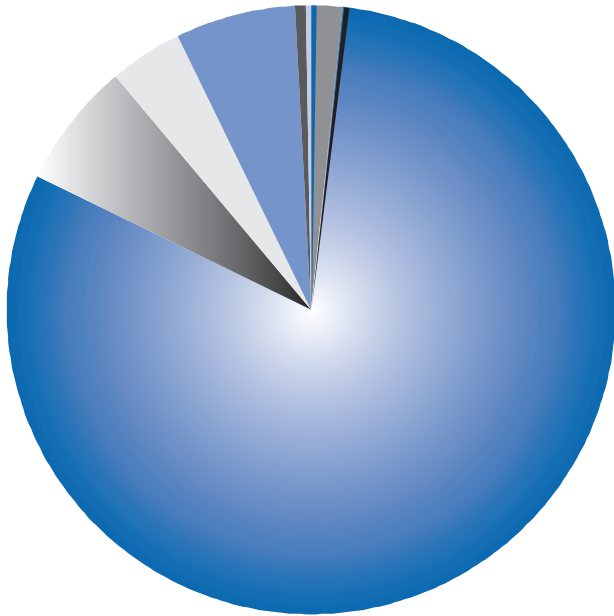


Citizens Advice

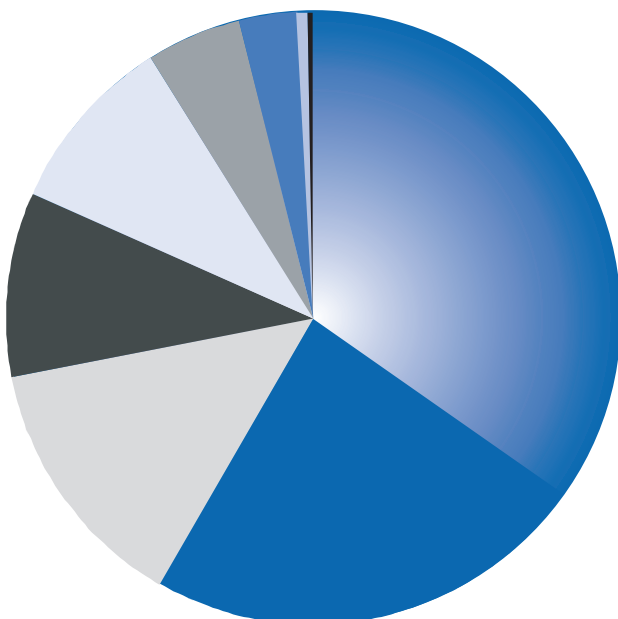
Financial statements year ended 31 March 2005

Citizens Advice Incoming Resources 2004/05



- Legacies (£3,000) 0.1%
 - Donations (£6,000) 0.1%
 - Bank interest (£602,000) 1.7%
 - Government grants (£29,274,000) 80.4%
 - Other public bodies grants (£2,402,000) 6.6%
 - Other grants (£1,489,000) 4.1%
 - Trading activities (£2,231,000) 6.1%
 - Training and support (£231,000) 0.6%
 - Other incoming resources (£115,000) 0.3%
- Total £36,353,000

Citizens Advice Resources Expended 2004/05



- Bureau audit and support (£13,790,000) 34.7%
 - IT services and Citizens Connect (£9,326,000) 23.5%
 - Bureau and other grants (£5,459,000) 13.8%
 - Training (£3,854,000) 9.7%
 - Policy (£3,769,000) 9.5%
 - Information (£1,891,000) 4.8%
 - Trading activities (£1,254,000) 3.2%
 - Governance costs (£254,000) 0.6%
 - Costs of generating funds (£88,000) 0.2%
- Total £39,685,000

