

Annual report

2018/19



**citizens
advice**

We are Citizens Advice

We can all face problems that seem complicated or intimidating. At Citizens Advice, we believe no one should have to face these problems without good quality, independent advice.

Our network of charities offers confidential advice online, over the phone, and in person, for free.

When we say we're for everyone, we mean it. People rely on us because we're independent and totally impartial.

No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today.

With the right evidence, we can show big organisations – from companies right up to the government – how they can make things better for people.

That's why we're here: to give people the knowledge and the confidence they need to find their way forward – whoever they are, and whatever their problem.

For everyone, for 80 years.

For
everyone,
for 80
years

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Introduction

This year Citizens Advice has much to be proud of. Against a backdrop of rapid change and uncertainty, we've continued to be a stable source of advice and reassurance to millions of people.

We helped 2.7 million people, saving government and public services £485 million. This is a huge achievement which wouldn't be possible without our 28,450 volunteers and staff helping to give people the knowledge and confidence to find a way forward.

We've worked together as a service to develop our new strategic framework – future of advice. This gives a firm foundation for us to develop and adapt, so we can continue to meet client needs and make our service as accessible as possible. We've also invested in a new team focused on how people experience

our service, with scope to innovate and keep pace with the changing world.

We've continued to use our influence to make a positive impact on people's lives. We submitted our first super-complaint in 7 years, influencing changes that will help stop loyal customers getting charged unfairly across essential services. And we advocated for changes to Universal Credit, making it easier to claim.

Our new Help to Claim service, piloted this year and made possible by securing £51 million of funding, means we can now help people manage Universal Credit. We've received funding to help people affected by debt caused by gambling, online scams and those identified by the Windrush Scheme as needing more support. We've also received funding to prepare for changes related to Brexit and to give expert energy advice to our clients in Wales.

We've continued to deliver and progress our other valued services including Pension Wise, the consumer service, debt advice and the Witness Service.

There's a lot to be proud of in this report and we're grateful to everyone who's played a part. Our thanks go to Sir David Varney who retired as Chair in October 2018 and John Woodman who retired as trustee and Treasurer in December 2018. Most importantly, we're extremely grateful to the staff and volunteers across our service, who work tirelessly to tackle people's problems and make a positive difference.

We're looking forward to celebrating our 80th anniversary with renewed ambition and commitment to deliver an outstanding service for everyone, for another 80 years.

Warren Buckley
Chair

Gillian Guy
Chief Executive

How we work

The Citizens Advice service is made up of the national charity, and our network of over 270 independent local Citizens Advice charities. Our role as a national charity is to enable local Citizens Advice to deliver their services. We also deliver those and other services at a national level.

We're run by a mixture of 850 national and 6,300 local staff, 18,300 local volunteers and 3,000 Witness Service volunteers, who are all highly trained.

Together we deliver the Witness Service, Pension Wise, the consumer service, the Help to Claim service and debt advice funded by the Money and Pensions Service. We're also the consumer champion for the energy market and the statutory consumer watchdog for the postal service.

Nationally, Citizens Advice is run from 6 administrative offices, and locally, advice is offered from approximately 2,550 locations. The Witness Service is available in all criminal courts across England and Wales.



850

National staff



6,300

Local staff



18,300

Local volunteers



3,000

Witness Service
volunteers



Advice

Together we deliver advice and support to millions of people



Advocacy

With the right evidence, we show companies and the government how they can make things better for people



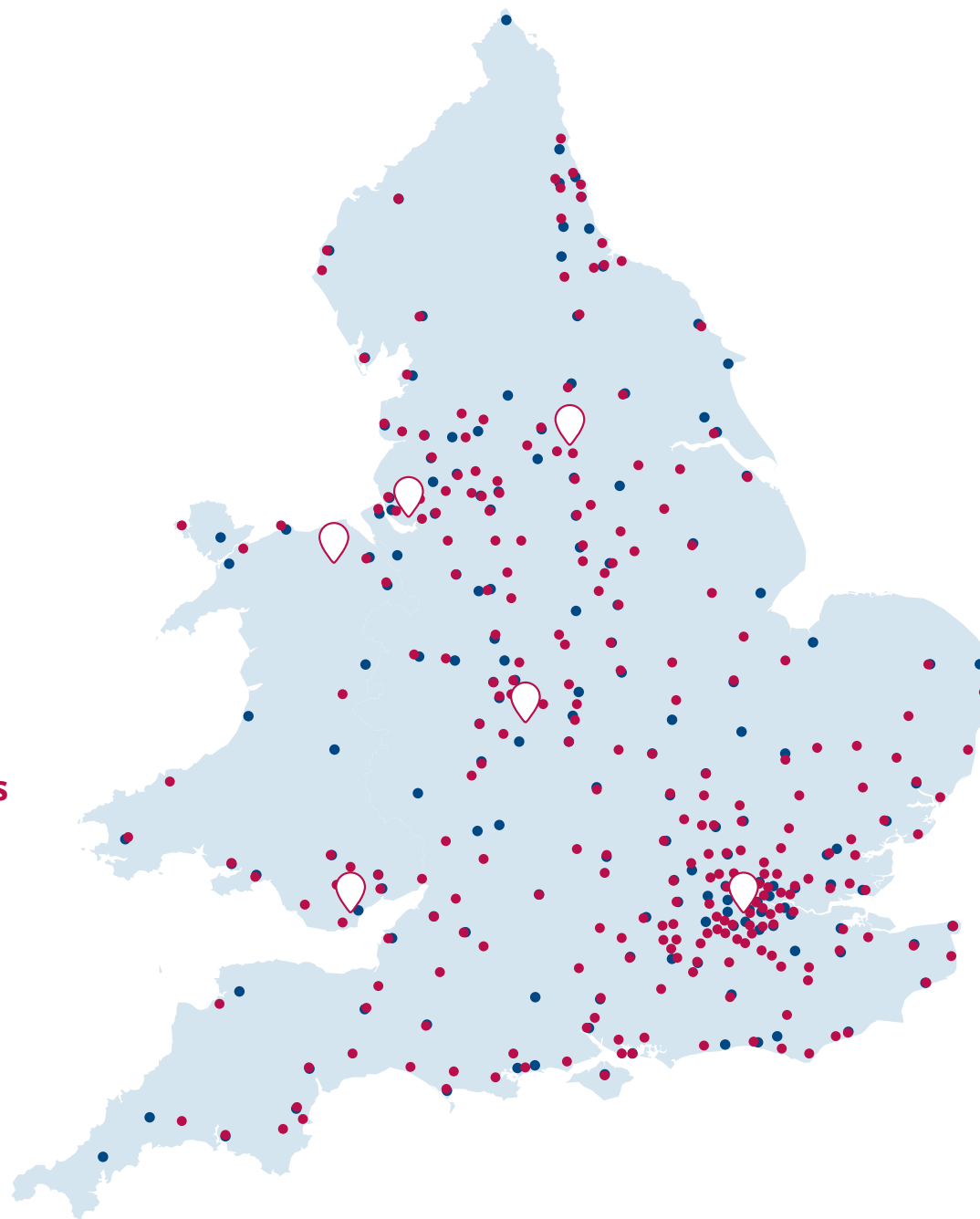
National offices



Local Citizens Advice



Witness Service courts



The future of advice

Strategic framework 2019–2022

This year we worked with our network of local charities to develop a new strategic framework for the next 3 years.

Built around the people we help, this framework will help us to deliver the services people need, and make sure we're sustainable, long into the future.

Our vision

By 2022 – we'll be able to make the following offer to the people who come to us:



You won't struggle to get help from us

Our services will be available when you need them, and you'll have a great experience – wherever you start your journey, whatever your need is, and wherever you are.



Our service will feel joined up

You'll access advice quickly and easily through our different services and channels, without having to repeat yourself.



We'll help you find a way forward, whatever your problem

We'll offer you the resources, tools and expertise to solve your problem. If we can't help you directly, we'll signpost you or make a smooth referral to a trusted partner who can give you the advice you need.



You'll get the level of support you need

If you're at higher risk of disadvantage, detriment or harm, we'll take extra steps to make sure you have the appropriate level of support. Whatever situation you're in, you'll be informed about the different ways of accessing support, and be able to choose the one that works best for you.



You know that we'll speak up for you

We'll advocate for changes to government policy and industry practices that are making life harder for you.

How we help people

Whether dealing with a single issue or a complex set of problems that requires more specialist support, this year we provided advice, support or information to 2.7 million people directly over the phone, by email, webchat, or face to face. Millions more viewed our online advice pages.

In 2018/19, this included:



28,500,000

visits to our website



1,273,000

people helped face to face



867,000

people using our phone service



557,000

people calling our consumer helpline



287,000

people getting help by email or webchat

We also helped people through our other services, which included:



142,700

people with money and debt advice



127,000

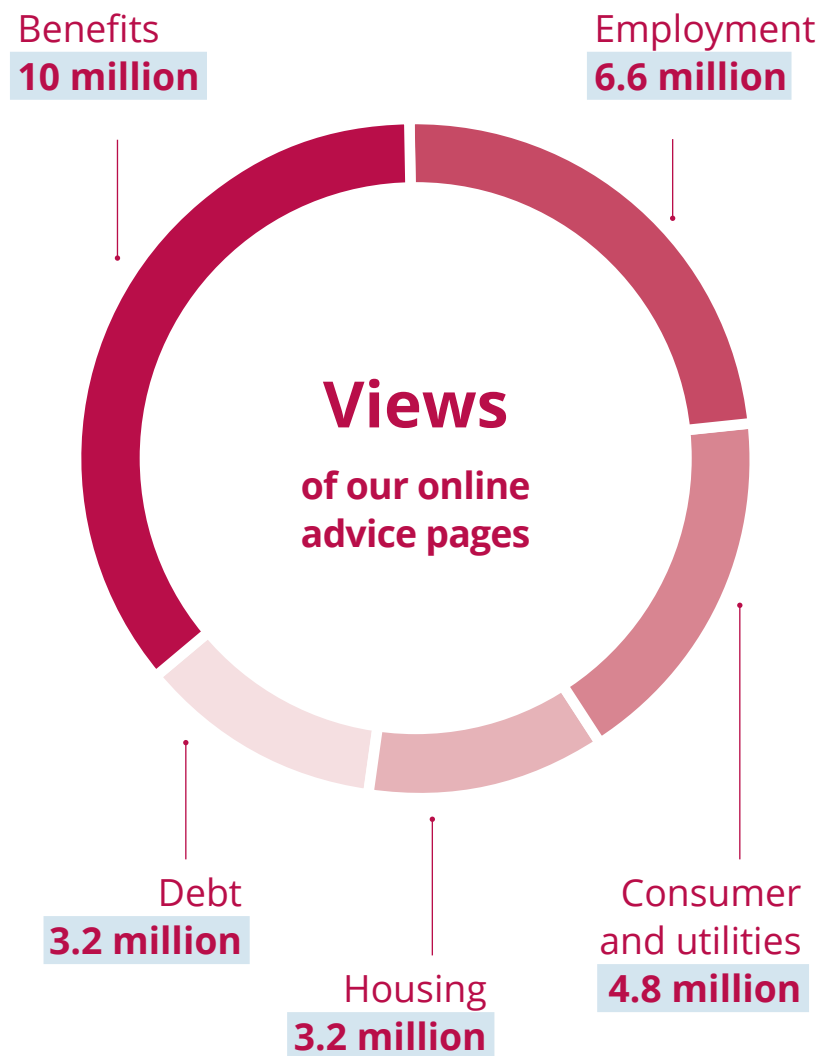
witnesses through the Witness Service



61,300

people through Pension Wise

The top 5 issues people wanted advice on:





“I really felt Citizens Advice have got my back on this.”

Gail's story

Gail used our national helpline for advice on her gas bills.

