

A large, stylized yellow arrow pointing to the right, which serves as a background for the title text. It is surrounded by a fan of smaller arrows in various colors (teal, green, maroon, yellow, light blue) radiating from a central point on the left side of the page.

**Citizens Advice**  
Annual report and accounts  
2007/08

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### **Our vision**

Our vision for the Citizens Advice service is to be recognised above all as an agent of social change; helping people take more control of their lives through accessible, responsive advice and enriching society through powerful influence on social policy.

### **Our principles**

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

### **Our aims**

- Provide the advice people need for the problems they face.
- Improve the policies and practices that affect people's lives.

### **Our values**

In carrying out their roles, Citizens Advice staff ensure that they build into all their work and future plans a set of core values. The Citizens Advice values are to:

- focus on customers
- achieve results
- continuously improve
- promote equality and fairness
- value each other
- work together.

## Who we are and what we do

Citizens Advice is an independent charity and membership organisation with offices in the regions and in Wales. There are 448 Citizens Advice Bureaux across England, Wales and Northern Ireland, all of which are also independent registered charities and members of Citizens Advice. Together we are the Citizens Advice service, delivering information and advice through face-to-face, telephone and email services, and online via [adviceguide.org.uk](http://adviceguide.org.uk). We use clients' experiences as evidence to inform policymakers and service providers about the impact of their policies both locally and nationally.

The 22 bureaux in Northern Ireland are also members of the Northern Ireland Association of Citizens Advice Bureaux (NIACAB). Activities of these bureaux are recorded in NIACAB's annual report and accounts.

**Citizens Advice** provides support to member bureaux to ensure their continued presence in local communities, and access to the necessary training and information to provide consistently high quality advice. As the national organisation, Citizens Advice also coordinates social policy, campaigning, publicity and parliamentary work.

**Citizens Advice Bureaux** provide advice and information in a range of community settings from the high street

to libraries and GP surgeries. Bureaux rely on volunteers to keep their services running and receive funding from various sources. In England and Wales there are 653 main bureaux premises, 1,800 regular outreaches and 750 one-off or less formal locations.

During 2007/08 the Citizens Advice service offered free, independent, impartial advice to 1.9 million people, and dealt with more than 5.5 million issues. Benefits and debt problems are the main reasons people seek advice from a Citizens Advice Bureau, but clients also present problems on a wider range of other issues including housing, employment, legal and discrimination.

The Citizens Advice service has a strong brand recognition with 95 per cent of people having heard of us. In recent research into public perceptions of 21 major charities, the service was ranked first on six ideal charitable attributes. Citizens Advice was regarded as being the most honest, helpful, approachable, effective/cost effective, informative and fair. (nfp Synergy Brand Attributes Survey, March 2008)

At least as many people are now being helped by changes that result from our policy work as those that are helped face-to-face in bureaux. Policy makers increasingly look to the service for authoritative, evidence-based and constructive contributions to the development of policy, services and legislation.

### **Citizens Advice in numbers:**

26,000 people:

- 15,800 volunteers
- 6,000 paid staff
- 4,200 volunteer trustees

Advice is delivered by 16,000 advisers of which 12,000 are volunteers.

## Introduction from Hilary Watkins

One of the things people working in bureaux say most often about the work is that they love the unpredictability, not knowing what the next enquiry will be, and also the sense of making a positive difference to people's lives.

For Citizens Advice staff and trustees the sense of making a positive difference to people's lives is also very important, but the unpredictable is usually less welcome, and we try to avoid it as far as possible. A few years ago we heard that our principal grant was to be reduced. Since then, we have worked hard to reshape the organisation and live within our new budget while minimising the impact of the changes on bureaux. We are now coming to the end of that process and I believe that we have achieved what we set out to do, and have become more efficient and effective. This is no mean achievement and I, and my fellow trustees, thank and congratulate Citizens Advice staff for their work.

The restructuring we undertook made us look again at how we work with bureaux, so we can help them keep up with the ever-changing demands made on them in an increasingly competitive environment. At the same time we reviewed how we relate to our external stakeholders, including Government. We have devised new structures for building better relationships both within the service and externally.

During this time we have managed some major new projects, most notably The Treasury's Financial Inclusion Fund for face-to-face debt advice. We have also looked to the future in developing our 2008-11 service strategy, focusing in particular on improving access to advice. Key to this is a gateway assessment model, and I am pleased to see so many bureaux adopting this approach which, I believe, will help them to manage client demand more effectively and will allow more people to use our service.

Our policy work continues to benefit at least as many people as are helped in bureaux. It also builds the reputation of the service, bringing us recognition and publicity that benefits bureaux and Citizens Advice alike. Likewise our work on an equality and diversity strategy (FAIR) has been successful, moving us towards our aim of becoming a first point of contact for people who may have suffered discrimination.

We live in challenging times – part of the challenge is to seize the opportunities that present while avoiding being caught out by the unexpected. We have all, bureaux and Citizens Advice, worked hard to get where we are and we have shown ourselves adaptable to changing policies and demands. We are now in better shape to meet what the future brings.



**Revd. Hilary Watkins MBE**  
Chair  
Citizens Advice

## Trustees' report

The trustees of Citizens Advice present their report and audited financial statements for the year ended 31 March 2008. The financial statements comply with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005, the Charities Act (1993) and the Companies Act (1985), the accounts section of the Department of Business, Enterprise and Regulatory Reform (BERR)\* Financial Memorandum and the annual reports and accounts guidance from the central Treasury Accountancy Team and HM Treasury.

\*Formerly Department of Trade and Industry (DTI)

Citizens Advice committed to six strategic priorities this year. Below is an executive summary of how we performed against these priorities.

### **Effectively implement our change programme**

Citizens Advice has gone through a major change programme and has reduced costs by £4 million per annum. We have taken the opportunity to work more efficiently and offer improved services to our members and the public.

Changes have progressed well with savings being achieved and the new structure being phased in. Work continues around areas such as analysis of how and where we work, internal office moves, reviews of efficiencies savings and flexible working.

### **Improve access for clients**

Work has been undertaken to ensure that access is improved throughout the service for our clients. We did not achieve our target in delivering a national phone and email service by the end of March 2008, largely due to the complexity of the IT products and associated costs. We have, however, made progress in planning the infrastructure and it remains a critical objective during 2008/09.

### **Develop a new partnership with Citizens Advice Bureaux**

This is an integral part of the new strategic plan and work is progressing on the detail, including the identification of minimum levels of contact with bureaux.

We created a new Membership Services Division as well as Bureaux Direct, a first stop telephone-based consultancy service for members. We also simplified a regional approach to our work into three Areas (England North, England Central, England South) and Wales. It is anticipated that the network will see the benefits of the new structure in the new financial year.

### **Become a first point of contact for people who may have suffered from discrimination**

This is still a major objective for Citizens Advice and much has been achieved. Where funding sources were delayed in some areas, work will be carried forward to 2008/09. Citizens Advice is now established as a key partner with the Equality and Human Rights Commission (EHRC) both nationally and regionally.

**Extend our work on financial capability and financial inclusion**

We have continued to evidence the need to invest in additional advice services around financial capability, financial inclusion and other preventative work. This includes the Financial Inclusion Fund (FIF) programme and developing our money advice strategy.

Fourteen new regional financial capability forums have also been sponsored by Citizens Advice, enabling over 100 bureaux and 300 other organisations, including credit unions and housing associations, to maximise the local impact of financial education.

The Thoresen Review called for access to free, impartial money guidance for all people, not just those that can afford to pay for it. Citizens Advice developed a generic financial advice pilot project, Moneyplan, which demonstrated demand exists for such a service. Over 50 per cent of those seen by an independent financial adviser took action or resolved their problem following the advice. Citizens Advice is in an excellent position to work with the Financial Services Authority (FSA) on the next Pathfinder phase.

In the area of social policy Citizens Advice has worked with the Government on a number of reviews, including Thoresen.

**Be an effective and valued provider of publicly funded legal services and a key partner in the Community Legal Service (CLS)**

We are working at a national level to influence policy on the commissioning and funding of advice and related services. We have made representations to the Legal Services Commission (LSC) and Ministry of Justice to ensure our views are recognised and influential.

Citizens Advice is taking a proactive role in supporting bureaux facing the development of a Community Legal Advice Centre (CLAC) or a Community Legal Advice Network (CLAN) and is working with partner agencies to advocate ways in which the legal aid system could be delivered so as to better meet the needs of users.

The following pages go on to illustrate how we performed in delivering our charitable objectives of:

- strengthening the bureaux network
- delivering IT services
- developing our people
- influencing policy and developing partnerships
- making information available.

## Strengthening the bureaux network

The bureaux network gives advice to nearly two million people annually, and this requires bureaux to continually adapt in order to meet new challenges and competition. During 2007/08 we spent £11.3 million on supporting bureaux in their work.

Last year we said that we would work in partnership with bureaux to deliver our strategy for the future. After consultation a *Service Development Plan* was produced to illustrate how Citizens Advice and the network can work in partnership to maximise delivery.

A major restructure within Citizens Advice saw the formation of a new division to provide support to bureaux. Changes included the creation of Bureaux Direct. This service will be the central point of contact for bureaux and will provide the tools to enable bureaux to manage effectively.

Citizens Advice offers a wide range of support services to bureaux, including:

- online support for bureau managers
- support and training for advisers
- training and development for all bureau staff
- IT support
- help and guidance on LSC contracts.

The Citizens Advice service is unique in auditing the advice given by bureaux to ensure it is accurate and consistent wherever it is given. Citizens Advice supports bureaux and encourages improvements in advice provision.

Last year we said we would continue to support bureaux so that they can become an effective first point of

contact for discrimination advice. We provided support to bureaux in applying for EHRC grants, and 20 bureaux were successful. Citizens Advice also secured funding to produce and distribute an equality and human rights toolkit. We continue to participate in regional events working with bureaux to develop understanding and expertise.

Citizens Advice will continue to work in partnership with bureaux to help influence the LSC in shaping the future direction of the legal aid reform programme. We will work together to help local authorities develop quality, local, integrated services. We will also promote the value of bureaux services to local authorities whilst ensuring that they recognise the risks inherent in the current design of CLACs and CLANs.

Over the last few years the Government has been working to reform the delivery of public services. Citizens Advice encourages bureaux to work in partnership with their local authority to provide timely and accessible advice. This focuses on outcomes and delivery through better partnership working.

Last year we said we would encourage bureaux to use the 'gateway' assessment system to streamline the advice process more effectively. The assessment approach is being actively promoted and over 30 per cent of bureaux now use a full gateway assessment on first contact, with a further 20 per cent using a diagnostic interview. Promoting the use of the gateway model is central to the new Citizens Advice service strategy and is key to our access programme.

## **Delivering IT services**

Information technology is integral to the service and is a major organisational asset. It enables effective service delivery, provides up to date information for advisers, critical information for clients, website support and a virtual private network (VPN) for bureaux.

The bureaux IT support desk consistently receives excellent satisfaction ratings and recorded a 98 per cent satisfaction rating in the 2007/08 Bureau Feedback Survey.

During 2007/08, £3.4 million was spent on developing and maintaining our IT network. We undertook a complete IT service transformation programme that will deliver both savings and improved services for Citizens Advice and bureaux.

Our VPN enables information to be shared in a secure environment and we have invested heavily in this to achieve long term savings, improved security, increased capacity and improved quality.