The National Association of Citizens Advice Bureaux

Statement of financial activities year ended 31 March 2005

Incorporating an Income and Expenditure Account

		Unrestricted			Restricted		Total	Restated Total
	Note	DTI	Other	Designated	DTI	Other	2005	2004
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources								
Incoming resources from generated funds:								
Legacies		-	3	-	-	-	3	1
Donations	2	-	6	-	-	-	6	3
Bank interest		226	161	-	-	215	602	526
Incoming resources from charitable activities:								
Grants	3	23,713	11	142	282	9,017	33,165	40,198
Trading activities		615	1,584	-	-	32	2,231	1,568
Training and support		131	31	-	-	69	231	634
Other incoming resources		74	6	-	-	35	115	93
Total incoming resources	16	24,759	1,802	142	282	9,368	36,353	43,023
Resources expended								
Charitable activities								
Bureau audit and support		10,234	314	58	362	2,822	13,790	11,757
IT Services and Citizens Connect		5,416	-	13	-	3,897	9,326	11,956
Bureau and other grants	5	740	2	-	23	4,694	5,459	6,053
Training		3,396	35	13	55	355	3,854	3,279
Policy		3,151	-	17	49	552	3,769	1,426
Information		1,696	-	10	121	64	1,891	1,632
Trading activities		207	1,039	1	-	7	1,254	1,415
Governance costs	8	253	-	1	-	-	254	355
Costs of generating funds		87	-	1	-	-	88	146
Total outgoing resources	6,7,16	25,180	1,390	114	610	12,391	39,685	38,019
Net (outgoing)/ incoming resources	10	(421)	412	28	(328)	(3,023)	(3,332)	5,004
Reconciliation of funds								
Fund balance brought forward	16	4,727	609	163	722	6,816	13,037	7,453
Prior year adjustment	24	(745)	-	-	-	(1,187)	(1,932)	(1,352)
Adjusted balance brought forward		3,982	609	163	722	5,629	11,105	6,101
Fund balance carried forward	16	3,561	1,021	191	394	2,606	7,773	11,105

All activities derive from continuing operations.

There are no recognised gains or losses for the current and preceding year other than as noted above.

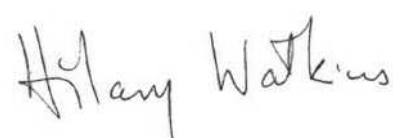
The National Association of Citizens Advice Bureaux

Balance sheet year ended 31 March 2005

	Note	2005 £'000	Restated (note 24) 2004 £'000
FIXED ASSETS	11	174	174
CURRENT ASSETS			
Debtors	12	1,870	2,882
Cash at bank and in hand		10,254	12,715
		12,124	15,597
CREDITORS: amounts falling due within one year	13	4,429	4,104
Net current assets		7,695	11,493
Total assets less current liabilities		7,869	11,667
CREDITORS: amounts falling due after more than one year	14	40	512
PROVISIONS for liabilities and charges	15	56	50
TOTAL ASSETS LESS ALL LIABILITIES		7,773	11,105
CAPITAL AND RESERVES			
Restricted funds	16	3,000	6,351
Unrestricted funds			
General fund - other non-DTI	16	1,021	609
General fund - DTI	16	3,561	3,982
Designated reserves			
London region reserves	17	52	52
Capital fund	17	130	102
CAB general fund	17	9	9
Total unrestricted funds		4,773	4,754
TOTAL FUNDS	16	7,773	11,105

The financial statements were approved by the Trustee Board on 5 August 2005.
Signed on behalf of the Board of Directors

Directors:



THE REV. HILARY WATKINS
Chair



MAURICE SHARPLES OBE
Treasurer

Chief Executive:



DAVID HARKER OBE

Cash flow statement year ended 31 March 2005

	Note	2005 £'000	2004 £'000
Net cash (outflow) / inflow from operating activities	A	(2,895)	3,406
Returns on investments			
Interest received		602	526
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(169)	(184)
Receipts from sales of fixed assets		1	-
(DECREASE) / INCREASE IN CASH	B	(2,461)	3,748

