

MAIDSTONE CITIZENS ADVICE BUREAU
(A company limited by guarantee)

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

Registered Charity No. 299055

Company No. 02234220

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MAIDSTONE CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

REFERENCE AND ADMINISTRATIVE DETAILS

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

Citizens Advice Maidstone is the operating name of Maidstone Citizens Advice Bureau.

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

Cllr R Bird - (Chair)
Mr J Cobbett - (Hon Treasurer)
Mrs W Tull
Mrs S Hawkins – (Hon Solicitor)
Mr I Owen
Mr S Cook
Mrs J Gibson
Mr D Khadka *(appointed January 2017)*

CO-OPTED MEMBERS

Cllr M Ring

STAFF REPRESENTATIVES

Mr S Malhotra - (Hon Secretary)
Mrs M McFarlane *(resigned May 2016)*
Mrs H Hardy
Mrs S Smith *(appointed May 2016)*

REGISTERED OFFICE AND PRINCIPAL ADDRESS

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

STATUTORY AUDITORS

Wilkins Kennedy LLP, 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 2017

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2017. 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 – Accounting and Reporting by Charities (SORP FRS 102 effective 1 January 2015).

Objectives and activities

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

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

Public benefit

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

Structure, governance and management

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

(a) Method of appointment or election of Trustees

In accordance with the Articles of Association (revised 23 September 2013 to bring our Memorandum and Articles of Association in line with the national policy of Citizens Advice and the guidance of the Charity Commission) the Trustee Board consists of a minimum of 3 and a maximum of 15 members. There may be a maximum of 10 elected members, each of whom is elected for a term of three years by the members of the company at its Annual General Meeting. At expiry of their term of office elected trustees are eligible for re-election.

In addition the Trustee Board may co-opt members, whose number may not exceed one third of the total number of Trustees.

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

(b) Operational structure and decision making

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

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

Financial review

In accordance with the new accounting standard the Bureau has made a provision in respect of the pension recovery plan. The details of the provision and the accounting entries are set out in notes 15 and 16. As at 31 March 2017 the provision had reduced unrestricted reserves by £59,136.

The net deficit for the year amounted to £32,574. There was a surplus of £14,795 in relation to core business. As at 31 March 2017 general unrestricted reserves amount to £37,373.

Achievements and performance

Citizens Advice Maidstone provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. The Organisation values diversity, promotes equality and challenges discrimination. The work carried out by the paid and voluntary team helps people to solve problems and changes their lives.

Our main office is located on Tonbridge Road with a branch office at the Maidstone Link in King Street. We also run outreach projects in some Parishes of the Borough. This enables us to reach out to a diverse and broad client base.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2017
(continued)

Achievements and performance (continued)

Clients can access our service face-to-face, by phone and via email. Some clients are empowered to solve problems by themselves; others requiring more support receive further casework help through our specialists or generalist volunteer advisers. In order to prevent financial problems re-emerging, we also run educational services such as financial capability or energy efficiency training sessions in collaboration with local partners.

Demonstrating the value of our work is crucial as the pressures on the public finances continue, and national and local spending is decreasing further year on year. It is our responsibility to communicate why Citizens Advice is an essential service and not just a 'nice to have'. Citizens Advice Maidstone is unique for many reasons: our 50 dedicated, highly trained volunteer advisers; our 45+ Trustees, administrative and support volunteers; our presence within the community across the Borough; our impact in the ability to solve people's problems; and the wide range of additional issues we help people with. And so it will come as no surprise to those who work or interact with the service to learn that our value is also unique.

We continue to work with partners in local government and other agencies to improve the policies and practices that affect our community. We also work collectively with other Citizens Advice Centres in Kent to inform public policy and help regulators, as well as influence private industry to make services fair for consumers. In addition to local and national campaigning, with the help of our volunteers we empower clients and communities to engage with society and make a difference to issues that matter.