“My gas supplier oversupplied me with more gas than I paid for in advance. Ever since then, every month I’ve been getting a statement saying that I still owe them this outstanding amount of money.

I’ve had a look online about what information there was, which eventually led me to Citizens Advice, so I phoned their national helpline, and spoke to someone called Patrice. She gave me legal

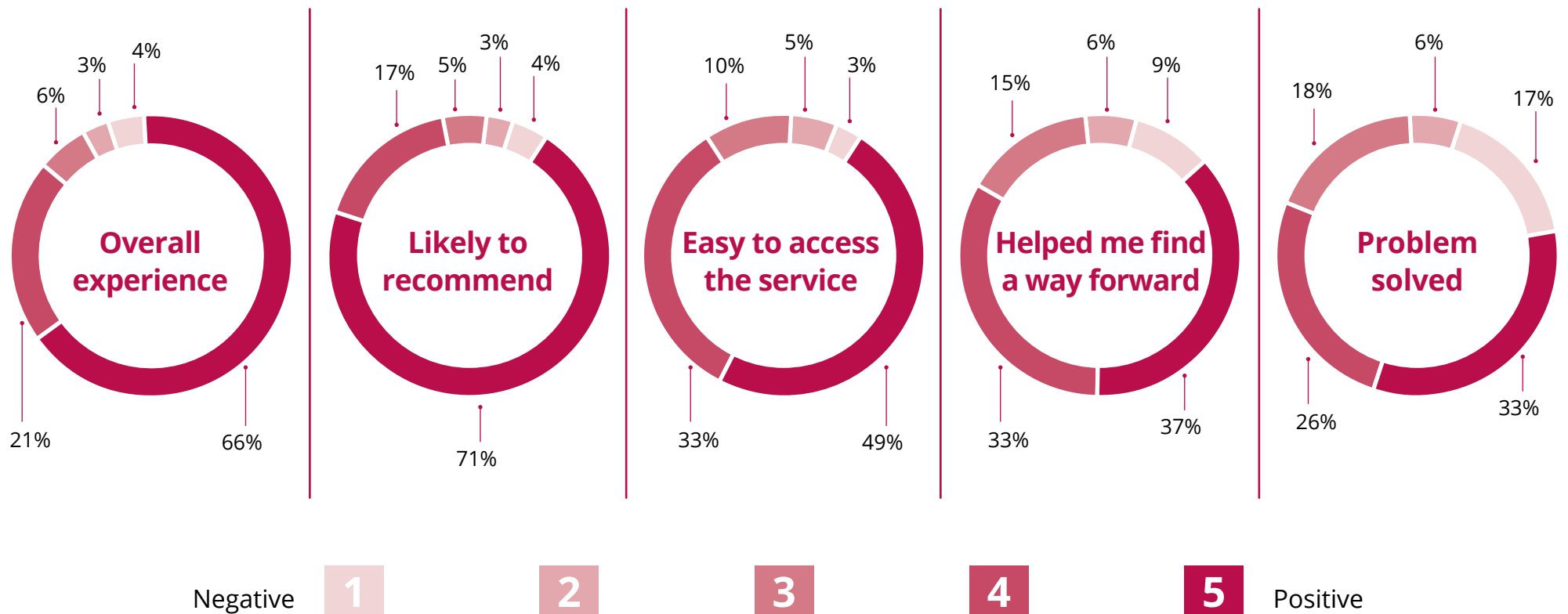
advice, she said it’s under the Consumer Goods Act under Unfair Trading. She explained to me that this was unsolicited goods and that I legally didn’t have to pay that amount. She advised me to write them a letter – that there were templates for those letters on the Citizens Advice website.

I do feel companies shouldn’t be allowed to treat customers this way. I really felt Citizens Advice have got my back on this.”

Our impact

In 2018/19, 88% of the people who came to us said they'd recommend the service to a friend – a 4% increase on 2017/18 – and 85% said we helped them find a way forward.

Client feedback:



No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today. We see how problems can be linked. By helping people with the underlying cause of their problems and making sure they don't get worse, we save the government and public services hundreds of millions of pounds every year.

When clients had a debt written off as a result of our advice, the average reported amount was £12,300. When we helped clients claim overdue benefits, the average reported gain was £6,200.



£1

Every pound we spend benefits our clients by £12



£485 million

Amount we saved the government and public services



£2.6 billion

Estimated total social and economic value to society

Using our influence to tackle people's problems

We used our expertise and influence to identify and solve problems

This year we published hard-hitting research across welfare, debt, post, housing, energy, employment, and consumer issues to help people get a better deal. We worked with government, policy makers and influencers to solve the problems highlighted by our research and we raised awareness through the media.



We achieved change that will make life better for millions of people



An **absolute price cap on the default energy tariff** so individuals less able to switch provider aren't charged at excessive rates.



Tenant Fees Bill (England) and Renting Homes (Fees etc.) (Wales) Act – saving renters in England and Wales millions of pounds every month through protection from excessive and illegitimate fees.



Securing government commitment to create a single enforcement body to ensure **better protection of vulnerable workers**.



Following our first super-complaint in 7 years, ambitious recommendations from the Competition and Markets Authority will **help stop loyal customers being ripped off across essential markets**, costing £4.1 billion a year.



Further changes and improvements to Universal Credit (UC) including making it easier to claim.



Fairer pricing from Royal Mail for mail redirection services.

Debra's story

Debra needed help when her benefits switched to Universal Credit.

"My money was due to go in, and it didn't go in, so I phoned the department up and they said 'well, now you've been swapped over to Universal Credit'. I said 'I've got no money' and they said 'you'll have to wait 5 weeks now'.

I'd had a credit card and was going to the hole in the wall with it and drawing out £30 to go and get a bit of shopping and didn't realise that I'd accumulated £2,500.

I got in a lot of rent arrears because you can't pay your rent for 5 weeks. I was getting depressed, my neighbour across the road said 'you need to get in touch with Citizens Advice, they will help you'.

So I phoned up and made an appointment. We filled in that many forms and she was giving me options. She said 'this is it, this is your pay plan'. It was like a big load off my mind. They were a massive help to me."

**“It was like a big
load off my mind.
They were a massive
help to me.”**



Adapting our services so we can help more people

As the problems people face change over time, so does the advice we offer. This year we continued to meet more demand and adapt to our clients' needs.

Against a backdrop of rapid change and uncertainty, we've kept pace by taking a dynamic and forward-thinking approach across the service. This has helped make sure that the people we support remain at the heart of everything we do.

We're accessible – in every community and online

For many people, all they need to feel confident and informed is to use our website. Thousands of people use it every day and this year we improved our online advice so that people dealing with debt, seeking Universal Credit or wanting advice about staying in the UK after Brexit, can get the help they need.

Sometimes, people still need one-to-one advice. We helped 1,273,000 people face to face this year in one of our local offices, or in places like GP surgeries or community centres. Increasingly, people also want detailed advice over the phone or through webchat. That's why we introduced improved phone and webchat platforms.

We're trusted to design and deliver new services

We secured grants to:

- set up our Help to Claim service to help people manage Universal Credit
- set up a service to help people with the problem of online scams
- help people deal with debt caused by gambling
- help those identified by the Windrush Scheme as needing additional support
- make sure national and local Citizens Advice had the necessary expertise and resources to respond to Brexit.

We've invested in a team to improve how people experience our service

By 2022 we want clients to be able to access our help in the way they want to, easily moving between channels without having to wait too long or repeat themselves. This year we invested in a new customer journey team to test new ways to meet our clients' needs.

We're using client feedback to help us adapt and improve

We expanded the questions we ask about how people experience our service. This new data is helping our network of local charities to continually adapt and improve. As a result, we're solving more problems and our clients are more satisfied.



We're trusted by our clients and funders



Pension Wise

We received funding to deliver Pension Wise for a further 2 years – from 2019 – and Pension Wise Northern Ireland transferred into our service, giving us oversight across England, Wales and Northern Ireland.

We piloted telephone appointments in Northern Ireland for the first time and rolled out an online booking system across all our locations, making the process more flexible for our clients.



Debt and money advice

Our increased webchat service is helping us to meet growing demand for online advice, and face to face services are now available in 6 new locations across England and Wales.

We successfully made the case for funding to pilot improvements to the debt relief order unit. This means reduced waiting times and the service being available to more people.



Witness Service

In 2018/19 we received additional funding so we can offer extended support to domestic abuse victims at 12 family courts from 2019.

We introduced a new process for follow-up research with witnesses to help us better understand their experience. Initial findings show that witnesses feel more prepared to give evidence after receiving our support and that for many, it was an important factor in them attending court.



Help to Claim

We secured £51 million to help people manage Universal Credit across Great Britain (including working with Citizens Advice Scotland) through our Help to Claim service. We piloted the service with 14 local Citizens Advice across England and Wales and supported over 6,000 people to make a Universal Credit claim between November 2018 and March 2019.



Working in Wales

We're part of the Welsh Government's National Advice Network, enabling us to contribute to a vision for future advice services in Wales. In 2018/19 we formed new partnerships with pan-Wales equality organisations to support people affected by Brexit, and prepared for the move to a single Welsh Government funding stream for advice services (Single Advice Fund).

We received grant funding from the British Gas Energy Trust to offer expert energy advice, alongside welfare benefits and debt advice in Wales until March 2021. This aims to support vulnerable people at risk of fuel poverty.

We've influenced decision makers to improve council tax debt collection practices, banning imprisonment for non-payment and exempting care leavers from council tax until they're 25.



“It was really reassuring to have somebody who knew what they were talking about.”

Sam's story

Sam was struggling to manage her finances. She was worried she and her children would become homeless.

“Following the breakdown of my marriage, I had to pay all of the bills on my own and there was a real chance that me and the children could become homeless. I was feeling really overwhelmed and as though we were going to lose everything.

I contacted the council's homeless prevention team who signposted me to a lady called Sarah at Citizens Advice who was their Homelessness Prevention Officer. We worked through all my finances.

It was really reassuring to have somebody who knew what they were talking about, explain everything in an understandable way. Having a hold on my finances has made a really big difference. It's improved my sleep, my mental health and it's allowed me to be a calmer person and therefore a better parent.”

Our structure, governance and management

Our trustee board gives strategic direction and sets the vision for Citizens Advice. The 12 members are trustees under charity law and directors of the charitable company.

There are 4 formal trustee board meetings each year, and other meetings and events for trustees to shape the organisation's strategic direction and develop as a team.

Our Chief Executive, working with the executive team, is responsible for delivering the strategy and for day to day operations.

The trustee board is committed to high standards of corporate governance and complies with the principles and practices set out in the Charity Governance Code.