Notes to the cash flow statement

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

	2005 £'000	Restated 2004 £'000
Net (outgoing) / incoming resources	(3,332)	5,004
Depreciation charges	169	154
(Surplus) on disposal of fixed assets	(1)	-
Decrease/ (increase) in debtors	1,012	(1,257)
(Decrease) / increase in creditors	(147)	7
Increase in provisions	6	24
Bank interest receivable	(602)	(526)
Net cash (outflow)/ inflow from Operating Activities	(2,895)	3,406

B. Analysis of changes in cash during the year

	As at 31 March 2005 £'000	Movement £'000	As at 1 April 2004 £'000
Cash at bank and in hand	10,254	(2,461)	12,715

Notes to the financial statements year ended 31 March 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards, 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 Trade and Industry 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.

(b) Fixed assets

Fixed assets are financed by grants, which are recognised in the statement of financial activities when they are receivable, in accordance with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities. The capital element of the DTI 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.

Depreciation is charged on a straight-line basis on the cost of assets over their estimated useful life. Only assets over £500 are capitalised.

The estimated lives of the assets are as follows:
Office and computer equipment – three years.

(c) Investments

No investments are held by Citizens Advice. All money is held in bank accounts at high rates of interest. These are shown as cash at bank and in hand on the balance sheet.

(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 the only scheme 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 professionally qualified actuary. The operating costs of providing retirement benefits to employees are recognised immediately in the statement of financial activities in the year in which the benefits are earned as required by FRS 17.

This is a change in accounting policy where previously SSAP24 applied and FRS17 transition rules only were applied. This has changed the disclosures required only (note 22).

(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. This is a change in accounting policy during the year, previously grants were recognised when paid. A prior year adjustment has been made and this is disclosed in note 24.

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.

Notes to the financial statements year ended 31 March 2005

1. ACCOUNTING POLICIES (continued)

(h) Deferred income

Deferred income relating to subscriptions is shown within the balance sheet.

Grants received in advance of the period in which the funder requires the expenditure to be applied are also reflected in deferred income.

(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, are exercised in the course of carrying out the primary purpose of the charity. The gross income is shown in the statement of financial activities as trading activities.

(k) Other income

Other income is recognised on receipt, which is due to the small volume and unpredictable nature of other income.

(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 and 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, these are translated into sterling on the date of the transaction. All amounts held at the balance sheet date are in sterling, and no gain or loss arose.

(n) Reserves

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

Citizens Advice is unable to build up substantial reserves of unutilised DTI funds as the requirements in the Management Statement and Financial Memorandum limit the level of funds that can be carried forward to future years. Any additional balances in excess of the working balance carried forward require DTI approval.

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

Designated funds are made up of London region reserves, the capital fund and CAB general fund. The reasons for holding these are 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. Transfers from restricted funds are only possible at the request of the original donor with the approval of the Performance Review and Audit Committee.

Notes to the financial statements year ended 31 March 2005

2. DONATIONS

	£'000	£'000
Donations from private individuals	6	3 Individual giving project

3. GRANTS

a) Government grants

Funder	2005 £'000	2004 Purpose £'000
Government Department grants		
Department of Trade and Industry	23,855	22,920 Grant in Aid*
Department of Trade and Industry	150	129 European consumer rights project
Department of Trade and Industry	132	48 Sexual orientation and religious beliefs
Department of Trade and Industry	-	315 Employment dispute resolution
Department of Health	4,076	2,632 Independent Complaints Advocacy Service
Office of the Deputy Prime Minister	432	419 The National Homelessness Advice Service
Department for Work and Pensions	300	- Financial literacy project
HM Revenue and Customs	89	47 Tax credit training
Department for Education and Skills	41	76 Millennium Volunteers project
Ministry of Defence	20	7 Veterans project
Capital Modernisation Fund (on behalf of all Government Departments)	-	10,000 Citizens Connect
Department for Constitutional Affairs	-	5 IT Services public information project
European grants		
European Commission	142	33 European consumer rights project
European Commission	26	125 UK European consumer centre
European Commission	11	16 Sexual orientation and religious beliefs
Total Government grants	29,274	36,772

*£142,000 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.