Volunteers are vital to the Citizens Advice service, working in partnership with staff to provide quality advice and support to over 9,000 people in the Borough of Maidstone every year, and as Trustees providing direction in the governance of our bureaux. They are an integral part of the way we deliver our service, and have been since the conception of Citizens Advice Bureaux (CABs), 78 years ago. Last year, 95+ volunteers donated nearly 37,440 hours to our service and community, amounting to a contribution of £598,918 worth of volunteering hours (*ONS Statistics 2014*). In order to deliver a high-quality service for our clients, we continually invest in volunteers' recruitment, development and management. By ensuring they are supportive and constructive environments, we enable a range of people with different skills and backgrounds to volunteer.

The value of working with volunteers is more than enabling our organisation to provide a quality advice service. In addition, our investment in developing volunteers and supporting them to volunteer within our local area gives tangible benefits for the individual, our community, and society at large. This is an additional benefit to the community, created through the way Citizens Advice Maidstone delivers its service.

By training and investing in our volunteers, we help to develop individuals' personal abilities, and the way that they feel about themselves, their skills and their community. This can have a significant impact on volunteers' lives, for example (*figures from our National Research*): 4 in 5 believe that they have increased their employability; 90% have an increased sense of purpose or self-esteem; 80% believe volunteering has had a positive effect on their health and 9 in 10 feel more engaged with their community. These improvements also have additional benefits for society through happier, healthier and more productive citizens.

Volunteers take on a range of diverse roles in the running of a bureau: from assessing and providing advice to clients; supporting the administration and running of services; progressing social policy and campaigning issues in the community; through to acting as trustees, and enabling the strategic direction of the service.

CAB volunteers also come from a wide range of backgrounds. They include previous clients wanting to give something back; individuals supplementing their working life with something different; those looking to return to employment; law students gaining experience; and retired professionals giving their skills and time. Volunteers enable our service to achieve its aims of changing lives and making society fairer. Without them, we would not have the reach to be able to deliver to the volumes of people we currently see.

In order to provide a high-quality service for our clients, we continually invest in volunteers' recruitment, development and management. Each volunteer is given a structured volunteering opportunity, working in their local community, fulfilling a specific role within a bureau, supported by committed staff. Volunteers are also given extensive support and standardised training to undertake their role, and also have the opportunity to undertake or use volunteering as credit towards an accreditation.

There are upfront costs associated with recruitment and training our volunteers, reflecting in the high level of guidance we provide our volunteers before they start their roles. There are also ongoing costs to supporting them once they start, through supervision salaries and overheads. On an average it costs us around £2,700 to train a volunteer and another £1,720 to support them annually (*Figures from Citizens Advice Research*). It takes us 8 months to train a volunteer adviser while admin and support roles take less time. We have been very fortunate in Maidstone that some of our volunteers have stayed with us for over 20 years although the national average is between 19 - 48 months.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2017
(continued)

Achievements and performance (continued)

Without the investment of time and resources in volunteer development, Citizens Advice Maidstone would not be able to provide the quality advice provision and service that our clients currently receive. A report of the organisations work can be seen in our Annual Report. This volunteer donation of time and efforts allows us to provide a service to so many clients, far more than if we were purely run with paid-staff.

The types of benefits that individuals might get from volunteering depend on the role they undertake in the bureau, and their own personal circumstances. This is filtered through their perspective on why they started to volunteer in the first place. People primarily volunteer with Citizens Advice in order to help people in the communities solve their problems and change their lives, reflecting their personal belief and commitment to the Citizens Advice service mission and values. Our volunteers also report wanting to: broaden their horizons; engage with the community; meet new people; do something constructive with spare time; or gain new skills and experiences, that may develop their confidence or employability (*Citizens Advice national research*). Volunteers may also experience personal benefits from volunteering unrelated to their original motivations.

Citizens Advice Maidstone's Trustees have overall legal responsibility for the charity, ensuring that it is doing the job that it was established to do. The Trustees draw on their skills and experience to provide the overall strategic direction and take on a position that requires leadership and responsibility. Trustees bring their expertise – from operational management and networks to relationship building and financial accounts – to lead the direction of the charity. They ensure that the Organisation is acting on the right issues within the community, and that our services are actively supporting local people.