CASE is our electronic client management system. As well as recording client records, their enquiry details and the problems we help them with, it is increasingly used to record client outcomes. CASE information is a powerful evidence base for our policy

work and for reporting at bureaux, regional and national levels. As we started 2007/08, 90 per cent of our members were making use of CASE. During the year we provided consultancy, training and support to ensure all of our members are able to make full use of the system.

Work was carried out during the year to upgrade the functionality of CASE. Measures to improve the system will continue during 2008/09. It is recognised that there are still performance issues around the CASE system and improving the performance is a major objective of Citizens Advice.

All bureaux submit evidence for use in policy work predominantly via the client case recording system and last year Citizens Advice said it would update the system so bureaux can analyse their own data. The updated CASE allows bureaux to analyse evidence to give a local picture to funders and policy makers.

Last year we said we would improve the functionality of CABlink, our intranet site for the service. We did make some significant improvements including an easier to use contacts search for bureaux and Citizens Advice staff. We are committed to improving the site further during 2008/09.

### **Citizens Advice in numbers:**

There were over 720,000 visits to CABlink in 2007/08 with over 1,600 staff and bureaux signed up to the email alert function.

In 2007/08, 42,000 evidence forms were used for evidence research.

## Developing our people

Volunteers are the backbone of the Citizens Advice service. The value of the work done by bureaux volunteers (including trustees) is in excess of £86 million.\*

We have streamlined the process for recruiting volunteers and ensure bureaux are involved throughout. Our corporate website ([citizensadvice.org.uk](http://citizensadvice.org.uk)) has been updated to include additional features which enable a potential volunteer to go directly to the bureau of their choice. Our recruitment hotline has also been developed.

Citizens Advice has been involved in the Millennium Volunteers project which has encouraged bureaux to sign up over 1,000 volunteers between the ages of 16 and 24. This finished in March 2008 but the work continues through the **v** project.

Funding from the charity **v** enabled Citizens Advice to work in partnership with bureaux throughout the country and create 330 part time voluntary positions and 27 full time positions. These were filled with 16-25 year olds, primarily from BME or Not in Employment, Education or Training (NEET) backgrounds. A toolkit is being developed to enable bureaux to encourage youth volunteering. We are submitting a bid to The Big Lottery Fund to promote teaching young people their rights and encouraging them to provide advice to other young people.

Over 1,400 training events were held by Citizens Advice during 2007/08.

Materials have been produced across a range of subject areas including some for specific learner groups including older people, migrant workers, people with a learning disability and young people.

Citizens Advice continued its joint working with the Workers Educational Authority (WEA) to access funding for training. Electronic resources workshops were held across England and Wales to support the in-bureaux implementation of e-learning. We also started a new training consultancy phone line and email service during the year.

Last year we said we would develop an online booking system for all training events. This work remains unfinished whilst the feasibility of an integrated customer service for bureaux is mapped and reviewed.

Our work towards becoming a first point of contact on discrimination includes proactive measures to encourage diversity amongst Citizens Advice and bureau workers. As a result new volunteers are younger than existing volunteers, more BME volunteers are being recruited and Stonewall listed Citizens Advice at 24<sup>th</sup> in the top 100 employers of gay people.

\*Based on calculations using figures from the Annual Survey of Hours and Earnings, 2006.

## Influencing policy and developing partnerships

Citizens Advice uses evidence from clients to inform policy makers and service providers about how their policies impact on people. During 2007/08:

- Our evidence on mortgages and problems with secure loans influenced policies for low income home owners.
- We persuaded the Government to write off tax debts owed by low income pensioners.
- Following our lobbying on access to NHS dentistry the Government increased funding by 11 per cent.

We obtained funding to improve communications between the credit industry and the advice sector and influenced Ofgem's standards on how fuel companies handle complaints.

Last year we stated that we would promote and lead the development of the work of the Citizens Advice service with migrant workers. During 2007/08 we have worked to provide information to migrant workers in conjunction with the TUC.

Within our strategy we committed to maintaining and developing funding partnerships which broaden the reach of the Citizens Advice service to 'hard to reach' groups. Further developments include:

- A partnership with Revolving Doors working with people with mental health problems caught up in the criminal justice system. We also secured funding from the Carnegie Foundation to fund bureaux in the south east to work with Gypsies and Travellers.
- We have renewed our partnership with Macmillan Cancer Support. Macmillan has provided more than £4 million over five years to bureaux and this partnership continues to grow.
- The National Homelessness Advice Service (NHAS) is a partnership between Shelter and Citizens Advice funded by the Department for Communities and Local Government (DCLG). The service aims to minimise housing problems and prevent homelessness occurring by providing timely and effective advice, and ensuring good practice is developed by local authorities.

As part of this project a pilot involved 16 bureaux recording the outcomes of housing advice. Eighty eight per cent of clients using the pilot reported that the advice had made a positive difference.

## **Making information available**

A major strategic objective for the Citizens Advice service is to provide easier and faster access to quality advice and information for more people. As a responsive service Citizens Advice is actively seeking to work with other agencies to improve access to advice.

Most visitors to our corporate website [citizensadvice.org.uk](http://citizensadvice.org.uk) in 2007/08 were looking for advice, their local bureau or for details of how to volunteer.

[Adviceguide.org.uk](http://Adviceguide.org.uk) (our advice website) had nearly 7.3 million visits during 2007/08, an increase of just over one million from the previous year. Clients are increasingly using different routes to get advice from the service and this frees up the availability of face-to-face advice for those who do not have access to the internet.

Content on Adviceguide is in 12 languages and is kept up to date by a team of information specialists covering legislation, policy and practice changes. We also work with external agencies

that provide relevant content in their area and links to external resources.

CAB advisers use our unique internet based information system, AdviserNet. Our information specialists maintain and develop AdviserNet so that bureaux have easy to access, up-to-date and relevant information to enable them to advise clients.

Last year we said we would aim to create a national phone and email service to increase the ways people can access advice. Forty per cent of bureaux are already providing email advice and Citizens Advice introduced an email service in 2007/08. Users of Adviceguide and the Citizens Advice website can now identify bureaux that provide email advice using a search tool.

The single telephone number will be launched in Wales in June 2009 and throughout England in March 2010. It is anticipated that the service will help four million new clients a year once the number is in full operation.

### **Information in numbers:**

Corporate website visits: 4.4 million  
Adviceguide visits: 7.3 million

Bureaux satisfaction with Adviceguide: 95%

Bureaux satisfaction with AdviserNet: 98%

## Some key achievements

Throughout a challenging year we have continued to deliver work that benefits our clients and society. Details are provided within this report and some key achievements are listed below:

- Our membership scheme was endorsed by the Charity Commission, demonstrating that the partnership approach to quality standards between Citizens Advice and its members is of huge importance.
- We continued to influence policy makers through a number of campaigns, including highlighting the need to regulate bailiffs, school costs and post office closures.
- In September we won a top charity award for our campaign for free cash machines. Citizens Advice was presented with the 'Changing the World' Award for our ATM Watch campaign by *Third Sector* magazine.
- In between the start of the FIF face-to-face debt advice programme and the end of the 2007/08 financial year, 82,410 new clients received advice from FIF advisers. Positive outcomes have so far been recorded for nearly 5,000 of these clients including £40m of debt written off and £2m of benefit gains.
- A three year partnership worth more than £1 million with the Royal British Legion was established during the year. This helped deliver a specialist service to nearly 700 clients in six months and helped achieve financial gains for clients of over £500,000.
- We were successful in securing £1.2 million from the Big Lottery Fund as part of a larger grant to the Advice Services Alliance. This will provide a range of joint support services to advice agencies across Britain.
- In November 2007 a stakeholder review conducted by Opinion Leader for Citizens Advice found that 84 per cent of our stakeholders described themselves as complete or usual advocates for us. Our stakeholders said they regarded us as being the most effective organisation in comparison to some of our peers. We were also rated second out of 16 charities which most impressed members of parliament at the political party conferences in 2007.
- During the year Adviceguide received 7.3 million visits.

## The way ahead

Citizens Advice has produced a three year strategy (2008-11). This will enable the service to improve its capacity to deliver quality advice, available when people need it and to build on the evidence base that supports our policy work. It links to the Government's agenda and is client focused. The strategy will mean reaching more clients using the same resources, working more efficiently and in partnership and changing our delivery channels.

### The key strands of the plan are to:

- provide easier and faster access to quality advice and information for more people
- strengthen our voice in social policy
- develop the bureaux network
- develop new initiatives in advice.

The strategic plan sets out the objectives for the service and how we will address them. There will be challenges and opportunities during the first year of the strategy, and Citizens Advice faces them with confidence.

Partnership working becomes increasingly important whilst the commitment to providing increased access to advice is a major component within the strategic plan.

Setting up a single telephone number for the Citizens Advice service is a critical part of our access strategy. This will be a key priority in our work for 2008/09.

Helping bureaux prepare for CLACs and CLANs is a top priority for Citizens Advice's Membership Services Division and seeking to influence the Legal Services Commission and the Ministry of Justice a top priority for the Public Policy Division.

Within our financial capability work we will continue to demonstrate to funders, opinion formers and policy makers the value of financial education and the related money and advice issues. There is also an opportunity for the service to act as the principal delivery partner for the face-to-face element of the new Money Guidance programme in which the Government will be investing £50 million per annum.

Citizens Advice will receive an additional £5.5 million from BERR over a three year period that will be integrated into the FIF programme.

Our social policy work will focus on campaigning on a number of issues including doorstep selling, EU standards for contact centres, and representing consumer needs in forthcoming legislation.

We will integrate our equality and diversity measures across all our strategic goals. In doing this Citizens Advice will work to ensure that each bureau provides and promotes an advice service that responds to the needs of the community. We will also continue to work on a key partnership with the EHRC which is a vital part of our strategy to become a recognised first point of contact on discrimination issues.

Overall, the service will continue to have an on-going central role in tackling injustice, reducing poverty and social exclusion, and enabling people to realise their full potential. Our services will provide the impetus for millions to understand and realise their rights while, through pressing for change in social policy, we help many more.

## **Thank you to our donors**

Citizens Advice is a charity and relies on funding from Government bodies, companies, charities and many others to make a difference to the lives of individuals, families and communities. We thank the following for their support during 2007/08.

### **Government grants**

Department for Business, Enterprise and  
Regulatory Reform\*  
Department of Communities and Local  
Government  
Department for Education and Skills  
Department for the Environment, Food  
and Rural Affairs  
European Commission  
HM Prison Service  
HM Revenue & Customs  
Welsh Assembly

\*During the year, the Department for Trade  
and Industry changed its name to the  
Department for Business, Enterprise and  
Regulatory Reform, known as BERR

### **Public bodies**

Devon County Council  
Disability Rights Commission  
Equality and Human Rights Commission  
Financial Services Authority  
Greater London Authority  
Kent Probation Service  
Legal Services Commission  
London Borough of Newham  
Office of Fair Trading  
Ofgem  
Remploy  
West Yorkshire County Council

### **Other**

Abbey Charitable Trust  
Alliance and Leicester plc  
Bank of America Foundation  
Barclays Bank plc  
Barclaycard  
Big Lottery Fund  
Carnegie UK Trust  
Eufax  
Experian  
Fidelity UK Foundation  
Finance Leasing Foundation  
GMAC RFC Foundation  
Grant Thornton  
HBOS Foundation  
HSBC  
MBNA  
Money Advice Trust  
Northern Rock Foundation  
Provident Financial plc  
Prudential plc  
Resolution Foundation  
The Royal Bank of Scotland plc  
Royal British Legion  
Scottish & Southern Energy plc  
**v**, the youth volunteering charity  
Wales Council for Voluntary Action  
Yorkshire Water

## Structure, governance and management

### The Trustee Board

Citizens Advice is governed by the Trustee Board which:

- sets the policy of the charity
- determines corporate strategy, including setting key strategic objectives
- makes major decisions about the use of finances
- sets a framework for human resources policy.