Our trustees

Warren Buckley (Chair) is Global Head of Contact Centres for HSBC and was Chair of the Business Disability Forum, a charity working with the disabled community and business. **Warren became Chair of the trustee board on 10 October 2018. He is also Chair of the chair's committee and a member of the remuneration committee.**

Lucy Inmonger (Deputy Chair) is an Investment Manager at LGT Impact Ventures, investing in sustainable businesses seeking to improve the lives of disadvantaged people. **Lucy became a trustee of the NACAB Pension Trustees Limited board on 9 May 2018.**

Lucinda Bell (Treasurer) has had a successful career in the corporate sector and now works as an independent non-executive director of 3 FTSE 250 companies: office developer Derwent London, housebuilder Crest Nicholson and global engineering business Rotork. She is also Audit Chair at Rotork and Derwent London. **Lucinda joined the board on 10 October 2018 and is the Chair of the audit and risk committee and a member of the chair's and remuneration committees.**

Andrew Stephenson is a Group People Director at Lookers, one of the UK's leading automotive dealer groups, where he is responsible for the HR function and people agenda for over 8,500 employees across areas in the UK and Ireland. **Andrew is the Chair of the remuneration committee and a member of the chair's committee.**

Ann-Marie Harkin is the Financial Audit Director at the Wales Audit Office. She has won both the prestigious Leading Wales Women in Leadership award and the CIPFA Wales Public Finance Professional of the year. **Ann-Marie is a member of the Cymru committee.**

Ashok Vaswani is Global Head of Consumer Banking and Payments for Barclays UK, overseeing the execution of plans for the Group's consumer banking private banking and payments businesses in the UK and internationally. **Ashok is a member of the audit and risk committee.**

Barbara Shaw has more than 20 years experience of working in the Citizens Advice service and was Chief Executive of both Citizens Advice West Oxfordshire and Citizens Advice North Oxfordshire and South Northamptonshire. **Barbara is a member of the technology committee.**

Fran Keene has worked in the public and not for profit sectors for over 20 years and was Head of Diversity at the Audit Commission. She has been a funder, practitioner, regulator and is now an independent adviser. **Fran is Chair of the equality committee and a member of the chair's committee.**

Jonathan Mogford is Director of Policy at the Medicines and Healthcare products Regulatory Agency, an Executive Agency of the Department of Health and Social Care, where he is responsible for the Agency's EU, Brexit, international and regulatory policy work and for corporate strategy, business planning, accountability and partnership work. **Jonathan joined the board on 25 July 2018 and became a member of the equality committee on 14 December 2018.**

Mark Haysom is an author. He previously had a 30 year career in newspapers and was Chief Executive of the Learning and Skills Council. He has served on the boards of a number of charities dedicated to overcoming poverty and disadvantage and was Chair of Phoenix Futures. **Mark became a member of the audit and risk committee on 24 September 2018.**

Rolande Anderson has had a wide-ranging senior career in government and now works as an independent non-executive. She is Vice-Chair of Governors at London Metropolitan University, a Senior Assessor at the College of Policing and a Trustee of St Mungo's and the mentoring charity Brightside. **Rolande is a member of the equality committee and Chair of the trustee development group.**

Will Cavendish is Arup's Global Head of Digital Services, and Leader of the London-based Advanced Digital Engineering Group. He is responsible for leading Arup's work to support clients to take advantage of the major transformation in their world that is being brought about by digital and other advanced technologies. **Will became a member of the technology committee on 4 October 2018 and the Chair of the same committee and a member of the chair's committee on 17 January 2019.**

John Woodman (Treasurer) is the non-executive Chairman of CBOE Europe Ltd and was a lay member of the Upper Tribunal, Tax and Chancery Chamber and a non-executive director of Northumberland County Council's development company, Arch. He is also a trustee of Citizens Advice Northumberland. **John retired as a trustee on 13 December 2018.**

Sir David Varney (Chair) is currently a pro-chancellor of Surrey University. He is a former FTSE 100 Chief Executive and has been a Permanent Secretary of HM Treasury. He was also Chairman of The Stroke Association and Chair of Packt Publishing Ltd. **Sir David retired as Chair of the board on 10 October 2018.**

Delegation of duties

Our scheme of delegation outlines decision-making responsibilities within national Citizens Advice. It lists issues reserved for the board, and areas which may be delegated to the executive team. The standing financial instructions form the basis of the delegation of financial functions by the Citizens Advice trustee board to staff. Our procurement policy sets out authority levels for purchasing decisions.

Trustee committees

The following committees support the trustee board in its work.

Audit and risk committee

Advises the trustee board on risk management, internal controls, external audit and financial reporting. This committee has 3 independent co-opted committee members.

Chair's committee

Acts as a sounding board for the Chair of the trustee board in carrying out their responsibilities. This includes the planning of the board's agendas, and shaping and agreeing the board's business. The committee is also responsible for trustee recruitment.

Cymru committee

Advises the board on policy and advocacy and business development opportunities from delivery, policy and legislation specific to Wales. It also advises the board on whether we're meeting our duties under Welsh language legislation.

Equality committee

Gives expertise and guidance on equality, diversity and human rights to the board and the service, making sure promoting equality and tackling discrimination for clients is at the heart of our advice and policy work. This committee has 2 independent co-opted members.

Remuneration committee

Monitors and provides feedback on our pay and reward strategy. It also advises the Chair on the appointment, appraisal and pay of the Chief Executive and executive directors. This committee has 1 independent co-opted member.

Technology committee

Responsible for helping to shape, monitor and give feedback on the technology strategy. This committee has 2 independent co-opted members.



Recruitment, induction and training of national trustees

We recruit trustees through an open, competitive process. We use national media, recruitment agencies and our network to find talented individuals who have the skills and perspectives we need to provide good leadership and make sound decisions.

Trustees can serve for up to 2 consecutive terms of 3 years, but must then step down. A trustee who holds office as Chair, Deputy Chair or Treasurer may not hold office in that capacity for more than 6 consecutive years, but at the end of that period a deputy chair or treasurer may be appointed as chair.

No trustee may hold office for more than 12 consecutive years. After the end of this period, 2 further years must pass before any former trustee may be re-appointed.

During 2018/19, we recruited 2 new trustees. New trustees receive a full induction, when they meet the Chair, agree their role and meet key members of staff. They also visit local Citizens Advice to get a better understanding of the service and the vital work we do. Inductions are tailored to meet trustees' individual needs and interests. Trustees are unpaid volunteers, but are reimbursed for reasonable expenses, like travel costs to attend meetings.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements. Company law requires trustees to prepare statements for each financial year, to give a true and fair view of the state of affairs of the charitable company and the group – as well as the incoming resources and application of resources – including the income and expenditure of the charity for that period. Trustees must:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the charities SORP
- make reasonable and prudent judgements and estimates
- state whether applicable UK accounting standards have been

followed, subject to any material departures disclosed and explained in the financial statements

- prepare the financial statements on the going concern basis unless it's inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for ensuring proper accounting records are kept.

The records must disclose with reasonable accuracy at any time, the financial position of the charitable company and make sure the financial statements comply with the Companies Act 2006. The trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Trustees must safeguard the assets of the charitable company and the group and take reasonable steps to prevent and detect fraud and other irregularities:

- As far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- 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 auditor is aware of that information.

Public benefit

The trustees confirm they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of Citizens Advice, and in planning activities and setting policies and priorities for the year ahead.

Our charitable objects are:

- to promote any charitable purpose for the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress
- in carrying out its objects and in all aspects of its work, Citizens Advice is committed to promoting equality and diversity, preventing prejudice and discrimination, ensuring equal access and promoting good relations between all sections of the community.

The main activities undertaken to further our charitable purposes for public benefit are to provide the advice people need for the problems that they face and to improve the policies and practices that affect people's lives.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Executive team

Our executive team is responsible for delivering the trustee board's vision and for the day-to-day operation of Citizens Advice. The executive directors who served during the reporting period and their areas of responsibility are as follows.

Gillian Guy CBE

Chief Executive

Strategic direction and leadership of Citizens Advice.

Alistair Cromwell

Chief Operating Officer

Technology, financial strategy and management, business development, business planning and performance, business change, risk management, property and accommodation, governance, commercial and legal services.

James Plunkett

Executive Director of Advice and Advocacy

Customer journey and digital, expert advice, data, policy and advocacy, communications and external affairs.

Michele Shambrook

Executive Director of Operations

Service delivery, support and advice for local Citizens Advice, quality assurance, service standards and membership.

Steve Whitehead

Executive Director of People and Equality

People services, volunteering strategy, equality strategy, learning and organisational development, information governance and national events and training.

After 6 years at Citizens Advice, Steve Whitehead left in May 2019. Kirsty Holt, Interim Executive Director of People, was appointed from July 2019.



Our people

Over 850 staff work across our different services, membership support and corporate function. We encourage our staff to have a good understanding of how they are contributing to our business and strategic objectives, so they feel proud to work for national Citizens Advice.

Our ability to attract and retain staff and volunteers from diverse communities is critical to our service. We're working hard to create an inclusive culture and recognise that there's more to do to make sure we're accessible to and representative of the communities we serve. Our staff profile shows that 69% are female and 31% are male. 17% have identified themselves as disabled or having a long term health condition, 14% are black, Asian, minority ethnic (BAME) and 8% are lesbian, gay or bisexual (LGB).

We make a positive commitment to employing disabled people. Our recruitment procedures aim to make sure no one is disadvantaged because of their disability or other characteristics. We use the Disability Confident mark on our jobsite, which means disabled applicants who meet the minimum criteria for any role are guaranteed an interview, and we advertise all roles on disability jobsite Evenbreak. We make reasonable adjustments to the workplace, including premises and equipment, work duties and practices or policies, as appropriate for our staff.

Witness Service volunteers

Around 3,000 volunteers support witnesses within courts and in our outreach service. We've improved our learning offer across these 2 roles, including strengthening our support for vulnerable and intimidated witnesses. Our 2018 volunteer experience survey showed that more volunteers are likely to recommend us as a great place to volunteer than ever before.

Risk and internal controls

Our trustees are responsible for the effective management of risk and for making sure that internal controls are in place and operating as designed.

The audit and risk committee and trustee board reviewed and agreed our risk management strategy and policies during the year. Risk owners regularly review divisional and strategic risks to assess the likelihood, impact and relevance of risks, the plans for managing them and adequacy of those plans.

We operate a robust system of internal financial controls which is fully compliant with Charity Commission guidance and good practice. The executive team and trustee board review and agree budgeting systems and financial reports. Internal audit plans are informed by an analysis of the risks to which the organisation is exposed. The audit and risk committee hold a database of all audit recommendations and monitor progress.

The audit and risk committee and trustee board assess the principal risks facing Citizens Advice on a quarterly basis. This year, the audit and risk committee also developed statements which articulate our risk appetite as an organisation around business change, compliance, financial health, privacy, reputation and service delivery. We appointed a new internal auditor from April 2018.

Our key risks and uncertainties, as well as the trustee board's plans to mitigate and manage them, are set out on the next page.

Financial sustainability and resilience

Risks and uncertainties

We operate in a competitive environment with ongoing pressures on public funding both at a national and local level.

Mitigation and management

This year we secured funding to deliver the Help to Claim service from the Department of Work and Pensions and re-secured major grants. We continue to explore ways to secure new, sustainable sources of income and support local Citizens Advice to do the same.

We also have an ongoing programme of work to manage cost pressures, improve efficiency and ensure our resilience as a service in the future.

Political instability

Risks and uncertainties

Continued uncertainty about the general political environment, with the prospect of changes in government and unknowns about the path of Brexit creating risks and uncertainties in relation to planning, income and our ability to influence.

Mitigation and management

We've established a Brexit programme to ensure we are as prepared as possible for the practical implications of the UK's exit from the European Union (including a 'no deal' scenario) and we held Brexit readiness sessions with local offices.

Our business development function monitors the funding environment.

We have skilled policy, news and public affairs teams that build relationships with a wide range of stakeholders, while ensuring our policy influencing work is always evidence-based.

Technology and business transformation

Risks and uncertainties

Technology is an integral part of our business, and we've continued to deliver an ambitious programme of technological and business change.

Mitigation and management

We developed a strategic framework for 2019–22 outlining how we intend to use technology to improve the experience for people seeking advice and create capacity to innovate. We apply programme and project management disciplines to manage risks on our major technology initiatives and our technology committee assures our technology strategy on behalf of the trustee board.

Pension liability

Risks and uncertainties

The national charity is the principal employer in a defined benefit pension scheme. Since its closure the deficit in the scheme has risen significantly, driven primarily by decreasing mortality rates and underlying economic factors, including the sustained period of low gilt rates.

Mitigation and management

The scheme was closed to new members and further accrual in 2008 and is overseen by independent trustee directors and pension administrators. The trustee board was able to make an additional contribution on top of the annual contribution to reduce the liabilities in the scheme this year.

Service delivery

Risks and uncertainties

We need to ensure we continue to deliver a quality, reliable service that meets the needs of our clients and provides the right support to local Citizens Advice in the face of changing client needs and demands on the service.

