

Company no 3110908
Charity no 1050358

The RCJ Citizens Advice Bureau Report and Financial Statements 31 March 2012



sayer vincent

auditors and advisors

The RCJ Citizens Advice Bureau

Reference and administrative details

For the year ended 31 March 2012

Company number	3110908
Charity number	1050358
Registered office	5th Floor, 6 St Andrews Street London EC4A 3AE
Operational address	Royal Courts of Justice Strand London WC2A 2LL
Trustees	Directors, who are also trustees under charity law, who served during the year and up to the date of this report are detailed within the directors' report
Company secretary	TMF Corporate Administration Services Ltd 5th Floor, 6 St Andrews Street London EC4A 3AE
Bankers	C Hoare & Co Limited 37 Fleet Street, London EC4P 4DQ
Solicitors	Clifford Chance 10 Upper Bank Street, London E14 5JJ
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

The directors present their report and the audited financial statements for the year ended 31 March 2012

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005)

Objectives and activities

The Charity's objects are to promote any charitable purpose for the public benefit by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress in particular, but without limitation, for the benefit of those having business at the Royal Courts of Justice or living, visiting or working in the London area

The principal activities of the Bureau are:

- Legal advice to litigants in person in civil and family law matters funded by the Legal Services Commission
- Advice and support to victims of miscarriages of justice funded by the Ministry of Justice
- Specialist bankruptcy and money advice service funded by Capitalise (BISS)
- Debt advice funded by the Legal Services Commission
- Equalities and employment advice and training funded by the Equalities and Human Rights Commission
- Access to generalist and specialist advice on all areas of social welfare law across London funded by London Councils

The Charity benefits from a significant donation of time from volunteers who provide generalist and specialist advice to members of the public or who volunteer in administrative roles or as a trustee of the charity. In accordance with the SORP, this time is not included in the accounts

Structure, governance & management

Governing document

The RCJ Advice Bureau ("The Bureau") is a charitable company limited by guarantee, incorporated on 6 October 1995 and registered as a charity on 3 November 1995. The Bureau commenced trading on 7 November 1995. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association

All directors give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 5 to the accounts

Appointment of directors/management committee

Under the requirements of the Memorandum and Articles of Association all elected Trustees shall retire from office at the third annual general meeting following the annual general meeting at which they were elected but may be re-elected. At each of the first three annual general meetings following adoption of these Articles one third of the elected Trustees shall retire in rotation but may be re-elected

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

The Chief Executive is responsible for delivering an induction programme to all new directors. Training opportunities are offered to all directors and a skills audit is conducted biannually. The current directors have agreed that open recruitment will be applied to director vacancies going forward.

Organisational structure

The Committee meets quarterly and is responsible for the strategic direction and policy of the charity. At present the Committee has 19 members from a variety of professional backgrounds relevant to the work of the charity. A scheme of delegation is in place and day to day responsibility for the provision of the Bureau services rests with the Chief Executive. Client services and delivery is the responsibility of the Legal Services Manager and personnel, ITC and finance matters are the responsibility of the Director of Finance.

Connected organisations

RCJ Advice Bureau is a member of Citizens Advice. Citizens Advice Bureaux delivering advice services are all individual charities and Citizens Advice itself is also a registered charity, as well as being the membership organisation for the bureaux.

Directors

The following people were directors of the charity on the date of approval of the report or had been directors during the course of the year.

Nicholas Mark Atkins	
Louise Mary Coubrough	resigned 12th April 2012
John Hine	
Graham Paul Kingsby Huntley	
Robin Knowles CBE QC	
Sarah Tien Mee Lee	
Kathryn Elizabeth Ludlow	
His Honour Judge David Lindsay Mackie CBE QC	
The Right Honourable Lord Justice Mummery	
Robert Nightingale MBE	
Kevin John Perry	
Marlene Ryder	resigned 26 November 2011
Ali Sallaway	
Mona Bina Ann Mary Vaswani	
Alex Carruthers	
James Levy	
Roger Leese	
Paul Thwaite	

The directors of the company are also trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. The Charity is also a company limited by guarantee and has no share capital.

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

Financial review

Against the continuing uncertainties of the current economy and the very real challenges of limited resources and threats of funding reductions, the Bureau has achieved a good financial result for the year and has increased its unrestricted reserves by £29,351. The Charity's incoming resources for the year were £2,570,250 compared to £955,320 in the 2010/11. The increase in income results from new funding from Islington Council (£320,000) for running the Islington Citizens Advice Bureau, funding for the employment and equalities adviser from the European Human Rights Commission of £40,000, funding of £170,000 from the Big Lottery Transition Fund, and the inclusion of pro bono services in kind provided by the Bureau's Honorary Legal Advisers of £1,181,000.