The membership of the Trustee Board as at year ended 31 March 2008 is set out below. The trustees are also known as directors of Citizens Advice for the purposes of Company Law.

<b>Name</b>	<b>Role</b>	<b>Elected/ appointed by</b>	<b>Date elected</b>	<b>Date resigned</b>
The Revd. Hilary Watkins	MBE Chair	AGM	29.09.04	
Gordon Pankhurst	Deputy Chair	Wales bureaux	16.02.05	
Gerald Broadbent*		North west bureaux	31.03.08	
Andrew Brown*		AGM	29.09.04	26.09.07
Jacqueline Carr		EOC**	02.02.05	26.09.07
Joyce Catterick***		North bureaux	15.05.02	
Ann Chant CB		Co-opted	12.10.05	31.12.07
Jan David*		South east bureaux	01.04.04	26.09.07
Gillian Dawson		South west bureaux	01.01.07	
John Devine OBE		NIACAB	16.11.04	
Chris Hailey Norris***		EOC**	07.12.06	
Beverley Higgs		AGM	26.09.07	
Craig Lane		EOC**	26.09.07	
Belinda Leathes***		London bureaux	30.11.05	
David Livesey*		East bureaux	03.05.05	
Jane Mordue*		South east bureaux	26.09.07	
Martin Mosley		Co-opted	11.10.06	
Stephen Potts***		Midlands bureaux	07.06.07	
Simi Ryatt		AGM	26.09.07	
Jon Taylor		North bureaux	27.09.06	13.11.07
Jonathan Tross CB***	Honorary Treasurer	AGM	06.04.05	

\* Member of Membership and Standards Committee

\*\* Equal Opportunities Committee

\*\*\* Member of Performance Review and Audit Committee (PRAC)

A register of interests is maintained detailing any significant interests of trustees. This is open to the public and is held at the registered office. A copy is available by writing to the Company Secretary at the registered office address shown in the administrative details of this report (see page 19). No trustee received any remuneration for his or her services as trustee during the year.

### **Recruiting and training trustees**

Trustees are recruited in line with the terms laid out in the Articles of Association and the agreed election rules. A term of office is three years and trustees may stand for two terms.

Four trustees are elected by member bureaux at the Annual General Meeting. These are: the Chair, and Treasurer (unpaid) and two trustees who receive payment for their work in a Citizens Advice Bureau. Member bureaux elect one trustee from each of the seven regions and Wales.

The Board of the Northern Ireland Association of Citizens Advice Bureaux (NIACAB) appoints one trustee, and the Citizens Advice Equal Opportunities Committee appoints two trustees. In addition, two further trustees can be co-opted by the Trustee Board. All trustees are independent from management.

Citizens Advice runs an induction day for all new trustees, and our intranet site, CABlink, contains designated pages with information to support trustees in their roles, including a trustee handbook.

### **Responsibilities of trustees and the chief executive officer**

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

- select appropriate accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, and explain where they haven't been followed

- use a going concern basis to reporting unless it is inappropriate to presume the charitable company will continue.

### **The trustees and chief executive are also responsible for:**

- keeping proper accounting records which disclose the financial position of Citizens Advice and enable them to ensure that the financial statements comply with the Companies Act 1985
- taking such steps to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities
- ensuring the regularity and propriety of the public finances, as set out in the Financial Memorandum
- the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Each trustee confirms that:**

a) in so far as the trustee is aware, there is no relevant audit information of which Citizens Advice's auditors are unaware

b) the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that Citizens Advice's auditors are aware of that information.

### **Organisational structure and decision-making**

Responsibility for day-to-day management matters and the implementation of policy is delegated to the chief executive, within a clearly understood framework of strategic control. The chief executive is supported by the Executive Board, which consists of Citizens Advice executive directors as set out over the page.

### **Executive directors**

David Harker	Chief Executive
Shani Fancett	Director of Membership Services
Keith Gilbey	Director of Strategic Development
John Humpston	Director of Corporate Services
Teresa Perchard	Director of Public Policy

A divisional restructuring was announced in March 2007. As a result of this, five directors left the board:

		<b>Date departed</b>
Simon Bottery	Director of Communications	06.12.07
John Humphreys	Director of Human Resources	22.07.08
Margaret Sandford	Director of Network	29.06.07
Judy Walker	Director of Advice	01.11.07
Stephen Williams	Director of Finance and Company Secretary	20.12.07

Member bureaux also take part in the policymaking activity of the charity by passing resolutions at the AGM, which inform the work of the Trustee Board. The Board meets at least six times a year.

The Trustee Board can delegate responsibility for specified matters to the following committees: Membership and Standards Committee (which has responsibility for the membership to the Association of bureaux and seeks to uphold standards of the Association), the Equal Opportunities Committee (which maintains an overview of equality and diversity issues) and the Performance Review and Audit Committee (which monitors the financial and non-financial performance of Citizens Advice).

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

### **Employee involvement**

Non-confidential Trustee Board papers, including agendas and minutes are available to all employees. Regular meetings are held between management and the union, and the union and its members to discuss Citizens Advice activities. Citizens

Advice pays the costs of staff travelling to union meetings. An employee satisfaction survey is conducted annually and the results are used to influence management decisions in the future.

### **Equal opportunities**

Citizens Advice recognises the positive value of diversity, promotes equality and challenges discrimination. The service-wide Fair Accessible Inclusive Relevant (FAIR) strategy 2004-2008 sets out how we intend to become a first point of contact for those experiencing discrimination. As such, Citizens Advice meets all of its legal responsibilities and welcomes employees from all parts of the community, particularly under-represented groups.

Citizens Advice has an Equality and Diversity policy in place, and is working towards achieving the positive about disabled people disability symbol. It ensures the full and fair consideration and treatment of all staff, including disabled persons, during their recruitment, training and career development with due regard to their personal attributes and abilities. We had aimed to achieve this by 31 March 2008 but it is now likely to be in place by September 2008.

## **Risk management and internal controls**

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

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

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

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

The Statement of internal control included within this document (see page 22) sets out the risk and control framework.

## **Responsibility towards the environment**

Citizens Advice aims to minimise its impact on the environment. We have improved our system of paper recycling and encourage electronic communication where possible. We are

promoting a more sustainable working environment and have developed an environmental policy that went live on 1 April 2008.

## **Our legal status**

Citizens Advice is a registered charity and a company limited by guarantee. All member bureaux are members of Citizens Advice, and there are no other 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.

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

Citizens Advice commenced operations on 1 October 1979 at which date the assets and liabilities of the unincorporated National Association of Citizens Advice Bureaux were acquired as represented by the CAB General Fund (see note 17).

On 1 April 1991, the undertaking of the Greater London Citizens Advice Bureau Service (GLCABS), together with its assets and liabilities, was transferred to Citizens Advice and is represented in the London Region Reserves (see note 17).

The charity has a trading subsidiary, Citizens Advice Limited (formerly Advice Services Information Limited). Consolidated accounts have not been prepared as the balances of the company are not material to Citizens Advice.

## Our administrative details

**Company number:**

1436945

**Registered charity number:**

279057

**Company secretary:**

Joanne Hampton

**Registered office:**

115 –123 Pentonville Road  
London N1 9LZ

**Auditor:**

Baker Tilly UK Audit LLP  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Hertfordshire WD17 1JJ

**Internal auditor:**

BDO Stoy Hayward LLP  
Emerald House, East Street  
Epsom, Surrey KT17 1HS

**Bankers:**

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

**Solicitors:**

Bates, Wells and Braithwaite  
2–6 Cannon Street  
London EC4M 6YH

Vizards Tweedie  
42 Bedford Row  
London WC1R 4JL

Davies Arnold Cooper  
6–8 Bouverie Street  
London EC4Y 8DD

Dickinson Dees  
112 Quayside  
Newcastle upon Tyne NE991SB

**Pension scheme actuary:**

Jardine Lloyd Thompson Benefit  
Solutions  
251 High Street,  
Orpington, Kent BR6 0NT

**Connected charities and other related parties**

The following charities are connected to Citizens Advice by way of common objectives and unity of administration:

- The Citizens Advice Bureaux Trust is a dormant entity.
- *The Adviser* is a separate registered charity with two directors in common and the same registered address as Citizens Advice. *The Adviser* is dormant and not consolidated in Citizens Advice accounts on the grounds that it is not material.
- The Friends of Citizens Advice Bureaux Trust is a separate registered charity at the same registered office as Citizens Advice. With effect from 5 July 2005 the operations of the trust ceased.
- Citizens Advice Limited is a trading company that administers sponsorship arrangements on behalf of Citizens Advice.

During the year Citizens Advice has acted as an intermediary between Newham Council and East End Citizens Advice Bureau, whereby Citizens Advice has made cash advances pending receipt of local authority grants. These funds are held on a short term basis and are separately accounted for within Citizens Advice's accounting records.

All material transactions between Citizens Advice and its connected charities are detailed in note 23 of the accounts.

## Financial review

Citizens Advice is funded by a grant-in-aid from BERR, a variety of project-based income, some trading activity and other income. The total income for the year was £45,683,000 (2007: £46,692,000) being a decrease of 2.2 per cent. This income is allocated across respective funds on the Statement of Financial Activities in accordance with the Statement of Recommended Practice (SORP) 2005.

The Statement of Financial Activities for the year ended 31 March 2007, show a deficit across all funds of £4,540,000 (2007: £3,815,000 surplus). The main reason for this was a timing difference on the receipt of the first quarter of Financial Inclusion Fund (FIF) money that was recorded in the previous financial year, generating a comparable surplus on the fund in 2006/07.

Looking at individual funds, there was a surplus on the BERR unrestricted fund of £447,000 (2007: £2,553,000 deficit). The surplus was due to a selection of vacant positions in the year which arose as a result the staff restructuring.

There was also a surplus on the Other Unrestricted fund before transfers of £395,000 (2007: £393,000). This resulted from bank interest, donations and a surplus generated

from the sale of training. The designated fund is used to meet the cost of funding the depreciation on our fixed assets.

The deficit of the BERR restricted fund of £5,903,000 (2007: £5,209,000 surplus). This resulted from a timing difference on the receipt of FIF money with the first quarter's payment for the year just ended being accounted for in the previous year. In 2006/07, this resulted in us reporting an in-year surplus which is matched by an in-year deficit in 2007/08. There is no net difference taking the two years as a whole. The balance on restricted funds as at the 31 March 2008 was £126,000. The 2007/08 variance also impacts upon the movement of cash held on the balance sheet to £8,547,000 (2007: £15,285,000).

The Other Restricted fund incorporates all non-BERR restricted income and expenditure on a variety of projects. The surplus before transfers of £519,000 (2007: £538,000) arises from timing differences between the income and expenditure on projects. Project surpluses are expected to be utilised in full during the course of the project.