Mitigation and management

Our new strategic framework outlines ambitious targets for meeting more demand across all channels and how we will work with our network of local Citizens Advice to achieve this. We began a programme of work to transform the way we support the network to deliver services. We have robust performance management processes in place through the local performance and quality framework and grant agreements with local Citizens Advice who deliver our funded programmes.

People capacity and capability

Risks and uncertainties

With the large volume of change across the organisation we need to ensure the people and skills we need for the future are deployed in the right places.

Mitigation and management

We've improved our approach to workforce planning and are developing a recruitment strategy across technology, data and customer journey which enables us to attract the talent we are looking for in different ways and helps us do so more quickly. We continue to monitor the engagement and resilience of our staff and volunteers and remain dedicated to our goals as an inclusive employer of a diverse workforce.

Protecting our data

Risks and uncertainties

We take the protection of our clients' data extremely seriously. We are particularly alert to potential cyber attacks and other external threats and also to the changing regulatory environment.

Mitigation and management

This year we've further strengthened our information governance function with the appointment of a new full time senior information governance officer, and by clarifying governance and support functions across teams. We continued the delivery of a major project to support compliance with the General Data Protection Regulation, including a comprehensive training package for staff. We also continued to implement our cyber security roadmap, strengthening our network infrastructure by installing new generation firewalls in all our offices and renewing our Cyber Essentials certification.

Financial review

Income

In 2018/19 total income for the national charity grew to £109.8 million from £93.8 million in the previous year.

This increase reflected an increase in restricted income to £84.0 million (2018: £68.6 million), as we added new funding streams, including the Help to Claim project from the Department of Work and Pensions (£9.8 million), whilst retaining all major existing funding.

Within our restricted income, funding of £26.5 million (2018: £24.8 million) to deliver money and debt advice was our single largest funding stream.

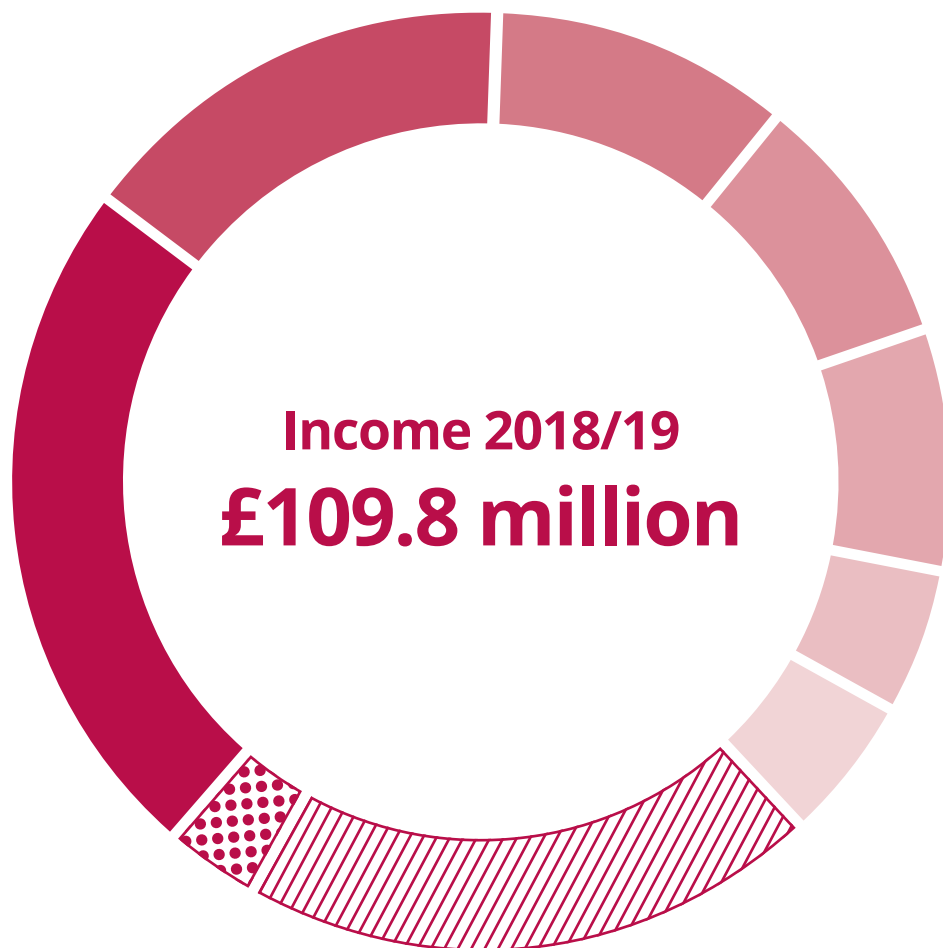
This funding was from the Money Advice Service until 31 December 2018, and subsequently from the Money and Pension Service (formerly the Single Finance Guidance Body). The funder for the £9.1 million we received in the year for our Pension Wise service changed at the same date. This funding was previously received from the Department of Work and Pensions and now comes from the Money and Pension Service.

Other important streams of restricted income include £16 million (2018: £15.4 million) from the Department for Business, Energy and Industrial Strategy for our consumer work, £11.5 million (2018: £11.6 million) from the Ministry of Justice for the Witness Service and £5.4 million (2018: £5.3 million) from the Welsh Government.

Total unrestricted income was largely unchanged, increasing by £0.5 million to £25.7 million which reflected higher investment income and legacy income. The most significant unrestricted funding continues to be that provided by the Department for Business, Energy and Industrial Strategy (BEIS) to support our core activities. This remained static at £22.3 million (2018: £22.3 million).

The chart on the next page shows our main sources of income in 2018/19.

Our main sources of income



Restricted:

- **£26.5m**
Money Advice Service / Single Financial Guidance Body (2017/18 £24.8m)
- **£16m**
Department for Business, Energy and Industrial Strategy – Consumer (2017/18 £15.1m)
- **£11.5m**
Ministry of Justice – Witness Service (2017/18 £11.6m)
- **£9.8m**
Department for Work and Pensions – Help to Claim (2017/18 £0.0m)
- **£9.1m**
Department for Work and Pensions / Single Financial Guidance Body – Pension Wise (2017/18 £6.4m)
- **£5.7m**
Other income (2017/18 £5.4m)
- **£5.4m**
Welsh Government (2017/18 £5.3m)

Unrestricted:

- ⊘ **£22.3m**
Department for Business, Energy and Industrial Strategy – Core (2017/18 £22.3m)
- ⊘ **£3.5m**
Other income (2017/18 £2.9m)



The majority of our funding is awarded through annual funding agreements, is restricted to a particular area of activity and relates to a specific financial year.

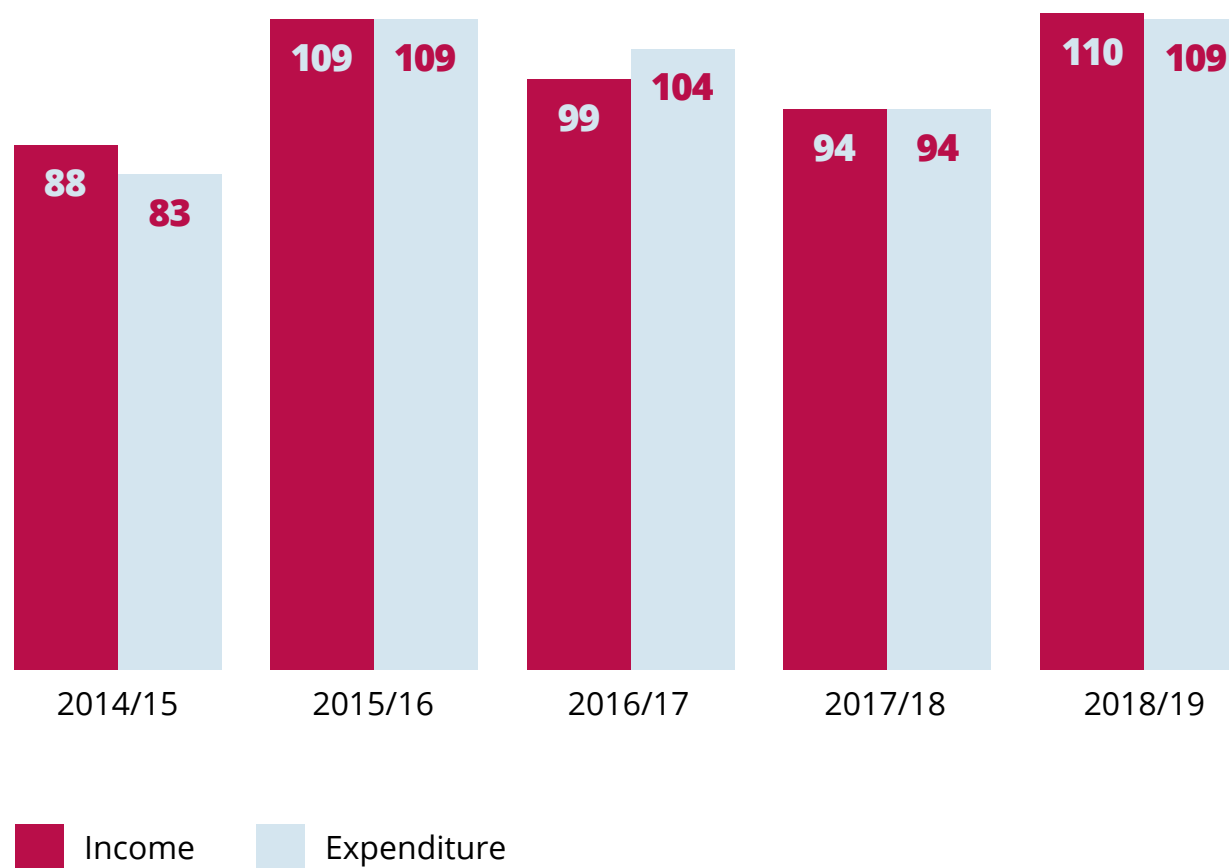
Where restricted income grows, there will tend to be a corresponding increase in expenditure in the same year. This is reflected in the 5 year snapshot of income and expenditure on the next page.

An increase in restricted income is positive as it allows us to deliver more services to clients, and it can allow us to benefit from further economies of scale.

It's important to note that it doesn't automatically improve the overall financial health of the organisation – where funders aren't willing to cover the full costs of a project but just “direct” costs, this can put pressure on the organisation's ability to deliver. We've managed this risk effectively during 2018/19, through making the case to funders as to the full costs of delivery and continuing to ensure the efficiency of support functions. This is an ongoing challenge for Citizens Advice, as it is for many other charities.

In the coming year we'll focus on maintaining existing key funding streams, while continuing to look for ways to diversify our income, so that we can continue to meet our charitable objectives and expand and improve our services for clients.

5 year snapshot of our income and expenditure (£m)



Expenditure

This year the national charity spent £109.1 million delivering our charitable activities (2018: £94.2 million). The chart on the next page shows 2018/19 expenditure against our 4 areas of charitable activity.

Delivering information and advice

Our spending on the direct delivery of information and advice in 2018/19 was £26.8 million (2018: £26.1 million). This category includes the direct delivery of services by Citizens Advice. The main areas of expenditure cover our consumer service, the Witness Service and the continued investment in our online and digital services for clients.

Advice and advocacy

Our expenditure in 2018/19 on advice and advocacy was £10.0 million (2018: £10.8 million). This category includes the delivery of our energy and post statutory duties in line with our agreed work plan, as well as expenditure on policy and influencing from our unrestricted funds to support our other key areas of advice work.

