 3 2010</u>
<u>General Funds</u>		
Balance brought forward 1 April 2010	29,104	22,906
Net incoming resources	13,219	18,198
Transfer to Pension Fund	(5,000)	(5,000)
Transfer to Premises and Development Fund	<u>(8,000)</u>	<u>(7,000)</u>
	29,323	29,104
 <u>Pension Fund</u>		
Balance brought forward 1 April 2010	10,000	5,000
Transfer from General Fund	<u>5,000</u>	<u>5,000</u>
	15,000	10,000
 <u>Premises and Development Fund</u>		
Balance brought forward 1 April 2010	20,152	13,152
Transfer from General Fund	<u>8,000</u>	<u>7,000</u>
	28,152	20,152
As at 31 March 2011	<u>£72,475</u>	<u>£59,256</u>

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2011

(continued)

7 RESTRICTED FUNDS

	<u>Balance at 1 April 2010</u>	<u>Incoming resources</u>	<u>Resources expended</u>	<u>Balance at 31 March 2011</u>
Independent Domestic Violence Adviser Project	24,379	44,000	46,409	21,970
Barclays Money Skills	10,003	56,809	41,496	25,316
Additional Hours of Advice Project	2,510	23,925	26,435	-
Kent and Medway Citizens Advice (KAMCA)	5,393	-	3,162	2,231
EDF Energy Trust	-	18,435	16,888	1,547
	<u>£42,285</u>	<u>£143,169</u>	<u>£134,390</u>	<u>£51,064</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 Barclays Money Skills Project is to provide training sessions for young people aged between 16 and 25

The objective of the Additional Hours of Advice Project is to support the expansion of the generalist advice service provided by volunteers from local Citizens Advice Bureau

The objective of the Kent and Medway Citizens Advice Project is to support work undertaken by local Citizens Advice Bureau within the county of Kent

The objective of the EDF Energy Trust is to provide money advice in respect of fuel bills

8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>
Tangible fixed assets	7,724	858	8,582
Current assets	98,354	116,579	214,933
Creditors Amounts falling due within one year	(33,603)	(66,373)	(99,976)
	<u>£72,475</u>	<u>£51,064</u>	<u>£123,539</u>

9 FINANCIAL COMMITMENTS

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

	<u>31 3 2011</u>	<u>31 3 2010</u>
	<u>Land and Buildings</u>	
Expiry in 2 to 5 years	<u>£22,000</u>	<u>£22,000</u>

The lease is subject to 5 yearly rent reviews and at the last review in 2007 the annual rent increased to £22,000
The next review will take place in 2012

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2011

(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 Growth 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 £18,881 (2010: £16,919) 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.

The valuation results at 30 September 2008 were completed in 2009 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 £742 million and the Plan's Technical Provisions (ie past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2011

(continued)

10 PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2008 were as follows -

	%
	Per annum
Investments return pre-retirement	7.6
Investment return post retirement	
Actives/deferreds	5.1
Pensioners	5.6
Bonuses on accrued benefits	0.0
Rate of price inflation	3.2

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 2010. The market value of the Plan's assets at that date was £780 million and the Plan's Technical Provisions (ie past service liabilities) were £825 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £45 million equivalent to a funding level of 95%.

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.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next ten years. These "best estimate" assumptions are 8.4% per annum pre retirement, 5.1% per annum retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).

A copy of the recovery plan must be sent to the Pensions Regulator. 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 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 2008 valuation was forwarded to the Pensions Regulator on 18 December 2010.

The next full actuarial valuation will be carried out as at 30 September 2011.

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. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. 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 2011

(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 pre October 2001 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 has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2010. As of this date the estimated employer debt for Maidstone Citizens Advice Bureau was £71,294.