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 maintains a strict control on the Bureau finances and manages to adhere to the principles of financial management. At the year-end (2016/17) the Bureau's general unrestricted reserves (*restated as per FRS 102*) stood at £37,373 an increase of £14,795. 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 total amount of restricted and unrestricted reserves was £42,652 in 2016/17 whilst a sum of £59,136 has been allocated to the *pension recovery plan provision*.

Planning for the future

The business strategy adopted by the Trustee Board is to safeguard the Core service with free generalist advice covering a full range of issues. This service has hitherto been funded totally by a grant from Maidstone Borough Council. This is now being steadily reduced; nevertheless, we are most grateful for the Council's continuing support. The Bureau seeks funding from other sources in order to shore up the core service and provide additional services if it is financially prudent to do so. The Bureau's management has been successful in securing such funding from a variety of sources, including the Treasury (Department of Works & Pensions), The J Paul Getty Jr Trust, The Multiple Sclerosis Society, Kent County Council, Morrisons, Santander and Energy Best Deal (Citizens Advice). The management continues to develop newer and innovative partnerships with a wide stakeholder group in response to steadily dwindling financial resources.

Reserves Policy

The Board of Trustees regularly reviews the finances and reserves of the Bureau. Each review encompasses the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of reserves. The Bureau sets aside restricted funds as set out in the Statement of Financial Activities. All restricted funds are applied to the particular restricted activity (project). Restricted funds unspent in a particular financial year are allocated as restricted reserves in statutory accounts at the end of the financial year, and will be allocated to that restricted activity (project) during the course of the following financial year or when the activity ends.

Trustees have discussed levels of unrestricted reserves and are agreed that in all circumstances the Bureau's Core services must be secure. A minimum sum of unrestricted (Core) reserves will ensure security of this aspiration. In the opinion of the Trustees the present level of reserves is not entirely sufficient to maintain the activities of the Bureau in the event of an unforeseen crisis or interruption of income for a period of time during which any adverse situation would be appropriately addressed. In response to financial reporting requirements the majority of unrestricted reserves have been utilised to shore up the pension recovery plan provision. This new requirement has made the organisations financial position of great concern. Trustee have committed to review the Organisation's reserves on an annual basis while the situation with the Pensions deficit remains critical.

All other monies are treated as general funds and are utilised accordingly.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

**For the year ended 31 March 2017
(continued)**

Going concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the 'going concern' basis remains appropriate. The Trustees 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 secured adequate funding to continue in operational existence for the foreseeable future.

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.

**ON BEHALF OF THE
BOARD OF TRUSTEES**

MR J COBBETT



Registered office
2 Bower Terrace
Tonbridge Road
Maidstone
Kent ME16 8RY

Date: 22/9/17

MAIDSTONE CITIZENS ADVICE BUREAU
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Maidstone Citizens Advice Bureau for the year ended 31 March 2017 set out on pages 10 to 20. 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), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

We have been appointed auditors under the Companies Act 2006 and the Charities Act 2011 and report in accordance with these Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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, based on the work undertaken in the course of our audit, 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 and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charity and its environment obtained in the course of audit, we have not identified any relevant misstatements in the Trustees' Annual Report.

MAIDSTONE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

(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 and the Charities Act 2011 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 Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor**

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

Date: 22/9/2017

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

For the year ended 31 March 2017

	Notes	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
INCOME:					
Donations and legacies	3	5,120	-	5,120	6,392
Charitable activities	4	226,193	327,595	553,788	665,626
Investments		488	-	488	586
TOTAL INCOME		<u>231,801</u>	<u>327,595</u>	<u>559,396</u>	<u>672,604</u>
EXPENDITURE:					
Charitable activities	5	214,636	370,580	585,216	703,224
Other costs	6	2,370	4,384	6,754	7,143
TOTAL EXPENDITURE		<u>217,006</u>	<u>374,964</u>	<u>591,970</u>	<u>710,367</u>
NET INCOME/(EXPENDITURE)	7	14,795	(47,369)	(32,574)	(37,763)
Total funds at 1 April 2016		22,578	52,648	75,226	112,989
Total funds at 31 March 2017	9,10	<u>37,373</u>	<u>5,279</u>	<u>42,652</u>	<u>75,226</u>

The income and expenditure account should be read in conjunction with the reconciliation and analysis of movements of the funds in notes 10 and 11 on page 17.