Notes to the financial statements year ended 31 March 2005

3. GRANTS (continued)

b) Grants from other public bodies

Funder	2005 £'000	2004 Purpose £'000
Welsh Assembly	700	878 Better Advice Better Health
Devon County Council	407	324 Regional projects
Legal Services Commission	209	218 Consultancy and casework (Wales)
Legal Services Commission	182	128 SSU training consultancy and delivery+
Somerset County Council	153	147 Regional projects
Kent Probation Service	123	125 Kent probation project
Oxfordshire County Council	108	107 Regional projects
Legal Services Commission	85	- SSU money advice+
West Yorkshire County Council	70	70 North MASU*
Nottinghamshire County Council	60	- Regional projects
Learning and Skills Council	57	- Regional projects
Hampshire County Council	51	50 SSU casework & consultancy+
Legal Services Commission	37	- Offenders project
Financial Services Authority	28	- Financial literacy project
The Basic Skills Agency	24	- Financial literacy project
London Borough of Newham	17	- Information production
Legal Services Commission	11	47 North MASU*
Community Legal Services Development Fund	9	- Regional projects
Legal Services Commission	-	101 Translation project
Slough Borough Council	-	38 Slough CAB feasibility study
	2,331	2,233

* MASU - Money Advice support unit

+SSU - Specialist support unit

Notes to the financial statements year ended 31 March 2005

3. GRANTS (continued)

c) Other grants

Funder	2005 £'000	2004 £'000	Purpose
Prudential plc	300	250	Financial literacy
Money Advice Trust (Barclays plc)	259	194	MA development North and Wales^
Money Advice Trust (Royal Bank of Scotland)	87	-	MA training - yellow route^
Money Advice Trust (Lloyds TSB)	60	83	MA development officer – Midlands^
Money Advice Trust	47	-	MA training - consultancy^
Money Advice Trust	20	90	SSU casework training and consultancy+
Money Advice Trust	14	-	MA training delivery^
Money Advice Trust (Yorkshire Building Society)	10	10	North MASU*
Money Advice Trust (Skipton Building Society)	3	5	North MASU*
Money Advice Trust	2	-	MA training design^
Money Advice Trust	-	27	North MASU*
Money Advice Trust (Hitachi Credit)	-	7	North MASU*
Money Advice Trust (Provident Financial)	-	5	North MASU*
Money Advice Trust (Nationwide)	-	2	MA development officer - London^
Barclays plc	138	130	Rural regeneration project
Compaq, a subsidiary of Hewlett Packard Inc.	100	75	IT training grant scheme
Barclays plc	99	-	North MASU*
GMAC RFC foundation	52	-	Money Advice (Wales)
United Utilities	51	76	MA development officer - North West^
Nationwide Building Society	50	-	MA - strategy North^
The Abbey National Charitable Trust	47	-	Financial literacy
HBOS Foundation	44	-	Volunteers project
Society of Financial Advisers	43	-	Financial literacy
Tudor Trust	20	-	Financial literacy
Severn Trent Trust Foundation	19	-	Financial literacy
Debenhams	15	-	Kent probation project
Provident Financial plc	15	-	North MASU*
Zurich Financial Services	10	10	Information project
MBNA Bank	10	5	Sundry projects
Yorkshire Building Society	10	-	North MASU*
The Royal Bank of Scotland	7	7	Citizens Advice annual conference
Wales Council For Voluntary Action (WCVA)	4	8	Voluntary sector partnership council
Skipton Building Society	4	-	North MASU*
Kirby Laing Foundation	3	3	Sundry projects
O2	3	-	Conference sponsorship
National House-Building Council	3	-	Advice Week
Prudential plc	2	-	Sundry projects
John Lewis Partnership	2	-	Sundry projects
Norwich and Peterborough Building Society	2	-	Bureaux grants
sub-total to carry forward to next page	1,555	987	