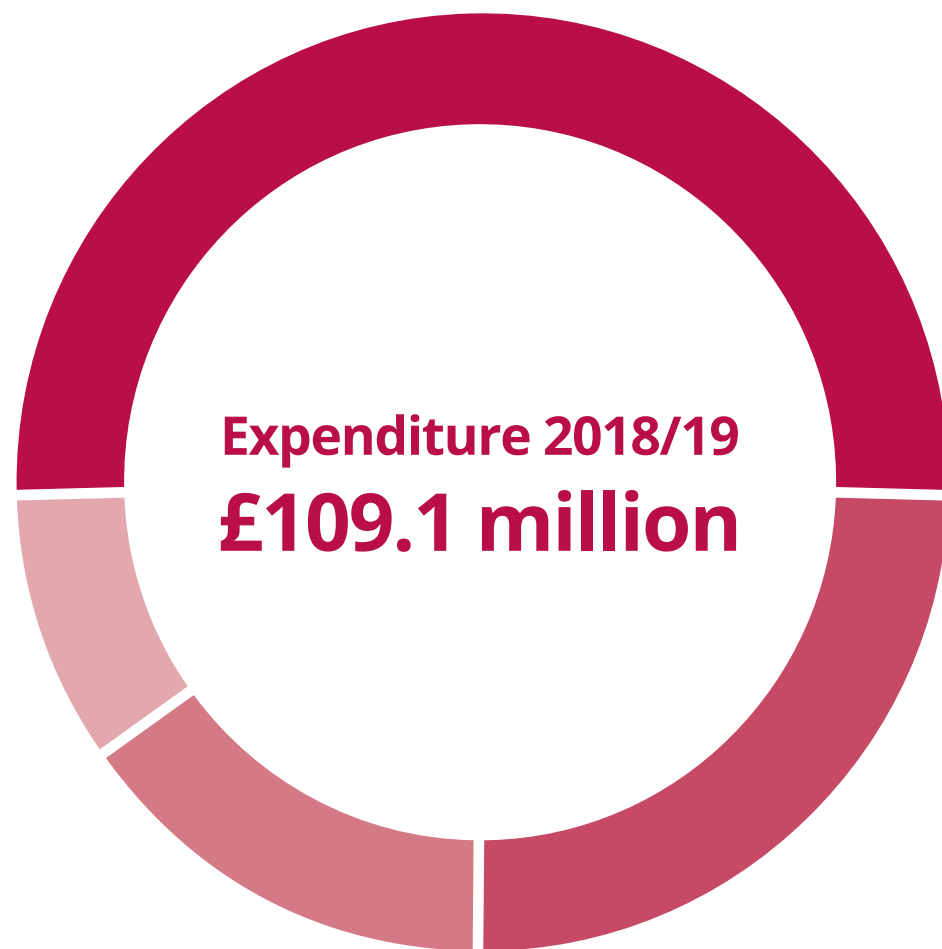
Strengthening the network

In 2018/19 we spent £16.5 million (2018: £14.2 million) on this area. This covers our core network support services, information services, systems support, training and quality assurance costs.

Delivering through partnerships

This represents the largest proportion of our expenditure at £55.7 million (2018: £43.0 million), which corresponds with the increase in income. This includes a significant part of the funding to the local Citizens Advice network, which increased to £47.4 million (2018: £40.0 million) as a result of the additional funding streams.

Expenditure in our 4 areas of charitable activities



- **£55.7m**
Delivering through partnerships
(2017/18 £43.0m)
- **£26.9m**
Delivering information and advice
(2017/18 £26.1m)
- **£16.5m**
Strengthening the network
(2017/18 £14.2m)
- **£10m**
Advice and advocacy
(2017/18 £10.8m)

Balance sheet

Total funds at 31 March 2019 were £10.5 million (2018: £8.8 million), and made up of unrestricted funds, restricted funds and the negative pension reserve.

The unrestricted surplus for the year of £1.9 million (2018: £3.0 million) on our core operations means our unrestricted funds grew to £20.9 million (2018: £19.0 million).

The restricted deficit for the year of £1.1 million (2018: £3.4 million) reflects the energy funding recognised as income in previous years but spent during 2018/19. This deficit meant that restricted funds carried forward fell to £9.7 million (2018: £10.8 million).

The negative pensions reserve reduced to £20.2 million (2018: £21.0 million). This represents the net present value of the agreed £1.6 million annual payments

to the closed defined benefit pension scheme over the remaining repayment period to December 2033. The reduction in the balance this year reflects the reduction in future annual payments by one year, and a minor change to the discount rate applied. More details on the pension scheme are in the pension section below.

We continue to benefit from a strong cash flow supported by our funders. The total cash balance at the year-end was £39.1 million (2018: £32.6 million). This includes funds held on fixed term deposit and on notice accounts.

Remuneration policy

We continue to assess new roles with our industry standard job evaluation scheme and are allocating roles to grades with the aim of providing a more structured, transparent and fair pay

scheme. To attract the right talent, our pay and grading scheme is structured on the basis of market median salaries. All national Citizens Advice employees earn in excess of the Living Wage and the London Living Wage for those who live in the capital.

Executive team remuneration is the responsibility of the trustee board remuneration committee which sets pay levels on the basis of job evaluation outcomes and comprehensive benchmarking.

A 2% annual salary increase was awarded to all staff effective as of April 2018. Our pay award effective April 2019 of 2% has also been agreed.

In line with the legislation we calculate and publish our annual gender pay gap in April each year. Our mean gender pay gap in April 2018 was 17.7% (2017 17.5%) and median 22.1% (2017 23.9%).

We're working hard to close this gap by continuing to attract and develop more women into senior leadership roles, and exploring how we can improve the gender balance in other roles. Our employee offer includes a wide range of flexible working options and in 2019 we'll review these and our overall benefits and employee engagement offer to make sure they are compelling, competitive and family friendly. Our full report is available on our website.

Grant making policy

National Citizens Advice awards grants to local Citizens Advice (and other local charities and organisations) in line with our grant agreements with funders and to meet the needs of clients.

Funds either come directly from national Citizens Advice for developmental opportunities that enhance our service

to clients (including piloting or testing new ways of meeting need or reaching more people) or as a result of funding awards to national Citizens Advice for specific services. These are then passed on to the network for delivery. The grant application process is published on the Citizens Advice intranet so applicants are aware of the methodology. Evaluators are trained in-house and include members of the network to ensure transparency and objectivity. In 2018/19 £51.5 million in grants has been allocated to the network of local Citizens Advice and other organisations from funding sources including:

- Department for Business, Energy and Industrial Strategy (BEIS) for the consumer service
- Money Advice Service, and latterly the Money and Pension Service (formerly known as the Single Finance Guidance Body), for delivery of money and debt advice in England and Wales
- Department for Work and Pensions, and latterly the Money and Pension Service, for the delivery of pensions guidance through Pension Wise
- Department for Work and Pensions for the provision of support to help people make a Universal Credit claim
- Ministry of Justice funding for 2 contact centres for the Witness Service
- Energy companies for energy advice and education programmes
- Welsh Government for the delivery of face to face and telephone advice
- Gamble Aware for providing training, information and awareness on gambling-related harm.

Fundraising policy

During the year, Citizens Advice didn't carry out fundraising activities or use professional fundraisers or commercial participators to act on its behalf. So there is no single written fundraising policy.

In the upcoming financial year Citizens Advice will explore diversifying its income streams by testing various means of fundraising locally and nationally. To support this work, the ethics, privacy and complaints policies will be updated to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. We'll also make sure our fundraising activities conform to recognised standards established by the Charity Commission and the Fundraising Regulator.

Reserves policy

Each year our trustee board reviews our reserves policy and considers the appropriate level of reserves for the organisation to hold. They consider the level appropriate for the current size and complexity of the organisation, the economic environment we're operating in, the risks we're currently managing and known investment plans above and beyond annual budgeted costs. Trustees also consider our current risk profile, balancing the need to reflect that risk, while making sure we're not holding funds unnecessarily at the expense of committing funds to meet our charitable objectives.

As a result of this year's review, the trustee board, advised by the audit and risk committee and considering Charity Commission published guidance, decided to leave the basis of the reserves policy unchanged.

The policy is to hold in free reserves (unrestricted funds less designated funds) the equivalent of 3 to 6 months' core operating costs. Given the increased size of the organisation, this increase from a previous target range of £8 million to £16 million to a new target range of £9 million to £18 million.

As of 31 March 2019, our free reserves (unrestricted funds less designated funds) totalled £13.6 million and so were within the target range of £9 million to £18 million.

Pensions

National Citizens Advice is the principal employer of a defined benefit multi-employer scheme. The other employers in this scheme are a small number of local Citizens Advice offices in London. The scheme was closed to new members and to future accrual in 2008.

The total deficit of the closed scheme as of 31 March 2019 was £55.5 million, increasing from £43.2 million in 2018. This movement relates to changes to the actuarial assumptions on the liabilities of the scheme as a whole. We remain committed to meeting our obligations in relation to the scheme and work closely with the pension scheme trustee board and its advisers. The current deficit recovery period runs to December 2033 with agreed annual pension deficit recovery payments of £1.6 million. An additional £500,000 payment was made in 2018/19 towards the pension deficit. The overall liability and the level of this reserve will be subject to the triennial revaluation of the pension liability and any subsequent change to the agreed repayment plan. The triennial revaluation is currently underway for 31 March 2019 and will need to be agreed with the Pensions Scheme Trustees and submitted to The Pensions Regulator by June 2020.

National Citizens Advice now operates a defined contribution scheme. New staff are automatically enrolled into the scheme and employer contributions are charged as they are incurred.

Pension reserve

In line with the reporting requirements of the charities SORP, the negative pensions reserve decreased to £20.2 million (2018: £21.0 million). This represents the net present value of Citizens Advice's share of the agreed payments to the closed pension scheme over the remaining repayment period to December 2033. This negative balance will be reduced by the annual deficit contributions over the payment period. The overall liability and the level of this reserve will vary based on the discount rate applicable to future contributions and periodic revaluations.

Investments

As required in our Memorandum, national Citizens Advice has the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

Citizens Advice's investment strategy is to manage the charity's cash flows and investments, controlling the associated risks to maximise income with minimal risk. At the year end all such funds are held as fixed-term cash deposits or immediately available cash, and are held in UK-based institutions with strong credit ratings. We review the investment policy at least annually.

Going concern

National Citizens Advice is well placed to manage our liabilities as they fall due and the business risks we face. This position is supported by a strong cash flow, sufficient reserves, good relationships with our key funders and a proven ability to secure new services. There's a reasonable expectation that we have sufficient resources to continue in operational existence for the foreseeable future. We don't believe there are material uncertainties which call into doubt our ability to continue. Our planning processes, including financial projections, take into consideration the current economic climate and its potential impact on our various sources of income and planned expenditure. We acknowledge our pension fund obligations and have a clear strategy to recover the deficit over the next 15 years, subject to continued discussion with the pension scheme trustee board and the Pensions Regulator.

Approval

This annual report of the trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the board of trustees on 31 July 2019, including approving in their capacity as company directors the strategic report, and is signed as authorised on the board's behalf by:

Warren Buckley

Chair

Our funders

Citizens Advice enjoys support from a wide range of funders and we obtain the maximum value for every pound we spend. We'd like to thank all of the organisations that have supported us during 2018/19. We look forward to working with you all in future years.

Government funders

- Department for Business, Energy and Industrial Strategy
- Department of Health
- Department for Work and Pensions
- HM Treasury
- Home Office
- Ministry of Justice
- Welsh Government

Other public bodies

- Equality and Human Rights Commission
- Money Advice Service
- Money and Pensions Service
- The Insolvency Service

Other major funders

- British Gas
- British Gas Energy Trust
- Comic Relief
- E.ON
- First Utility
- Gamble Aware
- Gulbenkian UK
- Just Retirement
- Money Advice Trust
- Npower
- Scottish Power
- SSE Electricity
- Utility Warehouse

Legal and administrative details

Legal status

National Citizens Advice is a registered charity and a company limited by guarantee. It's incorporated in the United Kingdom and the registered office of the charity is in England. All independent local Citizens Advice are members of the national Citizens Advice charity and there are no other full members. The maximum liability of each member is limited to £1. Citizens Advice is governed by its Memorandum and Articles of Association as amended in October 2000, September 2009 and September 2010.