The Big Lottery Transition Fund has been invaluable in enabling the Bureau's directors, staff and volunteers to commit to widening its funding opportunities through income generation and revenue opportunities. Several of the income opportunities explored as a result of the work funded by the Transition Fund have already attracted interest from funders and stakeholders. This research has enabled the Bureau to develop its financial and strategic plans to ensure the work of the Bureau is sustainable in the medium to long term.

We are grateful for the continuing support of corporate donors for their generous donations of funds and pro bono support. This year for the first time we have put a value on the services in kind received by way of pro bono work of the Honorary Legal Advisers. This figure equates to an estimated value of £1,181,000 and shows the huge contribution made through these gifts.

The Bureau's total expenditure in 2011/12 was £2,486,056 compared to £988,988 in 2010/11. The increase in expenditure relates to the costs of new services of Islington CAB, the Equalities and Employment adviser, the one-off spending of the Transition Fund and an offsetting entry for the pro bono services in kind.

The resulting surplus for the year was £84,194 with an increase in general reserves of £29,351 and a net increase of £54,843 in restricted reserves. Restricted reserves carried forward includes £31,758 of the Big Lottery Transition Fund. This will be used to fund the employment and equalities adviser for six months while the post moves towards being financially self-supporting and to support the new volunteers as the Bureau's telephone advice service at the new Devonian Road site becomes fully operational.

The balance of the restricted funds relates to costs associated with Islington CAB which are ring-fenced to fund the new premises at Devonian Road. Unrestricted funds of £13,404 were transferred to restricted funds. This transfer is made up from two elements, the amount by which expenditure on services exceeds restricted fund income and is subsidised from general reserves and the net book value of capital expenditure which has been met from restricted funds and is transferred to unrestricted reserves to be written off in future years.

At the 31 March 2012 the Charity held funds of £418,900 of which £79,202 related to restricted funds and £339,698 was unrestricted funds. Of the unrestricted funds £8,233 was tied up in fixed assets (2011 £22,264).

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

Reserves policy and risk management

The Committee has reviewed the reserves of the Charity. The review encompassed a comparison of the nature and certainty of the levels of income and expenditure streams and the consideration of the level of free reserves that were required to provide a buffer for unforeseen falls in income. The Committee have agreed that free reserves should equate to a minimum level of approximately three months' normal expenditure (£328,598) to ensure that the Charity can efficiently maintain its services. The current level of free reserves is £331,465.

The Committee has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems are in place to mitigate our exposure to the major risks. A detailed complaints procedure is in place and clients are advised of this when their case is taken on. A full complaints report is presented to the directors on a quarterly basis. Health and Safety is within the remit of the Director of Finance and a full health and safety assessment, encompassing all aspects of operations and finance is submitted to the Employment and Finance Sub-Committee on an annual basis.

Achievements and Performance

2010/11 saw the Bureau work within the objectives specified in our Strategic Plan for 2011 - 2012, specifically focusing on the need to

- Demonstrate value,
- Respond to need,
- Promote our service, and
- Share our vision

Under the 'demonstrate value' objective

- Each team exceeded their target outputs and outcomes and could therefore demonstrate value for money to funders
- We commissioned a 'Value for Money' study from an external academic research team to demonstrate the value of the service to funders and the courts
- We reviewed service delivery models to add value to services e.g. we held employment advice sessions at Islington CAB

Under the "respond to need" objective:

The Bureau responded to an increased need for free legal advice and each team exceeded their target outputs and outcomes. Our achievements included

- We delivered a dedicated London wide telephone advice line each weekday. This extends the reach of our social welfare service. Callers receive initial gateway advice and then can be given an appointment slot to receive generalist and specialist social welfare advice. We prioritised taking on cases from people who faced complex issues and who were unable to access advice from local providers. We provided representation at 30 social security tribunals.
- We completed a successful first year of delivering Islington Citizens Advice Bureau from 4th April 2011. This expanded the Bureau's main outlets to three and provided access to advice delivered in a local community.

