



Citizens Advice
Annual report and accounts
2011/12



Company number: 1436945
Charity number: 279057

Introduction from the Chair and Chief Executive

Citizens Advice has a clear purpose: to make society fairer. So we are proud that this year more than 2m people came to our service for advice, face to face or on the phone, and more than 12m used our online services.

This level of support requires an amazing commitment from our dedicated 22,200 volunteers and the staff who work alongside them to help change people's lives in every city, town and village. We cannot thank them highly enough.

Our help has rarely been more sorely needed. Tough economic times today, with all that brings for people's jobs, families and lives, and a future that looks daunting for many people, mean that our advice and influencing work are ever more crucial.

When funding is tight and demand high, we have to focus even more closely on what is most important. The Citizens Advice service has faced real cuts across England and Wales; in some places individual bureaux have closed, and we have worked hard to ensure that clients can still receive our services wherever they are.

But we are also clear that we have to keep improving what we do, even when belts are being tightened. So this year we have continued to keep moving forward, including:

- launching our new equality strategy – *Stand up for equality* that will strengthen our ongoing fight against discrimination in everything we do.
- campaigning as resolutely as ever this year - estimating that our policy work positively impacted on 5.6 million people as part of the Justice for All coalition and a wide campaign to improve welfare reform.
- starting the Citizens Advice consumer service, which reaches out to those with consumer problems, dramatically improving our telephone service.

While we are proud of what we have achieved this year, we have not got everything right. So we have also started a profound change in how we work together as a service, becoming more transparent about our plans, involving the wider Citizens Advice network more closely in developing and shaping decisions and services, and focusing more intently on what makes the most practical difference for our network, our volunteers, our staff and most importantly our clients.

Citizens Advice is looking forward to the future. We are strong and determined, and will do everything in our power to make society fairer.



John Gladwin
Chair



Gillian Guy
Chief Executive

National Association of Citizens Advice Bureaux (Citizens Advice)

Annual report and accounts 2011/12

Our trustees

Name	Role	Date appointed	Date resigned	Member of committee
The Rt Revd. John Gladwin	Chair	08.09.09		EC, CC, TRC
Gerald Broadbent	Honorary Treasurer (27.07.11 to 07.12.11)	31.03.08		PRAC, MSC
Sacha Deshmukh		24.02.10		CC
Mark Gamsu		01.05.11		
Annie Hedge		24.02.10		EC
Sheila Hendrickson-Brown		08.09.09		CyC
Belinda Leathes		30.11.05	13.09.11	PRAC
David Livesey		03.05.05	13.09.11	CC, MSC
Jane Mordue		26.09.07	14.09.10	CC, MSC
Jane Mordue	Deputy Chair	27.10.10		CC, MSC, TRC
Paul Nicholls		08.09.09		CC
Jonathan Rees		13.09.11		
Jack Scott		23.09.08		
Anne Stephenson		13.09.11		TRC, CyC
Mike Weaver	Honorary Treasurer (01.05.11 to 27.07.11)	01.05.11	27.07.11	CC, PRAC
Mark Washer	Honorary Treasurer (07.12.11 to present)	07.12.11		CC, PRAC

CC = Chair's Committee

CyC = Cymru Committee

EC = Equalities Committee

MSC = Membership and Standards Committee

PRAC = Performance Review and Audit Committee

TRC = Trustee Recruitment Committee

Executive directors

Gillian Guy	Chief Executive
Mike Dixon	Assistant Chief Executive
Alistair Cromwell	Programme Director
Teresa Perchard	Director of Policy
Sue Wigley	Director of Network Operations

The following directors left Citizens Advice in this financial year:

Shani Fancett	Director of Membership Services
Keith Gilbey	Director of Strategic Development
John Humpston	Director of Resources

Trustees' report

The trustees of the National Association of Citizens Advice Bureaux (Citizens Advice) present audited financial statements for the year ended 31 March 2012 of Citizens Advice. Citizens Advice is a separate legal entity to the bureaux across England and Wales.

Who we are

The Citizens Advice service provides free, confidential and impartial advice to help people resolve their problems. We use evidence from client cases to continue to campaign for policy changes that benefit the population and challenge practices that are unfair. We solve problems, we change lives.

Citizens Advice is a registered charity as well as being the membership organisation for bureaux. Citizens Advice bureaux deliver advice from over 3,400 community locations in England and Wales, run by 360 individual registered charities, our members. Together we make up the Citizens Advice service.

Through the infrastructure it provides, Citizens Advice equips bureaux to deliver the highest quality advice to their local community.

The trustees' report explains how we have benefited the public within each of our charitable objectives. When setting the objectives and planning the work of Citizens Advice for the year, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Administrative details

<p>Company Number: 1436945</p> <p>Registered Charity Number: 279057</p> <p>Company Secretary: Joanne Hampton</p> <p>Registered Office: 115-123 Pentonville Road, London N1 9LZ</p> <p>Auditor: Crowe Clark Whitehill LLP St Bride's House, 10 Salisbury Square, London EC4Y 8EH</p> <p>Internal auditor: BDO LLP Emerald House, East Street, Epsom, Surrey KT17 1HS</p> <p>Bankers: Barclays Bank PLC 1 Churchill Place, London E14 5HP</p>	<p>Solicitors: Bates, Wells and Braithwaite 2-6 Cannon Street, London EC4M 6YH</p> <p>Vizards Tweedie 42 Bedford Row, London WC1R 4JL</p> <p>Davies Arnold Cooper 6-8 Bouverie Street, London EC4Y 8DD</p> <p>Dickinson Dees 112 Quayside, Newcastle upon Tyne NE991SB</p> <p>Pension Scheme Actuary: Jardine Lloyd Thompson Benefit Solutions 251 High Street, Orpington, Kent BR6 0NT</p>
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Review of the year

This has been a year of considerable change and challenge for Citizens Advice.

Against the backdrop of austerity on a national scale, particularly affecting public sector funding, the pressures on bureaux funding have been a significant issue for the service. Local authority and Legal Services Commission funding levels are two funding streams under considerable threat. Citizens Advice continues to support bureaux through providing financial training and advice, passing through funding to bureaux to deliver national projects, and in having a dedicated commissioning team to win new work.

The bureaux network continued to work hard to solve people's problems, seeing over 2 million clients with almost 7 million problems. In addition, over 11 million people visited Adviceguide.

The development of our new customer relationship system, 'Petra', was suspended mid-way through the year due to some serious functional and performance issues. The Petra deployment project is now being managed by our dedicated Programme Management Office with substantial support from across the organisation including considerable support from member bureaux. The problems are being addressed to ensure that we can roll out a robust and reliable system during 2012/13.

During the year, we consulted with member bureaux about whether the structure of the service should be changed. The consultation was on whether to move away from a large number of locally established charities to establish a small number of 'hubs' in order to aggregate local services to lead delivery across a larger geographical area, sharing services and expertise in the process. That consultation led us to revise our plans so that, building on a consensus on the need for change, further work to identify an effective solution is on-going in collaboration with members as part of a network development project.

We also applied pressure on the Welfare Reform Bill as it passed through the House of Commons before it passed into legislation in March 2012. Many bureaux supported this by writing to local MPs and peers and contributing client evidence to our social policy team.

Stand up for Equality acknowledges the need for increased consistency and Citizens Advice is leading on a programme of work, including support to bureaux, to address identified gaps. Bureaux will continue to play a vital frontline role in delivering this strategy, which will ultimately benefit all clients.

Following the resignation of Baker Tilly LLP last year, we ran a competitive tender process to appoint new external auditors. Crowe Clarke Whitehill LLP were appointed due to their position as leading charity auditors, their experience and technical expertise.

We had a good year financially with an in year surplus across all funds of £3,182,000 (2011: deficit of £41k). Our unrestricted reserves as at 31 March 2012 were £5,706,000 (2011: £4,682,000) which is above our minimum reserves level.

We worked hard to deliver against our main charitable activities, as detailed below.

Key activity 1: Providing quality information and advice

Providing quality information and advice is the bedrock of what we do. We aim to ensure it is of the highest quality and meets the changing needs of both the bureaux and the public.

- 2.03 million clients advised this year on 6.9 million problems.
- 13.4 million visits to our advice and information website – www.adviceguide.org.uk – from 11.5 million unique visitors.
- Successful preparation for the implementation of the consumer telephone advice contact centres.
- We improved the navigation and content of Adviceguide.
- We rolled out Adviceline, our telephone service, to approximately 140 bureaux.
- The Consumer Direct service transferred to us in 2011/12, becoming operational as the 'Citizens Advice consumer service' from April 2012.

Whilst we intended to roll out our telephone service, Adviceline, to 200 member bureaux in 2011/12, we scaled back with 142 now operating the service. This was in order to revisit the model so that we could deliver the best possible service to our clients. Adviceline is a gateway service – we want to develop our telephone service further to have a model that offers an in-depth general telephone advice service. This will form part of our phone strategy, along with our new consumer functions, that will be developed in 2012/13.

Key activity 2: Strengthening the bureaux network

It is the role of Citizens Advice, the national organisation, to support our members and have the infrastructure in place to ensure that they can provide a quality service to our clients.

- In the 2011 survey, 85 per cent of bureaux were satisfied with the services that Citizens Advice provides them.
- The bureau management information system (BMIS) website received a 96 per cent satisfaction rating in our annual bureau feedback survey.
- We delivered 1,576 training courses in 2011/12, exceeding our 1,500 target and training 15,988 delegates.
- The Bureaux Direct Service, which received 3,679 calls in the year, received a 97 per cent satisfaction rating.
- We continue to support bureaux in financial difficulty and help them generate additional income.
- We cover 98 per cent of England and Wales.

Key activity 3: Influencing policy

We continue to lead evidence-based influencing in England and Wales as one of our core activities. It helps to prevent or minimise the negative impact of policies on our clients.

- 94 per cent of our members engaged in at least one social policy campaign.
- An estimated 5.6 million people positively benefited from our policy work.
- We campaigned to ensure important concessions were made to the Legal Aid Bill.
- 18 contracts were awarded to run pilot Consumer Empowerment Partnerships.
- We co-ordinated Big Energy Week in January, which reached 75,000 people with information and advice about saving money on their energy bills.