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

	2008 (£)	2008 (%)	2007 (£)	2007 (%)
Strengthening the bureaux network	11,390,000	22.7	14,657,000	34.2
Delivering IT Services	3,452,000	6.9	5,736,000	13.4
Bureaux and other grants	22,403,000	44.6	11,953,000	27.9
Developing our people	4,782,000	9.5	4,007,000	9.3
Influencing policy	3,339,000	6.6	2,986,000	7.0
Making information available	2,873,000	5.7	1,887,000	4.4
Trading activities	1,209,000	2.4	1,287,000	3.0
Governance costs	309,000	0.6	278,000	0.6
Costs of generating funds	466,000	0.9	86,000	0.2
	<b>50,223,000</b>	100	<b>42,877,000</b>	100

On 27 March 2008, the Charity closed its defined benefit pension scheme to new entrants and future service accrual because the cost to the organisation of meeting future open ended commitments became untenable. A defined contribution scheme, which previously existed, is now available to all staff. A material deficit remains on the defined benefit pension scheme, full details of which can be found in note 22. Under FRS17, because the scheme is a multi-employer scheme, the assets and liabilities of the scheme cannot be separately identified and therefore, as in previous years, the pension scheme assets and liabilities cannot be shown on the balance sheet.

Consideration was given as to whether it was appropriate to make a provision for the contributions towards the deficit under FRS12 but it was felt that the more specific standard, FRS17, took precedence, and this was consistent with previous years reporting. There were also material uncertainties around placing a reliable estimate on any provision as the amount due will be liable to vary according to future actuarial valuations of the scheme. We recognise that this is a matter of judgement and note that our external auditors took a different view and hence have qualified their opinion on the basis of a disagreement with this accounting treatment. Trustees consider, that by including in Note 20 details of the contingent liability relating to the pension scheme the accounts accurately reflect the uncertain nature of the liabilities the charity has under the scheme and the contributions required to fund the deficit under arrangements agreed with the pension scheme trustees.

The following accounts are for Citizens Advice only. They do not include the financial results of the branches, all of which are separately constituted charitable organisations.

### **Reserves policy**

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

While we aim to manage our BERR unrestricted reserves to meet the above, our maximum unrestricted BERR balance is equal to one month's DTI grant in aid. The year end balance was £1,154,000 (2007: £707,000) being within this limit (see note 17 to the financial statements for further information). It is expected that this balance will be used to support any shortfall in funding over the next five years. In particular, we expect material one-off expenditure to renew the IT contract that underpins our IT systems as well as expenditure required in moving or refurbishing some offices within our property portfolio.

Other unrestricted reserves were £2,587,000 as at 31 March 08 (2007: £2,017,000), representing an increase of 28.3 per cent. At 31 March 2008, total reserves held were £7,170,000 (2007: £11,588,000). Restricted reserves, which showed a deficit of £3,275,000 at 31 March 08 (2007: £8,834,000 surplus), represent the balance of ongoing projects.

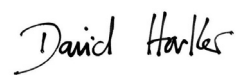
### **Investment policy**

As required in its Memorandum paragraph 4(o), in furtherance of its objects, and no other purposes, the charitable company has the power to invest the monies of the charitable company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may, for the time being, be imposed or required by law.

All surplus funds are invested at the best interest rates attainable and interest rates are monitored regularly. Citizens Advice considers it to be prudent to hold all surplus funds in an interest bearing account so that there is no risk to the capital amount of funds. This is to protect the grant awarded to Citizens Advice for the purpose it was intended.



Joanne Hampton ACIS  
Company Secretary



David Harker OBE  
Chief Executive  
30 July 2008

## Statement of internal control

### Scope of responsibility

Respectively as accounting officer, and Chair of the Trustee Board, we have joint responsibility for maintaining a sound system of internal control that supports the achievement of Citizens Advice's policies, aims and objectives, whilst safeguarding the funds and assets for which the accounting officer is personally responsible, in accordance with the responsibilities assigned in Government Accounting and the Management Statement agreed with BERR. The accounting officer is accountable to the Performance Review and Audit Committee, the Trustee Board and BERR for managing the risk of Citizens Advice.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Citizens Advice's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Citizens Advice for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

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

### The risk and control framework

The Risk Management Strategy:

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

The Trustee Board has approved the Risk Management Strategy and reviews the Risk Register. Citizens Advice has identified high level and operational level risks. The high-level risks are reviewed by the Executive Board, Performance Review and Audit Committee and Trustee Board. Operational level risks are managed by senior managers and monitored by the Finance Team which has the authority to escalate issues to the high level risk register.

### Risks are identified and evaluated in the following ways:

- Executive Board risk management workshops are held.
- Periodic reviews are performed by each risk owner in order to assess the likelihood and impact, relevance of risks, current strategies applied and the strength of the strategies. The residual risk is identified and action plans are created to further mitigate risk.
- Clearly documented financial and management procedures and guidelines.
- A Performance Review and Audit Committee (PRAC).
- An Internal Audit function.
- Comprehensive budgeting systems and financial reporting which indicate financial performance against the budget and forecast, and

which are reviewed and agreed by the Performance Review and Audit Committee and the Trustee Board.

Citizens Advice has a balanced approach to 'risk taking' and adopts an active approach to the mitigation of risk. In the annual review of the high-level risk register it was noted that 38 per cent (2007: 40 per cent) of net risks were high, 38 per cent medium (2007: 40 per cent), and 24 per cent low (2007: 20 per cent).

The most significant risks faced by Citizens Advice going forward have been identified as being:

- Not succeeding in the implementation of the Access strategy and thereby failing to get the benefit of improved access.
- The bureaux network not responding successfully to the increased competitive environment.
- Business continuity risks around premises and/or staff being made ineffective (e.g. pandemic flu or a terrorist attack).
- The reputation of the service being adversely affected by scenarios either totally or partially outside of the organisation's control.
- Downtime and/or supplier failure in terms of the delivery of IT services.
- Longer-term stability around levels of core funding for Citizens Advice.
- Not effectively realising the changes required in terms of an accommodation strategy and plans around how and where we work.

Citizens Advice manages risk by focusing on strategic objectives and taking a balanced scorecard perspective.



David Harker OBE  
Chief Executive

### **Review of effectiveness**

Citizens Advice has engaged BDO Stoy Hayward to provide the current programme of internal audits. The auditors operate to standards defined in the Government Internal Audit Manual.

The internal auditors report regularly on internal audit activity within Citizens Advice. The work of the internal auditors is informed by an analysis of the risks to which the organisation is exposed and annual audit plans are based on this analysis. These are endorsed by the Executive Board, Performance Review and Audit Committee and the Trustee Board. A database of all audit recommendations is held and progress is monitored by the Performance Review and Audit Committee, who meet six times a year. The internal auditors' annual report includes their independent opinion on the adequacy and effectiveness of the system of internal control.

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

To conclude, we can confirm that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.



The Revd. Hilary Watkins MBE  
Chair  
30 July 2008

## Independent auditor's report

We have audited the financial statements which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and related notes. This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Citizens Advice for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to

you whether in our opinion the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Independent auditor's report

### Qualified opinion arising from disagreement over accounting treatment

As set out in Note 20, during the year the charity closed its defined benefit pension scheme to new entrants and to future service accrual. Following advice from the pension scheme actuary the charity has a formal agreement in place to make annual payments of £700k over the next 20 years to fund the deficit in the scheme as at 31 March 2008. This liability has been disclosed as a contingent liability and no provision for the liability payable under the arrangement has been included in the balance sheet at 31 March 2008.

In our opinion the existence of an agreed contribution statement provides a sufficiently reliable estimate of the liability such that the net present value of the future payments should be included as a provision on the face of the balance sheet under Financial Reporting Standard 12. Based on a discount rate used in the actuarial valuation a provision should be made as at 31 March 2008 of £8,272k. As a result of this provision total assets less all liabilities and accumulated unrestricted funds at 31 March 2008 should decrease by £8,272k and total outgoing resources/net outgoing resources for the year then ended should increase by £8,272k.

Except for the financial effect of not making the provision referred to in the preceding paragraphs, in our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Trustees' Report is consistent with the financial statements.
- In all material respects the expenditure, income and resources funded by Grant in Aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts WD17 1JJ

13 August 2008

## Statement of financial activities Year ended 31 March 2008

Incorporating an Income and Expenditure Account

	Note	BERR £'000	Other £'000	Designated £'000	BERR £'000	Other £'000	<b>2008</b> £'000	2007 £'000
<b>Incoming resources</b>								
Incoming resources from generated funds:								
Voluntary Income	2	-	63	-	-	-	<b>63</b>	30
Bank interest		166	204	-	51	34	<b>455</b>	446
Incoming resources from charitable activities:								
Grants	3	21,314	24	162	13,015	7,171	<b>41,686</b>	42,863
Trading activities		1,632	855	-	-	52	<b>2,539</b>	2,391
Training and support		145	656	-	-	19	<b>820</b>	766
Other incoming resources		18	1	-	-	101	<b>120</b>	196
<b>Total incoming resources</b>	<b>16</b>	<b>23,275</b>	<b>1,803</b>	<b>162</b>	<b>13,066</b>	<b>7,377</b>	<b>45,683</b>	<b>46,692</b>
<b>Resources expended</b>								
Charitable activities								
Strengthening network		9,951	442	85	484	428	<b>11,390</b>	14,657
Delivering IT services		3,335	-	-	70	47	<b>3,452</b>	5,736
Bureaux and other grants	5	381	-	-	18,408	3,614	<b>22,403</b>	11,953
Developing our people		3,289	77	26	3	1,387	<b>4,782</b>	4,007
Influencing policy		2,991	-	23	2	323	<b>3,339</b>	2,986
Making information available		1,807	-	19	2	1,045	<b>2,873</b>	1,887
Trading activities		304	889	2	-	14	<b>1,209</b>	1,287
Governance costs	8	309	-	-	-	-	<b>309</b>	278
Costs of generating funds		461	-	5	-	-	<b>466</b>	86
<b>Total outgoing resources</b>	<b>6,716</b>	<b>22,828</b>	<b>1,408</b>	<b>160</b>	<b>18,969</b>	<b>6,858</b>	<b>50,223</b>	<b>42,877</b>
<b>Net (expenditure) / income</b>	<b>10</b>	<b>447</b>	<b>395</b>	<b>2</b>	<b>(5,903)</b>	<b>519</b>	<b>(4,540)</b>	<b>3,815</b>
<i>incorporating net (outgoing)/incoming resources</i>								
<b>Transfers</b>			175			(175)	-	
<b>Reconciliation of funds</b>								
Fund balance brought forward	16	707	2,017	152	6,029	2,805	<b>11,710</b>	7,895
<b>Fund balance carried forward</b>	<b>16</b>	<b>1,154</b>	<b>2,587</b>	<b>154</b>	<b>126</b>	<b>3,149</b>	<b>7,170</b>	<b>11,710</b>

All activities derive from continuing operations.