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

- We expanded our family law service to meet the increased demand for family law advice due to changes in the availability of publicly funded family law advice. Our family lawyer achieved accredited status as a mediator and we worked with the Bar Pro Bono Unit and barristers from Queen Elizabeth Building to deliver a pilot for representation for unrepresented parties in financial dispute cases
- We introduced public legal information materials via our 'Going to Court' Leaflets
- We increased the number of people who we assisted to 11,205 from 4,533 the previous year. 5,541 clients were seen at RCJ Advice Bureau (an increase of 22%) and 5,664 clients were seen at Islington CAB
- Our enquiry level has increased for each service with a notable increase of 174% for the Civil and Family Service (from 3,075 in 2010/11 to 8,436 in 2011/12)
- Demographic data confirms that a diverse community are accessing the Bureau's services. We have increased our use of Language Line and BSL interpreters to ensure that our service is accessible
- We continue to actively seek client feedback to inform service developments. This includes
 - Holding quarterly client satisfaction surveys,
 - Holding joint open meetings with the RCJ Court management and Personal Support Unit to learn the views of Litigants in Person, and
 - Delivering a client event for our Miscarriages of Justice Support Service clients

Under the "promote our service" objective:

- We have introduced a new website which gives clearer directions to potential and existing service users
- Commenced 'twitter' accounts for RCJ Advice Bureau, Islington CAB and our Miscarriages of Justice Support Service
- We have participated in social policy campaigns and the Bureau leads the London wide Social Policy group
- We have actively worked on legal aid policy, responding to the legal aid reforms consultation and participating in 'Justice for all' activities

Under the 'share our vision' objective:

We have enhanced our partnership work and contributed our areas of expertise to exciting service developments, including

- Leading on a bid with partners in Islington to enhance support to young people in social housing,
- Working with Commonweal to devise a project to provide accommodation for Miscarriages of Justice clients who leave the Court of Appeal with no suitable accommodation. Commonweal will lead on the provision of accommodation and we will contribute our expertise in providing advice and support to Miscarriages of Justice clients,
- We have introduced greater transparency to financial and management decisions in the Bureau and consulted with paid staff and volunteers on a regular basis, and
- We have held quarterly staff and volunteer meetings to sustain and review our vision for our organisation

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Report of the directors

For the year ended 31 March 2012

Plans for future periods

The forthcoming year and beyond will be a challenging time for the legal advice sector with welfare benefit reforms increasing the need and demands for advice and legal aid reforms seriously threatening the availability of legal advice. The emerging funding environment (e.g. the move to a payment by results for the Capitalise contract and other contracts that provide restricted funds) and assuming a large volunteer input requires an infrastructure that is

- Funded by a mix of grants, earned income and revenue generation
- Supported by highly effective ICT enabling roaming profiles
- Cost effective and lean – increasing the contribution of volunteers to contracts

We are working towards an organisational model of

- 1 A nationally recognised legal advice service consisting of
 - A civil Litigants in Person service across the County Courts, High Courts and Court of Appeal via face to face, SKYPE and online case management
 - A Family Legal Centre delivering legal advice, representation and mediation
 - A Miscarriages of Justice Support Service that can also deliver accommodation options for clients
- 2 A London based CAB service consisting of
 - RCJ CAB delivering social welfare advice to legal advice service clients
 - A London wide CAB telephone service
 - London wide bankruptcy service
 - Islington CAB

Service changes will be incorporated within the Bureau's work plans for 2012/13. These work plans will be developed following full consultation with staff and will be progressed further.

We continue to work towards the priorities of

- Demonstrating Value, and
- Responding to Need

A new priority is Contributing to Change

Each team in the Bureau has worked to develop a work plan to ensure that targets set for the year are achieved and that each individual staff member can see how their work directly contributes to the achievement of our corporate objectives.

Key operational objectives for the year ahead include the following

- Introducing and reviewing our income generation activities to broaden our funding base
- Developing CourtNav (with the assistance of Freshfields) to respond to the increased number of unrepresented parties,
- Revising our service delivery model for civil, family and bankruptcy by introducing a new volunteer legal assistant role,
- Further developing our Family Legal Centre including by introducing mediation and representation via partnership with the Bar Pro Bono Unit and Queen Elizabeth Buildings,
- Promoting the national status and coverage of our legal services,
- Extending our debt advice through all our sites through training and support for volunteers,
- Expanding our bankruptcy desk by taking on a second room,

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Report of the directors

For the year ended 31 March 2012

- Introducing a new site at Devonian Road to house our telephone service and introduce specific public phone lines for both RCJ CAB and Islington CAB, and
- Introducing a Volunteer Manager and enhanced personal development opportunities for volunteers

Public benefit

The directors review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work within the last twelve months. The directors report the success of each key activity and the benefits the Charity has brought to those groups of people that it is set up to help. The review also helps the directors ensure that the Charity's aims, objectives and activities remained focused on its stated purposes.