Notes to the financial statements year ended 31 March 2005

3. GRANTS (continued)

c) Other grants (continued)

Funder	2005 £'000	2004 £'000	Purpose
brought forward from previous page	1,555	989	
Eurofax	1	2	Telephone advice
Clifford Chance	1	-	London region governance project
Frances Winham Foundation	1	-	Bureaux grants
Zurich Financial Services	1	-	Sundry projects
Orr Mackintosh Foundation	1	-	Sundry projects
Lloyds TSB Foundation for England and Wales	-	42	Aspiring managers training
Barclays plc	-	40	Placements
Experian	-	30	Conference sponsorship
Barclays plc	-	21	Independent financial advice project
The Esmée Fairbairn Foundation	-	17	Rural emergency CAB
Barclays plc	-	12	Rural bureaux grants
Calouste Gulbenkian Foundation	-	9	Social policy project
City Parochial Fund	-	8	CABnet bureaux grants
Glaxo Smithkline	-	8	Better Advice Better Health
National Australian Bank	-	5	North MASU*
Rural Stress Information Network	-	5	Rural regeneration
The Rayne Foundation	-	4	Financial literacy
Mayer, Brown, Rowe and Maw LLP	-	3	IT Services case management
	1,560	1,195	

*MASU - Money Advice support unit

+SSU - Specialist support unit

^MA - Money Advice

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Trustees of Citizens Advice are the non-executive directors of the charitable company. No emoluments were received by any directors, (2004: Nil). Payments of £18,000 (2004: £16,000) were made to 20 (2004: 16) directors during the year in respect of expenses incurred. No trustee indemnity insurance was purchased.

Expense reimbursed	2005 Number of directors	2005 Amount reimbursed £'000
Travel	20	15
Subsistence	10	2
Carers' costs	1	1

Notes to the financial statements year ended 31 March 2005

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Employee costs during the year:

	2005	2004
	£'000	£'000
Wages and salaries	11,169	10,659
Social security costs	1,068	1,015
Pension costs (see note 22)	3,283	741
Temporary staff	617	494
	16,137	12,909

Pension costs shown above relate to amounts accrued in the year. Amounts are paid to the NACAB Pension and Assurance Plan (1991) a month in arrears. The amount paid in 2004/05 was £3,550,000 (see note 22).

Staff were paid in the following bands (the number is based on full-time equivalent):

	Number
	2005
Up to £10,000	59
£10,001 to £20,000	120
£20,001 to £30,000	126
£30,001 to £40,000	114
£40,001 to £50,000	17
£50,001 to £60,000	4
£60,001 to £70,000	2
£70,001 to £80,000	1
£90,001 to £100,000	1
	444

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

	Number	Number
	2005	2004
Bureau audit and support	274	305
IT Services and Citizens Connect	43	37
Bureau and other grants	3	3
Training	37	36
Policy	41	15
Information	30	31
Trading activities	5	5
Governance	4	4
Cost of generating funds	7	6
Average number of persons employed	444	442

Notes to the financial statements year ended 31 March 2005

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 including all allowances payable including employee pension supplement and exclude employer's pension contributions. No other amounts were payable. All staff paid over £60,000 were executive directors. All of the Executive Directors withheld their consent to be individually named in the disclosure of the information below.