The notes on page 14 to 20 form part of these accounts.

MAIDSTONE CITIZENS ADVICE BUREAU

BALANCE SHEET

As at 31 March 2017


	Notes		31.3.2016
TANGIBLE FIXED ASSETS	9	-	3,643
CURRENT ASSETS			
Other debtors and prepayments	1,481	1,715	
Cash at bank	140,977	186,861	
Cash in hand	403	62	
	<u>142,861</u>	<u>188,638</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Accruals and deferred income	<u>41,073</u>	<u>54,600</u>	
NET CURRENT ASSETS		101,788	134,038
Pension recovery plan provision	16	<u>59,136</u>	<u>62,455</u>
NET ASSETS		<u>£42,652</u>	<u>£75,226</u>
UNRESTRICTED FUNDS	10	37,373	22,578
RESTRICTED FUNDS	11	<u>5,279</u>	<u>52,648</u>
		<u>£42,652</u>	<u>£75,226</u>

22 September 2017

Approved by the Board of Trustees on and are signed on its behalf by:


.....
CLLR R BIRD

CHAIR OF THE BOARD OF TRUSTEES


.....
MR J COBBETT

MEMBER OF THE BOARD OF TRUSTEES

Company No. 02234220

The notes on page 14 to 20 form part of these accounts.

MAIDSTONE CITIZENS ADVICE BUREAU

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2017

	Unrestricted reserves	Restricted reserves	Total
Balance at 1 April 2015	92,311	67,619	159,930
Effect of transition to FRS 102	<u>(46,941)</u>	<u>-</u>	<u>(46,941)</u>
As restated	45,370	67,619	112,989
Year ended 31 March 2016			
Net expenditure	<u>(22,792)</u>	<u>(14,971)</u>	<u>(37,763)</u>
Balance at 31 March 2016	22,578	52,648	75,226
Year ended 31 March 2017			
Net expenditure	<u>14,795</u>	<u>(47,369)</u>	<u>(32,574)</u>
Balance at 31 March 2017	<u><u>£37,373</u></u>	<u><u>£5,279</u></u>	<u><u>£42,652</u></u>

The notes on page 14 to 20 form part of these accounts.

MAIDSTONE CITIZENS ADVICE BUREAU

STATEMENT OF CASH FLOW

For the year ended 31 March 2017

	Notes		31.3.2016
Cash flows from operating activities			
Cash absorbed by operations	14	<u>(46,031)</u>	<u>(34,119)</u>
Net cash outflow from operating activities		(46,031)	(34,119)
Investing activities			
Interest received		<u>488</u>	<u>586</u>
Net cash generated from investing activities		488	586
Net increase in cash and cash equivalents		(45,543)	(33,533)
Cash and cash equivalents at beginning of year		<u>186,923</u>	<u>220,456</u>
Cash and cash equivalents at end of year		<u>£141,380</u>	<u>£186,923</u>

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2017

1. Accounting policies

a) Basis of accounting

The Maidstone Citizens Advice Bureau is a charity registered with the Charity Commission in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 effective 1 January 2015), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Reports) Regulations 2008 and adapted the format of the financial statements to reflect the special nature of the charity's activities.

b) First time adoption of FRS 102

These financial statements for the year ended 31 March 2017 are the first financial statements of Maidstone Citizens Advice Bureau prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reporting financial position and financial performance is given in note 14.

c) Fund accounting

Unrestricted funds are those available for use at the discretion of the Trustees in the furtherance of the general objectives of the Bureau and which have not been designated for other purposes. Designated funds are unrestricted 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) Income recognition

Grants are recognised in the Statement of Financial Activities when the Bureau has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

e) Expenditure

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.
- Other 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.

At each reporting period end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

**31 March 2017
(continued)**

1. Accounting policies (continued)

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.