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the Charity's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

The directors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The directors confirm the following in relation to the two key principles of public benefit:

Principle 1: There must be an identifiable benefit or benefits

The Bureau's charitable purpose is enshrined in the Articles that were adopted in May 2011. We replaced our existing Articles of Association in order to extend the objects to clarify, for the avoidance of doubt, that the Islington Citizens Advice Bureau is within the objects of the Bureau, and to bring the Articles of Association into line with the model form Citizens Advice Bureau Articles of Association.

The Charity's objects are to promote any charitable purpose for the public benefit by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress in particular, but without limitation, for the benefit of those having business at the Royal Courts of Justice or living, visiting or working in the London area.

The directors review the activities of the Charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims. No detriment or harm arising from the activities undertaken by RCJ Advice Bureau, including Islington CAB, has been identified.

Principle 2: Benefit must be to the public or a section of the public

The beneficiaries are individuals having business at the Royal Courts of Justice or living, visiting or working in the London area. We have London Councils' funding for a London wide service and our debt work is under a London wide contract. A small number of clients, experiencing a miscarriage of justice dealt with at the Royal Courts of Justice live outside of London, as do a percentage of our Litigants in Person clients.

No fees are charged to individuals for our services to ensure maximum access and we promote our services widely in order to reach vulnerable sections of the community.

A number of private benefits arise from the activities of the Charity. Individual clients may benefit as a result of obtaining legal advice from the Charity. The Charity also employs and remunerates staff. These are incidental benefits arising from carrying out the Charity's aims.

The RCJ Citizens Advice Bureau

Report of the directors

For the year ended 31 March 2012

Statement of directors' responsibilities

The directors (who are also trustees of The RCJ Advice Bureau for the purposes of charity law) are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities' SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the directors on 25 July 2012 and signed on their behalf by



Nicholas Mark Atkins
Director

Independent auditors' report

To the members of

The RCJ Citizens Advice Bureau

We have audited the financial statements of The RCJ Advice Bureau for the year ended 31 March 2012 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' 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 charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Pamela Craig (Senior statutory auditor)

31 July 2012

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

The RCJ Citizens Advice Bureau

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the year ended 31 March 2012

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	79,035	1,246,046	1,325,081	61,886
Activities for generating funds		-	346	346	2,157
Investment income		-	1,832	1,832	1,641
<i>Incoming resources from charitable activities</i>					
Bankruptcy & debt	3	275,530	-	275,530	365,099
Civil & family		298,852	-	298,852	283,000
Equalities		45,000	-	45,000	-
Islington CAB		334,034	-	334,034	28,060
Miscarriage of Justice		135,903	-	135,903	124,917
Social welfare		91,122	-	91,122	88,560
Public Information & Access		62,550	-	62,550	-
Total incoming resources		1,322,026	1,248,224	2,570,250	955,320
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	56,015	1,358	57,373	16,169
<i>Charitable activities</i>					
Bankruptcy & debt		279,540	8,437	287,977	387,911
Civil & family		299,508	1,185,401	1,484,909	319,283
Equalities		44,785	677	45,462	-
Islington CAB		294,361	4,360	298,721	8,327
Miscarriage of Justice		135,537	1,997	137,534	138,294
Social welfare		99,686	1,508	101,194	105,302
Public Information & Access		62,546	22	62,568	-
<i>Governance costs</i>		8,609	1,709	10,318	13,703
Total resources expended		1,280,587	1,205,469	2,486,056	988,988
Net incoming/(outgoing) resources before transfers	5	41,439	42,755	84,194	(33,668)
Gross transfers between funds	12	13,404	(13,404)	-	-
Net movement in funds	12	54,843	29,351	84,194	(33,668)
Reconciliation of funds					
Total funds brought forward		24,359	310,347	334,706	368,374
Total funds carried forward		79,202	339,698	418,900	334,706

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

The RCJ Citizens Advice Bureau

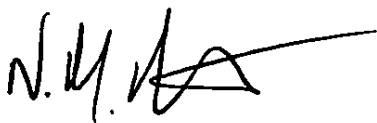
Company no. 3110908

Balance sheet

31 March 2012

	Note	£	2012 £	2011 £
Fixed assets	8		<u>8,233</u>	<u>22,264</u>
			8,233	22,264
Current assets				
Debtors	9	70,243		76,192
Cash at bank and in hand		<u>438,686</u>		<u>298,219</u>
		508,929		374,411
Liabilities				
Creditors amounts due within one year	10	<u>98,262</u>		<u>61,969</u>
Net current assets			<u>410,667</u>	<u>312,442</u>
Net assets	11		<u><u>418,900</u></u>	<u><u>334,706</u></u>
 The funds of the charity				
Restricted funds			79,202	24,359
Unrestricted funds				
Designated funds			8,233	22,264
General funds - free reserves			<u>331,465</u>	<u>288,083</u>
Total charity funds			<u><u>418,900</u></u>	<u><u>334,706</u></u>