	Number 2005	Number 2004
£5,000 to £9,999	-	1
£25,000 to £29,999	-	1
£45,000 to £49,999	1	1
£50,000 to £54,999	-	2
£55,000 to £59,999	3	1
£60,000 to £64,999	1	1
£65,000 to £69,999	1	1
£70,000 to £74,999	1	-
£80,000 to £84,999	-	1
£95,000 to £99,999	1	-
£100,000 to £104,999	-	1*

*amount 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:

	Number 2005	Number 2004
up to £2,499	-	2
£2,500 to £4,999	5	6
£5,000 to £7,499	3	2

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

Notes to the financial statements year ended 31 March 2005

5. GRANTS PAYABLE

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

a) Partnership grants

Region	No.	Salaries £'000	No.	Other £'000	No.	Capital £'000	2005 Total No.	2005	Restated 2004
								£'000	£'000
North	10	46	2	4	6	44	18	94	113
North West	13	51	6	4	7	18	26	73	109
Midlands	20	66	2	1	8	28	30	95	189
East	12	19	4	3	8	15	24	37	77
South East	15	49	4	4	3	33	22	86	95
South West	29	67	3	3	4	20	36	90	164
London	8	68	-	-	3	21	11	89	82
Wales	3	8	-	-	10	22	13	30	95
Total	110	374	21	19	49	201	180	594	924

b) 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	2005 Total No.	2005 £'000	2004 £'000
South West	Devon County Council	10	184	164
South West	Somerset County Council	6	46	41
South West	Cornwall County Council	7	5	-
Total		23	235	205

Notes to the financial statements year ended 31 March 2005

5. GRANTS PAYABLE (continued)

c) Other grants to member bureaux

Purpose	Funder	2005 Total No.	2005 £'000	Restated 2004 £'000
Independent Complaints Advocacy Service	Department of Health	34	2,776	2,241
Better Advice Better Health	Welsh Assembly	29	610	1,280
Financial literacy	Department for Work and Pensions	22	197	-
Computer equipment for CASE	Capital Modernisation Fund	52	145	-
East region bureaux	Learning and Skills Council	13	51	-
Rural bureaux	Department of Trade and Industry	16	30	70
Midlands bureaux	Sundry funders	4	25	-
Bureaux consultancy	Capital Modernisation Fund	1	16	30
Sexual orientation and religious beliefs	Department of Trade and Industry	32	16	-
Millennium Volunteers	Department for Education and Skills	28	13	20
Financial literacy	Financial Services Authority	3	13	-
IT services projects	Sundry funders	3	6	-
Bromley CAB	Department for Education and Skills	1	3	25
Volunteer of the year	The Royal Bank of Scotland	1	3	-
Individual giving project	Individual donations	33	2	-
Veterans project	Ministry of Defence	3	2	-
Financial literacy	Prudential plc	-	-	368
Rural bureaux	Barclays plc	-	-	245
Guildford CAB	Legacy	-	-	26
IT Services project	The City Parochial Foundation	-	-	23
Tax credits training and information	HM Revenue and Customs	-	-	8
		275	3,908	4,336
TOTAL BUREAUX GRANTS		478	4,737	5,465