The registered name of the charity is The National Association of Citizens Advice Bureaux. From 6 January 2003 the charity has used the operating name of Citizens Advice. The charity was incorporated as a company limited by guarantee on 13 July 1979.

The charity has an active trading subsidiary, Citizens Advice Limited (formerly Advice Services Information Limited). Consolidated accounts have been prepared. The basis of consolidation is set out in the accounting policies note. The charity also has a subsidiary pension trustee company, NACAB Pension Trustees Limited.

Registered office:

Citizens Advice
3rd Floor North
200 Aldersgate
London EC1A 4HD

Telephone: 03000 231231
citizensadvice.org.uk

Registered charity
number: 279057
Company number:
1436945

Advisers

Independent auditor

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Internal auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Lloyds Bank
25 Gresham Street
London EC2V 7HN

Solicitors

Bates, Wells and Braithwaite
10 Queen Street Place
London EC4R 1BE

Company Secretary

Rachael Badger
Nicola Clarke
(acting – from 1 March 2019)

Independent auditor's report

to the Members of The National Association of Citizens Advice Bureaux

Opinion

We have audited the financial statements of The National Association of Citizens Advice Bureaux for the year ended 31 March 2019 which comprise consolidated statement of financial activities, consolidated balance sheet, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Consolidated statement of financial activities

Year ended 31 March 2019 incorporating an income and expenditure account

	Note	Unrestricted		Restricted		Total	Total
		2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Income:							
Donations and legacies	2	282	87	1	-	283	87
Income from charitable activities:							
Grants	3	22,304	22,354	83,381	68,114	105,685	90,468
Delivery of services		1,735	1,784	522	433	2,257	2,217
Training and support		936	754	-	-	936	754
Other income:							
Other incoming resources		272	188	123	27	395	215
Investment income		198	72	2	-	200	72
Total income		25,727	25,239	84,029	68,574	109,756	93,813
Expenditure:							
Expenditure on raising funds	6	30	37	-	-	30	37
Expenditure on charitable activities:							
Delivering information and advice	6	5,972	3,764	20,877	22,324	26,849	26,088
Advice and advocacy	6	4,040	4,769	5,958	6,056	9,998	10,825
Strengthening the local Citizens Advice network	6	13,747	13,710	2,788	498	16,535	14,208
Partnerships	6	49	-	55,624	43,008	55,673	43,008
Total expenditure		23,838	22,280	85,247	71,886	109,085	94,166
Net gains/(losses) on investments		-	-	138	(88)	138	(88)
Net income/(expenditure)		1,889	2,959	(1,080)	(3,400)	809	(441)
Actuarial gains/(losses) on defined benefit pension schemes		837	1,226	-	-	837	1,226
Transfer between funds		-	(122)	-	122	-	-
Net movement in funds		2,726	4,063	(1,080)	(3,278)	1,646	785
Reconciliation of funds:							
Total funds brought forward	18	(1,970)	(6,033)	10,781	14,059	8,811	8,026
Total funds carried forward	18	756	(1,970)	9,701	10,781	10,457	8,811

All activities derive from continuing operations. The charity has taken exemption from presenting its unconsolidated profit and loss account under s408 of the Companies Act 2006. The unconsolidated surplus for the year is £1,646,000 (2018: £785,000).

Consolidated balance sheet

As at 31 March 2019

	Note	Group		Citizens Advice	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Intangible assets	10	1,936	2,293	1,936	2,293
Tangible assets	11	51	23	51	23
Investments	14	-	601	-	601
Current assets					
Debtors	12	3,658	3,520	4,147	3,938
Cash and cash equivalents					
Infrastructure funding	15,18	5,322	5,322	5,322	5,322
Other	15	33,818	27,237	33,329	26,819
Current liabilities					
Creditors: amounts falling due within one year	13	13,334	7,097	13,334	7,097
Net current assets		29,464	28,982	29,464	28,982
Total assets less current liabilities		31,451	31,899	31,451	31,899
Provisions for liabilities and charges	16	20,994	23,088	20,994	23,088
Total assets less all liabilities		10,457	8,811	10,457	8,811
Funds					
Restricted funds	18	9,701	10,781	9,701	10,781
Unrestricted funds	18	20,916	19,027	20,916	19,027
Pension Reserve	18	(20,160)	(20,997)	(20,160)	(20,997)
Total funds		10,457	8,811	10,457	8,811

The financial statements were approved and authorised for issue by the trustee board on 31 July 2019 and signed on their behalf by:

Warren Buckley

Director (Chair)

Lucinda Bell

Director (Treasurer)

Consolidated statement of cash flows

Year ended 31 March 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Net movement of funds	1,646	785
Adjustments for:		
Depreciation of property, plant and equipment	31	231
Amortisation of intangible assets	385	801
(Gain)/loss on investments	(138)	-
Interest receivable	(200)	(72)
Decrease/(increase) in debtors	(138)	(575)
Increase/(decrease) in creditors	6,237	(853)
Increase/(decrease) in revenue provisions	(2,094)	(1,064)
Net cash generated from operating activities	5,729	(747)
Cash flows from investing activities		
Purchases of property, plant and equipment	(59)	(35)
Purchase of intangible assets	(28)	(911)
Proceeds of sale on shares	716	-
Decrease/(increase) in other fixed asset investments	-	111
Dividends from shares	23	-
Interest receivable	200	72
Net cash used in investing activities	852	(763)
Net increase/(decrease) in cash and cash equivalents	6,581	(1,510)
Cash and cash equivalents at the beginning of the year	32,559	34,069
Cash and cash equivalents at end of year	39,140	32,559

Notes to the financial statements

Year ended 31 March 2019

1. Accounting policies

a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Citizens Advice meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The principal accounting policies, which have been applied consistently, except where noted are set out below:

b) Going concern

The financial statements have been prepared on the going concern basis. Financial budgets are set to ensure that the organisation can continue to operate as a going concern for at least a year. Detailed financial budgets are presented and approved by the trustee board on a 12 month basis.

Furthermore management accounts for the parent charity are presented at regular intervals to the trustee board throughout the financial year on progress against budget. Any changes in funding within the year are reflected as soon as practicable and action taken by management to ensure that the charity spends within its available resources.

There are no material uncertainties which cast doubt on the charity's going concern.

c) Fixed assets

Fixed assets are recognised in the statement of financial activities on initial acquisition, in accordance with FRS 102.

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

The estimated lives of the assets are as follows:

- Office and computer equipment – 3 years.
- Infrastructure software – between 3 and 8 years, depending on the duration of license.
- Software development costs and infrastructure purchased and developed in-house have been capitalised within

intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed project, usually expected to be between 3 and 8 years.

- Fixtures and fittings – 5 years.

d) Leases

Rent free periods are accounted for over the period of the lease to the first break clause for each property.

e) Pension costs

The National Association of Citizens Advice Bureaux (NACAB) Pension and Assurance Plan (1991) is a multi-employer defined benefit scheme which was closed during the financial year ended 31 March 2008. Having taken advice from the scheme's actuary, Citizens Advice cannot identify its share of the underlying assets and liabilities on a consistent and reasonable basis.

The disclosures under FRS 102 in this circumstance are shown in note 22. The expected cost of providing pensions is calculated periodically by a professionally qualified actuary. The operating costs of providing retirement benefits to employees are charged to the statement of financial activities in the year in which they are incurred as required by FRS 102.

On 1 April 2005, Citizens Advice introduced a defined contribution pension. From April 2014 staff are automatically

enrolled unless they opt out of the scheme. The employer's contributions are charged to the statement of financial activities in the period in which they were incurred. One Consumer Futures member of staff who transferred in April 2014 retains participation in the Civil Service scheme.

f) Financial instruments

Citizens Advice has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial asset held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments.

Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income and taxation payable. Financial liabilities held at fair value comprise the group's provisions. No discounting has been applied on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

g) Grants payable and receivable

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

Grants receivable are recognised when due and when any conditions for receipt are met. Any unexpended grant is carried forward in reserves. If any grant has been provided for a stated purpose, it is carried forward as restricted funds. Any unused grants not able to be used for the purpose determined by the funder are returned in accordance with the funding agreement.

h) Deferred income

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

i) Legacies

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

j) Delivery of services

The trading activities of Citizens Advice, mainly the local Citizens Advice membership fees and the sale of information products, are exercised in the course of carrying out the primary purpose of the charity.

The income and expenditure is shown in the statement of financial activities as delivery of services and strengthening the network respectively.

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

k) Training and support

The training and support activities comprise income from the provision of training courses in debt, employment, welfare benefits and consumer issues as well as contributions towards the cost of providing insurance cover on behalf of the network in England and Wales.

l) Other income

Donations are recognised upon receipt. Gifts in kind are valued at a reasonable estimate of the value to Citizens Advice, which is normally equal to the market value.

m) Resources expended

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

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

Staff costs are all emoluments incurred. Other direct costs are non-staff costs incurred by each principal activity. Governance costs are those incurred in connection with the administration of the charity's constitutional and statutory duties.

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

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

n) Reserves

Unrestricted funds represent funds raised or grants awarded for no specified project which are expendable at the discretion of the trustees in furtherance of the charity's objectives. The expenditure will arise in subsequent financial periods. There are no carry forward restrictions on unrestricted funds. Transfers to and from designated funds are subject to the approval of the trustees.

Restricted funds are awarded for a specified programme as declared by the funder, or restricted with their authority or

with a restriction created by a legal process. The scope of the programme is still within the wider objectives of the charity. Income may be awarded in one year for expenditure in that or a subsequent year on a specified programme.

o) Provisions

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

p) Consolidation

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

The net incoming resources for Citizens Advice alone were £809,000 in 2018/19 (net outgoing resources £441,000 in 2017/18).

A separate statement of financial activities for the charity is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The charity has taken advantage of the exemption in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

q) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key estimates that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimates as disclosed in note 22.

The dilapidations – Liability is estimated and disclosed as part of our provisions in note 16.

2. Donations and legacies

	2019 £'000	2018 £'000
Legacies	237	49
Donations	46	38
Total donations and legacies	283	87

Donations includes gifts in kind to the value of £9,355 (2018: £16,820) for professional services provided by 2020 Trustee Services.

3. Grants

a) Government grants

Funder	2019 £'000	2018 £'000	Purpose
Government department grants			
Department for Business, Energy and Industrial Strategy (BEIS) unrestricted	22,300	22,300	Core charitable objectives
BEIS restricted	15,946	15,051	Consumer advice and other restricted activities
BEIS restricted	1,597	315	Big Energy Saving Week/Network
Department of Health	-	59	Membership of the Health and Wellbeing Alliance
Department of Work and Pensions*	9,053	6,441	Pension guidance
Department of Work and Pensions	9,804	-	Universal Support: Help to Claim
Ministry of Justice	11,534	11,609	Court based Witness Service
HM Treasury	99	-	Debt advice for veterans and emergency services personnel
Home Office	31	-	Windrush interim hardship support services
Welsh Government			
Welsh Government	151	137	Better advice: better health
Welsh Government	369	386	Discrimination advice
Welsh Government	1,558	1,553	Advice service
Welsh Government	1,287	1,227	Debt and housing advice
Welsh Government	2,065	2,040	Tackling poverty
Welsh Government	-	1	Money guidance
European grants			
European Commission	114	-	Equality advice
Total government grants	75,908	61,119	



b) Grants from other public bodies

Funder	2019 £'000	2018 £'000	Purpose
The Insolvency Service	137	196	Debt relief orders
Money Advice Service*	26,545	24,832	Money and debt advice and debt relief orders
Total grants from other public bodies	26,682	25,028	

*From 1 January 2019 the funding from the Department of Work and Pensions for pensions guidance, and Money Advice Service for debt advice, was provided by the Single Financial Guidance Body (now called the Money and Pensions Service). There was no change to the nature of this funding in the year as a result of this change to the source of the funding.

c) Other grants

Purpose	2019 £'000	2018 £'000
Financial capability	-	266
Online scams awareness	1	-
Equality and diversity	23	100
Energy advice	2,460	3,369
Specialist support	-	-
Money advice	611	355
Homelessness advice	-	231
Total other grants	3,095	4,321
Total grants	105,685	90,468

A list of grant funders is available in the strategic report.