Approved by the directors on 25 July 2012 and signed on their behalf by



Nicholas Atkins - Treasurer

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

The charity has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it qualifies as a small company under the Companies Act 2006.

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

- d) Donated services and facilities are recognised as income and expenditure in the financial statements when companies or individuals offer their professional expertise pro bono. The value of these donated services and facilities is an estimated figure based upon the valuation the professional individual or organisation places upon the time, services and facilities they have provided to the charity. Individuals offering their time to work in areas where they are not undertaking their profession are classified as volunteers and their time is not quantified in the accounts, but is recognised in the directors' report. All of these amounts are treated as unrestricted donations.
- e) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- f) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- g) Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- h) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

- i) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned first to restricted funds in accordance with the time spent on the activity which is met by the funder. The balance of central function costs is apportioned across activities on the basis of the percentage of staff numbers working on each activity to all staff.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

1 Accounting policies (continued)

- j) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation was previously calculated as follows

Office and computer equipment	25% reducing balance
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However, it has now been decided that a straight line method of depreciation will provide a more realistic method of writing down tangible fixed assets over their useful economic lives. Depreciation is now calculated as follows

Office and computer equipment	4 years - straight line method
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In the current year, depreciation charges under the reducing balance method would have been £7,613. However, the change in depreciation method has resulted in additional depreciation of £14,607 in the accounts, which includes the write down of a number of old assets.

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- k) The charity operates a defined benefit scheme for its employees and contributes to the personal pension plan of employees. Contributions are charged to the financial statements as they become payable.

The charity previously participated in a defined benefit pension scheme where its contributions are affected by any surplus or deficit in the scheme but is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. In accordance with FRS 17, the charity has therefore treated its pension contributions to the scheme as if they were paid to a defined contribution scheme.

The scheme is now closed and contributions amount to £2,400 per annum in respect of the one remaining member of this scheme.

- l) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

2 Voluntary incoming resources

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Big Lottery Transition Fund	79,035	-	79,035	-
Allen & Overy	-	5,000	5,000	5,000
Clyde & Co	-	8,000	8,000	8,000
Commercial Litigators Forum	-	-	-	2,473
Freshfields Bruckhaus Deringer	-	10,000	10,000	10,000
Herbert Smith	-	5,000	5,000	-
Linklaters LLP	-	5,000	5,000	5,000
London Legal Walks	-	21,500	21,500	25,228
Slaughter & May Charitable Trust	-	5,000	5,000	5,000
Weil, Gotshal & Manges	-	2,000	2,000	-
11KBW Donation	-	3,000	3,000	875
Pro bono legal services *	-	1,181,000	1,181,000	-
Other donations & gift aid	-	546	546	310
Total	79,035	1,246,046	1,325,081	61,886

* The pro bono legal services represents services provided by lawyers working in approximately 60 'City' firms who provide free legal advice to people who do not have solicitors representing them. The value of the donated services is an estimated figure based on the average value the lawyers firm places on their time. This is the first year pro bono legal services have been included in the accounts and figures were quantified as part of a Value for Money study undertaken by Cardiff University on behalf of the Bureau, therefore there is no comparative figure available for 2011.

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

3 Incoming resources from charitable activities

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Bankruptcy & debt				
Capitalise BISS	268,030	-	268,030	329,763
CitA Project Grants	-	-	-	30,336
CitA grant Hoxton Apprenticeships	7,500	-	7,500	5,000
Civil & family				
Legal Services Commission	283,000	-	283,000	283,000
Big Lottery Transition Fund	15,852	-	15,852	-
Islington CAB				
Citizens Advice Islington	320,000	-	320,000	28,060
CitA Project Grants	873	-	873	-
Big Lottery Transition Fund	13,161	-	13,161	-
Miscarriage of Justice				
Ministry of Justice	135,903	-	135,903	124,917
Equalities & Employment				
European & Human Rights Commission	40,000	-	40,000	-
CitA project grants	5,000	-	5,000	-
Social welfare				
London Councils	86,720	-	86,720	86,720
Other grants	-	-	-	1,840
Big Lottery Transition Fund	4,402	-	4,402	-
Public Information & Access				
Big Lottery Transition Fund	57,550	-	57,550	-
Access to Justice	5,000	-	5,000	-
Total	1,242,991	-	1,242,991	889,636

