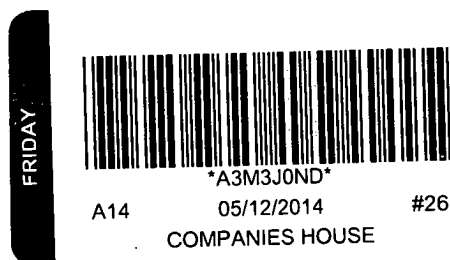


REGISTERED NUMBER: 4984410
CHARITY NUMBER:1102353

CHARNWOOD CITIZENS ADVICE BUREAU
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014



**Charnwood Citizens Advice Bureau
Company Information
For The Year Ended 31 March 2014**

Directors and Trustees

Mr Gerry Jacobs		
Mr Richard Tabberer		
Mr Barry Read	DECEASED	11/03/2014
Mrs Patricia Wood	RESIGNED	25/02/2014
Miss Mayuri Patel	RESIGNED	10/09/2013
Mr David Rodgers		
Mrs Ann Brass		
Mr Ian Bradford	RESIGNED	18/11/2014
Mr Anthony Wilkinson	APPOINTED	11/03/2014
Mrs Jean Anderson	APPOINTED	11/03/2014
Mrs Hilary Fryer	RESIGNED	29/10/2013

Secretary

Mrs Moya Hoult

Company Number

4984410

Registered Office

Woodgate Chambers
70 Woodgate
Loughborough
Leicestershire
LE11 2TZ

Accountants

CBS (Accounting) Ltd
Oak Business Centre
79-93 Ratcliffe Road
Sileby
Loughborough
LE12 7PU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Charnwood Citizens Advice Bureau is a company (limited by guarantee) governed by its Memorandum and Articles of Association dated 24 November 2003. It is a charity registered with the Charity Commission.

Appointment of Trustees

Trustees are selected either from volunteers who approach the bureau to express interest in our work or via external recruitment, subject to the board approving their suitability. The recruitment process seeks to achieve a representative cross-section from our community and to ensure that the Board has the appropriate skills and experience.

New Trustees are provided with induction training and on-going training in specialist areas is available for all Trustees.

Organisation

The charity is governed by the Trustee Board and managed on a day to day basis by the Bureau Manager.

Risk Management

The charity carries out an annual risk assessment and this forms the basis for the preparation of its development plan. The most recent assessment (performed in August 2013) identified the largest risk as being loss of income.

Charnwood CAB continues to receive much of its income in the form of grants from local government: Charnwood Borough Council (CBC) and Leicestershire County Council (LCC). There is severe and continuing pressure on local government to reduce costs and this in turn has resulted in actual and threatened reductions in grants receivable from both CBC and LCC; it is expected that these grants will continue to decline and that grants will increasingly be for targeted and specific areas of advice. As a consequence, the Bureau has to work increasingly hard to find and secure other funding opportunities.

In 2013/14, about 50% of the Bureau's funding came from CBC and LCC. Another major funder of the Bureau has been the Legal Services Commission through contracts for legal aid. However, the most recent of these contracts ended in March 2013. The overall level of funding has been maintained in the short term by the Big Lottery's Advice Services Transition Fund (ASTF). Other sources of funding have been secured for 2013/14, but competition for appropriate funding is increasing.

The financial pressures resulting from any loss of income would be likely to have a significant effect on the level and complexity of services that we can offer to our clients.

The Trustees are actively reviewing the financial circumstances of the Bureau in order to reduce these risks and ensure its long term viability.

OBJECTIVES AND ACTIVITIES

The charity's objects are to promote any charitable purpose for the benefit of the community in Charnwood and the surrounding areas by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress.

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees considered how planned activities will contribute to the aims and objectives that they have set.

How our activities deliver public benefit

Charnwood Citizens Advice Bureau helps people resolve their legal, money and other problems by providing information, advice and assistance and by influencing policy makers.

Activities

Charnwood Citizens Advice Bureau provides information, advice and assistance free of charge to those with a wide range of legal, money and other difficulties. This 'Core Service' is provided to any person who asks for it. Depending on an individual's circumstances, we may be able to offer additional specialist advice in cases where we have additional tailored funding.