- Working with bureaux this year we launched a number of initiatives including ‘Spot the Scam!’ which was a call for all bureaux to work closely with their local Trading Standards teams. A survey of more than 4,000 people in England and Wales pinpointed a number of schemes that provided information to help draw up local priorities and scam-busting strategies.

Key activity 4: Projects in partnership

In times of funding cuts, we are under increasing pressure to bid for tendered services that we know can help our clients. Together with our member bureaux and in collaboration with other agencies, we work hard to ensure that we can reach as many clients as possible through many initiatives.

- We received £38 million of restricted project funding to deliver projects across England and Wales.
- We passed through £25 million of funding to bureaux to deliver national projects.
- Through the Face to Face debt advice service, we saw 72,827 clients, 116 per cent of the target set.
- As a result of The Royal British Legion project, financial outcomes gained for clients from October 2011 equate to £15 million against a target of £9 million.
- Our Energy Best Deal Campaign will see 167 delivery partners (86 bureaux and 81 other agencies) from financial capability forums in England and Wales delivering 1,140 sessions. Delivery continued until 31 May 2012.
- The Nationwide MoneyActive project exceeded all targets in terms of volunteers recruited (126 per cent against target), people reached (173 per cent), partnership organisations (544 per cent) and Adviceguide visits (180 per cent). However, the funder has confirmed that they will not continue funding beyond June 2012.
- We were successful in winning a contract to deliver money guidance in Wales. The Money Advice Service gives free in-depth support, tailored to individuals’ circumstances and needs, on a whole range of money matters. We finished year one at 94 per cent of target for client sessions, a good result given challenges faced during the year.

Our commitment to equality

Our commitment to equality cross-cuts our activities as we fight for a fairer society. In 2011/12 Citizens Advice worked in partnership with bureaux and others to achieve our equality outcomes for our clients and communities. For example:

- Our new equality strategy was launched – *Stand up for equality*
- We reached people from the most marginalised groups: 16 per cent of clients were from Black, Asian and minority ethnic (BAME) communities and 23 per cent identified as disabled.
- We highlighted the impacts of welfare and legal aid reform proposals on disabled people and other equality groups.

As an employer, Citizens Advice:

- ranked 37 in the annual Stonewall index of gay-friendly employers: the 2nd highest performing charity.
- increased the number of staff from BAME communities, and maintained our gender balance at leadership level.

- strengthened our positive action policy and tools.

Our future plans

There is more that we want to do. In 2012/13, our key priorities include:

- Transfer consumer advocacy and education responsibilities to Citizens Advice.
- Increase the capacity of telephone advice across the service as a whole.
- Continue to improve Adviceguide.
- Continue the network development project that is looking at the capabilities of the network.
- Continue to support bureaux in financial difficulty, supporting the network to respond to new opportunities such as Healthwatch.
- Prepare the service for the impact of Welfare Reform.
- Re-start the deployment of the Petra case management system.
- Co-ordinate a second and larger Big Energy Week.
- Work to empower consumers and communities.
- Continue to deliver on the Face-to-Face debt advice programme, now funded by the Money Advice Service.
- Identify new opportunities to widen our partnership working.
- Work on the key aims and outcomes of *Stand up for equality*.
- Develop and roll out an equality and diversity impact planning tool.
- Develop bureau training on equality and diversity (including tools).

Risk management

2012/13 will be an ambitious and challenging year. Managing our risk exposure is an important aspect of this. One addition to our management structure is the establishment of a Project Approval Board. This Board will review all new projects before they go live, including the risks and mitigations associated with each project.

The largest projects, including the deployment of Petra, will be managed by the dedicated Programme Management Office who will oversee individual risk registers (including risk mitigations) for each project.

An overview of our risk management strategy and a list of our most significant risks (and what we are doing to address them) can be found in the Statement of internal control below.

Governance

The Trustee Board

Citizens Advice is governed by the Trustee Board which:

- sets the policy of the charity.
- determines corporate strategy including setting key strategic objectives.
- makes major decisions about the use of finances.

The trustees are also directors of Citizens Advice for the purposes of Company Law.

In our annual bureau feedback survey, our members returned a 74 per cent satisfaction rating with 'the overall effectiveness of the governance of Citizens Advice by the Trustee Board'.

The Trustee Board is made of up to 12 trustees appointed by the Trustee Board. The Standing Orders for Citizens Advice Trustee Board Recruitment provide clear guidance to ensure trustees include those with bureau expertise. There should be a balance of men and women drawn from a range of age groups, across England and Wales, religions and beliefs, sexual orientations and of disabled persons. The Trustee Recruitment Committee, made up of three trustees, two people from bureaux and an external expert, was created by the Board to lead on searching for, appointing and developing Citizens Advice Trustees.

New trustees are appointed as existing trustees' terms of office come to an end. Trustees may serve a second three year term of office if the Board is satisfied that their performance has been satisfactory and their skills are still required by the Board.

All new trustees receive a full induction from Citizens Advice and our intranet site, CABlink, contains designated pages with information to support trustees in their roles, including a trustee handbook. The training needs of individual trustees are reviewed and specific training is provided as necessary with each trustee having an individual performance appraisal every year. The trustees also take time during the year to focus on particular areas of the business outside of their duties at board meetings. The trustees engage with the service throughout the year by participating in the forums as well as the Annual General Meeting and conference.

Responsibilities of the Trustee Board

The trustees and chief executive (as Accounting Officer) are required by law to prepare annual financial statements that give a true and fair view of Citizens Advice and of the surplus or deficit of funds for that period. In preparing those financial statements, the trustees and Chief Executive are required to:

- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, and explain where they haven't been followed.
- Use a going concern basis to reporting unless it is inappropriate to presume the charitable company will continue.
- Keep proper accounting records which disclose the financial position of Citizens Advice and enable them to ensure that the financial statements comply with the Companies Acts 1985 to 2006.

- Take such steps to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.
- Ensure the regularity and propriety of the public finances, as set out in the Financial Memorandum with the Department for Business Innovation and Skills (BIS).
- Maintain the integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each trustee confirms that:

- a) in so far as the trustee is aware, there is no relevant audit information of which Citizens Advice's auditors are unaware.
- b) he/she has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- c) he/she has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting appropriate policies for the year.

Responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive, within a clearly understood framework of strategic control. The Chief Executive is supported by the executive directors.

Member bureaux take part in the policymaking in a variety of ways such as consultation, network forums, as well as by voting on the resolutions at the AGM. The Trustee Board meets at least six times a year. Network forums are also held to ensure bureaux are consulted fully about proposed changes in the service.

The Trustee Board can delegate responsibility for specified matters to the following committees:

- Membership and Standards Committee (which has responsibility for the membership to the Association of Bureaux and seeks to uphold standards of the Association).
- Equalities Committee (which maintains an overview of Equality and Diversity issues).
- Performance Review and Audit Committee (which monitors the financial and non-financial performance of Citizens Advice).
- Trustee Recruitment Committee (which is responsible for the recruitment and development of Citizens Advice trustees).
- Chairs Committee (which takes action that is urgently necessary between the regular meetings of the Trustee Board and which does not fall to any other committee).
- Cymru Committee (which oversees the work carried out by Citizens Advice Cymru)

With the exception of the Chairs Committee, the committees are made up of trustees and non-trustees who bring additional specific skills and experience.

Decisions taken by individual members or committees of the Trustee Board under delegated powers are recorded in written minutes available to the Trustee Board as a whole.

Employee involvement

Trustee Board papers, including agendas and minutes, are available to all employees. Regular meetings are held between management and the union, and the union and its members to discuss Citizens Advice activities. Citizens Advice pays the costs of staff travelling to union

meetings. An employee satisfaction survey is conducted periodically and the results are used to influence management decisions in the future.

Equal opportunities

Citizens Advice recognises the positive value of diversity, promotes equality and challenges discrimination. The service-wide equalities strategy is aligned with the service wide strategy. As such, Citizens Advice meets all of its legal responsibilities and welcomes employees from all parts of the community, particularly under-represented groups.

Citizens Advice has an Equality and Diversity policy in place, and has achieved the Positive About Disabled People disability symbol. It ensures the full and fair consideration and treatment of all staff, including disabled persons, during their recruitment, training and career development with due regard to their personal attributes and abilities.

Risk management and internal controls

Systems and procedures have been established to identify, monitor and manage the risks that Citizens Advice faces. Trustees and executive directors periodically review and update risks and mitigating actions.

Citizens Advice's operations expose the Charity to a variety of financial risks. However, as it is a debt free organisation with a positive cash-flow, the impact of interest rate changes, debt market prices and liquidity are extremely low. Citizens Advice has no exposure to equity securities. Other price risks are not considered to be significant to Citizens Advice due to the nature of its activities.

The majority of our customers are member bureaux and as a consequence payment defaults are uncommon. Citizens Advice considers that the benefits of doing credit checks on other potential customers are out-weighed by the cost of the checks. Non bureaux customers are granted 30 days credit, and bureaux are granted up to 90 days. Subscriptions are cancelled on non-payment and a solicitor is contacted to recover any debt owed.

Citizens Advice receives the majority of funds in advance, and therefore debts can be met as they fall due. The surplus cash is invested for set periods of time to ensure certainty of future cash flows.

The Statement of internal control included within this document (*see page 13*) sets out the risk and control framework.

Responsibility towards the environment

Citizens Advice aims to minimise its impact on the environment. We have improved our system of paper recycling and encourage electronic communication where possible. We are promoting a more sustainable working environment and have an environmental strategy with key deliverables.

Our legal status

Citizens Advice is a registered charity and a company limited by guarantee. All member bureaux are members of Citizens Advice, and there are no other full members. The maximum liability of each member is limited to £1. Citizens Advice is governed by its Memorandum and Articles of Association as amended in October 2000, September 2009 and September 2010.