4. Information regarding directors and employees

The trustees of Citizens Advice are the non-executive directors of the charitable company. No emoluments were paid to any non-executive directors (2018: nil). Expenses of £9,503 (2018: £7,747) were reimbursed, or paid directly to third parties, for 7 (2018: eleven) non-executive directors during the year in respect of expenses for travel, accommodation and subsistence incurred in the course of executing their duties. No trustee indemnity insurance was purchased.

Employee costs during the year:

	2019 £'000	2018 £'000
Wages and salaries	28,399	25,772
Social security costs	2,817	2,560
Pension costs (see note 22)	4,303	4,221
Temporary staff	550	216
Total employee costs	36,069	32,769

Wages and salaries above include £299,186 (2018: £417,000) for redundancy and settlement costs. Redundancy payments were made in line with our contractual terms.

Pension costs shown above relate to amounts accrued in the year. Payments totalling £2,391,000 (2018: £1,697,000) were made to the Citizens Advice Group Personal Pension Plan and to the Civil Service Pension scheme for Consumer Futures staff

who transferred to Citizens Advice in April 2014. There was also a contribution of £2,411,000 (2018: £2,523,750) to the NACAB Pension and Assurance Plan (1991) which closed on 27 March 2008.

The number of employees who received employee benefits (excluding employer pension costs but including compensation for loss of office) in excess of £60,000 is analysed below:

	2019 Number	2018 Number
£60,000 to £69,999	21	24
£70,000 to £79,999	7	9
£80,000 to £89,999	7	3
£90,000 to £99,999	2	2
£100,000 to £109,999	3	4
£110,000 to £119,999	1	-
£140,000 to £149,999	-	1
£150,000 to £159,999	1	-

Citizens Advice has identified the key management personnel as the executive directors. The figures below comprise gross salaries and employer's pension contributions paid to executive directors. In addition, the key management personnel were reimbursed £1,227 (2018: £1,998) for travel and out-of-pocket expenses incurred in the course of executing their responsibilities. No other amounts were payable.

Total employee remuneration for key management personnel is:

Post	Salary 2019	Pension 2019	Total 2019	Total 2018
Chief Executive	151,574	-	151,574	148,602
Chief Operating Officer	119,095	8,218	127,313	113,469
Executive Director of Policy and Advocacy	105,091	8,267	113,358	110,860
Executive Director of Operations	105,091	7,461	112,552	110,242
Executive Director of People and Equality	105,091	7,251	112,342	110,139

Pension contributions for key management personnel in the scheme are paid at the same rate as for all staff. The maximum employer contribution available under the staff scheme is 6.5%.

During the year all staff, including the key management personnel, received a pay review of 2%. Other salary changes were a result of role changes and re-valuations. The remuneration policy is set out in the strategic report.

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

Charitable activities	2019 Number	2018 Number
Delivering information and advice	338	340
Advice and advocacy	144	177
Strengthening the local Citizens Advice network	220	204
Partnerships	136	82
Average number of persons employed	838	803

5. Grants payable

Grant payments were made to local Citizens Advice members in the financial year:

a) Grants to local Citizens Advice members

Purpose	2019 Total Number	2019 £'000	2018 £'000
Money and debt advice	742	20,627	19,987
Pensions guidance	272	6,288	4,807
BEIS	119	5,367	4,836
Universal credit: Help to Claim	852	4,890	-
Welsh Government funded projects	410	4,629	4,468
Energy advice	824	3,605	3,990
Brexit advice	6	899	-
Witness services	16	735	712
Gamble support	4	113	-
Debt Relief Orders	448	92	130
Welfare advice	-	-	2
Financial capability	-	-	1
Equality and diversity	-	-	28
Money advice	-	-	168
Fuel poverty project	-	-	-
Various projects	610	191	869
Total local Citizens Advice network grants	4,303	47,436	39,998

Grants are received for the above purposes and distributed amongst local Citizens Advice members.

b) Grants to other bodies

Grants paid to non local Citizens Advice network participants in delivery of national projects, funded by partner organisations.

Purpose	Recipient	2019 £'000	2018 £'000
Debt advice	Advice NI	184	-
Debt advice	Ards and North Down Citizens Advice	120	-
Debt advice	Fermanagh Citizens Advice	65	-
Debt advice	Better Leeds Communities	65	48
Debt advice	Birmingham Community Law Centre	52	52
Debt advice	Birmingham Settlement	208	207
Debt advice	Burley Lodge Centre	-	56
Debt advice	Ebor Gardens Advice Centre	104	104
Debt advice	Homemaker Southwest	156	157
Debt advice and financial capability	Ipswich Housing Action Group	85	104
Debt advice	Mind Salford	104	103
Debt line	Money Advice Trust	1,321	1,321
Various	Money Advice and Community Support	20	32
Debt advice	Norfolk Community Law Service	20	32
Debt/housing advice	Shelter and Shelter Cymru	468	449
Discrimination advice	SNAP Cymru	48	57
Energy advice	St Vincent's Support Centre	104	104
Various	155 miscellaneous grants (2018: 76)	980	152
Total grants to others		4,104	2,978
Total grants		51,540	42,976

6. Total resources expended

Total resources expended for the year ended 31 March 2019:

	Direct staff costs £'000	Grants £'000	Other direct costs £'000	Support costs £'000	Total 2019 £'000	Total 2018 £'000
Costs of generating funds	13	-	12	5	30	37
Charitable objectives						
Delivering information and advice	10,887	6,125	3,891	5,946	26,849	26,088
Advice and advocacy	4,646	120	1,860	3,372	9,998	10,825
Strengthening the local Citizens Advice network	7,109	104	4,162	5,160	16,535	14,208
Partnerships	4,400	45,191	4,680	1,402	55,673	43,008
Total resources expended	27,055	51,540	14,605	15,885	109,085	94,166

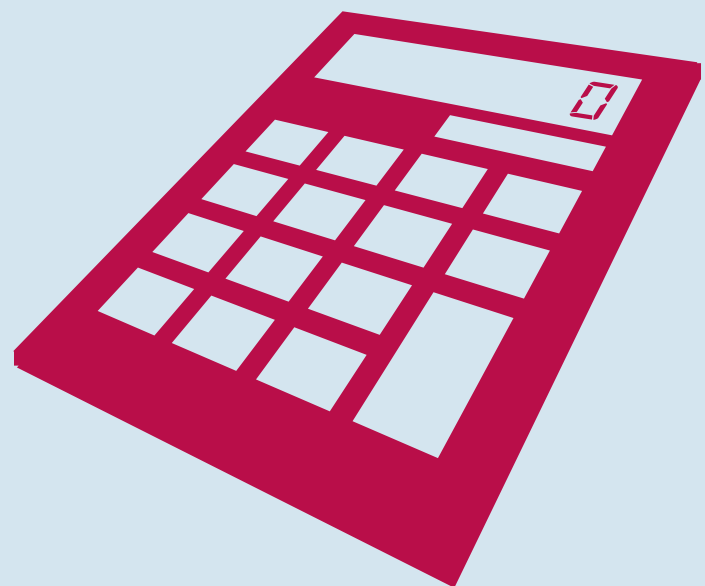
7. Support cost breakdown by activity

Support costs are allocated across activities based on direct staff costs. The amounts below represent the allocated staff and other allocated costs in note 6. Support costs breakdown for the year ended 31 March 2019:

	Premises & Facilities Management £'000	Finance* £'000	IT, Data & Change £'000	People Services & Comms £'000	Other corporate services £'000	2019 £'000	2018 £'000
Costs of generating funds	1	2	1	-	1	5	6
Charitable activities							
Delivering information and advice	422	2,743	610	756	1,415	5,946	3,451
Advice and advocacy	521	1,171	754	323	603	3,372	2,597
Strengthening the local Citizens Advice network	797	1,792	1,154	493	924	5,160	5,036
Partnerships	211	494	306	136	255	1,402	2,652
Total support costs	1,952	6,202*	2,825	1,708	3,198	15,885	13,742

*Included in the Finance costs are £2,411,000 contribution to the defined benefit pension scheme including support for running costs. See note 22 for further information.

Support costs include governance costs of £1,063,000 (2018: £984,000). These costs include internal and external audit fees, costs incurred in supporting the work of the Trustees and an apportionment of executive team costs.



8. Corporation tax

Citizens Advice is a registered charity and accordingly is exempt from taxation on income and gains where they are applied for charitable purposes. Citizens Advice Limited covenants all profits to the main charity each year under Gift Aid and does not incur any tax liability.

9. Net expenditure

Net incoming resources for the year are stated after charging:

	2019 £'000	2018 £'000
Operating lease costs		
Property	1,609	1,209
Office equipment	11	17
Amortisation	385	801
Depreciation	31	231
External auditor's remuneration		
External audit fee	50	45
Tax advisory services	1	8
Internal auditor's remuneration	53	42

10. Fixed assets – intangible assets

The fixed assets of Citizens Advice are the same as those of the group, as stated below. Assets have been split between intangible and tangible assets in accordance with FRS102 and the Charities SORP 2015. Intangible fixed assets includes computer licences and software purchases.

	Infrastructure software		Total £'000
	Work in progress £'000	Operational £'000	
Cost			
At 1 April 2018	2,238	6,069	8,307
Additions	-	28	28
Disposals	-	(4,733)	(4,733)
Transfers	(2,238)	2,238	-
At 31 March 2019	-	3,602	3,602
Amortisation			
At 1 April 2018	-	6,014	6,014
Charge for the year	-	385	385
Disposals	-	(4,733)	(4,733)
At 31 March 2019	-	1,666	1,666
Net book value at 31 March 2019	-	1,936	1,936
Net book value at 31 March 2018	2,238	55	2,293

The amortisation charge is reallocated over all charitable activities.

11. Fixed assets – tangible assets

This includes capitalised fixtures, fittings and equipment.

	Fixtures, fittings & equipment £'000	Total £'000
Cost		
At 1 April 2018	35	35
Additions	59	59
At 31 March 2019	94	94
Depreciation		
At 1 April 2018	12	12
Charge for the year	31	31
At 31 March 2019	43	43
Net book value at 31 March 2019	51	51
Net book value at 31 March 2018	23	23

12. Debtors

	Group		Citizens Advice	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	627	195	626	195
Other debtors	1,083	197	1,083	197
Prepayments and accrued income	1,601	2,374	1,592	2,374
HM Revenue and Customs	347	754	347	754
Subsidiary undertakings	-	-	499	418
Total debtors	3,658	3,520	4,147	3,938

Included in other debtors is £95,000 (2018: £96,000) which relates to 53 (2018: 62) staff season ticket, car or career development loans. These are interest free and are recoverable through monthly payroll deductions. There were no executive directors (2018: none) with a loan outstanding at the balance sheet date (2018: £nil).