London Councils Section 37 Statement

Under section 37 of the Local Government and Housing Act 1989, we are required to report specifically on grant aid of £86,720 (2011- £86,720) from London Councils to improve access to legal casework, case preparation and representation to all areas of social welfare law, increase access to information, advice and advocacy in relation to all areas of social welfare law, increase awareness and knowledge of rights & benefits entitlements, improve referral arrangements between voluntary organisations, London boroughs and other service providers, actively promote equality for disadvantaged groups. The grant was fully used for this purpose.

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

4 Total resources expended

	Cost of generating funds	Bankruptcy & debt	Civil & family	Equalities & Employment	Isington CAB	Miscarriage of Justice	Social welfare	Public Information & Access	Governance Costs	Support Costs	2012 Total	2011
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 6)	1,233	205,312	216,403	39,084	221,655	98,505	64,296	-	-	190,039	1,036,527	813,750
Pro bono legal advice	*	-	1,181,000	-	-	-	-	-	-	-	1,181,000	-
Other staff costs	45	1,510	8,925	120	2,360	1,792	1,298	94	-	10,480	26,624	25,705
Volunteer's expenses	-	-	8,375	-	5,122	10	8,375	-	-	-	21,882	11,388
Travel and subsistence	-	39	9	51	302	3,631	115	-	-	801	4,948	3,020
Office costs	14	178	5	-	14,803	172	-	10	-	16,992	32,174	18,606
Premises and insurance costs	-	-	-	-	-	-	-	-	-	4,113	4,113	4,071
IT & Equipment	-	-	84	-	6,144	-	84	8,816	-	16,997	32,125	21,803
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	47,347
Marketing & Fundraising	-	-	-	-	735	-	-	-	-	1,098	1,833	1,072
Client Event	-	-	-	-	-	2,875	-	-	-	-	2,875	-
Consultant & Professional fees	42,292	-	9,206	-	207	250	5,000	39,571	9,368	-	105,894	22,236
Depreciation	-	-	204	-	1,236	-	204	-	-	20,576	22,220	7,421
Library & Books	-	-	1,124	779	1,451	-	183	-	-	672	4,209	4,054
Interpretation costs	-	78	-	-	3,129	-	-	-	-	1,171	4,378	-
Miscellaneous costs	180	-	60	-	203	-	-	53	880	3,878	5,254	8,515
	43,764	207,117	1,425,395	40,034	257,347	107,235	79,555	48,544	10,248	266,817	2,486,056	988,988
Support Costs	13,609	80,860	59,514	5,428	41,374	30,299	21,639	14,024	70	(266,817)	-	-
Total resources expended	57,373	287,977	1,484,909	45,462	298,721	137,534	101,194	62,568	10,318	-	2,486,056	988,988

* Services in kind See note 2 for further details

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

5 Net incoming/(outgoing) resources for the year

This is stated after charging / crediting

	2012	2011
	£	£
Depreciation	22,220	7,421
Operating lease rentals		
▪ Property	-	-
▪ Equipment	4,463	2,919
Auditors' remuneration		
▪ Audit	6,600	3,502
▪ Other services	-	5,181
Trustees' remuneration	NIL	NIL
Trustees' reimbursed expenses	NIL	NIL

6. Staff costs and numbers

Staff costs were as follows

	2012	2011
	£	£
Wages and salaries	874,086	699,415
Social security costs	88,716	73,067
Pension costs	35,065	33,468
Seconded staff	32,660	-
Redundancy costs	6,000	7,800
	<u>1,036,527</u>	<u>813,750</u>

No employee earned more than £60,000 during the year

The average weekly number of employees (full-time equivalent) during the year was as follows

	2012	2011
	No	No
Costs of generating funds	0.3	0.3
Bankruptcy & debt	4.4	6.8
Civil & family	6.0	6.0
Equalities	1.0	-
Islington CAB	5.1	-
Miscarriage of Justice	2.9	3.3
Social welfare	1.8	2.0
Support	4.0	3.8
Governance	0.2	0.2
	<u>25.7</u>	<u>22.4</u>