**Balance sheet** at 31 March 2008

	Note	2008 £'000	2007 £'000
<b>Fixed Assets</b>	11	<b>154</b>	167
<b>Current assets</b>			
Investments	24	2	2
Debtors	12	1,916	1,375
Cash at bank and in hand		8,547	15,285
		<b>10,465</b>	16,662
<b>Creditors:</b> amounts falling due within one year	13	<b>2,851</b>	4,374
Net current assets		<b>7,614</b>	12,288
Total assets less current liabilities		<b>7,768</b>	12,455
Creditors: amounts falling due after more than one year	14	17	253
<b>Provisions</b> for liabilities and charges	15	<b>581</b>	492
<b>Total assets less all liabilities</b>		<b>7,170</b>	11,710
<b>Capital and reserves</b>			
Restricted funds	16	<b>3,275</b>	8,834
Unrestricted funds			
General fund - non-BERR	16	<b>2,587</b>	2,017
General fund - BERR	16	<b>1,154</b>	707
Designated reserves			
London region reserves	17	-	0
Capital fund	17	<b>154</b>	143
CAB general fund	17	-	9
Total unrestricted funds		<b>3,895</b>	2,876
<b>Total funds</b>	16	<b>7,170</b>	11,710

The financial statements were approved by the Trustee Board and authorised for issue on 30 July 2008 and signed on their behalf by:

*Hilary Watkins*

The Revd Hilary Watkins MBE  
Chair

*Jonathan Tross*

Jonathan Tross CB  
Treasurer

*David Harker*

David Harker OBE  
Chief Executive

**Cash flow statement:** Year ended 31 March 2008

	Note	2008 £'000	2007 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	A	<b>(7,047)</b>	5,211
Returns on investments			
Interest received		455	446
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(146)	(168)
Receipts from sales of fixed assets		-	-
<b>Increase/(decrease) in cash</b>	B	<b>(6,738)</b>	5,489

**Notes to the cash flow statement**

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

	2008 £'000	2007 £'000
Net income	(4,540)	3,815
Depreciation charges	159	167
Disposal of fixed assets	-	-
Decrease in debtors	(541)	301
Increase/(decrease) in creditors	(1,759)	917
Increase/(decrease) in provisions	89	457
Bank interest receivable	(455)	(446)
<b>Net cash inflow/(outflow) from Operating Activities</b>	<b>(7,047)</b>	5,211

B. Analysis of changes in cash during the year

	As at 31 March 2008 £'000	Movement £'000	As at 1 April 2007 £'000
Cash at bank and in hand	8,547	(6,738)	15,285

## Notes to financial statements: Year ended 31 March 2008

### 1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005, the Charities Act (1993), the Companies Act (1985), the accounts section of the Department of Business, Enterprise and Regulatory Reform (BERR) Financial Memorandum, and the Annual Reports and Accounts Guidance from the Central Accountancy Team and HM Treasury. The principal accounting policies, which have been applied consistently, except where noted are set out below:

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of current year investments.

#### (b) Fixed assets

Fixed assets are recognised in the statement of financial activities when they are receivable, in accordance with the SORP. The capital element of the BERR grant in aid received is recognised in the designated capital fund. This amount offsets the depreciation over the life of the asset.

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

Only assets over £1,000 are capitalised. Depreciation is charged on a straight-line basis on the cost of assets over their estimated useful life. The estimated lives of the assets are as follows:

- Office and computer equipment – three years.

#### (c) Investments

Investment in subsidiary undertaking is valued at net asset value.

#### (d) Stock

Goods for resale and other consumable stock are considered to be of immaterial value, and have been charged in the statement of financial activities as the costs were incurred.

#### (e) Leases

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

#### (f) Pension costs

A multi-employer defined benefit scheme was in operation during the year. Having taken advice from the scheme's actuary, Citizens Advice cannot identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The disclosures under FRS 17 in this circumstance are shown in note 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 17.

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

## Notes to financial statements: Year ended 31 March 2008

### 1. Accounting policies (continued)

#### **(g) Grants payable and receivable**

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

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

#### **(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) Trading activities**

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

#### **(k) Other income**

All other income is accounted for on an accruals basis.

#### **(l) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under the charitable expenditure activity headings with reference to activities performed in the year. Costs of generating funds are those costs relating to fundraising for new donors or new projects.

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

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

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

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

#### **(m) Foreign exchange gains and losses**

Citizens Advice uses Sterling for the large majority of its transactions. Occasionally, payments are required in foreign currencies and these are translated into Sterling on the date of the transaction. All amounts held at the balance sheet date are in Sterling with no gains or losses arising.

#### **(n) Reserves**

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the charity's objectives. Unrestricted

## Notes to financial statements: Year ended 31 March 2008

### 1. Accounting policies (continued)

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

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

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

Designated funds are made up of the capital fund. The reason for holding this is outlined in note 17.

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

#### **(o) Consolidation**

Citizens Advice Ltd is a subsidiary undertaking controlled by Citizens Advice. Each year, consideration is given as to whether users of the Statement of Financial Affairs can see a complete picture of the activities of the organisation without consolidating the accounts of Citizens Advice Ltd. As at 31 March 2008, the accounts have not been consolidated on grounds of materiality.

**Notes to financial statements:** Year ended 31 March 2008

**2. Voluntary Income**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Donation from connected charity	<b>55</b>	22 Citizens Advice Ltd
Donations from private individuals	<b>8</b>	8 Individual Giving Project
<b>Total donations</b>	<b>63</b>	30

**3. Grants**

**a) Government grants**

Funder	<b>2008</b>	2007 Purpose
	<b>£'000</b>	£'000
<b>Government department grants</b>		
BERR*	<b>21,470</b>	21,470 Grant in Aid**
BERR	<b>13,071</b>	15,443 Financial Inclusion Fund
BERR	-	190 European consumer rights project
BERR	-	69 Sexual Orientation and Religious Beliefs
BERR	-	87 Age Discrimination project
Department of Communities and Local Government	<b>478</b>	580 The National Homelessness Advice Service
Department for Communities and Local Government	-	153 Homelessness Prevention Liaison Unit
Department for Education and Skills	<b>67</b>	70 Millennium Volunteers project
Department for the Environment, Food and Rural Affairs	<b>46</b>	49 Rural development project
HM Prison Service	<b>20</b>	- Reducing Offending Through Advice
HM Revenue & Customs	<b>165</b>	600 General awareness and training
<b>Welsh Assembly Government</b>		
Welsh Assembly	<b>700</b>	700 Welfare rights and better health
<b>European grants</b>		
European Commission	<b>128</b>	98 European Consumer Centre
<b>Total Government grants</b>	<b>36,145</b>	39,509

\*\*£146,000 of the grant in this financial year has been used for the purchase of fixed assets. This is shown in designated income in the Statement of Financial Activities.

\* During the year, the Department for Trade and Industry changed its name to the Department for Business, Enterprise and Regulatory Reform, known as BERR.

**Notes to financial statements:** Year ended 31 March 2008

**3. Grants (continued)**

**b) Grants from other public bodies**

Funder	<b>2008</b> <b>£'000</b>	2007 Purpose £'000
Devon County Council	<b>469</b>	398 Regional welfare benefit rights
Disability Rights Commission	<b>28</b>	62 Discrimination project work
Equality and Human Rights Commission	<b>67</b>	- Discrimination project work
Financial Services Authority	<b>6</b>	- Financial capability
Greater London Authority	<b>5</b>	- Social policy projects
Kent Probation Service	<b>153</b>	155 Offender support services
Legal Services Commission	<b>189</b>	163 Offender support services
Legal Services Commission	<b>209</b>	214 SS employment consultancy+
Legal Services Commission	<b>89</b>	89 SS training and delivery+
London Borough of Newham	<b>9</b>	17 Information production
Office of Fair Trading	<b>150</b>	- Financial capability
Ofgem	<b>27</b>	- Financial capability
Remploy	<b>370</b>	176 Welfare rights and better health
SEEDA*	-	5 Offender support services
West Yorkshire County Council	<b>67</b>	67 Regional welfare benefits
	<b>1,838</b>	1,346

+ SS - Specialist Support

\* SEEDA - South East England Development Agency

**Notes to financial statements:** Year ended 31 March 2008

**3. Grants (continued)**

**c) Other grants**

Funder	2008 £'000	2007 Purpose £'000
Abbey Charitable Trust	20	160 Financial capability
Abbey Charitable Trust	10	- Conference sponsorship
AE GON	-	50 Independent financial advice
Alliance and Leicester plc	15	15 National money advice projects
Barclays Bank plc	10	- Conference sponsorship
Barclaycard	70	- Independent financial advice
Barclaycard	12	- Conference sponsorship
Barclaycard	319	313 Financial capability for lone parents
Big Lottery Fund	105	- Against discrimination & better access
Carnegie UK Trust	35	Rural racial discrimination work
Charities Evaluation Services	-	2 Information production
E ufax	2	2 Telephone advice
Fidelity UK Foundation	100	- Remote access IT solutions
Finance Leasing Association	-	13 Conference sponsorship
GMAC RFC Foundation	48	52 National money advice projects
Grant Thornton	-	2 North West regional conference
Grant Thornton	65	- Money advice toolkit
HBOS Foundation	49	- Adviceguide young people's information
HSBC	20	20 Social policy conference
HSS Trading	-	3 Bureaux grants
John Lewis Partnership	-	2 Sundry projects
Linklaters	-	3 Bureaux grants
MacMillan Cancer Support	-	107 Social policy project
Mayer Brown Rowe	-	1 Information production
MBNA	39	27 Bureaux grant aided projects
Money Advice Trust	436	354 Money Advice national strategy
Money Advice Trust*	97	92 Money advice training
Money Advice Trust	81	176 Money Advice Financial Inclusion Fund
Nationwide Building Society	-	50 National money advice projects
NICAB	-	28 Audit services
Northern Rock Foundation	84	87 Offender support services
sub-total to carry forward to next page	<b>1,617</b>	<b>1,559</b>

\*Royal Bank of Scotland

**Notes to financial statements:** Year ended 31 March 2008

**3. Grants (continued)**

**c) Other grants (continued)**

Funder	<b>2008</b> <b>£'000</b>	2007 Purpose £'000
brought forward from previous page	<b>1,617</b>	1,559
Provident Financial plc	<b>15</b>	- National money advice project
Prudential plc	<b>232</b>	233 Financial literacy
Raise	-	1 Sundry projects
Resolution Foundation	-	3 Conference sponsorship
Resolution Foundation	<b>30</b>	- Independent financial advice
The Royal Bank of Scotland plc	-	7 Citizens Advice annual conference
The Royal Bank of Scotland plc	<b>98</b>	- Social policy creditor liaison
Royal British Legion	<b>1,089</b>	- Veteran's welfare benefits advice
Scottish & Southern Energy plc	<b>450</b>	- Fuel poverty innovation fund
Sundry donations	<b>31</b>	- Sundry projects
v, the youth volunteering charity	<b>112</b>	166 Youth volunteer project
Wales Council for Voluntary Action	<b>4</b>	4 Voluntary sector partnership council
Yorkshire Building Society	-	10 National money advice project
Yorkshire Water	<b>25</b>	25 National money advice project
	<hr/> <b>3,703</b> <hr/>	<hr/> 2,008 <hr/>
<b>Total grants</b>	<hr/> <b>41,686</b> <hr/>	42,863

**Notes to financial statements:** Year ended 31 March 2008

**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 (2007: Nil). Payments of £21,000 (2007: £17,000) were made to 19 (2007: 26) non-executive directors during the year in respect of travel expenses incurred. No trustee indemnity insurance was purchased.

Employee costs during the year:

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Wages and salaries	<b>12,895</b>	12,502
Social security costs	<b>1,212</b>	1,220
Pension costs (see note 22)	<b>576</b>	601
Temporary staff	<b>827</b>	671
	<b>15,510</b>	14,994

Pension costs shown above relate to amounts accrued in the year. Amounts were paid to the NACAB Pension and Assurance Plan (1991) a month in arrears. The amount paid in 2007/08 was £576,000 (see note 22).