The Core Service is funded primarily by CBC. The service is provided mainly from our offices in Loughborough. However, Shepshed Town Council provides funding for an extension in Shepshed. Volunteer advisers are at the forefront of this part of our activities and they provide advice on a wide range of subjects. They are supported by a team of paid staff and volunteers supervisors.

As the Core Service depends on having a sufficient number of trained volunteers available, attracting, training and retaining volunteer advisers is a vital feature of the Bureau's activity. In 2012/13 we had funding from The Big Lottery of £59,280 to support the training of volunteers to deliver specialist advice (we named this the Volunteers in Specialist Advice or VISA Project). This had ongoing benefits, enabling us to continue with a high level of support for our volunteer advisers. In October 2013 we received a grant under the Big Lottery Advice Services Transition Fund to lead a partnership which promotes volunteering and allows us to recruit and train volunteers who work at the Bureau and also within our partner agencies.

The resources coming into general funds to support the generalist advice service provided by the Bureau includes £54,568 from CBC and £36,288 from LCC. The funding from LCC ensures that the service is available to the most vulnerable people.

In addition to the Core Service, Charnwood CAB provides help and support to individuals with specific personal and family problems:

- A strong partnership between Surestart and the Bureau has continued enabling the Bureau to provide advice and information to families with young children living in the most deprived areas of Charnwood. The CAB advisers work within the Surestart team alongside other professionals such as health visitors and family support workers. The service is delivered from four centres throughout the Borough.
- Charnwood, LeicesterShire and Rutland Bureaux provided advice to cancer sufferers and their families. This was funded by the Macmillan Cancer Support Trust. This funding ended in March 2014.

- Specialist debt advice is available to clients by virtue of funding from LCC (Debtline) and CBC (Homelessness Prevention).
- The Bureau continues to manage the Consumer Information Gathering Project, funded by the Trading Standards Departments of LCC. This enables information about illegal or inappropriate trading activities from all over the County to be passed on to the Department.
- The Bureau continues to offer financial capability training to clients and front line staff of other organisations.
- A new project in the year has been to deliver money advice and financial capability training to Ex-Offenders. This funding ended in March 2014.
- A new pilot project which started in January 2014 is to work with two Loughborough GP practices to offer advice to patients in their surgeries.
- From April 2013, we offered debt advice and financial capability training to vulnerable clients both under the Supporting Leicestershire Families agenda with funds provided by LCC out of the proceeds of crime and by Santander. This funding ended in March 2014.
- A combined Leicestershire and Rutland project commenced in April 2013 to support families with fuel poverty. The funds came from the Cabinet Office. This funding ended in March 2014.
- An exciting new project which was started in October 2013 is "Charnwood Connect". Funded by the Big Lottery Advice Services Transition Fund, this is an ambitious project bringing together a number of voluntary agencies, with the CAB as the lead organisation. One of the main aims of Charnwood Connect is the design and development of an IT Knowledge Hub for practitioners and clients. Specialist advice and promoting volunteers are other objectives of the project.

ACHIEVEMENT AND PERFORMANCE.

During the 2013/14 financial year, the CAB continued to deliver advice for the benefit of the local community despite facing financial challenges.

CASE (the Citizens Advice electronic case recording package) allows us to monitor the quality of casework. It was replaced in November 2013 by an updated programme called Petra. This means that for the year 2013 -14 we have used different systems to extract statistical data. During 2013/14 we dealt with 5625 unique clients who generated 18177 issues (2012/13: 21,627). There has been a fall in the number of unique clients as well as issues. This is largely the result of the loss of legal aid funding but it also due to the fact that CASE and Petra are different data management systems.

The Trustees wish to acknowledge the significant contribution made by volunteers to the organisation, as advisers, administrators, receptionists and trustees. It is estimated that 20,500 volunteer hours were donated during the year. Using Citizens Advice's recommended valuation table, the contribution made by volunteers amounted to an impressive £340,217. Without this contribution, we could not have provided our services to nearly as many clients as we in fact achieved.