The registered name of the Charity is The National Association of Citizens Advice Bureaux, and from 6 January 2003 the Charity has used the operating name of Citizens Advice (previously it was referred to as NACAB). Citizens Advice was incorporated as a company limited by guarantee on 13 July 1979.

Citizens Advice commenced operations on 1 October 1979 at which date the assets and liabilities of the unincorporated National Association of Citizens Advice Bureaux were acquired as represented by the CAB General Fund (see note 16).

On 1 April 1991, the undertaking of the Greater London Citizens Advice Bureau Service (“GLCABS”), together with its assets and liabilities, was transferred to Citizens Advice.

The charity has a trading subsidiary, Citizens Advice Limited (formerly Advice Services Information Limited). Consolidated accounts have been prepared. The basis of consolidation is set out in the accounting policies note.

Statement of Internal Control

Scope of responsibility

The Accounting Officer and Chair of the Trustee Board have joint responsibility for maintaining a sound system of internal control that supports the achievement of Citizens Advice's policies, aims and objectives, whilst safeguarding the funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Government Accounting and the Management Statement agreed with BIS.

The Accounting Officer is accountable to the Performance Review and Audit Committee, the Trustee Board and BIS for managing the risk of Citizens Advice.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Citizens Advice's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Citizens Advice for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

Citizens Advice has a structured risk management process and responsibility lies with the Executive Team for the identification, assessment and management of the risks.

The risk and control framework

The risk management strategy:

- explains the organisation's approach to risk management.
- provides risk definitions.
- raises awareness of the principles and benefits involved in the risk management process.
- identifies the main reporting procedures and promotes good risk management practice within Citizens Advice.

The Trustee Board has approved the risk management strategy and reviews the risk register. Citizens Advice has identified high level and operational level risks.

Risks are identified and evaluated in the following ways:

- Regular review by the Trustee Board, Performance Review and Audit Committee and the Executive Team.
- Periodic reviews are performed by each risk owner in order to assess the likelihood and impact, relevance of risks, current strategies applied and the strength of the strategies. The residual risk is identified and action plans are created to further mitigate risk.

- The Executive Team and Finance Team are responsible for monitoring external developments that may impact on the organisation.
- External and internal audit functions.
- Comprehensive budgeting systems and financial reporting, which indicate financial performance against the budget, and forecasts are reviewed and agreed by the Performance Review and Audit Committee and the Trustee Board.

Citizens Advice has a balanced approach to 'risk taking' and adopts an active approach to the mitigation of risk. From the risk register reviewed by the Trustee Board during the year, it was noted that 4 per cent (2011: 35 per cent) of net risks were high, 84 per cent medium (2011: 62 per cent), and 12 per cent low (2011: 3 per cent).

The most significant risks faced by Citizens Advice have been identified by the Trustee Board and relate to the following:

- The bureaux network weakens as a result of funding issues.
- The deployment of Petra is delayed to the point of negatively affecting service and/or exceeds budgeted costs.
- Inadequate financial strength over the period of the financial framework.
- Delivery of IT services – supplier failure impacts on the service.
- Pension scheme costs.
- On consumer transition, the government rejects our business case to deliver services.
- An inappropriate operating model is chosen and/or not fully evaluated for risk and associated mitigations.

Much work was undertaken during the year to address and mitigate these risks. Examples include:

- Working with bureaux on the network development project.
- Investing in improving Petra and managing the fix and deployment as a project under the project management office.
- Reviewing and agreeing (with BIS) an appropriate and low risk operating model for the consumer telephone service.
- Setting a balanced budget for 2012/13.
- Reviewing the financial performance of the closed defined benefit pension scheme throughout the year. Contributions remain as planned during the year.

During the year, it was felt that information assurance should be a high risk. Looking into 2012/13, it is now recognised and managed as such.

Information assurance

A cross-divisional Information Assurance Group exists to ensure the confidentiality, integrity and availability of all our sensitive data assets is maintained to a level which is consistent with the requirements of our clients and our funding/strategic partners. A programme of work to achieve an appropriate level of compliance to the Cabinet Office's Security Policy Framework and to industry best practice, as defined by the ISO 27000 series of standards, will be put in place. The information assurance strategy has been reviewed by the Performance Review and Audit Committee during the year.

Citizens Advice manages risk by focusing on strategic objectives and the risks associated with successfully meeting these objectives.

Review of effectiveness

Citizens Advice has engaged BDO LLP to provide the current programme of internal audits. The auditors operate to standards defined in the Government Internal Audit Manual. The internal auditors report regularly on internal audit activity within Citizens Advice. The work of the internal auditors is informed by an analysis of the risks to which the organisation is exposed and annual audit plans are based on this analysis. These are reviewed and agreed by the Performance Review and Audit Committee. A database of all audit recommendations is held and progress is monitored by the Performance Review and Audit Committee, who meet five times a year. The internal auditors' annual report includes their independent opinion on the adequacy and effectiveness of the system of internal control, which confirmed that we had a sound framework of control in place throughout the year.

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and comments made by the external auditors in their management letter and other reports. A plan to address weaknesses and ensure continuous improvement of the system is in place and monitored by the Performance Review and Audit Committee.



Gillian Guy
Chief Executive

Date: 25 July 2012

Financial Review

Citizens Advice is funded by a core grant from the Department of Business, Innovation and Skills (BIS), a variety of project based income, trading income and some other income.

The headlines:

- The total income for the year was £62,771,000 (2011: £62,098,000).
- Surplus across all funds of £3,182,000 (2011: net deficit of £41,000).
- Total funds increased to £14,447,000 (2011: £11,265,000) with an increase in fixed assets (due to an investment in Petra) and cash at bank (due to unspent funds at year end).
- The pension fund deficit and contributions continue to be disclosed in the notes to the accounts (note 20) and not on the balance sheet.

Summary financial performance

The Statement of financial activities for the year ended 31 March 2012, shows net income across all funds of £3,182,000 (2011: net expenditure of £41,000) being a culmination of net income and expenditure across individual funds.

The BIS unrestricted fund showed net expenditure before transfers of £202,000 (2011: net expenditure of £29,000). This was better than forecast due to a variety of in year variances including not depreciating Petra as the system is not fully operational. The other unrestricted fund showed net income before transfers of £221,000 (2011: £500,000).

The BIS restricted fund showed net income before transfers of £3,337,000 (2011: net expenditure of £1,083,000). This fund includes the Face-to-face debt advice project and the transitional funding we received from BIS during the year. Both elements of work were successfully delivered during the year. The surplus balance is due to some funding being committed but not spent as at 31 March 2012.

The other restricted fund incorporates all non-BIS restricted income and expenditure on a variety of projects. The net expenditure before transfers was £174,000 (2011: net income £571,000) which was predominantly due to timing differences between income and expenditure.

The Charity has allocated its income to meet its charitable objectives in the following ways:

	2012 (£)	2012 (%)	2011 (£)	2011 (%)
Costs of generating funds	320,000	1	439,000	1
Providing quality advice and information	14,692,000	25	8,960,000	14
Strengthening the bureaux network	15,836,000	26	15,290,000	25
Influencing policy	2,909,000	5	3,171,000	5
Projects in partnership	24,091,000	40	32,711,000	52
Delivery of services	1,413,000	2	1,328,000	2
Governance costs	328,000	1	240,000	1
	59,589,000	100	62,139,000	100

Pensions

Citizens Advice has a defined benefit multi-employer pension scheme. The other employers in the scheme are bureaux. It was closed to future accrual in 2007/08. The total deficit of the scheme as at 31 March 2012 was £50,132,000 (2011: £32,238,000). Citizens Advice pay annual contributions into the scheme of £1,050,000. The split of contributions between employers is based on affordability rather than a calculated liability.

The scheme actuary has confirmed that it is not possible to allocate assets and liabilities between the employers on a reasonable and consistent basis. Accordingly, as required by FRS 17 Retirement Benefits, the scheme is treated as a defined contribution scheme. This means that no liability has been included on the balance sheet and that all disclosures, as required by FRS 17, have been provided in note 20.

Going concern

The review of financial performance and the reserves position is set out above. Citizens Advice has adequate financial resources and is well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Citizens Advice acknowledges its pension fund obligations but has a clear strategy to recover the deficit over the next 16 years and have planned cash flows on that basis. Citizens Advice has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and believe that there are no material uncertainties that call into doubt the ability of Citizens Advice to continue as a going concern.

Reserves policy

The reason for holding unrestricted reserves is to protect Citizens Advice from the impact of shortfalls in forecast income, unforeseen expenditure or foreseen expenditure or one-off expenditure which Citizens Advice would like to commit to in the delivery of its charitable objectives.

While we aim to manage our BIS unrestricted reserves to meet the above, our maximum allowed unrestricted BIS balance is equal to one month's BIS grant. The year end balance after transfers was £315,000 (2011: £537,000) being within this limit. Other unrestricted reserves were £5,391,000 as at 31 March 2012 (2011: £4,145,000). With consideration of the risks the organisation is exposed to, a minimum level of reserves of £3,500,000 is set across all unrestricted funds. The unrestricted reserves position as at 31 March 2012 was above that level. It is the intention of the charity that the surplus unrestricted funds are utilised for planned activities in the following year.

Restricted reserves, which showed a year end position of £8,741,000 at 31 March 2012 (2011: £6,583,000), represent the balance of ongoing projects. Restricted balances are held for the purposes of the project in question and do not form part of the reserves policy other than to spend the money in accordance with the funders' restrictions.

Investment policy

As required in its Memorandum paragraph 4(o), in furtherance of its objects, and no other purposes, Citizens Advice has the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject

nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

All surplus funds are invested at the best interest rates attainable and interest rates are monitored regularly. Citizens Advice considers it to be prudent to hold all surplus funds in an interest bearing account. This is to best protect the grant awarded to Citizens Advice for the purpose it was intended.

We invest funds during the year with counter-parties. During the year, Citizens Advice reviewed its investment strategy. To mitigate investment risk, a diversification policy was agreed whereby the Charity would not invest more than 25 per cent of its funds available for long term investment in any one institution. An aim of the investment strategy is to only invest with those institutions with a high credit rating.