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

	<b>Number</b>	Number
	<b>2008</b>	2007
Strengthening the bureaux network	<b>235</b>	229
Delivering IT services	<b>58</b>	57
Bureaux and other grants	<b>2</b>	2
Developing our people	<b>38</b>	37
Influencing policy	<b>39</b>	38
Making information available	<b>32</b>	31
Trading activities	<b>5</b>	5
Governance	<b>3</b>	3
Costs of generating funds	<b>8</b>	9
Average number of persons employed	<b>420</b>	411

**Notes to financial statements:** Year ended 31 March 2008

**4. Information regarding directors and employees (continued)**

In accordance with the requirements of the Financial Memorandum, the following information should be disclosed for named senior managers. Citizens Advice has identified all the executive directors as senior managers. This is consistent with its treatment of key managers for Related Party Disclosure (FRS 8 – note 23).

**Aggregate emoluments paid to executive directors in the financial year**

The figures comprise gross salaries and all allowances payable, including employee pension supplement, and exclude employer's pension contributions. No other amounts were payable. All staff paid over £65,000 were executive directors. All of the executive directors withheld their consent to be individually named in the disclosure of the information below.

	<b>2008</b>	2007
£60,000 to £69,999	<b>2*</b>	3
£70,000 to £79,999	<b>2</b>	3
£80,000 to £89,999	<b>1</b>	1
£90,000 to £99,999	<b>1*</b>	-
£110,000 to £119,999	<b>2*</b>	1

\* Includes compensation for loss of office

**Pension contributions paid by Citizens Advice into the NACAB Pension and Assurance Plan (1991) on behalf of senior managers in the financial year:**

	<b>Number 2008</b>	Number 2007
up to £2,499	<b>4</b>	-
£2,500 to £4,999	<b>5</b>	6
£5,000 to £7,499	<b>1</b>	2

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

**Notes to financial statements:** Year ended 31 March 2008

**5. Grants payable**

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

**a) Partnership grants**

Region	Salaries		Other		Capital		2008 Total No.	<b>2008</b> <b>£'000</b>	2007 £'000
	No.	£'000	No.	£'000	No.	£'000			
North	2	7	13	67	15	12	30	<b>86</b>	99
North West	20	6	4	1	4	4	28	<b>11</b>	89
Midlands	11	23	9	5	1	11	21	<b>39</b>	107
East	-	-	1	1	-	-	1	<b>1</b>	52
South East	2	6	3	1	1	30	6	<b>37</b>	105
South West	11	60	9	23	3	4	23	<b>87</b>	79
London*	8	47	-	(3)	-	-	8	<b>44</b>	413
Wales	8	67	4	9	1	-	13	<b>76</b>	89
<b>Total</b>	62	216	43	104	25	61	130	<b>381</b>	1,033

\* Included in the amount classified as Other payments to London bureaux, is an amount of (£3,000) for East End Citizens Advice Bureau. This relates to a slight underspend against the provision made in the 2007 accounts.

**Notes to financial statements:** Year ended 31 March 2008

**5. Grants payable (continued)**

**b) Other grants to member bureaux**

		Total No.	£'000	£'000
Employment	A4E	5	1	-
Financial capability	Abbey National Charitable Trust	14	53	-
Independent financial advice	AEGON	23	46	-
Financial capability for lone parents	Barclaycard	40	242	238
Other financial capability	Barclaycard	28	38	-
Access strategy	BERR	-	-	300
Financial Inclusion Fund	BERR	752	16,523	7,946
Rural bureaux	BERR	-	-	31
Sexual orientation & religious beliefs	BERR	-	-	85
Volunteer of the Year awards	BERR	6	3	-
Social policy	Calouste Gulbenkian	-	-	2
Rural racial discrimination work	Carnegie UK Trust	1	9	-
Deaf awareness project	Credit Suisse First Boston	-	-	3
National Homelessness Advice Service	Department for Community & Local Government	79	39	-
Millennium Volunteers	Department for Education &	88	9	11
Rural bureaux	Department of the Environment, Food & Rural Affairs	1	6	10
Independent Complaints Advocacy	Department of Health	-	-	-19
Service refunds on closure				
Leicester CAB	East Midlands Electricity	-	-	8
Financial capability	Friends Provident Fund	57	131	127
Reducing Offending Through Advice	HM Prison Service	-	-	2
Tax credits training	HM Revenue & Customs	56	223	155
Individual giving project	Individual donations	-	-	1
Financial inclusion training	Money Advice Trust	75	125	56
Offender support services	Northern Rock	9	139	-
Financial capability	OF GEM	10	8	-
Financial capability	Office of Fair Trading	107	128	-
Various projects	Other regional funders	39	39	-
Rural bureaux	Prudential Assurance Company	-	-	20
Welfare rights & better health	Remploy	197	392	120
Volunteer of the Year awards	The Royal Bank of Scotland plc	-	-	3
Veterans' welfare benefits advice	Royal British Legion	56	510	-
Youth volunteer development	v	78	146	11
Welfare rights & better health	Welsh Assembly	120	610	-
<b>Total</b>		<b>1,841</b>	<b>19,420</b>	<b>9,110</b>

**Notes to financial statements:** Year ended 31 March 2008

**5. Grants payable (continued)**

**c) Regional grants to Citizens Advice Bureaux**

Regional grants to bureaux from County Councils are increasingly being paid direct to bureaux rather than through Citizens Advice.

Region	Funder	2008 Total No.	<b>2008</b> <b>£'000</b>	2007 £'000
South West	Devon County Council	16	<b>171</b>	179
Midlands	Nottinghamshire County Council	2	<b>28</b>	-
<b>Total</b>		<b>18</b>	<b>199</b>	179
<b>Total bureaux grants</b>		<b>1,989</b>	<b>20,000</b>	10,322

**d) Largest grants paid to member bureaux**

Bureau name	Description of grant	<b>2008</b> <b>£'000</b>	2007 £'000
1 Barnsley	Financial Inclusion Fund	<b>205</b>	110
2 Birmingham	Financial Inclusion Fund	<b>379</b>	129
3 Blackpool	Financial Inclusion Fund	<b>220</b>	95
4 Bolton	Financial Inclusion Fund	<b>252</b>	94
5 Bradford	Financial Inclusion Fund	<b>470</b>	226
6 Caerphilly	Financial Inclusion Fund	<b>171</b>	86
7 Camden	Financial Inclusion Fund	<b>377</b>	183
8 Cardiff	Financial Inclusion Fund	<b>130</b>	79
9 Castle Morpeth	Financial Inclusion Fund	<b>102</b>	79
10 Combined Hospitals	Financial Inclusion Fund	<b>133</b>	76
11 Coventry	Financial Inclusion Fund	<b>178</b>	86
12 Crewe and Nantwich	Financial Inclusion Fund	<b>208</b>	117
13 Cumbria	Financial Inclusion Fund	<b>420</b>	221
14 Derwentside	Financial Inclusion Fund	<b>129</b>	70
15 Doncaster	Financial Inclusion Fund	<b>114</b>	71
16 Dudley	Financial Inclusion Fund	<b>160</b>	71
17 Gateshead	Financial Inclusion Fund	<b>312</b>	176
18 Hull	Financial Inclusion Fund	<b>350</b>	176
19 Leeds	Financial Inclusion Fund	<b>241</b>	122
20 Manchester	Financial Inclusion Fund	<b>285</b>	132
21 Middlesbrough	Financial Inclusion Fund	<b>195</b>	66
22 Newcastle	Financial Inclusion Fund	<b>316</b>	123
23 North Tyneside	Financial Inclusion Fund	<b>237</b>	133
24 Pendle District	Financial Inclusion Fund	<b>241</b>	109
25 Peterborough	Financial Inclusion Fund	<b>127</b>	109
26 Plymouth	Financial Inclusion Fund	<b>159</b>	73
27 Powys	Financial Inclusion Fund	<b>100</b>	41

**Notes to financial statements:** Year ended 31 March 2008

**d) Largest grants paid to member bureaux (continued)**

	Bureau name	Description of grant	<b>2008</b> <b>£'000</b>	2007 £'000
28	Redcar and Cleveland	Financial Inclusion Fund	<b>211</b>	83
29	Rochdale	Financial Inclusion Fund	<b>102</b>	50
30	Rotherham	Financial Inclusion Fund	<b>208</b>	130
31	Salford	Financial Inclusion Fund	<b>186</b>	106
32	Sandwell	Financial Inclusion Fund	<b>198</b>	95
33	Sedgefield and District	Financial Inclusion Fund	<b>129</b>	70
34	Sheffield Debt Support	Financial Inclusion Fund	<b>496</b>	236
35	South Tyneside	Financial Inclusion Fund	<b>239</b>	114
36	Stockton	Financial Inclusion Fund	<b>171</b>	100
37	Stoke on Trent	Financial Inclusion Fund	<b>286</b>	157
38	Swansea	Financial Inclusion Fund	<b>118</b>	48
39	Telford & Wrekin	Financial Inclusion Fund	<b>108</b>	47
40	Torfaen	Financial Inclusion Fund	<b>124</b>	48
41	Trafford	Financial Inclusion Fund	<b>104</b>	62
42	Tynedale	Financial Inclusion Fund	<b>99</b>	53
43	Vale of Glamorgan	Financial Inclusion Fund	<b>110</b>	67
44	Wakefield	Financial Inclusion Fund	<b>224</b>	112
45	Walsall	Financial Inclusion Fund	<b>207</b>	87
46	Washington	Financial Inclusion Fund	<b>330</b>	148
47	Wear Valley	Financial Inclusion Fund	<b>106</b>	44
48	West Lancashire	Financial Inclusion Fund	<b>191</b>	106
49	Wolverhampton	Financial Inclusion Fund	<b>336</b>	165
50	Worcester	Financial Inclusion Fund	<b>109</b>	35

**e) Grants to other bodies**

A grant of £40,000 was paid to Advice NI in relation to their equality and diversity work. Further grants were paid in relation to the Financial Inclusion Fund project to the following:

Birmingham Settlement; £169,000; Burley Lodge £166,000; Contact a Family £32,000; Ebor Gardens Advice Centre £51,000, Money Advice & Community £20,000; Money Advice Plymouth £146,000; RNIB £34,000; RNID £30,000; Shelter Cymru £167,000; Single Parent Action Network £55,000; St Vincent Support Centre £96,000.