FINANCIAL REVIEW

Annual income has increased from £438,191 in 2012/13 to £492,581 in 2013/14. Total funds have increased from £90,751 in March 2013 to £162,123 by March 2014. Of this, £109,581 (2013: £59,914) relates to unrestricted funds. The number of paid staff in post at the end of the year has decreased from 17 to 16 (but has increased from 10.5 to 11.5 full time equivalents).

Reserves policy

The charity carried out a review of its reserves policy in May 2012. As a result, the policy is now that:

"The Bureau retains sufficient unrestricted reserves to cover statutory redundancy pay for all staff assuming it is payable as of the last day of the current financial year plus 150% of the next quarter's CBC Core grant."

The rationale for this is to ensure that the charity could meet all its liabilities in the event of the worst credible case of the Bureau reducing in size, offering generalist advice only and being staffed mostly by volunteers.

As of 31 March 2014, the reserves necessary to meet the policy were £77,732 and the unrestricted reserves available were £109,581.

Plans for the future

The Trustees' principal objective remains the preservation of the primary function of the Bureau which is to provide an advice service, free to those who use it and provided mostly by volunteer advisers.

The Trustees' immediate priority is therefore to ensure the long term sustainability of the Bureau in the light of reduced funding. We are actively looking for other sources of funding to cover the range of advice services that we provide.

Generally, during the year both staff and Trustees will be seeking new sources of funding to replace those sources which do not continue beyond the end of the year to ensure that we continue to provide as wide a service as possible to the maximum number of clients.

Specifically, we intend to:

- Continue to develop the work we do with GPs
- Seek funding to work with clients with mental health problems. This work will be done in partnership with organizations offering support to these clients
- Seek funding to continue Charnwood Connect partnership and ensure that the IT knowledge hub is developed and up dated
- Ensure that specialist debt and welfare benefit advice is available
- Explore more opportunities for outreach work
- Develop our social media work and use this as an access channel
- And, above all, improve the accessibility of the Bureau to clients, in particular by telephone.

On behalf of the board of trustees



Mr Richard Tabberer
18/11/2014

**Charnwood Citizens Advice Bureau
Independent Examiner's Report
For The Year Ended 31 March 2014**

I report on the accounts of the Charity for the year ended 31 March 2014 which are set out on the following pages.

Respective Responsibilities of Trustees and Examiner.

The charity's trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Helen Harrison MAAT
CBS (Accounting) Ltd
Oak Business Centre
79-93 Ratcliffe Road
Sileby
Loughborough
LE12 7PU



18 November 2014

CHARNWOOD CITIZENS ADVICE BUREAU
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2014

INCOMING RESOURCES

	Notes	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary income	2			1530	1530	2828
Investment income	3			2004	2004	672
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Charitable activities	4	359,043.96	59349	70,654.18	489047	434691
TOTAL INCOMING RESOURCES		<u>359044</u>	<u>59349</u>	<u>74188</u>	<u>492581</u>	<u>438191</u>

RESOURCES EXPENDED

Charitable Activities	5	323578	57081	16923	397582	361881
Governance costs	6	10126	1078	12424	23628	25802
TOTAL RESOURCES EXPENDED		<u>333704</u>	<u>58159</u>	<u>29347</u>	<u>421210</u>	<u>387683</u>

NET MOVEMENT IN FUNDS		25340	1190	44841	71372	51664
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RECONCILIATION OF FUNDS

Total Funds Brought Forward	13	30838	22977	36936	90751	39087
TOTAL FUNDS CARRIED FORWARD		56178	24167	81777	162123	90751

CHARNWOOD CITIZENS ADVICE BUREAU

BALANCE SHEET AS AT 31 MARCH 2014

	Notes	2014	2013
CURRENT ASSETS			
Debtors	9	4302	47693
Cash at Bank and in Hand		189553	128277
		193856	175970
CURRENT LIABILITIES			
(Amounts falling due within one year)	10	27982	76468
NET CURRENT ASSETS		165874	99502
CREDITORS			
Amounts falling due after more than one year	11	3750	8750
NET ASSETS		162124	90752
REPRESENTED BY THE FOLLOWING FUNDS			
RESTRICTED FUNDS			
Shepshed	12	1022	1448
Supporting Families	12	800	
Big Lottery ASTF	12	27859	
Ex-Offenders	12	1681	2186
Surestart	12	5149	7152
MacMillan	12	397	7193
CIG	12	8828	5762
Homelessness Project	12	6536	4329
Moneywise	12	0	2768
		52273	30838
UNRESTRICTED FUNDS			
Designated Funds			
Legal Services Commission	12	0	21928
Debtline	12	3169	1049
ASS Fund	12	21000	
Undesignated Funds			
General Funds	12	85682	36937
		109851	59914
		<u>162124</u>	<u>90752</u>