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

8 Tangible fixed assets

	Office Equipment £	Computer Equipment £	Total £
Cost			
At the start of the year	32,901	107,387	140,288
Additions in year	-	8,189	8,189
At the end of the year	32,901	115,576	148,477
Depreciation			
At the start of the year	30,332	87,692	118,024
Charge for the year	2,401	19,819	22,220
At the end of the year	32,733	107,511	140,244
Net book value			
At the end of the year	168	8,065	8,233
At the start of the year	2,569	19,695	22,264

9 Debtors

	2012 £	2011 £
Prepayment and accrued income	61,971	75,175
Other debtors	8,272	1,017
	<u>70,243</u>	<u>76,192</u>

10. Creditors amounts due within one year

	2012 £	2011 £
Accruals and deferred income	15,586	14,823
Other creditors	68,857	44,067
Other taxes and social security costs	13,819	3,079
	<u>98,262</u>	<u>61,969</u>

11 Analysis of net assets between funds

	Restricted £	Designated £	General £	Total funds £
Tangible fixed assets	-	8,233	-	8,233
Current assets	148,185	-	360,744	508,929
Creditors amounts falling due within one year	(68,983)	-	(29,279)	(98,262)
Net assets at the end of the year	<u>79,202</u>	<u>8,233</u>	<u>331,465</u>	<u>418,900</u>

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

12 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds					
Income generation					
Big Lottery Transition Fund	-	79,035	(56,035)	-	23,000
Bankruptcy & debt					
Capitalise BISS	-	268,030	(268,681)	651	-
Hoxton grant Hoxton Apprenticeships	4,640	7,500	(12,356)	216	-
Civil & family					
Legal Services Commission	-	283,000	(286,570)	3,570	-
Big Lottery Transition Fund	-	15,852	(15,240)	(612)	-
Islington CAB					
Citizens Advice Islington	19,719	320,000	(292,276)	-	47,443
CitA Project Grants	-	873	(873)	-	-
Big Lottery Transition Fund	-	13,161	(3,790)	(612)	8,759
Miscarriage of Justice					
Ministry of Justice	-	135,903	(136,521)	618	-
Equalities & Employment					
European & Human Rights Commission	-	40,000	(40,113)	113	-
CitA project grants	-	5,000	(5,000)	-	-
Social welfare					
London Councils	-	86,720	(96,774)	10,054	-
Big Lottery Transition Fund	-	4,402	(3,790)	(612)	-
Public Information & Access					
Big Lottery Transition Fund	-	57,550	(57,568)	18	-
Access to Justice	-	5,000	(5,000)	-	-
Total restricted funds	24,359	1,322,026	(1,280,587)	13,404	79,202
Unrestricted funds					
Designated funds					
Designated funds - Fixed Assets	22,264	-	-	(14,031)	8,233
Total designated funds	22,264	-	-	(14,031)	8,233
General funds	288,083	1,248,224	(1,205,469)	627	331,465
Total unrestricted funds	310,347	1,248,224	(1,205,469)	(13,404)	339,698
Total funds	334,706	2,570,250	(2,486,056)	-	418,900

Purposes of restricted funds

Big Lottery Transition Fund

The Big Lottery Transition Fund funded the costs of specific work on income generation. This included the costs of developing an action plan for future income generation and a new membership scheme for donors and a Value for Money Study of the costs we save the courts from delivering civil and family advice services.

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

Purposes of restricted funds (Continued)

Bankruptcy and Debt

The Capitalise Project, a London-wide partnership which aims to reduce debt & exclusion by improving peoples' capacity to manage their debts, help people to take control of their finances and make informed choices in the future. The Hoxton grant provides funds for financial capability training for Hoxton Apprenticeships schemes.

Civil and Family

Provision of a mixture of traditional Citizens Advice work (e.g. generalist advice) and pro bono legal assistance to litigants in person in cases in the High Court, the Principal Registry of the Family Division and the Court of Appeal. The Big Lottery Transition fund contributed to Civil and Family through the Value for Money Study which consulted with individual service users and collected information on the outcome of advice to assist in tailoring the service to meet client needs. The Big Lottery Transition fund funded the costs of the training and recruitment of the new Legal Assistants.

Islington CAB

Islington Council funds the costs of running the Islington Citizens Advice Bureau. The Big Lottery Transition fund met the costs of the recruitment and training of new volunteers at the CAB.

Miscarriage of Justice

Support and advice to victims of miscarriages of justice whose cases are referred to the Court of Appeal by the Criminal Cases Review Commission.

Equalities & Employment

Equalities and employment advice and training funded by the Equalities and Human Rights Commission and a CItA grant.