A handwritten signature in black ink, appearing to read 'John Gladwin', is written over a light grey rectangular background.

John Gladwin
Chair

Date: 25 July 2012

Independent auditor's Report to the Members of National Association of Citizens Advice Bureaux Period ending 31 March 2012

We have audited the financial statements of National Association of Citizens Advice Bureaux for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 24.

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), which requires a specific treatment for multi-employer pension schemes that is set out and explained in the Trustees' report and note 20 of the financial statements.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 applicable law and

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report 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 group's and the charitable company's affairs as at 31 March 2012 and of the group's 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 requirements of the Companies Act 2006.

National Association of Citizens Advice Bureaux (Citizens Advice)

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International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- 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.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

1 August 2012.

National Association of Citizens Advice Bureaux (Citizens Advice)

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Consolidated statement of financial activities Year ended 31 March 2012

Incorporating an Income and Expenditure Account

	Note	Unrestricted		Restricted		Total	Total
		BIS	Other	BIS	Other	2012	2011
		£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources							
Incoming resources from generated funds:							
Voluntary income	2	-	101	-	-	101	249
Bank interest		115	49	-	46	210	173
Incoming resources from charitable activities:							
Grants	3	20,680	45	26,278	11,247	58,250	57,040
Delivery of services		2,393	463	-	217	3,073	3,461
Training and support		131	716	-	144	991	974
Other incoming resources		1	36	-	109	146	201
Total incoming resources	16	23,320	1,410	26,278	11,763	62,771	62,098
Resources expended							
Costs of generating funds							
Charitable activities	6	300	4	-	16	320	439
Providing quality information and advice	6	7,277	-	5,262	2,153	14,692	8,960
Strengthening the bureaux network	6	11,924	572	618	2,722	15,836	15,290
Influencing policy	6	2,757	-	-	152	2,909	3,171
Projects in partnership	6	244	-	17,061	6,786	24,091	32,711
Delivery of services	6	692	613	-	108	1,413	1,328
Governance costs	6,8	328	-	-	-	328	240
Total resources expended	6,16	23,522	1,189	22,941	11,937	59,589	62,139
Net incoming (outgoing) resources before transfers	10	(202)	221	3,337	(174)	3,182	(41)
Transfers	16	(20)	1,025	(876)	(129)	-	-
Net movement in funds		(222)	1,246	2,461	(303)	3,182	(41)
Reconciliation of funds							
Fund balance brought forward	16	537	4,145	43	6,540	11,265	11,306
Fund balance carried forward	16	315	5,391	2,504	6,237	14,447	11,265

All activities derive from continuing operations. BIS is the Department for Business, Innovation and Skills (see note 3 a).

Accounting policy (o) sets out the basis for consolidation of the accounts. The net income for Citizens Advice alone was £3,612,000 in 2011/12 (net expenditure £643,000 in 2010/11).

National Association of Citizens Advice Bureaux (Citizens Advice)

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Consolidated balance sheet (Registered number 1436945) At 31 March 2012

	Note	2012 £'000	Group 2011 £'000	Citizens Advice 2012 £'000	2011 £'000
FIXED ASSETS	12	3,083	1,523	3,083	1,523
CURRENT ASSETS					
Investments	22	7,804	7,339	6,399	6,439
Debtors	13	2,199	2,309	3,349	2,882
Cash at bank and in hand	23	9,536	3,011	9,400	2,908
		19,539	12,659	19,148	12,229
CREDITORS: amounts falling due within one year	14	7,172	2,713	6,781	2,713
Net current assets		12,367	9,946	12,367	9,516
Total assets less current liabilities		15,450	11,469	15,450	11,039
PROVISIONS for liabilities and charges	15	1,003	204	1,003	204
TOTAL ASSETS LESS ALL LIABILITIES		14,447	11,265	14,447	10,835
FUNDS OF THE CHARITY					
Restricted funds	16	8,741	6,583	8,741	6,153
Unrestricted funds					
General fund - non-BIS	16	5,391	4,145	5,391	4,145
General fund - BIS	16	315	537	315	537
Total unrestricted funds		5,706	4,682	5,706	4,682
TOTAL FUNDS	17	14,447	11,265	14,447	10,835

The financial statements were approved and authorised for issue by the Trustee Board on 25 July 2012 and signed on their behalf by:



JOHN GLADWIN
Chair



MARK WASHER
Treasurer



GILLIAN GUY
Chief Executive

National Association of Citizens Advice Bureaux (Citizens Advice)
Annual report and accounts 2011/12
Consolidated cash flow statement Year Ended 31 March 2012

	Note	2012 £'000	2011 £'000
Net cash inflow/(outflow) from operating activities	A	8,273	(568)
Returns on investments			
Interest received		210	173
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,493)	(1,238)
Cash placed in other liquid resources	C	(465)	(1,402)
(DECREASE)/INCREASE IN CASH AND INVESTMENTS	B, C	6,525	(3,035)

Notes to the cash flow statement

A. Reconciliation of net incoming resources to net cash inflow from operating activities

	2012 £'000	2011 £'000
Net income/(expenditure)	3,182	(41)
Depreciation charges	119	136
Decrease/(increase) in debtors	110	(177)
Increase/(decrease) in revenue creditors	4,444	(195)
Increase/(decrease) in revenue provisions	629	(120)
Disposal of assets	(1)	2
Bank interest receivable	(210)	(173)
Net cash (outflow)/inflow from Operating Activities	8,273	(568)

B. Analysis of changes in cash during the year

	As at 31 March 2012 £'000	Movement £'000	As at 1 April 2011 £'000
Cash at bank and in hand	9,536	6,525	3,011

C. Notes 22 and 23 provide details of investments placed in other liquid resources and cash in bank and in hand.

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005, the Charities Act (2011) and the Companies Act (2006). The principal accounting policies, which have been applied consistently, except where noted are set out below:

a) Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the valuation of current year investments at market value.

b) Going concern

The financial statements have been prepared on the going concern basis. Financial budgets are set to ensure that the organisation can continue to operate as a going concern for at least a year. Detailed financial budgets are presented and approved by the Trustee Board on a 12 month basis. At the same time of this approval, a review of a five year forecasted financial position is also conducted. Furthermore management accounts for the parent charity are presented at regular intervals to the Performance Review and Audit Committee and Trustee Board throughout the financial year on progress against budget. Any changes in funding within the year are reflected as soon as practicable and action taken by management to ensure that the charity spends within its available resources.

Charities may be acquired from time to time whereby the intention is to support those organisations until necessary remedial action is taken. However, trustees will continue to consider the impact on the charity's overall available resources of that support and will review periodically whether that support should be maintained.

c) Fixed assets

Fixed assets are recognised in the statement of financial activities on initial acquisition, in accordance with FRS 15.

All assets are held at historic cost less depreciation. Assets are reviewed each year to ensure they are fit for the intended purpose.

Only assets over £1,000 are capitalised. Depreciation is charged on a straight-line basis on the cost of assets less residual value over their estimated useful life. A full year's depreciation is charged in the year of acquisition.

The estimated lives of the assets are as follows:

Office and computer equipment – three years.
Infrastructure software – eight years.

d) Leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the periods of the leases.

e) Pension costs

The Citizens Advice Bureaux Pension and Assurance Plan (1991) is a multi-employer defined benefit scheme which was closed during the financial year ended 31 March 2008. Having taken advice from the scheme's actuary, Citizens Advice cannot identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The disclosures under FRS 17 in this circumstance are shown in note 20. The expected cost of providing pensions is calculated periodically by a professionally qualified actuary. The operating costs of providing retirement benefits to employees are charged to the statement of financial activities in the year in which they are incurred as required by FRS 17.

On 1 April 2005, Citizens Advice introduced a defined contribution pension, which staff could opt to join. The employer's contributions are charged to the statement of financial activities in the period in which they were incurred.

1. Accounting policies (continued)

f) Grants payable and receivable

Grants payable are made to local Citizens Advice Bureaux and other bodies, and the liability is recognised when the obligation arises although the grant may not be due.

Grants receivable are recognised when due and when any conditions for receipt are met. Any unexpended grant is carried forward in reserves.

If any grant has been provided for a stated purpose, it is carried forward as restricted funds. Any unused grants not able to be used for the purpose determined by the funder are returned in accordance with the funder agreement.

g) Deferred income

Deferred income relating to subscriptions is shown within the balance sheet. Other deferred income relates to restricted funding received in advance but where the related expenditure can only take place in a future accounting period.

h) Legacies

Legacies are recognised when they are received or when notice is given from the executor that a payment is due, whichever is sooner.

i) Delivery of services

The trading activities of Citizens Advice, mainly the bureaux membership fee and the sale of information products, are exercised in the course of carrying out the primary purpose of the charity. The gross income and expenditure is shown in the Statement of Financial Activities as delivery of services.

Any activities that are not for the primary purpose of the charity are accounted for in Citizens Advice Limited and this subsidiary has been consolidated into the Statement of Financial Activities. The expenditure and income is also shown in the Statement of Financial Activities as delivery of services.

j) Training and Support

The training and support activities comprise income for arranging insurance cover on behalf of bureaux in England and Wales as well as the provision of training courses in debt, employment, welfare benefits and consumer issues.

k) Other income

All other income is accounted for on an accruals basis.

l) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the charitable expenditure activity headings with reference to activities performed in the year.

Costs of generating funds are those costs relating to fundraising for new donors or new projects.

Staff costs are all emoluments incurred. Other direct costs are non-staff costs incurred by each principal activity.

Governance costs are those incurred in connection with the administration of the charity's constitutional and statutory duties.

Irrecoverable VAT is treated as resources expended in the principal activity that incurred the original VAT.

Support costs, including premises, fundraising, central administration, IT support, human resources costs and pertinent corporate finance costs (staff and other costs), which are not directly attributable to a particular principal activity, have been fully allocated to departments and activities based on staff numbers of the principal activity as shown in note 7.

m) Reserves

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the charity's objectives. Unrestricted funds represent funds raised or grants awarded for no specified project, where the expenditure has not yet occurred. The expenditure will arise in subsequent financial periods. Transfers to and from designated funds are subject to the approval of the trustees.