CHARNWOOD CITIZENS ADVICE BUREAU

BALANCE SHEET AS AT 31 MARCH 2014

For the year ending 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the directors on 18th November 2014 and signed on their behalf by:



R Tabberer

18/11/2014

CHARNWOOD CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts.

a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005. There are contingent liabilities of £287,066 and £6257 in respect of multi-employer pension schemes (as set out in note8). If these liabilities were to crystallise then the going concern basis would not be appropriate.

b) Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Fund Accounting

Undesignated general funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. The funds which have been designated for specific purposes have been so designated either:-

- To meet the risk of the charity failing to meet performance targets and as a consequence being required to repay part of its funding or,
- To ensure that the charity has sufficient funds to meet anticipated future financial needs which cannot be achieved out of normal recurring income.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim of each restricted fund is set out in the notes to the financial statements.

d) Incoming Resources

All incoming resources are included in the Statement of Financial Resources (SOFA) when the charity is legally entitled to the income and the income can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of those resources.

f) Pensions

Scottish Council for Voluntary Organisations (SCVO) Final Salary- Pension Scheme

The charity participates in a multi-employer defined benefit pension scheme. The assets of the scheme are held separately from those of the charity. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

This scheme was closed to future contributions as at 31 March 2010 (see note 8).

Pensions Trust Growth Plan Pension Scheme (Series 3 and 4)

The charity participates in a multi-employer pension scheme with The Pensions Trust. Series 4 of the scheme is a defined contributions scheme. However, following a recent change in Government legislation, Series 3 of the scheme has now been re-classified as a defined benefit scheme. The assets of the scheme are held separately from those of the charity. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Series 3 was closed to future contributions as at October 2010 (see note 8).

Defined contribution schemes

All employees who are part of a company pension scheme are in a defined contribution scheme. The costs of contributions are charged to the SOFA in the year they are payable.

2. VOLUNTARY INCOME

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
Donations	0	0	820	820	1852
Gift Aid Recoverable	0	0	1185	1185	976
Other Income	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>2004</u>	<u>2004</u>	<u>2828</u>

3. INVESTMENT INCOME

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
Interest Receivable	0	0	1181	1181	672
	<u>0</u>	<u>0</u>	<u>1181</u>	<u>1181</u>	<u>672</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Grants received for charitable activities	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
Charnwood Borough Council			54568	54568	57440
Citizens Advice			572	572	467
Leicestershire County Council - Rent			36288	36288	36288
Leicestershire County Council - Debtline		16506		16506	10571
Leicestershire County Council - Ex Offenders	14911			14911	12617
Leicestershire County Council Innov	20500			20500	
Leicestershire County Council Supporting Families	13764			13764	
Shepshed Town Council	8293			8293	8293
Charnwood Borough Council - Surestart	52480			52480	51888
Birmingham City Council - Surestart contribution					70
LSC Contract Income - New Contract		21844		21844	99288
Rent Receivable - Grant Thornton			225	225	375
MacMillan Cancer Research	29111			29111	39942
Leicestershire CAB - MacMillan Project					1341
Dep't of Work & Pensions - Access to Work					5997
Leicestershire County Council - CIG Funding	45541			45541	18671
Citizens Advice - CIG Funding					10000
Charnwood Borough Council - Homelessness Project	23000			23000	22000
Citizens Advice - Moneywise					500
VISA					59280
Big Lottery ASTF	111494			111494	
Money Matters	25000			25000	
PETRA	5000			5000	
Santander	9950			9950	
	<u>359044</u>	<u>38350</u>	<u>91653</u>	<u>489047</u>	<u>435028</u>

5. CHARITABLE ACTIVITIES

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
Salaries	263587	24561	19,174	307322	293097
Staff & Volunteer	11821	520	4,118	16460	8127
Office	25881	2311	6,219	34410	22731
Premises	22171	2457	6,706	31335	31132
Other	4023	27232	-23,200	8055	5637
	<u>327483</u>	<u>57080</u>	<u>13018</u>	<u>397581</u>	<u>360725</u>

The negative value in "Other" is the creation of a new fund, Advice Session Supervisor Fund, by allocating £21,000 surplus from General Advice to the new fund. It has been treated as an expense in General Advice plus the reallocation of some surpluses.