The company recognises a liability for the obligation under the pension plan's recovery plan. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement. The present value is calculated using the discount rate disclosed in note 16.

i) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of financial activities under expenditure arising on charitable activities.

j) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. There are no judgements or key sources of estimation uncertainty.

3. Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
Fundraising	3,836	-	3,836	3,105
Donations	1,284	-	1,284	3,287
	<u>5,120</u>	<u>-</u>	<u>5,120</u>	<u>6,392</u>

The income from other donations and legacies was £5,120 (2016:£6,392) all of which in both years is unrestricted.

4. Income from charitable activities

	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
Financial capabilities projects	25,000	-	25,000	-
Maidstone Borough Council grants	166,280	-	166,280	168,225
IDVA Grant (Community)	-	-	-	35,000
CITA Grants	200	-	200	8,500
Golding Homes	5,000	-	5,000	5,000
Advice Services Transition Fund	-	-	-	40,915
Pensionwise	-	239,184	239,184	331,452
John Paul Getty Fund	-	-	-	30,000
Energy Best Deal	-	88,411	88,411	25,300
Other projects	29,713	-	29,713	21,234
	<u>226,193</u>	<u>327,595</u>	<u>553,788</u>	<u>665,626</u>

The income from charitable activities was £553,788 (2016: £665,626) of which £226,193 (2016: £202,959) is unrestricted and £327,595 (2016: £462,667) is restricted.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2017
(continued)

5. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
Costs directly allocated to activities:				
Staff costs	154,362	265,943	420,305	496,334
Travel	8,670	8,831	17,501	21,612
Training costs	-	-	-	1,581
Grants payable	-	-	-	31,041
Support costs allocated to activities:				
Staff costs	21,050	36,265	57,315	67,682
Premises costs	11,086	20,395	31,481	36,289
General office costs	15,753	39,001	54,754	43,740
Bank charges	76	141	217	391
Depreciation	3,639	4	3,643	4,554
	<u>214,636</u>	<u>370,580</u>	<u>585,216</u>	<u>703,224</u>

The expenditure on charitable activities was £585,216 (2016: £703,224) of which £214,636 (2016: £231,143) is unrestricted and £370,580 (2016: £472,081) is restricted.

6. Other costs

	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
Auditors' remuneration	1,544	2,866	4,410	4,280
Meeting costs	826	1,518	2,344	2,863
	<u>2,370</u>	<u>4,384</u>	<u>6,754</u>	<u>7,143</u>

The expenditure on other costs was £6,754 (2016: £7,143) of which £2,370 (2016: £1,586) is unrestricted and £4,384 (2016: £5,557) is restricted.

7. Net expenditure

This is stated after charging:-

	31.3.2017	31.3.2016
Auditors' remuneration	4,410	4,280
Rent payable on property under operating leases	22,000	22,000
Depreciation of computer and office equipment	3,643	4,554
	<u>29,053</u>	<u>29,834</u>

8. Staff costs

	31.3.2017	31.3.2016
Wages and salaries	429,650	495,243
Social security costs	29,810	34,121
Employers Pension costs	15,098	13,475
Pension recovery plan costs (note 16)	3,062	21,177
	<u>£477,620</u>	<u>£564,016</u>

The key management personnel of the bureau comprise the trustees and the bureau managers. The trustees received no remuneration for the year ended 31 March 2017 (2016 : £Nil). The total remuneration including pension contributions received by key management personnel for their service to the bureau was £101,402 (2016 : £104,253). The average number of salaried employees during the year was 29 (2016 : 32). No employee earned more than £60,000 per annum (2016 : none).