1. Accounting policies (continued)

m) Reserves (continued)

Citizens Advice's Management Statement and Financial Memorandum limit the level of BIS funds that can be carried forward to future years. Any additional balances in excess of the working balance carried forward require BIS approval.

There are no such carry forward restrictions on other unrestricted funds.

Restricted funds are awarded for a specified project, which will be declared by the funder, or restricted with their authority or with a restriction created by a legal process, although the scope of the project is still within the wider objectives of the charity. Income may be awarded in one year for expenditure in that or a subsequent year on a specified project.

n) Provisions

Provisions for future liabilities are recognised when Citizens Advice has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

o) Consolidation

During 2008/09 Citizens Advice took a controlling interest in Bedford & District Citizens Advice Bureau (Registered charity 1106738) and in Stevenage Specialist Telephone Advice Centre (Registered charity 1119987). Citizens Advice ceased its interest in Bedford & District Citizens Advice Bureau on 28 March 2011 whilst Stevenage Specialist Telephone Advice Centre went into voluntary liquidation on 22 April 2011.

The accounts of each entity have been consolidated within the accounts on a line by line basis, using the acquisition basis of accounting, from the date control of each entity changed to the date control ceased.

Citizens Advice Ltd, a trading subsidiary controlled by Citizens Advice has also been consolidated within the accounts on a line by line basis.

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

2. Voluntary income

	2012	2011
	£'000	£'000
Legacies	75	242
Donation through television appearance	2	-
Donations from private individuals	24	7
Total donations	101	249

3. Grants

a) Government grants

Funder	2012	2011	Purpose
	£'000	£'000	
Government department grants			
Department for Business, Innovation and Skills	18,900	19,731	Grant in aid
Department for Business, Innovation and Skills	1,776	-	Additional contribution
Department for Business, Innovation and Skills	17,936	19,357	Face to face debt advice (2011:Financial Inclusion Fund)
Department for Business, Innovation and Skills	8,342	-	Transition Funding
Department for Business, Innovation and Skills	4	-	Conference sponsorship
Department of Communities & Local Government	827	626	The National Homelessness Advice Service
Department of Health	38	-	Enabling health bodies to use voluntary sector evidence (IESD) Fund
Department for Work and Pensions	229	1,021	Future jobs fund
Department for Work and Pensions	-	64	Information assurance
HM Revenue & Customs	251	250	Tax credits training
HM Treasury	-	5,310	Provision of additional hours advice
Welsh Assembly Government			
Welsh Assembly	766	665	Better advice: better health
Welsh Assembly	239	188	Disability rights take up campaign
Welsh Assembly	2	4	Adviceline (Wales)
Total Government grants	49,310	47,216	

3. Grants (continued)

b) Grants from other public bodies

Funder	2012 £'000	2011 £'000	Purpose
Bedford Borough Council	-	202	Bedford & District CAB
Devon County Council	413	243	Regional welfare benefit rights
East of England Development Agency	-	214	Financial capability
Equality and Human Rights Commission	-	56	Discrimination project work
Consumer Finance Education Board	591	463	Money guidance
Financial Services Authority	-	428	Money guidance
Greater London Authority	-	37	Financial advice
The Insolvency Service	188	274	Debt relief
Kent Probation Service	-	150	Offender support services
Legal Services Commission	409	441	Employment consultancy
Legal Services Commission	-	73	Bedford & District CAB
London Borough of Islington	-	153	Provision of advice services
SEETEC	128	-	Employment support
West Yorkshire County Council	54	64	Regional welfare benefits
Working Links	68	-	Employment support
	1,851	2,798	

c) Other grants

Funder	2012 £'000	2011 £'000	Purpose
The Abbey National Charitable Trust	50	50	Financial capability
Access to Justice Foundation	8	-	Promoting pro bono projects
Barclays Bank plc	37	6	Financial capability
Barclaycard	82	70	Independent financial advice
Barclaycard	-	32	Conference support
Barclaycard	350	608	Financial capability for lone parents
Big Lottery Fund	2	228	Against discrimination & for better access
Citi Foundation	66	48	Financial capability
City Parochial Fund	8	32	Social policy development
Consumer Credit Counselling Service	263	-	Debt management
EDF energy	100	100	Energy advice projects
EDF energy	-	495	Adviceline
EoN energy	100	50	Energy advice projects
Eurofax	-	4	Telephone advice
Learndirect (UFI Ltd)	-	116	Bureaux IT development
sub-total to carry forward to next page	1,066	1,839	

3. Grants (continued)

c) Other grants (continued)

Funder	2012 £'000	2011 £'000	Purpose
brought forward from previous page	1,066	1,839	
Macmillan Cancer Support	31	31	Benefits advice
Money Advice Trust	826	643	Money advice national strategy
Money Advice Trust	113	98	Money advice training
Nationwide Building Society	179	353	National money advice projects
Northern Rock Foundation	533	744	Integrated debt advice project
Npower	100	-	Energy advice project
Openreach	54	-	Fundraising project
PLUS	-	10	Regional project
Provident Financial plc	20	20	National money advice project
Prudential plc	372	301	Financial literacy
Royal British Legion	3,186	2,701	Veteran's welfare benefits advice
Santander plc	10	225	Financial capability
Scottish Power	100	-	Energy advice project
Shelter	-	1	Bedford & District CAB
SSE	100	-	Energy advice project
SSE	352	-	Fuel poverty project
Sundry donations	47	44	Sundry projects
Turn 2 Us	-	16	Web project
Total other grants	7,089	7,026	
Total grants	58,250	57,040	

4. Information regarding directors and employees

The trustees of Citizens Advice are the non-executive directors of the charitable company. No emoluments were paid to any non-executive directors (2010/11: nil). Payments of £17,000 (2010/11: £11,000) were made to 17 (2010/11: 19) non-executive directors during the year in respect of expenses for travel and expenses incurred in the course of executing their duties. No trustee indemnity insurance was purchased.

Employee costs during the year:

	2012 £'000	2011 £'000
Wages and salaries	14,183	14,749
Social security costs	1,596	1,471
Pension costs (see note 20)	1,799	1,865
Temporary staff	202	164
	17,780	18,249

4. Information regarding directors and employees (continued)

The 2010/11 costs include £277,000 as the costs of staff at Bedford & District Citizens Advice Bureau to 28 March 2011.

Pension costs shown above relate to amounts accrued in the year. Amounts were paid to the Citizens Advice Group Stakeholder Pension Plan a month in arrears which commenced on 1 April 2008. The amount paid in 2011/12 was £749,000 (2010/11: £765,000). In addition there was a contribution of £1,050,000 (2010/11: £1,100,000) to the NACAB Pension and Assurance Plan (1991) which was closed on 27 March 2008.

The average number of full time equivalent people employed in each activity during the year was:

	Number	Number
	2012	2011
Costs of generating funds	8	8
Charitable activities		
Providing quality information and advice	142	133
Strengthening the bureaux network	156	182
Influencing policy	51	57
Projects in partnership	31	38
Delivery of Services	5	5
Governance	3	3
Average number of persons employed	396	426

The 2010/11 figures include 17 employed on average at Bedford & District Citizens Advice Bureau under the 'Strengthening the bureaux network' activity.

Aggregate emoluments paid to executive directors in the financial year

In accordance with the requirements of the Financial Memorandum, the following information should be disclosed for named senior managers. Citizens Advice has identified all the executive directors as senior managers. This is consistent with its treatment of key managers for Related Party Disclosures (FRS 8 – note 21).

The figures comprise gross salaries and all allowances payable, including employee pension supplement, and exclude employer's pension contributions. In addition, senior managers were reimbursed less than £5,000 (2010/11: £3,000) in total for travel and expenses incurred in the course of executing their responsibilities. No other amounts were payable. All staff paid over £70,000 were executive directors. All of the executive directors withheld their consent to be individually named in the disclosure of the information below. Five employees were paid between £60,000 and £69,999 including one who received compensation for loss of office.

	Number	Number
	2012	2011
£70,000 to £79,999	3	-
£80,000 to £89,999	1	3
£90,000 to £99,999	2*	1
£100,000 to £109,999	1*	1
£140,000 to £149,999	1	-

* Note: Includes compensation for loss of office

4. Information regarding directors and employees (continued)

Pension contributions paid by Citizens Advice into the Citizens Advice Group Stakeholder Pension Plan on behalf of senior managers in the financial year:

	Number 2012	Number 2011
up to £2,499	1	-
£2,500 to £4,999	2	-
£5,000 to £7,499	4	4

Citizens Advice does not pay any other pension contributions (including personal contributions) on behalf of any senior managers.