6. GOVERNANCE COSTS

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014	Total Funds 2013
Staff costs	9706	1078	10784	21569	22324
Accountancy/Legal	420		1640	2060	3478
	<u>10126</u>	<u>1078</u>	<u>12424</u>	<u>23628</u>	<u>25802</u>

7. STAFF COSTS

	2014	2013
Wages and salaries	295230	279895
National Insurance	20469	20916
Pension Costs	14705	14610
	<u>330403</u>	<u>315421</u>

The average number of employees during the year was 16 (2013 – 18)

There were no employees whose annual emoluments were £60,000 or more (2013 – none)

No trustee received any remuneration during the year (2013 – none)

No trustee received any expenses during the year (2013 – none)

8. PENSION COSTS

a) SCVO Final Salary Pension Scheme

1. Charnwood Citizens Advice Bureau participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit (DB) pension scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the Scheme was closed to future accrual.
2. The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60th accrual rate and final salary with an 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.
3. The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.
4. The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.
5. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
6. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-

employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

7. The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).
8. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	5.8
Rate of return post retirement	4.0
Rate of salary increases	4.4
Rate of pension increases pre 5 April 2005	2.4
Rate of pension increases post 5 April 2005	1.9
Rate of price inflation (CPI)	2.4

9. If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
10. From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Confirmation of the contributions payable from 1 April 2014 to 31 March 2015 was advised to employers by letter in February 2014.
11. If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall, by 31 March 2028.
12. A copy of the recovery plan must be sent to The Pensions Regulator after each valuation is finalised. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).
13. The recovery plan from the 2011 valuation has been submitted to The Pensions Regulator.
14. The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £81 million (from £73m at 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34

million (from £36m at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2012).

15. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme, or the Scheme winding up.
16. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.
17. The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. Therefore, the amount of the debt depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can be volatile over time.
18. Charnwood Citizens Advice Bureau has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for Charnwood Citizens Advice Bureau was £253,526.81.

b) Pensions Trust Growth Plan (Series 3)

1. Charnwood Citizens Advice Bureau participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
2. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.
3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.
6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
8. Charnwood Citizens Advice Bureau paid contributions at the rate of 3% during the accounting period. As at the balance sheet date there were 10 active members of the Plan employed by Charnwood Citizens Advice Bureau. Charnwood Citizens Advice Bureau continues to offer membership of the Plan to its employees.
9. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
10. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a

shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

11. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

12. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.
13. The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.
14. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
15. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.
16. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
17. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

18. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.
19. When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.
20. The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.
21. Charnwood Citizens Advice Bureau has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt for Charnwood Citizens Advice Bureau was £5,505.90.

c) Defined Contribution Schemes

Charnwood Citizens Advice Bureau participates in the Pensions Trust Ethical Plan, which is a multi-employer defined contribution scheme and also in an Aviva defined contribution scheme.

The costs of these schemes are charged to the profit and loss account as they are incurred.

9. DEBTORS – All receivable within one year

	2014	2013
Prepayments	0	8129
Gift Aid Recoverable		
Income Receivable		
MacMillan Cancer Support Trust	4302	6262
Legal Services Commission		18872
Leicester City Council CIG Funding		3841
Legal Services Commission Work in Progress		10590
	<u>4302</u>	<u>47693</u>

The MacMillan project had finished prior to the year end. The amount receivable shown was the last payment due and was received just after the period end.