Notes to the financial statements year ended 31 March 2005

5. GRANTS PAYABLE (continued)

d) Largest grants paid to member bureaux

	Bureau name	Description of grant	2005 £'000	2004 £'000
1	Westminster	Independent Complaints Advocacy Service	179	155
2	Chapelton	Independent Complaints Advocacy Service	135	38
3	York	Independent Complaints Advocacy Service	123	76
4	Hackney	Independent Complaints Advocacy Service	121	57
5	Camden	Independent Complaints Advocacy Service	121	101
6	Bromley	Independent Complaints Advocacy Service	119	72
7	Birmingham District	Independent Complaints Advocacy Service	114	90
8	South Lakeland	Independent Complaints Advocacy Service	107	66
9	Liskeard	Independent Complaints Advocacy Service	104	69
10	Durham	Independent Complaints Advocacy Service	103	57
11	Merton	Independent Complaints Advocacy Service	79	75
12	Salford Mental Health	Independent Complaints Advocacy Service	78	66
13	Combined Hospitals	Independent Complaints Advocacy Service	78	66
14	Exeter	Independent Complaints Advocacy Service	78	52
15	Heswell	Independent Complaints Advocacy Service	77	70
16	Bootle	Independent Complaints Advocacy Service	77	69
17	North East Somerset	Independent Complaints Advocacy Service	74	62
18	Barnsley	Independent Complaints Advocacy Service	71	71
19	Gloucester and District	Independent Complaints Advocacy Service	71	70
20	Coventry	Independent Complaints Advocacy Service	69	58
21	Worcester	Independent Complaints Advocacy Service	69	59
22	Vale Royal and District	Independent Complaints Advocacy Service	69	34
23	Stoke	Independent Complaints Advocacy Service	68	61
24	Dudley	Independent Complaints Advocacy Service	68	61
25	Caerphilly	Better Advice Better Health	67	73
26	North Tyneside	Independent Complaints Advocacy Service	65	66
27	West Wiltshire	Independent Complaints Advocacy Service	53	33
28	North Kirklees	Independent Complaints Advocacy Service	52	34
29	Stockton and District	Independent Complaints Advocacy Service	41	28
30	West Lancashire	Independent Complaints Advocacy Service	39	33
31	Rotherham	Independent Complaints Advocacy Service	39	33
32	Harrogate	Independent Complaints Advocacy Service	39	33
33	Poole	Independent Complaints Advocacy Service	39	33
34	Powys	Financial Literacy	36	15
35	Swansea	Better Advice Better Health	34	37
36	Ynys Mon	Better Advice Better Health	33	38
37	Powys	Better Advice Better Health	33	36
38	Ammanford	Better Advice Better Health	33	36
39	Torfaen	Better Advice Better Health	33	38
40	Newport	Better Advice Better Health	32	35
41	Conwy District	Better Advice Better Health	32	37
42	D.A.W.N.	Financial Literacy	31	13
43	Flintshire	Better Advice Better Health	31	34
44	Cardiff	Better Advice Better Health	30	35
45	Vale of Glamorgan	Better Advice Better Health	30	35
46	North Devon	Rural bureaux	30	15

Notes to the financial statements year ended 31 March 2005

5. GRANTS PAYABLE (continued)

d) Largest grants paid to member bureaux (continued)

Bureau name	Description of grant	2005 £'000	2004 £'000
47 Powys	Rural bureaux	30	30
48 Bridgend	Better Advice Better Health	30	26
49 Gwynedd	Better Advice Better Health	29	25
50 Royal Courts of Justice	Partnership - salary	29	28

e) Grants to other bodies

A grant of £26,000 was paid to advice^{uk} (2004: £17,000) in relation to their element of the National Homelessness Advice project. A grant of £100,000 was paid to Friends of CABx Trust (2004: £95,000); this was a grant to Citizens advice from Compaq, a subsidiary of Hewlett Packard Inc, for the provision of IT training for bureaux. A further grant of £2,000 (2004: £3,000) was paid to Friends of CABx Trust towards the production costs of its annual report.

f) Reconciliation of financial activities

	2005 £'000	Restated 2004 £'000
Total grants payable to bureaux (note 4 a) to c))	4,737	5,465
Total grants payable to other bodies (note 4e))	128	115
Direct staff costs	526	365
Other direct costs	53	82
Allocated staff costs	8	15
Allocated other costs	7	11
	5,459	6,053

6. TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other direct costs £'000	Allocated staff costs £'000	Other allocated costs £'000	Total 2005 £'000	Restated Total 2004 £'000
Bureau audit and support	5,980	3,914	2,106	1,790	13,790	11,757
IT Services and Citizens Connect	1,491	7,031	434	370	9,326	11,956
Bureau and other grants	526	4,918	8	7	5,459	6,053
Training	1,141	1,630	557	526	3,854	3,279
Policy	1,443	1,041	694	591	3,769	1,426
Information	820	329	401	341	1,891	1,632
Trading activities	352	833	38	31	1,254	1,415
Governance Costs	60	166	15	13	254	355
Cost of generating funds	52	1	19	16	88	146
	11,865	19,863	4,272	3,685	39,685	38,019