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2017
(continued)

9. Tangible fixed assets

	Office and computer equipment
Cost	
At 1 April 2017 and at 31 March 2017	£96,327
Depreciation	
At 1 April 2017	92,684
Charge for the year	3,643
At 31 March 2017	£96,327
Net book value	
At 31 March 2017	£-
At 31 March 2016	£3,643

10. Unrestricted funds

Part of the unrestricted funds had been designated as being allocated to the Pension Fund to provide resources for future pension fund liabilities but the trustees have since resolved to transfers these funds back to general undesignated funds. 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:-

		31.3.2017		31.3.2016
General Funds				
Balance brought forward 1 April 2016	(40,574)		(17,782)	
Net incoming(outgoing) resources	14,795		(22,792)	
Transfer from Pension Fund	35,000		-	
		9,221		(40,574)
Pension Fund				
Balance brought forward 1 April 2016	35,000		35,000	
Transfer to General funds	(35,000)		-	
				35,000
Premises and Development Fund				
Balance brought forward 1 April 2016	28,152		28,152	
Transfer from General Fund	-		-	
		28,152		28,152
As at 31 March 2017		£37,373		£22,578

11. Restricted funds

	Balance at 1 April 2016	Incoming resources	Resources expended	Balance at 31 March 2017
John Paul Getty Fund	36,243	-	36,243	-
Independent Domestic Violence Adviser Project	15,000	-	15,000	-
Energy Best Deal	434	88,411	79,727	9,118
Pensionwise	971	239,184	243,994	(3,839)
	£52,648	£327,595	£374,964	£5,279

The objective of the John Paul Getty Fund is to improve the prospects of prisoners by offering advice and guidance to them and their families.

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

The objective of Energy Best Deal is to inform consumers how to reduce energy bills by efficiency savings or switching suppliers and to provide information about the help available from energy suppliers and government for consumers struggling to pay energy bills.

The objective of Pensionwise is to provide impartial pension advice and guidance.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2017
(continued)

12. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
Tangible fixed assets	-	-	-
Current assets	129,882	12,979	142,861
Creditors: Amounts falling due within one year	(33,373)	(7,700)	(41,073)
Provisions	(59,136)	-	(59,136)
	<u>£37,373</u>	<u>£5,279</u>	<u>£42,652</u>

13. Financial commitments

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

	Land and Buildings	
	31.3.2017	31.3.2016
Expiry within one year	5,500	22,000
Expiry in 2 to 5 years	-	5,500
	<u>£5,500</u>	<u>£27,500</u>

14. Cash generated from operations

	31.3.2017	31.3.2016
Net outgoing resources	(32,574)	(37,763)
Adjustments for:		
Investment income	(488)	(586)
Depreciation and impairment of tangible fixed assets	3,643	4,554
Movements in working capital:		
Decrease/(increase) in debtors	234	(839)
Decrease in creditors	(13,527)	(14,999)
(Decrease)/increase in pension provision	(3,319)	15,514
Cash absorbed by operations	<u>£(46,031)</u>	<u>£(34,119)</u>

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

**31 March 2017
(continued)**

15. Reconciliation on adoption of FRS 102

Reconciliation of funds

	1 April 2015	31 March 2016
Total funds as reported under previous UK GAAP	159,830	137,681
Pension recovery plan provision	(46,941)	(62,455)
Total funds as restated under FRS 102	<u>£112,989</u>	<u>£75,226</u>

Reconciliation of net expenditure for the financial period

Net outgoing funds as reported under previous UK GAAP	(22,249)
Adjustment arising from transition to FRS 102:	
Recognition of pension recovery plan funding arrangement	<u>(15,514)</u>
Net expenditure reported under FRS 102	<u>£(37,763)</u>

Recognition of pension deficit funding arrangement

Under FRS 102 where the pension scheme is in deficit and where the company has agreed to a recovery plan funding arrangement the bureau immediately recognises a liability for this obligation at present value.

16. Pension commitments

TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the pension plan trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016
to 30 September 2025: £12,945,440 pa (payable monthly and increasing by 3% on each 1 April)

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2017
(continued)

16. Pension commitments (continued)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a pension cost.

Present values of provision

	31 March 2017	31 March 2016	31 March 2015
Present value of provision	<u>£59,136</u>	<u>£62,455</u>	<u>£46,941</u>

Reconciliation of opening and closing provision

	31.3.2017	31.3.2016
Provision at start of period	62,455	46,941
Unwinding of the discount factor (interest expense)	1,223	768
Deficit contribution paid	(6,381)	(5,663)
Re-measurements – impact of any change in assumptions	1,839	(976)
Re-measurements – amendments to the contribution schedule	-	21,385
Provision at end of period	<u>£59,136</u>	<u>£62,455</u>