**Notes to financial statements:** Year ended 31 March 2008

**5. Grants payable (continued)**

**f) Reconciliation of financial activities**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Total grants payable to bureaux (note 5a - note 5c)	<b>20,000</b>	10,322
Total grants payable to other bodies (note 5e)	<b>1,006</b>	721
Direct staff costs	<b>690</b>	359
Other direct costs	<b>243</b>	168
Allocated staff costs	<b>107</b>	54
Allocated other costs	<b>357</b>	329
	<b>22,403</b>	11,953

**6. Total resources expended**

Total resources expended for the year ended 31 March 2008:

	Staff	Other	Allocated	Other	<b>Total</b>
	costs	direct	staff	allocated	<b>2008</b>
	£'000	costs	costs	costs	<b>£'000</b>
		£'000	£'000	£'000	
Strengthening the bureaux network	6,508	1,709	2,651	522	<b>11,390</b>
Delivering IT services	1,976	1,476	0	0	<b>3,452</b>
Bureaux and other grants	690	21,249	107	357	<b>22,403</b>
Developing our people	2,014	1,668	452	648	<b>4,782</b>
Influencing policy	1,936	340	790	273	<b>3,339</b>
Making information available	1,698	333	745	97	<b>2,873</b>
Trading activities	297	858	36	18	<b>1,209</b>
Governance costs	114	182	0	13	<b>309</b>
Costs of generating funds	277	0	161	28	<b>466</b>
	<b>15,510</b>	<b>27,815</b>	<b>4,942</b>	<b>1,956</b>	<b>50,223</b>

Total resources expended for the year ended 31 March 2007:

	Staff	Other	Allocated	Other	<b>Total</b>
	costs	direct	staff	allocated	<b>2007</b>
	£'000	costs	costs	costs	<b>£'000</b>
		£'000	£'000	£'000	
Strengthening the bureaux network	6,452	6,016	753	1,436	<b>14,657</b>
Delivering IT services	1,726	1,155	284	2,571	<b>5,736</b>
Bureaux and other grants	359	11,211	54	329	<b>11,953</b>
Developing our people	1,200	1,968	359	481	<b>4,008</b>
Influencing policy	1,723	491	593	180	<b>2,987</b>
Making information available	913	650	289	35	<b>1,887</b>
Trading activities	139	1,132	1	14	<b>1,286</b>
Governance costs	75	129	26	48	<b>278</b>
Costs of generating funds	36	32	12	5	<b>85</b>
	<b>12,623</b>	<b>22,784</b>	<b>2,371</b>	<b>5,099</b>	<b>42,877</b>

**Notes to financial statements:** Year ended 31 March 2008

**7. Support cost breakdown by activity**

Support costs breakdown for the year ended 31 March 2008:

	Premises £'000	Fund- raising £'000	IT Services £'000	Human Resources £'000	Finance £'000	<b>Total 2008 £'000</b>
Strengthening the bureaux network	592	70	1,736	365	410	<b>3,173</b>
Delivering IT services	-	-	-	-	-	-
Bureaux and other grants	88	9	251	56	60	<b>464</b>
Developing our people	206	24	599	128	143	<b>1,100</b>
Influencing policy	199	23	580	123	138	<b>1,063</b>
Making information available	158	18	459	98	109	<b>842</b>
Trading activities	10	1	30	6	7	<b>54</b>
Governance costs	4	1	2	3	3	<b>13</b>
Costs of generating funds	36	4	103	22	24	<b>189</b>
	<b>1,293</b>	<b>150</b>	<b>3,760</b>	<b>801</b>	<b>894</b>	<b>6,898</b>

Support costs breakdown for the year ended 31 March 2007:

	Premises £'000	Fund- raising £'000	IT Services £'000	Human Resources £'000	Finance £'000	<b>Total 2007 £'000</b>
Strengthening the bureaux network	933	203	1,822	272	838	4,068
Delivering IT services	-	-	-	-	-	-
Bureaux and other grants	-	-	-	-	-	-
Developing our people	257	56	3	75	231	1,122
Influencing policy	331	72	646	97	297	1,443
Making information available	165	35	322	48	148	718
Trading activities	14	3	27	4	13	61
Governance costs	5	1	11	2	5	24
Costs of generating funds	8	2	15	2	7	34
	<b>1,713</b>	<b>372</b>	<b>2,846</b>	<b>500</b>	<b>1,539</b>	<b>7,470</b>

All amounts are allocated on the basis of staff numbers (based on full time equivalent).

The above amounts represent the allocated staff and other allocated costs in note 6.

**Notes to financial statements:** Year ended 31 March 2008

**8. Governance costs**

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

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Audit fees (internal and external)	<b>70</b>	73
Trustee meeting costs	<b>33</b>	49
Governance and leadership	<b>36</b>	27
Legal advice for trustees	<b>87</b>	65
Preparing statutory accounts and annual report	<b>11</b>	9
Strategic planning	<b>28</b>	21
Allocated staff costs	<b>11</b>	8
Allocated non staff costs	<b>33</b>	26
	<b>309</b>	278

**9. Corporate tax**

Citizens Advice is a registered charity and is not liable to corporation tax.

**10. Net expenditure**

Net outgoing resources for the year are stated after charging:

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Operating lease costs		
Property	<b>1,336</b>	1,890
Motor vehicles	<b>16</b>	18
Office equipment	<b>3</b>	3
Depreciation	<b>159</b>	167
External auditors' remuneration		
External audit fee	<b>27</b>	34
Other services	<b>2</b>	2
Non audit work	<b>1</b>	-

**Notes to financial statements:** Year ended 31 March 2008

**11. Fixed assets**

<b>Office and computer equipment</b>	<b>£'000</b>
Cost	
At 1 April 2007	502
Additions	146
Disposals	(169)
<b>At 31 March 2008</b>	<b>479</b>
Depreciation	
At 1 April 2007	335
Charge for the year	159
Disposals	(169)
<b>At 31 March 2008</b>	<b>325</b>
<b>Net book value at 31 March 2008</b>	<b>154</b>
Net book value at 31 March 2007	167

**12. Debtors**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Trade debtors	<b>1,151</b>	649
Other debtors	<b>151</b>	109
Prepayments and accrued income	<b>277</b>	431
HM Revenue & Customs	<b>86</b>	68
Amounts due from subsidiary undertakings	<b>251</b>	118
	<b>1,916</b>	1,375

Included in other debtors is £129,000 (2007: £109,000), which relates to 82 (2007: 81) staff season ticket or car loans. These are interest free and are recoverable through monthly payroll deductions. These include 1 senior officer who, at the balance sheet date, had a season ticket loan outstanding of less than £4,000.

**Notes to financial statements:** Year ended 31 March 2008

**13. Creditors: amounts falling due within one year**

Other creditors including taxation and social security	<b>489</b>	512
Accruals & deferred income	<b>1,687</b>	3,287
	<b>2,851</b>	4,374

Other creditors consists of:

Inland Revenue: PAYE	<b>169</b>	170
National Insurance	<b>175</b>	176
Other creditors	<b>145</b>	166
	<b>489</b>	512

Deferred income:

Deferred income at 1 April 2007	<b>189</b>	301
Amount released from previous year	<b>(189)</b>	(301)
Incoming resources deferred in the year	<b>579</b>	189
Deferred income at 31 March 2008	<b>579</b>	189

**14. Creditors: amounts falling due after one year**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Citizens Advice Bureaux grants	<b>17</b>	253
	<b>17</b>	253

**15. Provisions**

<b>Property provisions</b>	<b>2008</b>	2007
	<b>£'000</b>	£'000
Provision at 1 April 2007	<b>171</b>	33
Additional provision during the year	<b>53</b>	171
Provision released during the year	<b>(171)</b>	(33)
Provision at 31 March 2008	<b>53</b>	171

**Other provisions**

Provision at 1 April 2007	<b>321</b>	-
Additional provision during the year	<b>528</b>	321
Provision released during the year	<b>(321)</b>	-
Provision at 31 March 2008	<b>528</b>	321

<b>Total provisions at 31 March 2008</b>	<b>581</b>	492
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The property provisions relate to dilapidations following office moves. Other amounts are £393,000 predominantly for the bureaux IT transformation programme, £135,000 pension fund levy and with some provision for final redundancies under the restructuring programme.

**Notes to financial statements:** Year ended 31 March 2008

**16. Statement of funds**

	At 1 April 2007	Income	Expendit ure	Transfer between	At 31 March
	£'000	£'000	£'000	£'000	£'000
Unrestricted - BERR	707	23275	22828	-	<b>1,154</b>
Unrestricted - other	2,017	1803	1408	175	<b>2,587</b>
Unrestricted funds - designated	152	162	160	-	<b>154</b>
<b>Total unrestricted funds</b>	<b>2,876</b>	<b>25,240</b>	<b>24,396</b>	<b>175</b>	<b>3,895</b>
Restricted funds - BERR	6,029	13,066	18,969	-	<b>126</b>
Independent projects	1,631	5,669	4,942	(175)	<b>2,183</b>
Money Advice Trust funded projects	468	613	922	-	<b>159</b>
Regional Funds	252	-	67	-	<b>185</b>
National Homelessness Advice Service	145	505	607	-	<b>43</b>
Social policy projects	63	130	22	-	<b>171</b>
Training projects	74	177	157	-	<b>94</b>
Independent Complaints Advocacy Servic	23	-	-	-	<b>23</b>
IT Services programme	53	100	47	-	<b>106</b>
European Commission projects	96	183	94	-	<b>185</b>
<b>Total restricted funds</b>	<b>8,834</b>	<b>20,443</b>	<b>25,827</b>	<b>(175)</b>	<b>3,275</b>
<b>Total funds</b>	<b>11,710</b>	<b>45,683</b>	<b>50,223</b>	<b>-</b>	<b>7,170</b>

The unrestricted funds (BERR and other) represent the free funds of Citizens Advice, which are not designated for particular purposes.

BERR restricted funds incoming resource represents grants from the BERR for the European Consumer Centre Project, the Sexual Orientation and Religious Beliefs project, the Age Discrimination project and ten Financial Inclusion Fund projects.

Independent projects represent the projects around the country for both England and Wales service development initiatives, which are not funded by BERR.

Money Advice support strategy funds are funds received via the Money Advice Trust (MAT) and other funders for specialist

consultancy and casework support and training to MAT agencies in England and Wales.

Regional managed funds are funds for local or geographically based initiatives

The Department of Communities and Local Government funds the National Homelessness Advice Service which is a joint project between Citizens Advice and Shelter to improve the quality of homelessness and housing advice to the public through second tier support and training to Citizens Advice Bureaux.

Policy and training funds comprise all funds received specifically to undertake training or social policy project activities.

**Notes to financial statements:** Year ended 31 March 2008

**16. Statement of funds (continued)**

The Independent Complaints Advocacy Service began in September 2003 in six of the nine local government regions. It provided grants and support to 32 bureaux to enable them to deliver independent advice and support to people with complaints against the National Health Service. The project ceased serving the public on 31 March 2006, and was finalised on 31 May 2006.

A distribution against outstanding claims is to be made once all participant bureaux returns have been received. IT services programme funds comprise any non-BERR funds received for the development of IT Services projects

The European Commission in relation to consumer work has ceased but new

funding has been received to undertake work in relation to equalities projects. The transfer of funds is due to funds no longer required to be committed to restricted projects being released to unrestricted reserves.

The share capital of the Charity is £nil. The Charity is limited by guarantee with each member agreeing to contribute up to £1 each in the event of the charity being wound up.

**17. Designated reserves**

**Capital fund**

The fund represents the balance of the capital element of BERR grants as shown in note 11. The balance as at 31 March 2008 was £154,000 (2007: £143,000)

**18. Analysis of net assets between funds**

	Unrestricted			Restricted		Total £'000
	BERR £'000	Other £'000	Designated £'000	BERR £'000	Other £'000	
Fund balances at 31 March 2008 are represented by:						
Fixed assets	-	-	154	-	-	<b>154</b>
Current assets	4,234	2,684	-	127	3,420	<b>10,465</b>
Creditors: amounts falling due within one year	(2,482)	(97)	-	(1)	(271)	<b>(2,851)</b>
Creditors: amounts falling due after one year	(17)	-	-	-	-	<b>(17)</b>
Provisions	(581)	-	-	-	-	<b>(581)</b>
<b>Fund balance</b>	<b>1,154</b>	<b>2,587</b>	<b>154</b>	<b>126</b>	<b>3,149</b>	<b>7,170</b>

**19. Citizens Advice Bureaux**

The financial statements record the income and expenditure of Citizens Advice. Individual Citizens Advice Bureaux are not consolidated within these

accounts as they are independent legal entities funded directly and indirectly from their own sources and are accountable to their own members and funding bodies.