10. CREDITORS – Amounts falling due within one year

	2014	2013
Trade creditors and accruals	15420	23412
Income in advance		
MacMillan Cancer Support Trust		5104
Charnwood Borough Council Community Grant		5000
Leicester City Council - CIG Funding		3200
Charnwood Borough Council Office Refurbishment Creditor	5000	5000
Ex-Offenders		1147
Santander		9950
GPs		20000
PAYE/NIC Payable		
Payroll	5979	1469
VAT Payable		
Pension control liability	1583	2186
	<u>27982</u>	<u>76468</u>

11. CREDITORS – Amounts falling due after more than one year

	2014	2013
Charnwood Borough Council Office Refurbishment Creditor	<u>3750</u>	<u>8750</u>

12. STATEMENT OF FUNDS

Fund	At 31 March 2013	Incoming Resources	Resources Expended	Transfers	At 31 March 2014
RESTRICTED FUNDS					
Big Lottery ASTF		111494	83634		27860
Supporting Families		13764	12964		800
LCC Innov		20500	20500		0
Money Matters		25000	25000		0
PETRA		5000	5000		0
Santander		9950	9950		0
Shepshed	1448	8293	8719		1022
Surestart	7152	52480	57251	-2768	5149
MacMillan Cancer Support Trust	7193	29111	32002		397
CIG	5762	45541	42476		8828
Homelessness	4329	23000	20793		6536
Moneywise	2768			2768	0
Ex-Offenders	2186	14911	15416		1681
UNRESTRICTED FUNDS					
Designated Funds					
Legal Services Commission	21928	21844	43772		0
Debtline	1049	16506	14387		3169
Undesignated Funds					
General Funds	36937	95187	29347	21000	85682
ASS Fund				-21000	21000
	90752	492581	421209	0	162124

The Big Lottery Advice Services Transition Fund awarded a 2 year grant to set up Charnwood Connect, a partnership of advice providers in the voluntary sector.

The Supporting Families project was to provide debt advice and financial capability training to families under financial stress and was funded by LCC out of the proceeds of crime.

The LCC Innovation Fund provided a grant which allowed us to operate a pilot project working with GPs

The Money Matters project was a combined Leicestershire and Rutland CAB project to support families with fuel poverty. This was funded by the Cabinet Office.

PETRA relates to the implementation of a new Citizens Advice case management and data collection programme. This was funded by CBC.

The Santander funded project provided debt advice and financial capability training to clients living in the most deprived areas of Loughborough.

Shepshed Town Council has continued its funding for the Shepshed extension.

Surestart began in 2005 and is now funded by CBC. Bureau staff workers are part of the Surestart team which aims to help families with young children in the most deprived areas of Charnwood.

The Macmillan Cancer Support Trust funding supported a Leicestershire and Rutland service to cancer sufferers and their carers.

The Consumer Information Gathering Project (CIGS) is funded by the Trading Standards Departments of LCC and Leicester City Council.

The Homelessness Prevention Project is funded by CBC.

The Moneywise Project was to provide financial capability training to clients and front line staff of other organisations and was funded by Surestart and Citizens Advice.

The countywide Ex Offenders project was to provide debt advice and financial capability training to ex offenders, and was funded by LCC out of the proceeds of crime.

The LSC funded our debt and welfare benefits advice for clients who are eligible for legal aid.

Debtline is a countywide project funded by LCC.

General funds are mainly core funding provided by CBC and LCC.

The ASS fund is the Advice Session Supervisor fund. This is money set aside by the Trustees out of general funds to enable us to employ paid supervisors to support the volunteer advisers.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2014	Unrestricted Designated Funds 2014	Unrestricted Undesignated Funds 2014	Total Funds 2014
Fund Balances at 31 March 2014 are represented by:				
Current Assets	60480	3169	130207	193856
Current Liabilities	-5376	-4366	-18240	-27982
Long Term Liabilities	0	0	-3750	-3750
	55105	-1197	108217	162124

	Restricted Funds 2013	Unrestricted Designated Funds 2013	Unrestricted Undesignated Funds 2013	Total Funds 2013
Fund Balances at 31 March 2013 are represented by:				
Current Assets	82229	23599	70142	175970
Current Liabilities	-51391	-622	-24455	-76468
Long Term Liabilities	0	0	-8750	-8750