Income and expenditure impact

	31.3.2017	31.3.2016
Interest expense	1,223	768
Re-measurements – impact of any change in assumptions	1,839	(976)
Re-measurements – amendments to the contributions schedule	-	21,385
	<u>£3,062</u>	<u>£21,177</u>

Assumptions

	31 March 2017	31 March 2016	31 March 2015
Rate of discount	<u>1.32%</u>	<u>2.07%</u>	<u>1.74%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

MAIDSTONE CITIZENS ADVICE BUREAU
DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2017

		Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
Income					
Financial capabilities projects		25,000	-	25,000	-
Maidstone Borough Council					
- annual grant		165,000	-	165,000	165,000
- welfare reform initiative		1,280	-	1,280	3,225
IDVA Grant (Community)		-	-	-	35,000
CITA Grant		200	-	200	8,500
Pensionwise		-	239,184	239,184	331,452
Advice Services Transition Fund		-	-	-	40,915
Donations		1,284	-	1,284	3,287
Deposit account interest		488	-	488	586
Golding Homes		5,000	-	5,000	5,000
Fundraising		3,836	-	3,836	3,105
Energy Best deal		-	88,411	88,411	25,300
John Paul Getty Fund		-	-	-	30,000
Other projects		29,713	-	29,713	21,234
		<u>231,801</u>	<u>327,595</u>	<u>559,396</u>	<u>672,604</u>
Expenditure					
	Schedules				
Grants payable		-	-	-	31,041
Establishment expenses	1	11,086	20,395	31,481	36,289
Administration expenses	2	203,549	349,806	553,355	634,692
Sundry expenses	3	2,371	4,763	7,134	8,345
		<u>217,006</u>	<u>374,964</u>	<u>591,970</u>	<u>710,367</u>
Surplus/(deficit) for the year		<u>£14,795</u>	<u>£(47,369)</u>	<u>£(32,574)</u>	<u>£(37,763)</u>

MAIDSTONE CITIZENS ADVICE BUREAU

SCHEDULES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2017

	Unrestricted funds	Restricted funds	Total 31.3.2017	Total 31.3.2016
1. Establishment expenses				
Rent	7,700	14,300	22,000	22,000
Insurance - premises	451	837	1,288	1,207
Water	256	477	733	655
Gas	169	313	482	1,093
Electricity	875	1,626	2,501	2,565
Repairs and renewals - premises	880	1,448	2,328	6,275
Cleaning and cleaning materials	755	1,394	2,149	2,494
	<u>£11,086</u>	<u>£20,395</u>	<u>£31,481</u>	<u>£36,289</u>
2. Administration expenses				
Salaries and social security costs	162,614	276,579	439,193	513,480
Pension scheme contributions	12,798	25,629	38,427	50,536
Travel costs	8,670	8,831	17,501	21,612
Training	-	-	-	1,581
Books, information and IT systems	5,328	9,894	15,222	14,258
Telephone	2,431	4,716	7,147	6,952
Printing and stationery	1,519	2,862	4,381	5,243
Postage	555	925	1,480	1,174
Advertising and publicity	118	218	336	1,515
Computer and office expenses	4,183	8,024	12,207	8,523
Other office costs	351	660	1,011	1,078
Insurance	658	1,222	1,880	1,813
Hire of rooms	251	10,242	10,493	1,040
Depreciation of office and computer equipment	3,639	4	3,643	4,554
Project costs	434	-	434	1,333
	<u>£203,549</u>	<u>£349,806</u>	<u>£553,355</u>	<u>£634,692</u>
3. Sundry expenses				
Bank charges	77	140	217	391
Auditors' remuneration	1,544	2,866	4,410	4,280
Sundry expenses	(110)	175	65	528
AGM and other meetings	825	1,518	2,343	2,863
Professional fees	35	64	99	283
	<u>£2,371</u>	<u>£4,763</u>	<u>£7,134</u>	<u>£8,345</u>