**Notes to financial statements:** Year ended 31 March 2008

**20. Contingent liabilities**

Citizens Advice holds some leases in its name on behalf of some of the London bureaux. The lease costs are borne by the respective bureaux. However, in the event that these bureaux cease to operate, liabilities may arise in respect of responsibilities as leaseholder to the extent that they cannot be recovered from the management committees and local authorities. This liability is diminishing over time following the transfer of leases to the London Bureaux Trustee Boards.

On 27 March 2008, Citizens Advice's defined benefit pension scheme was closed to new entrants future service accrual.

The scheme is a multi-employer scheme and the scheme's actuary has advised the assets and liabilities are not able to be segregated for each contributing employer. Hence it is not possible to separately identify the assets and liabilities relating to Citizens Advice for the purposes of FRS17.

In closing the scheme, a recovery plan was agreed to fund the deficit. The contributions in that plan were determined

by the scheme actuary and agreed by the pension fund trustees. Citizens Advice has agreed to make an annual contribution of £700,000 to meet the scheme's deficit over the next twenty years. However, this amount may vary over time, dependent upon the results of future actuarial valuations of the scheme, the next of which is due as at 1 April 2010. The pension trustees also have the right to renegotiate the recovery plan if an actuarial report indicates that the existing recovery plan is no longer adequate. In view of this, the charity's trustees consider that Citizens Advice has a liability at the year end that is contingent on future events that may materially affect the contributions required to be paid. Citizens Advice does not believe it can establish a reliable estimate of the year end liability under the scheme, hence Citizens Advice is not able to make a provision under FRS12.

Disclosures of the pension scheme required under FRS17 are set out in Note 22.

**21. Operating lease commitments**

At 31 March 2008 Citizens Advice was committed to making the following annual payments in respect of operating leases:

	<b>2008</b>		<b>2007</b>	
	<b>Land and buildings £'000</b>	<b>Other £'000</b>	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	<b>991</b>	-	57	-
Between two and five years	<b>559</b>	-	1,426	-
After five years	<b>16</b>	-	33	-

**Notes to financial statements:** Year ended 31 March 2008

**22. Pension scheme**

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

**Period Ending 31 March 2008**

This note relates to the whole scheme including member Bureaux. The employer participates in the National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991) which is a funded defined benefit arrangement. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 April 2007 and updated on an approximate basis to 31 March 2008. With effect from 31 March 2008 the scheme closed to future accrual. The total of contributions made by the employers over the period is £911,050. The best estimate of contributions to be paid by the employers to the scheme for the period beginning after 31 March 2008 is as follows:

a) Contributions by each employer in respect of expenses

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

The employer will pay amounts into the scheme equal to the levy payments made by the scheme to the Pension Protection Fund. Such amounts will be paid by the employer within a year of them being paid by the scheme. Management and administration expenses are payable in addition as and when they are due.

In accordance with the recovery plan following the 1 April 2007 actuarial valuation, the sponsoring employers will pay total annual contributions of £800,000, payable monthly.

**The contributions made by Citizens Advice over the financial year were £576,000 (2007: £601,000).**

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

	<b>31/03/08 £'000s</b>	31/03/07 £'000s	31/03/06 £'000s
Fair value of scheme assets	<b>59,926</b>	64,104	57,802
Present value of scheme liabilities	<b>87,794</b>	92,937	77,172
Surplus (deficit) in scheme	<b>(27,868)</b>	(28,833)	(19,370)
Deferred tax			
Net asset (liability) to be recognised			

As all actuarial gains and assets are recognised, the surplus or deficit shown above is the amount that would be recognised in the balance sheet.

**Notes to financial statements:** Year ended 31 March 2008

**22. Pension scheme (continued)**

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

	<b>Period ending 31/03/08 £'000s</b>	Period ending 31/03/07 £'000s
Scheme liabilities at start of period	<b>92,937</b>	77,172
Current service cost	<b>2,699</b>	1,414
Interest cost	<b>4,934</b>	3,900
Contributions by scheme participants	<b>1,104</b>	1,228
Actuarial losses (gains)	<b>(6,946)</b>	10,539
Benefits paid, death in service insurance premiums and expenses	<b>(2,165)</b>	(1,316)
Past service costs	-	
Business combinations	-	-
Curtailments	<b>(4,769)</b>	-
Settlements	-	-
Scheme liabilities at end of period	<b>87,794</b>	92,937

Reconciliation of opening and closing balances of the fair value of scheme assets

	<b>Period ending 31/03/08 £'000s</b>	Period ending 31/03/07 £'000s
Fair value of scheme assets at start of period	<b>64,104</b>	57,802
Expected return on scheme assets	<b>4,326</b>	3,451
Actuarial gains (losses)	<b>(8,354)</b>	1,959
Contributions by employer	<b>911</b>	980
Contributions by scheme participants	<b>1,104</b>	1,228
Benefits paid, death in service insurance premiums and expenses	<b>(2,165)</b>	(1,316)
Business combinations	-	-
Settlements	-	-
Fair value of scheme assets at end of year	<b>59,926</b>	64,104

The actual return on the scheme assets over the period ending 31 March 2008 was (£4,028,000).

Total expense recognised in profit and loss account

**Notes to financial statements:** Year ended 31 March 2008

**22. Pension scheme (continued)**

	<b>Period ending 31/03/08 £'000s</b>	Period ending 31/03/07 £'000s
Current service cost	<b>2,699</b>	1,414
Interest cost	<b>4,934</b>	3,900
Expected return on scheme assets	<b>(4,326)</b>	(3,451)
Past service cost	-	-
Curtailments	<b>(4,769)</b>	-
Settlements	-	-
Total expense recognised in profit and loss account	<b>(1,462)</b>	1,863

Statement of total recognised gains and losses

	<b>Period ending 31/03/08 £'000s</b>	Period ending 31/03/07 £'000s
Difference between expected and actual return on scheme assets: gain (loss)	<b>(8,354)</b>	1,959
Experience gains and losses arising on the scheme liabilities: gain (loss)	<b>6,306</b>	(95)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: gain (loss)	<b>640</b>	(10,444)
Total amount recognised in statement of total recognised gains and losses: gain (loss)	<b>(1,408)</b>	(8,580)

Assets

	<b>31/03/08 £'000s</b>	31/03/07 £'000s	31/03/06 £'000s
Equities	<b>43,668</b>	47,915	43,053
Gilts	<b>13,370</b>	11,604	12,812
Corporate Bonds	<b>2,790</b>	2,473	-
Cash	<b>98</b>	2,112	1,937
Total assets	<b>59,926</b>	64,104	57,802

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

**Notes to financial statements:** Year ended 31 March 2008

**22. Pension scheme (continued)**

Assumptions

	<b>31/03/08 % per annum</b>	31/03/07 % per annum	31/03/06 % per annum
Inflation	<b>3.50</b>	3.10	2.70
Salary increases	-	4.10	3.70
Rate of discount	<b>6.40</b>	5.40	5.01
Allowance for pension in payment increases of RPI or 5% p.a. if less	<b>3.50</b>	3.10	2.70
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	<b>3.50</b>	3.10	2.70

The mortality assumptions adopted at 31 March 2008 are as follows:-  
PxA92 projected using the "medium cohort" improvement factors appropriate to each member's year of birth.

These imply the following life expectancies at age 60:

Male currently age 40	27.9 years
Female currently age 40	30.7 years
Male currently age 60	26.8 years
Female currently age 60	29.7 years

**Expected long term rates of return**

The expected long term return on cash is determined by reference to bank base rates. The expected returns on gilts and corporate bonds are determined by reference to UK long dated gilt and bond

yields. The expected rate of return on equities is determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions. The expected long term rates of return applicable at the start of each period are as follows:

	<b>31/03/07 % per annum</b>	31/03/06 % per annum
Equities	<b>7.40</b>	6.26
Gilts	<b>4.80</b>	5.01
Corporate Bonds	<b>5.40</b>	-
Cash	<b>4.50</b>	4.50
Overall for scheme	<b>6.76</b>	5.92

**Notes to financial statements:** Year ended 31 March 2008

**22. Pension scheme (continued)**

Amounts for the current and previous four periods

	<b>31/03/08 £'000s</b>	31/03/07 £'000s	31/03/06 £'000s	31/03/05 £'000s	31/03/04 £'000s
Fair value of assets	<b>59,926</b>	64,104	57,802	46,233	37,369
Present value of scheme liabilities	<b>87,794</b>	92,937	77,172	63,255	51,781
Surplus (deficit) in scheme	<b>(27,868)</b>	(28,833)	(19,370)	(17,022)	(14,412)
Experience adjustment on scheme assets	<b>(8,354)</b>	1,959	7,669	2,913	4,021
Experience adjustment on scheme liabilities	<b>6,306</b>	(95)	(244)	(2,337)	(393)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	<b>640</b>	(10,444)	(9,189)	(5,153)	3,509

**23. Related party transactions**

There have been related party transactions identified in accordance with FRS 8 and with Treasury Guidance during the year.

East End Citizens Advice Bureau is an independent charity and member of Citizens Advice and has three trustees who are also directors of Citizens Advice. There were transactions between Citizens Advice and East End Citizens Advice Bureau totalling £1,172,000 (2007:£445,000) in relation to cash advances pending receipt of local authority grants, which Citizens Advice received on behalf of East End Citizens Advice Bureau. At 31 March 2008, £1,178 was owed to Citizens Advice.

Citizens Advice is sponsored by BERR. BERR is regarded as a related party. During the year, Citizens Advice has had no material transactions with BERR other than the receipt of its Grant in Aid and

£13,071,000 for one specific project as shown in note 3(a) (2007: £15,789,000, four specific projects). Citizens Advice had a number of transactions during the year with Citizens Advice Scotland, which is also sponsored by BERR.

The Friends of Citizens Advice Bureaux Trust is a charity established to raise funds for the benefit of Citizens Advice Bureaux. The trust became dormant on 5 July 2005 when the activities of the trust transferred to Citizens Advice. The trust paid Citizens Advice £nil (2007: £nil) for distribution as bureaux grants. At 31 March 2008 The Friends of Citizens Advice Bureaux Trust owed Citizens Advice £nil (2007: £nil).

Citizens Advice International is a company which was registered in Belgium on 6 December 2004. Although not a related party under FRS 8, it is included here due to the connection of name and objectives. It was established to provide support to Citizens Advice organisations throughout the world. No

**Notes to financial statements:** Year ended 31 March 2008

**23. Related party transactions (continued)**

charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2008, Citizens Advice owed Citizens Advice International £nil (2007: £nil). Citizens Advice International is not consolidated into the accounts as it is a separate entity and Citizens Advice does not have the power to control it.

Citizens Advice Limited is a subsidiary company owned by Citizens Advice and all Citizens Advice non-charitable trading is conducted through it. During the year ended 31 March 2008, it made a profit of £55,000 which was covenanted to Citizens Advice and recorded within Donations. At 31 March 2008 Citizens Advice Limited owed Citizens Advice £251,000 (2007: £118,000). Citizens Advice Limited is not consolidated on the grounds of materiality.

**24. Investments**

Investments at market value comprised:

	<b>2008</b>	2007
	<b>£'000</b>	£'000
<b>Equities</b>	<b>2</b>	2
<b>Citizens Advice Ltd</b>	-	-

All investments were held in the UK. There were no material individual investment holdings in the year which would require disclosure. The value of shares held in Citizens Advice Ltd is £2 being two ordinary shares of £1 each representing 100 per cent of the share capital.



**Citizens Advice**

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