5. Grants payable

Grants were made to Citizens Advice member bureaux in the financial year as follows:

a) Partnership grants to member bureaux

Region	Salaries		Other		Capital		2012 Total No.	2012 £'000	2011 £'000
	No.	£'000	No.	£'000	No.	£'000			
England	11	88	1	39	10	42	22	169	85
Wales	6	26	12	29	19	84	37	139	-
Total	17	114	13	68	29	126	59	308	85

National Association of Citizens Advice Bureaux (Citizens Advice)

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Notes to the financial statements Year ended 31 March 2012

5. Grants payable (continued)

b) Other grants to member bureaux

Purpose	Funder	2012 Total No.	2012 £'000	2011 £'000
Financial capability	Anglia Water Trust	-	-	17
Financial capability for lone parents	Barclaycard	23	278	506
Other financial capability	Barclaycard	20	27	46
Face to face debt advice	BIS	1,396	15,674	17,023
Network Development	BIS	140	1,446	-
Rural Racial Discrimination work	Carnegie Trust	-	-	5
Financial capability	Citi Foundation	7	17	14
Social Policy Development	City Parochial Fund			28
Debt management plans	Consumer Credit Counselling Service	78	38	
Financial guidance and financial capability	Consumer Finance Education Board	229	357	385
National Homelessness Advice Service	Department for Community & Local Government	233	78	15
Health evidence	Department of Health	5	3	-
Future jobs fund	Department of Work and Pensions	178	373	779
Financial capability	East of England Development Agency	-	-	75
Financial capability	EDF Energy	66	37	86
Energy Advice	EDF Energy	86	136	-
Adviceline	EDF Energy	4	163	50
Tax credits training	HM Revenue & Customs	13	122	135
Additional hours project	HM Treasury	-	-	4,960
Debt Relief orders	Insolvency Service	613	123	111
Local project	Kent Probation Service	-	-	118
Financial advice	London Borough of Islington	11	37	158
Financial capability	Nationwide Building Society	265	623	480
Integrated debt advice	Northern Rock	56	573	753
Financial capability	Office of Fair Trading	-	-	48
Fundraising project	Openreach	1	18	-
Various projects	Other regional funders	33	12	130
Financial capability	Prudential plc	4	23	-
Adviceline	Royal Bank of Scotland plc	12	372	-
Veterans' welfare benefits advice	Royal British Legion	149	2,357	2,351
Financial capability	Santander plc	7	70	3
Employment support	SEETEC	9	57	-
Fuel poverty project	SSE	10	50	138
Bureaux IT development	Learndirect	2	6	73
Better Advice; Better Health	Welsh Assembly	166	939	861
Employment support	Working Links	8	35	-
Total other grants to member bureaux		3,824	24,043	29,348

National Association of Citizens Advice Bureaux (Citizens Advice)

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Notes to the financial statements Year ended 31 March 2012

5. Grants payable (continued)

c) Regional grants to member bureaux

Region	Funder	2012 Total No.	2012 £'000	2011 £'000
South West	Devon County Council		155	165
Total regional grants to member bureaux			155	165
TOTAL BUREAUX GRANTS			24,506	29,598

d) Grants to other bodies

Grants paid to non-bureaux participants in delivery of national projects, funded by partner organisations.

Purpose	Recipient	2012 £'000	2011 £'000
Face to Face debt advice	Birmingham Settlement	194	214
Energy advice	Bristol Debt Advice Centre	12	11
Face to face debt advice	Burley Lodge Centre	110	153
Financial capability & energy advice	Cambridge Housing Society	-	18
Financial capability	Citizens Advice Northern Ireland	35	36
Face to Face debt advice	Compass(Peterborough)	-	15
Face to Face debt advice	Ebor Gardens Advice Centre	52	46
Face to Face debt advice	Harlow Welfare Rights	29	32
Face to face debt advice & financial capability	Ipswich Housing Action	86	87
Face to Face debt advice	Luton Rights	60	58
Various	Money Advice & Community Support	27	26
Face to Face debt advice	Homemaker South West	110	113
Face to Face debt advice	Norfolk Community Law	53	53
Energy advice	Pennysmart CIC	10	-
Face to Face debt advice	RNID	-	19
Financial capability & rural racial discrimination work	Scottish Association of Citizens Advice	109	72
Face to Face debt advice	Shelter Cymru	205	225
Face to Face debt advice	Single Parent Action Network	55	56
Energy Advice	St Vincent Support Centre	43	47
Various	Wales & West Housing Association	-	14
Various	256 miscellaneous grants (2010/11 94)	75	114
Total Grants to others		1,264	1,409
Total Grants		25,770	31,007

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Notes to the financial statements Year ended 31 March 2012**5. Grants payable (continued)****e) Largest grants paid to member bureaux**

The following are the 50 largest grants from all funders paid to individual bureaux in 2011/12.

Bureau name	Grant	2012 £'000	2011 £'000
1 Barnsley	Face to face debt advice	185	199
2 Birmingham	Face to face debt advice	384	431
3 Bolton	Face to face debt advice	239	247
4 Bradford & Airedale	Face to face debt advice	530	508
5 Caerphilly	Better advice, better health	114	93
6 Caerphilly	Face to face debt advice	164	209
7 Camden	Face to face debt advice	339	336
8 Cheshire East	Face to face debt advice	215	208
9 Combined Hospitals	Face to face debt advice	108	131
10 Cornwall	Veterans' welfare benefits advice	107	105
11 Cornwall	Face to face debt advice	169	192
12 Coventry	Face to face debt advice	210	230
13 Chorley	Veterans' welfare benefits advice	114	112
14 Cumbria	Face to face debt advice	429	428
15 DAWN	Integrated debt advice	123	123
16 DAWN	Face to face debt advice	109	108
17 Doncaster	Face to face debt advice	110	117
18 Dudley	Face to face debt advice	158	158
19 East Durham	Face to face debt advice	103	90
20 East Yorkshire	Face to face debt advice	428	368
21 Gateshead	Face to face debt advice	297	315
22 Grimsby, Cleethorpes & District	Face to face debt advice	118	102
23 Kirklees	Face to face debt advice	163	180
24 Leeds	Face to face debt advice	262	305
25 Manchester	Face to face debt advice	281	267
26 Middlesbrough	Face to face debt advice	190	196
27 Newcastle	Face to face debt advice	318	326
28 North Tyneside	Face to face debt advice	239	256
29 Plymouth	Face to face debt advice	153	152
30 Plymouth	Adviceline	163	50
31 Portsmouth	Veterans' welfare benefits advice	114	97
32 Redcar and Cleveland	Face to face debt advice	196	199
33 Rotherham	Face to face debt advice	202	231
34 Salford	Face to face debt advice	147	176
35 Salford mental health	Face to face debt advice	105	111
36 Sandwell	Face to face debt advice	234	233
37 Sedgfield and District	Face to face debt advice	108	160
38 Sheffield Debt Support	Face to face debt advice	489	521
39 Sleaford	Veterans' welfare benefits advice	108	160
40 South Tyneside	Face to face debt advice	272	275
41 Stockton DA & IS	Face to face debt advice	190	190
42 Stoke on Trent	Face to face debt advice	295	302
43 Telford & Wrekin	Face to face debt advice	103	104
44 Torfaen	Face to face debt advice	138	141
45 Wakefield	Face to face debt advice	235	234

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5. Grants payable (continued)

e) Largest grants paid to member bureaux (continued)

Bureau name		2012 £'000	2011 £'000
46 Walsall	Face to face debt advice	211	215
47 Washington	Face to face debt advice	319	368
48 West Northumberland	Face to face debt advice	103	111
49 Wolverhampton	Face to face debt advice	335	327
50 Worcester	Face to face debt advice	107	125

6. Total resources expended

Total resources expended for the year ended 31 March 2012:

	Direct staff costs £'000	Grants £'000	Other direct costs £'000	Support costs £'000	Total 2012 £'000
Costs of generating funds	165	18	70	67	320
Charitable objectives					
Providing quality information and advice	5,313	735	6,633	2,011	14,692
Strengthening the bureaux network	5,677	3,186	5,685	1,288	15,836
Influencing policy	1,758	1	650	500	2,909
Projects in partnership	1,308	21,830	(40)	993	24,091
Delivery of services	180	-	1,185	48	1,413
Governance costs	133	-	169	26	328
	14,534	25,770	14,352	4,933	59,589

Total resources expended for the year ended 31 March 2011:

	Direct staff costs £'000	Grants £'000	Other direct costs £'000	Support costs £'000	Total 2011 £'000
Costs of generating funds	291	-	75	73	439
Charitable objectives					
Providing quality information and advice	4,720	332	2,416	1,492	8,960
Strengthening the bureaux network	6,648	2,443	4,954	1,245	15,290
Influencing policy	1,932	28	695	516	3,171
Projects in partnership	1,613	28,204	1,955	939	32,711
Delivery of services	185	-	1,108	35	1,328
Governance costs	96	-	140	4	240
	15,485	31,007	11,343	4,304	62,139

The increase in Providing quality information and advice is due to the additional transition costs for the new consumer service which were incurred during the year. The fall in Projects in partnership is primarily due to the Additional Hours project coming to an end in 2010/11.

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Notes to the financial statements Year ended 31 March 2012**7. Support cost breakdown by activity**

Support costs are allocated across activities based on direct staff numbers. The amounts below represent the allocated staff and other allocated costs in note 6.

Support costs breakdown for the year ended 31 March 2012:

	Premises £'000	Administration £'000	IT Services £'000	Human Resources £'000	Finance £'000	2012 £'000
Costs of generating funds	15	15	15	6	16	67
Charitable activities						
Providing quality information and advice	458	436	434	169	514	2,011
Strengthening the bureaux network	293	279	278	108	330	1,288
Influencing policy	114	108	108	42	128	500
Projects in partnership	226	215	214	83	255	993
Delivery of services	11	10	10	4	13	48
Governance costs	5	6	6	2	7	26
	1,122	1,069	1,065	414	1,263	4,933

Support costs breakdown for the year ended 31 March 2011:

	Premises £'000	Administration £'000	IT Services £'000	Human Resources £'000	Finance £'000	2011 £'000
Costs of generating funds	14	16	22	5	16	73
Charitable activities						
Providing quality information and advice	276	331	441	105	339	1,492
Strengthening the bureaux network	230	277	368	88	282	1,245
Influencing policy	95	115	153	36	117	516
Projects in partnership	174	209	278	66	212	939
Delivery of services	6	8	10	2	9	35
Governance costs	1	1	1	-	1	4
	796	957	1,273	302	976	4,304

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8. Governance costs

Governance costs (all unrestricted funds) are analysed as follows:

	2012 £'000	2011 £'000
Audit fees (internal and external)	85	68
Governance and leadership	132	86
Trustees' meeting costs*	50	47
Strategic planning	61	39
	328	240

* Of which out-of-pocket expenses reimbursed to trustees were £17,000 (2010/11: £11,000)

9. Corporation tax

Citizens Advice, Bedford & District Citizens Advice Bureau and Stevenage Specialist Telephone Advice Centre are registered charities and accordingly are exempt from taxation on income and gains where they are applied for charitable purposes. Citizens Advice Limited covenants all profits to the main charity each year under Gift Aid and does not incur any tax liability.