Social welfare

Generalist and specialist advice on all areas of social welfare law across London funded by London Councils. The Big Lottery Transition Fund funded the costs of recruitment and training of new volunteers for the social welfare telephone advice service.

Public Information & Access

The Big Lottery Transition Fund provided the funds for development of a new web site and funding for production and printing of five going to court leaflets.

Purposes of designated funds

Fixed assets

The fixed asset fund represents the net book value of assets held in the charity for everyday use and is set aside to reflect the proportion of unrestricted funds which are not freely available to spend.

Transfer between funds

Where there is a shortfall of income on the restricted fund grants a transfer is made from the unrestricted funds to subsidise the additional costs.

Where the restrictions of a grant are met by the purchase of capital equipment the remaining net book value of the asset is transferred to the unrestricted reserves to be written off in future years.

13 Related Party Transactions

During the year The Royal Courts of Justice Citizens Advice Bureau received a grant from London Legal Walk of £21,500 (2011: £22,640) of which Graham Huntley and Michael Smyth are Trustees and Bob Nightingale is Chief Executive.

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Notes to the financial statements

For the year ended 31 March 2012

14 Pension Commitments

The Royal Courts of Justice Advice Bureau participates in the Citizens Advice Pension and Assurance Plan (1991) which is a defined benefit arrangement. The pension charge for the year for the employees who are members of the scheme is £2,400 (2011 £1,600). 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

Financial reporting standard 17 (FRS17) - Retirement Benefits

The company participates in a defined benefit scheme where its contributions are affected by any surplus or deficit in the scheme but it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. In accordance with FRS 17, the company has therefore treated its pension contributions to the scheme as if they were paid to a defined contribution scheme.

The defined benefit scheme was valued at 31 March 2010 by a qualified independent actuary in accordance with FRS 17 and updated to 31 March 2012. The valuation showed that the scheme had a deficit of £50,132,00 (2011 £32,238,000).

Assumptions

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumption:

	As at 31/03/2012	As at 31/03/2011	As at 31/03/2010
Inflation - RPI	3.3% p a	3.6% p a	3.6% p a
Inflation - CPI	2.4% p a	3.1% p a	n/a
Salary increases	0.0% p a	0.0% p a	0.0% p a
Rate of discount	4.6% p a	5.5% p a	5.5% p a
Pension in payment increases of RPI or 5% p a if less	3.3% p a	3.6% p a	3.6% p a
Revaluation rate for deferred pensioners - RPI or 5% p a if less	n/a	n/a	3.6% p a
Revaluation rate for deferred pensioners - CPI or 5% p a if less	2.4% p a	3.1% p a	n/a

The mortality assumptions adopted for 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

Present values of scheme liabilities, fair value of assets, deficit and experience adjustments

	As at 31/03/2012 £	As at 31/03/2011 £	As at 31/03/2010 £	As at 31/03/2009 £
Assets	65,073,000	65,866,000	61,518,000	47,971,000
Liabilities	115,205,000	98,104,000	97,993,000	82,123,000
Deficit	50,132,000	32,238,000	36,475,000	34,152,000
Experience adjustments on scheme assets	(4,470,000)	965,000	12,371,000	(15,462,000)
Experience adjustments on scheme liabilities	(1,443,000)	96,000	5,377,000	(972,000)

The RCJ Citizens Advice Bureau

Notes to the financial statements

For the year ended 31 March 2012

14 Pension Commitments (continued)

Assets

	As at 31/03/2012 £	As at 31/03/2011 £	As at 31/03/2010 £	As at 31/03/2009 £
Equities	40,019,000	41,621,000	39,442,000	30,599,000
Gilts	3,952,000	330,000	395,000	13,750,000
Corporate Bonds	10,890,000	14,579,000	12,578,000	3,331,000
Cash	8,064,000	7,060,000	7,251,000	291,000
Property	2,148,000	2,276,000	1,852,000	-

Expected long term rate of return

	Period commencing 01/04/2011	Period commencing 01/04/2010	Period commencing 01/04/2009
Equities	8.0% p a	8.0% p a	7.5% p a
Gilts	4.2% p a	4.4% p a	3.7% p a
Corporate Bonds	5.5% p a	5.5% p a	6.8% p a
Cash	4.2% p a	4.4% p a	3.7% p a
Property	7.5% p a	7.5% p a	n/a
Overall for the scheme	7.00% p a	7.03% p a	6.34% p a

15 Operating lease commitments

The charity had the following annual commitment at the year end under operating leases

	Equipment	
	2012 £	2011 £
Within one year	1,632	1,632
2-5 years	3,442	3,053