13. Creditors: amounts falling due within one year

	Group		Citizens Advice	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	1,111	1,214	1,111	1,214
Local Citizens Advice network grants	2,250	735	2,250	735
Other creditors including taxation and social security	2,620	1,436	2,620	1,436
Accruals and deferred income	7,353	3,712	7,353	3,712
Total creditors: amounts falling due within one year	13,334	7,097	13,334	7,097
Accruals and deferred income comprises:				
Accruals	5,163	3,301	5,163	3,301
Deferred income brought forward	411	1,082	411	1,082
Amount released from previous year	(411)	(1,082)	(411)	(1,082)
Incoming resources deferred in the year	2,190	411	2,190	411
	7,353	3,712	7,353	3,712
Other creditors including taxation and social security comprises:				
HM Revenue and Customs	822	708	822	708
Other creditors	1,798	728	1,798	728
	2,620	1,436	2,620	1,436

14. Investments

The value of shares held in Citizens Advice Limited is £2 being 2 ordinary shares of £1 each which represents 100% of the issued share capital. The company is a private limited company which was incorporated on 16 July 1982. The company is incorporated in England. The company manages all forms of sponsorship on behalf of the parent company and covenants all profits each year under gift aid. The turnover in 2019 was £67,714 (2018: £96,000) which generated a profit of £17,164 (2018: profit £23,554). Net assets were £2 in 2019 (2018: £2). The shares are held as a fixed asset.

Moneysupermarket.com shares were received from the Martin Lewis Charitable Fund in 2012/13 for which the sale by Citizens Advice was restricted for 3 years. These shares were sold during the year to 31 March 2019. The investment is analysed below.

	2019 £'000	2018 £'000
Brought forward	601	712
Revaluation	115	(111)
Disposal	(716)	-
Carried forward	-	601

There were no cash deposits held as investments at 31 March 2019 (2018: £nil) and none were held as fixed assets (2018: £nil) or as current assets (2018: £nil).

15. Cash at bank and in hand

Cash and fixed term deposits valued at £39,140,000 (2018: £32,559,000) were held at 31 March 2019. These were all held in UK accounts. Of these £5,322,000 has been identified in the balance sheet as needing to meet future technology investments (2018: £5,322,000).

16. Provisions

	Group		Citizens Advice	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Property provisions				
Provision at 1 April 2018	1,070	1,015	1,070	1,015
(Released) during the year	(429)	(97)	(429)	(97)
Additional provision	-	152	-	152
Property provisions at 31 March 2019	641	1,070	641	1,070
Other provisions				
Provision at 1 April 2018	22,018	23,137	22,018	23,137
(Released) during the year	(839)	(1,234)	(839)	(1,234)
Utilised during the year	(826)	-	(826)	-
Additional provision	-	115	-	115
Other provisions at 31 March 2019	20,353	22,018	20,353	22,018
Total provisions at 31 March 2019	20,994	23,088	20,994	23,088

The provision includes Citizens Advice's pension liability in compliance with FRS102 of £20,160,000 (2018: £20,997,000). The nature of provisions and the expected timing of resulting payments are:

Nature of provision	Amount £'000	Payment due
Dilapidations payments due on major repairs on leased buildings after the first break clause	641	Between 2020 and 2024
Tax related provision	104	2019
Redundancies and settlements known and consulted on by 31 March 2019	74	2019
Local Citizens Advice pension liability	15	2027
Pension contribution liability	20,160	See note 22
Total provisions at 31 March 2019	20,994	

17. Financial instruments

As at 31 March 2019 the Group's financial instruments were:

	Group	
	2019 £'000	2018 £'000
Financial assets at amortised cost		
Trade debtors	627	195
Other debtors	1,083	197
Accrued income	464	405
HM Revenue and Customs	347	754
Cash balances	39,140	32,559
Total financial assets at amortised cost	41,661	34,110
Financial assets at fair value through income or expenditure		
Moneysupermarket.com shares	-	601
Total financial assets at fair value through income or expenditure	-	601
Financial liabilities at amortised cost		
Trade creditors	1,111	1,214
Local Citizens Advice network grants	2,250	735
Other creditors	1,798	728
Accruals	5,163	3,303
Total financial liabilities at amortised cost	10,322	5,979
Financial liabilities at fair value through income or expenditure		
Provisions	20,994	23,088
Total financial liabilities at fair value through income or expenditure	20,994	23,088

Income, expenses, gains and losses in respect of these financial instruments were:

	2019 £'000			2018 £'000		
	Income	Expense	Gains/ (losses)	Income	Expense	Gains/ (losses)
Financial assets at amortised cost						
Interest on cash balances	200	-	-	72	-	-
Financial assets at fair value through income or expenditure						
Gain on revaluation of shares	-	-	138	-	-	(88)
Financial liabilities at fair value through income or expenditure						
Actuarial gain on defined benefit scheme	-	-	837	-	-	1,226

18. Statement of funds

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Pension adj £'000	Transfers £'000	Gains (losses) on investment assets £'000	At 31 March 2019 £'000
Infrastructure projects	2,825	14,822	(15,181)	-	-	-	2,466
Local government projects	115	-	-	-	-	-	115
Welsh Government projects	19	5,430	(5,421)	-	-	-	28
Social policy projects	744	1,654	(1,661)	-	-	-	737
Financial awareness	244	1	(1)	-	-	-	244
Specialist support projects	1,133	-	-	-	-	-	1,133
Pension Wise	-	9,053	(8,900)	-	-	-	153
Universal Support: Help to Claim	-	9,804	(9,704)	-	-	-	100
Court based witness service	26	11,536	(11,536)	-	-	-	26
Energy	3,295	2,460	(3,409)	-	-	-	2,346
Other projects	1,444	3,065	(3,446)	-	-	138	1,201
Debt advice	936	26,204	(25,988)	-	-	-	1,152
Total restricted funds	10,781	84,029	(85,247)	-	-	138	9,701
Designated funds	7,638	-	-	-	(329)	-	7,309
Unrestricted funds	11,389	25,727	(23,838)	-	329	-	13,607
Total unrestricted funds	19,027	25,727	(23,838)	-	-	-	20,916
Pension scheme	(20,997)	-	-	837	-	-	(20,160)
Total pension reserve	(20,997)	-	-	837	-	-	(20,160)
Total funds	8,811	109,756	(109,085)	837	-	138	10,457

Restricted funds represents that funding received with specific restrictions as to what it is spent on. The funds carried forward represent that restricted funding where income has been recognised but where the funds have not yet been spent.

Unrestricted funds represents funding where there is no restriction applied to how the funding is spent. This is split between freely available unrestricted funds and designated funds.

Designated funds represent those unrestricted funds that have been allocated by the board of trustees for technological investment, with a value of £5.3 million. The remaining £2.0 million is a designated fund reserved for tangible and intangible fixed assets which are equal to the net book value of those assets.

The board of trustees have reviewed the reserves policy in the year and have maintained the target range of free reserves as

3 to 6 months of core operating costs. This equals £9 million to £18 million (2018: £8 million to £16 million). Free reserves are considered to be unrestricted funds less designated funds.

The pension reserve as at 31 March 2019 was £20.2 million (2018: £21.0 million) and represents the discounted liability of the defined benefit pension scheme of Citizens Advice.

19. Analysis of net assets between funds

	Unrestricted		Restricted		Total	Total
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fund balances at 31 March are represented by:						
Fixed assets – intangible	1,936	2,293	-	-	1,936	2,293
Fixed assets – tangible assets	51	23	-	-	51	23
Fixed assets – investments	-	-	-	601	-	601
Current assets	25,158	25,489	17,640	10,590	42,798	36,079
Creditors: amounts falling due within one year	(5,395)	(6,687)	(7,939)	(410)	(13,334)	(7,097)
Provisions	(20,994)	(23,088)	-	-	(20,994)	(23,088)
Fund balance	756	(1,970)	9,701	10,781	10,457	8,811

20. Local Citizens Advice network

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

21. Operating lease commitments

As at 31 March 2019 Citizens Advice was committed to making the following payments in respect of operating leases:

	2019		2018	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within 1 year	1,722	11	1,512	17
Between 2 and 5 years	5,679	-	5,097	-
After 5 years	-	-	1,095	-
Total operating lease commitments	7,401	11	7,704	17

In disclosing the above operating lease commitments, any lease incentives are spread over the lease period to the first break clause. There were no capital commitments at the end of the year.

22. Pension scheme

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

Citizens Advice ('the Principal Employer') operates a defined benefit scheme ('the Plan') in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salaries at retirement and their length of service. The Plan also contains some money purchase AVCs and protected rights funds, which are not included in these disclosures.

The Plan is closed to future accrual. In accordance with the schedules of contributions in force over the 2019/20 accounting year, the contributions to the Plan for the year ending 31 March 2020 are expected to be £2,049,000, which includes £1,749,000 towards the deficit and £300,000 as an allowance for administration expenses and all scheme levies.

The Plan is a registered scheme under UK legislation. The Plan is subject to the scheme funding requirements outlined in UK legislation. The Plan is governed by the Plan's Trust Deed and

Rules dated 4 April 2011. The Trustee is responsible for the operation and the governance of the Plan, including making decisions regarding the Plan's funding investment strategy (although they are required to consult the Principal Employer).

A full actuarial valuation of the Plan was carried out as at 31 March 2019 by a qualified independent actuary, based upon membership data as at 31 March 2016.

The most recent formal actuarial valuation of the Plan was as at 31 March 2016 and revealed a funding deficit of £52,374,000. In the recovery plan agreed following the valuation, the Principal Employer and other participating employers agreed to pay deficit reduction contributions of £1,749,000 per annum with effect from 1 July 2017 with the view to eliminating the deficit by 31 December 2033.

The liabilities of the Plan are based on the current value of expected benefit payment cash flows to members of the Plan over the next 60 or more years. The average duration of the liabilities is approximately 15 years. The Plan is exposed to actuarial risks such as market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk.

If Citizens Advice paid its annual contributions as planned, using an actuarial discount rate of 2.5%, the net present value would be £20,160,022 (2018: £20,996,000 and 2.7% discount).

Present values of scheme liabilities, fair value of assets and defined benefit asset (liability)

	31 March 2019 £'000	31 March 2018 £'000
Fair value of plan assets	88,882	82,672
Present value of defined benefit obligation	144,378	125,822
Surplus (deficit) in plan	(55,496)	(43,150)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(55,496)	(43,150)

23. Related party transactions

Citizens Advice Limited is a subsidiary company owned by Citizens Advice and all Citizens Advice non-charitable trading is conducted through it. The Directors are the National Association of Citizens Advice Bureaux and Warren Buckley. During the year ended 31 March 2019, it made a surplus before gift aid of £17,164 (2018: £23,554).

At 31 March 2019 Citizens Advice Limited (company number 1652053) owed £499,001 to Citizens Advice (2018: £419,000). The accounts for the year ended 31 March 2019 were approved on 31 July 2019.

A subsidiary company was registered on 4 April 2008, Citizens Advice Management Services, to provide management services to the local Citizens Advice network members. There were no financial transactions or balances in the year to 31 March 2019 (2018: none).

Citizens Advice International is a company which was registered in Belgium on 6 December 2004. Although not a related party under FRS 102, it is included here due to the connection of name and objectives. It was established to provide support to Citizens Advice organisations throughout the world. No charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2019, Citizens Advice owed Citizens Advice International £nil (2018: £nil). Citizens Advice International is not consolidated into the accounts as it is a separate entity and Citizens Advice does not have the power to control it.

NACAB Pension Trustees Limited is a company limited by guarantee and is the corporate Trustee of the NACAB Pension & Assurance Plan (1991). Citizens Advice is the sole member of this company. This subsidiary was incorporated on 14 February 2017. There were no financial transactions or balances in the year to 31 March 2019.

24. Company limited by guarantee

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

Citizens Advice helps people find a way forward.

We give people the knowledge and confidence they need to find their way forward – whoever they are, and whatever their problem.

For everyone, for 80 years.

citizensadvice.org.uk



Published November 2019

Photography by David Yeo
Design by nim design
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