10. Net expenditure

Net incoming resources for the year are stated after charging:

	2012 £'000	2011 £'000
Operating lease costs		
Property	939	872
Motor vehicles	-	1
Office equipment	33	38
Depreciation	119	136
External Auditors' remuneration		
External audit fee – Crowe Clarke Whitehill LLP	35	-
External audit fee – Baker Tilly UK Audit LLP	3	32
Non audit work – Crowe Clarke Whitehill LLP	2	-
Non audit work – Baker Tilly UK Audit LLP	-	2
Internal Auditor's remuneration		
Internal audit fee	45	36

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11. Disposals

Citizens Advice ceased its controlling interest in Bedford & District Citizens Advice Bureau on 28 March 2011. The accounts consolidate the proportion of income and expenditure for the period up to the date of the disposal.

Stevenage Specialist Telephone Advice Centre (SSTAC) went into voluntary liquidation on 22 April 2010. The remaining debtor for £27,000 has been written off in 2011/12 as the realisation of net assets was lower than estimated.

12. Fixed assets

The fixed assets of Citizens Advice are the same as those of the Group, as stated below.

	Infrastructure software		Office & computer equipment	Total
	Work in progress	Operational		
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2011	967	700	255	1,922
Additions	1,642	-	36	1,678
Disposals	-	-	(221)	(221)
At 31 March 2012	2,609	700	70	3,379
Depreciation				
At 1 April 2011	-	174	225	399
Charge for the year	-	87	32	119
Disposals	-	-	(222)	(222)
At 31 March 2012	-	261	35	296
Net book value at 31 March 2012	2,609	439	35	3,083
Net book value at 31 March 2011	967	526	30	1,523

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13. Debtors

	Group		Citizens Advice	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade debtors	1,451	404	1,439	397
Other debtors	80	118	80	118
Prepayments & accrued income	583	1,578	583	1,578
HM Revenue & Customs	85	209	85	209
Subsidiary undertakings	-	-	1,162	580
	2,199	2,309	3,349	2,882

Included in other debtors is £80,000 (2010/11: £118,000), which relates to 70 (2010/11: 84) staff season ticket or car loans. These are interest free and are recoverable through monthly payroll deductions. There are no senior officers (2010/11: 2) with loans outstanding at the balance sheet date (2010/11: £5,000).

14. Creditors: amounts falling due within one year

	Group		Citizens Advice	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade creditors	28	35	28	35
Citizens Advice bureaux grants	2,391	60	2,391	60
Other creditors including taxation & social security	409	420	409	420
Accruals & deferred income	3,864	1,733	3,473	1,733
Capital creditors	480	465	480	465
	7,172	2,713	6,781	2,713

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Notes to the financial statements Year ended 31 March 2012**14. Creditors: amounts falling due within one year (continued)**

	Group		Citizens Advice	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Other creditors including taxation and social security comprises:				
HM Revenue and Customs: PAYE	163	183	163	183
National Insurance	212	204	212	204
Other creditors	34	33	34	33
	409	420	409	420
Accruals and deferred income comprises:				
Accruals	2,019	1,612	2,019	1,612
Deferred income at 1 April 2011	121	244	121	244
Amount released from previous year	(121)	(244)	(121)	(244)
Incoming resources deferred in the year	1,845	121	1,454	121
	3,864	1,733	3,473	1,733

Deferred income comprises £127,000 (2010/11: £121,000) subscription income for both paper and electronic information products, £1,327,000 (2010/11: £Nil) grant from the Money Advice Service and £391,000 (2010/11: £Nil) received in sponsorship.

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15. Provisions

	Group		Citizens Advice	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Property provisions				
Provision at 1 April 2011	47	190	47	190
Released during the year	(36)	(18)	(36)	(18)
Utilised during the year	(11)	(164)	(11)	(164)
Additional provision	188	39	188	39
Provision at 31 March 2012	188	47	188	47
Other provisions				
Provision at 1 April 2011	157	134	157	134
Released during the year	(127)	(2)	(127)	(2)
Utilised during the year	-	-	-	-
Additional provision	785	25	785	25
Provision at 31 March 2012	815	157	815	157
Total provisions at 31 March 2012	1,003	204	1,003	204

The remaining property provisions relate to dilapidations at one office following office moves and an assessment of potential future liabilities across all other leases. Other amounts are £222,000 provision for redundancies as part of the transfer of Consumer Direct functions, £243,000 for redundancies following restructuring, £150,000 for additional income tax and national insurance, £30,000 for pension contributions to be settled on behalf of East End Citizens Advice Bureau and £170,000 in respect of a capital project.

16. Statement of funds

	At 1 April 2011 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	At 31 March 2012 £'000
Unrestricted funds – BIS	537	23,320	23,522	(20)	315
Unrestricted funds – other	4,145	1,410	1,189	1,025	5,391
Total unrestricted funds	4,682	24,730	24,711	1,005	5,706
Restricted funds –BIS	43	26,278	22,941	(876)	2,504
Local Government projects	317	522	487	(18)	334
Welsh Assembly projects	288	1,007	1,103	-	192
Social Policy projects	296	83	177	12	214
Network projects	193	36	75	(50)	104
Financial Capability projects	2,327	1,770	2,501	(62)	1,534
Specialist Support projects	1,143	2,277	1,873	-	1,547
sub-total to carry forward to next page	4,607	31,973	29,157	(994)	6,429

National Association of Citizens Advice Bureaux (Citizens Advice)

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Notes to the financial statements Year ended 31 March 2012

16. Statement of funds (continued)

	At 1 April 2011	Income	Expenditure	Transfer between funds	At 31 March 2012
	£'000	£'000	£'000	£'000	£'000
brought forward from previous page	4,607	31,973	29,157	(994)	6,429
Adviceline	151	502	526	(1)	126
Veteran welfare benefits advice	198	3,191	2,574	-	815
Integrated debt advice	147	533	621	-	59
Other projects	1,480	1,842	2,000	(10)	1,312
Total restricted funds	6,583	38,041	34,878	(1,005)	8,741
Total Funds	11,265	62,771	59,589	-	14,447

The unrestricted funds (BIS and other) represent the free funds of Citizens Advice.

BIS restricted funds comprises grants from BIS for eleven Face to face debt advice projects and three other continuing projects.

Local Government comprises money advice services projects with West Yorkshire County Council and the London Borough of Islington, together with regional grant funding from Devon County Council. Welsh Assembly covers a range of money advice projects and funding for Adviceline (Wales).

Policy and Network funds comprise all funds received specifically to undertake social policy or bureaux related project activities.

There is funding from twenty-one organisations (2010/11: 19 organisations) to deliver financial capability projects and funding from twelve organisations (2010/11: 9 organisations) to deliver specialist support and advice.

The Adviceline project funding is sponsorship received through our trading subsidiary from the Royal Bank of Scotland and the majority is distributed as bureaux grants. Veteran welfare benefits advice is funded by the Royal British Legion whilst the integrated debt advice project is funded by Northern Rock Foundation.

The other project funds comprise a variety of partnerships with a range of funders to provide, for example, money advice projects and learning and development projects.

A review of balances previously classified as restricted funds identified some amounts which should be treated as for unrestricted use. This is in line with our responsibilities to ensure that funds are applied against their proper purposes. The movement is shown as transfers and comprises a number of small projects.

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Notes to the financial statements Year ended 31 March 2012

17. Analysis of net assets between funds

	Unrestricted		Restricted		Total
	BIS £'000	Other £'000	BIS £'000	Other £'000	£'000
Fund balances at 31 March 2012 are represented by:					
Fixed assets	1,661	-	1,276	146	3,083
Current assets	1,833	5,816	4,490	7,400	19,539
Creditors: amounts falling due within one year	(2,568)	(425)	(2,802)	(1,377)	(7,172)
Provisions	(611)	-	(392)	-	(1,003)
Fund balance	315	5,391	2,572	6,169	14,447

18. Citizens Advice Bureaux

The financial statements record the income and expenditure of Citizens Advice. Individual Citizens Advice Bureaux are not consolidated within these accounts as they are independent legal entities funded directly and indirectly from their own sources and are accountable to their own members and funding bodies.

19. Operating lease commitments

At 31 March 2012 Citizens Advice was committed to making the following annual payments in respect of operating leases:

	2012		2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	111	-	138	1
Between two and five years	748	33	689	38
After five years	80	-	80	-
	939	33	907	39

20. Pension scheme

National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991)

Period Ending 31 March 2012

The employers operate a defined benefit scheme in the UK. During 2007/08, Citizens Advice's defined benefit pension scheme was closed to new entrants future service accrual. The scheme is a multi-employer scheme and the scheme's actuary has advised the assets and liabilities are not able to be segregated for each contributing employer. Hence it is not possible to separately identify the assets and liabilities relating to Citizens Advice for the purposes of FRS17.

In closing the scheme, a recovery plan was agreed by the pension fund trustees. From 1 April 2012, the sponsoring employers will pay total annual contributions of £1,200,000 (2010/11: £1,200,000), to meet the scheme's deficit over the next 16 years. This amount may vary over time, dependent upon the results of the future actuarial valuations of the scheme, the next triennial valuation is due on 1 April 2013. The length of the payment period may also vary if the contributions do not offset the deficit over the planned period. The pension trustees have the right to renegotiate the recovery plan if the actuarial report indicates that the existing recovery plan is no longer adequate. If Citizens Advice paid its annual contributions as planned, using a actuarial discount rate of 4.6%, the net present value would be £12,249,000 (2010/11: £12,036,000 and 5.5% discount).

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 March 2012 by a qualified actuary, independent of the scheme's sponsoring employers. The major assumptions used by the actuary are shown below.

The best estimate of contributions to be paid by the employers to the scheme for the period beginning after 31 March 2012 is as follows:-

a) Contributions by each employer in respect of expenses.

The principal employer will pay amounts into the scheme in respect of management and administration costs, including levy payments made by the scheme to the Pension Protection Fund subject to a maximum amount of £300,000 in each scheme year.

b) Contributions by the employers in respect of the shortfall in funding.

In accordance with the recovery plan following the 1 April 2010 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000, of which Citizens Advice contributes £1,050,000

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Notes to the financial statements Year ended 31 March 2012**20. Pension scheme (continued)****Present values of scheme liabilities, fair value of assets and deficit**

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s
Fair value of scheme assets	65,073	65,866	61,518
Present value of scheme liabilities	115,205	98,104	97,993
Deficit in scheme	(50,132)	(32,238)	(36,475)
Liability	(50,132)	(32,238)	(36,475)
Deferred tax		-	-
Net liability		-	-

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Scheme liabilities at start of period	98,104	97,993
Current service cost	263	284
Interest cost	5,353	5,332
Contributions by scheme participants	-	-
Actuarial losses/(gains)	13,881	(3,094)
Benefits paid, death in service insurance premiums and expenses	(2,396)	(2,411)
Past service costs	-	-
Business combinations	-	-
Curtailments	-	-
Settlements	-	-
Scheme liabilities at end of period	115,205	98,104

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Notes to the financial statements Year ended 31 March 2012**20. Pension scheme (continued)****Reconciliation of opening and closing balances of the fair value of scheme assets**

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Fair value of scheme assets at start of period	65,866	61,518
Expected return on scheme assets	4,594	4,291
Actuarial (losses)/gains	(4,470)	965
Contributions by employer	1,479	1,503
Contributions by scheme participants	-	-
Benefits paid, death in service insurance premiums and expenses	(2,396)	(2,411)
Business combinations	-	-
Settlements	-	-
Fair value of scheme assets at end of year	65,073	65,866

The actual return on the scheme assets over the period ending 31 March 2012 was £124,000.

Total expense

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Current service cost	263	284
Interest cost	5,353	5,332
Expected return on scheme assets	(4,594)	(4,291)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Total	1,022	1,325

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Notes to the financial statements Year ended 31 March 2012**20. Pension scheme (continued)****Pension gains/(losses)**

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Difference between expected and actual return on scheme assets: (loss)/gain	(4,470)	965
Experience gains and losses arising on the scheme liabilities: (loss)/gain	(1,443)	96
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: (loss)/gain	(12,438)	2,998
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable): (loss)/gain	(18,351)	4,059
Total amount : (loss)/gain *	(18,351)	4,059

* Citizens Advice and its subsidiaries are not required to prepare a statement of total recognised gains and losses.

Assets

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s
Equities	40,019	41,621	39,442
Gilts	3,952	330	395
Corporate Bonds	10,890	14,579	12,578
Cash	8,064	7,060	7,251
Property	2,148	2,276	1,852
Total assets	65,073	65,866	61,518

None of the fair values of the assets shown above includes any of the employers' own financial instruments or any property occupied by, or other assets used by, the employers.

20. Pension scheme (continued)

Assumptions

	31/03/12 % per annum	31/03/11 % per annum	31/03/10 % per annum
Rate of discount	4.6	5.5	5.5
Inflation (RPI)	3.3	3.6	3.6
Inflation (CPI)	2.4	3.1	n/a
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	n/a	n/a	3.6
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.4	3.1	n/a
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.3	3.6	3.6
Allowance for commutation of pension for cash at retirement	None	None	None

The mortality assumptions adopted at 31 March 2012 imply the following life expectancies

Male retiring at age 65 in 2012	23.3 years
Female retiring at age 65 in 2012	25.8 years
Male retiring at age 65 in 2032	25.3 years
Female retiring at age 65 in 2032	27.7 years

Expected long term rates of return

The expected long term return on cash is determined by reference to gilt yields at the balance sheet dates. The long term expected return on gilts and corporate bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date.

The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

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20. Pension scheme (continued)

The expected long term rates of return applicable for each period are as follows:

	Period commencing 01/04/2011 % per annum	Period commencing 01/04 2010 % per annum
Equities	8.00	8.00
Gilts	4.20	4.40
Corporate Bonds	5.50	5.50
Cash	4.20	4.40
Property	7.5	7.50
Overall for scheme	7.00	7.03

Amounts for the current and previous four periods

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s	31/03/09 £'000s	31/03/08 £'000s
Fair value of assets	65,073	65,866	61,518	47,971	59,926
Present value of scheme liabilities	115,205	98,104	97,993	82,123	87,794
Deficit in scheme	(50,132)	(32,238)	(36,475)	(34,152)	(27,868)
Experience adjustment on scheme assets	(4,470)	965	12,371	(15,462)	(8,354)
Experience adjustment on scheme liabilities	(1,443)	96	5,377	(972)	6,306

21. Related party transactions

Citizens Advice Limited is a subsidiary company owned by Citizens Advice and all Citizens Advice non-charitable trading is conducted through it. The Directors are the National Association of Citizens Advice Bureaux and John Gladwin. During the year ended 31 March 2012, it made a profit of £578,000 (2010/11: £137,000) which was then gift aided to Citizens Advice and recorded within delivery of services.

At 31 March 2012 Citizens Advice Limited owed £1,162,000 to Citizens Advice (2010/11: £1,010,000). The accounts for the year ending 31 March 2012 were agreed on 25 July 2012.

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21. Related party transactions (continued)

There have been related party transactions identified in accordance with FRS 8. Citizens Advice is sponsored by BIS. BIS is regarded as a related party. During the year, Citizens Advice has had no material transactions with BIS other than the receipt of its Grant in Aid, transition funding to absorb Consumer Direct functions, and £17,936,000 for eleven specific projects as shown in note 3(a) (2010/11: £19,357,000, eleven specific projects). Citizens Advice had a number of transactions during the year with Citizens Advice Scotland, which is also sponsored by BIS.

The Friends of Citizens Advice Bureaux Trust is a charity established to raise funds for the benefit of Citizens Advice Bureaux. The trust became dormant on 5 July 2005 when the activities of the trust transferred to Citizens Advice. There were no financial transactions or balances in the year to 31 March 2012 (2010/11: nil).

A subsidiary company was set up in 2008/09, Citizens Advice Management Services, to provide management services to bureaux. There were no financial transactions or balances in the year to 31 March 2012 (2010/11: nil).

Citizens Advice International is a company which was registered in Belgium on 6 December 2004. Although not a related party under FRS 8, it is included here due to the connection of name and objectives. It was established to provide support to Citizens Advice organisations throughout the world. No charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2012, Citizens Advice owed Citizens Advice International nil (2010/11: nil). Citizens Advice International is not consolidated into the accounts as it is a separate entity and Citizens Advice does not have the power to control it.

Citizens Advice took a controlling interest in Bedford & District Citizens Advice Bureau during 2008/09 but control was relinquished on 28 March 2011. The accounts have been consolidated for the period during control. During the year ended 31 March 2011 it made a deficit of £6,000. The consolidated accounts at 31 March 2012 do not include any net liabilities for the subsidiary (2010/11: nil). The principal activity is to provide advisory services to the local community.

Citizens Advice also took a controlling interest during 2008/09 in Stevenage Specialist Telephone Advice Centre. The subsidiary went into voluntary liquidation on 22 April 2010. A £27,000 debtor was included in the parent company accounts at 31 March 2011, which represented an estimation of what could be secured through a realisation of the net assets. This debtor was written off in 2011/12 as the likelihood of realising any value from the net assets reduced. The consolidated accounts at 31 March 2012 do not include any net liabilities for the subsidiary (2010/11: nil). The principal activities of the charity were to provide specialist advisory services in housing, debt, employment and welfare benefits.

22. Investments

The value of shares held in Citizens Advice Ltd is £2 being two ordinary shares of £1 each which represents 100% of the issued share capital. The company is a private limited company which was incorporated on 16 July 1982. The company is incorporated in England.

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22. Investments (continued)

The company manages all forms of sponsorship on behalf of the parent company and covenants all profits each year under gift aid. The turnover in 2011/12 was £999,000 (2010/11: £440,850) which generated an operating profit of £578,000 (2010/11: £136,000). Net assets were £2 in 2011/12 (2010/11: £2).

Cash deposits valued at £7,804,000 (2010/11: £7,339,000) are analysed below.

Type of investment	2012		2011	
	£'000s	%	£'000s	%
7 day notice account	2,042	26	2,005	27
90 day notice account	1,390	18	1,365	19
Fixed term Treasury deposits	1,405	18	1,470	20
One year fixed bonds	2,967	38	2,499	34
Total	7,804	100	7,339	100

The cash at bank and in hand is analysed below

23. Cash at bank and in hand	2012		2011	
	£'000s	%	£'000s	%
Barclays – main bank accounts	6,224	65	(629)	(21)
Barclays Private bank – accounts	1,290	14	1,038	35
Other instant access accounts	1,884	20	2,497	83
Subsidiary current bank accounts	136	1	103	3
Petty cash	2	-	2	-
Total	9,536	100	3,011	100

24. Company Limited by Guarantee

Citizens Advice is a registered charity and a company limited by guarantee. All member bureaux are members of Citizens Advice and there are no other members. The maximum liability of each member is limited to £1. The Trustees have a maximum liability of nil.

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Thank you to our donors

Citizens Advice is a charity and relies on funding from Government bodies, companies, charities and many others to make a difference to the lives of individuals, families and communities. We thank the following for their support during 2011/12.

Government Grants

Department for Business, Innovation and Skills
Department for Communities and Local Government
Department of Health
Department for Work and Pensions
Her Majesty's Revenue and Customs
Welsh Assembly Government

Public Bodies

Devon County Council
Consumer Finance Education Body
Equality & Human Rights Commission
Financial Services Authority
The Insolvency Service
Legal Services Commission
London Borough of Islington
SEETEC
West Yorkshire Grants
Working Links

Other

Access to Justice Foundation
Barclays Bank plc
Barclaycard
Big Lottery Fund
Citi Foundation
City Parochial Fund
Consumer Credit Counselling Service
Donald Forrester Trust
EDF Energy
Energy UK
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Money Advice Service
Money Advice Trust
nPower
Nationwide Building Society
Northern Rock Foundation
Openreach (a BT group business)
Provident Financial plc
Prudential plc
The Royal Bank of Scotland plc
Royal British Legion
Santander Foundation
ScottishPower
SSE (Scottish and Southern Energy)
Turn2us

A number of donations were also made by individuals, for which we express our thanks.