Notes to the financial statements year ended 31 March 2005

7. SUPPORT COST BREAKDOWN BY ACTIVITY

	Premises £'000	Fund- Raising £'000	Admin- istration £'000	IT Services £'000	Human Resources £'000	Finance £'000	Total 2005 £'000	Restated Total 2004 £'000
Bureau audit and support	913	44	169	506	284	1,980	3,896	2,749
IT Services and Citizens Connect Bureau and other grants	159	10	37	109	61	428	804	33
Training	4	-	1	2	1	7	15	73
Policy Information	271	12	46	138	77	539	1,083	609
Trading activities	276	15	57	171	96	670	1,285	397
Governance costs	160	9	33	99	55	386	742	548
Cost of generating funds	15	1	3	9	5	36	69	52
	6	-	1	4	2	15	28	31
	11	-	1	4	2	17	35	26
	1,815	91	348	1,042	583	4,078	7,957	4,518

Premises costs are allocated across activities on staff numbers (based on full time equivalent) based at each premises. All other 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.

8. GOVERNANCE COSTS

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

	2005 £'000	Restated 2004 £'000
Audit fees (internal and external)	86	68
Trustee meeting costs	54	65
Governance and leadership	24	52
Legal advice for trustees	40	72
Preparing statutory accounts and annual report	9	26
Strategic planning	13	41
Allocated staff costs	15	20
Allocated non staff costs	13	11
	254	355

9. CORPORATION TAX

Citizens Advice is a registered charity and is not liable to taxation.

Notes to the financial statements year ended 31 March 2005

10. NET OUTGOING RESOURCES

Net outgoing resources for the year are stated after charging:

	2005	2004
	£'000	£'000
Operating lease costs		
Property	1,505	1,452
Motor vehicles	32	40
Office equipment	15	32
Depreciation	169	154
External Auditors' remuneration		
External audit fee	31	29
Non audit work	4	-
Non-statutory audit	2	2

11. FIXED ASSETS

	£'000
Office and computer equipment	
Cost	
At 1 April 2004	462
Additions	169
Disposals	(124)
At 31 March 2005	507
Depreciation	
At 1 April 2004	288
Charge for the year	169
Disposals	(124)
At 31 March 2005	333
Net book value	
At 31 March 2005	174
At 31 March 2004	174

Notes to the financial statements year ended 31 March 2005

12. DEBTORS

	2005	2004
	£'000	£'000
Trade debtors	950	673
Other debtors	106	340
Prepayments and accrued income	492	1,821
HM Revenue and Customs	322	48
	1,870	2,882

Included in other debtors is £102,000 (2004: £77,000), which relates to 71 (2004: 74) staff season ticket or car loans. These are interest free and are recoverable through monthly payroll deductions. Two senior officers had loans outstanding, at the balance sheet date, of less than £5,000.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	Restated 2004
	£'000	£'000
Trade creditors	1,658	1,542
Citizens Advice bureaux grants	1,056	1,420
Citizens Advice International	4	-
Other creditors including taxation and social security	499	573
Accruals and deferred income	1,212	569
	4,429	4,104

	2005	2004
	£'000	£'000
Other creditors consists of:		
Inland Revenue: PAYE	153	182
National Insurance	156	174
Other creditors	190	217
	499	573

	2005	2004
	£'000	£'000
Deferred income:		
Deferred income at 1 April 2004	414	445
Amount released from previous year	(414)	(445)
Incoming resources deferred in the year	605	414
Deferred income at 31 March 2005	605	414

Notes to the financial statements year ended 31 March 2005

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2005	Restated 2004
	£'000	£'000
Citizens Advice bureaux grants	40	512
	40	512

15. PROVISIONS

	2005	2004
	£'000	£'000
Property provisions		
Provision on 1 April	50	26
Additional provision during the year	6	24
Provision on 31 March	56	50

The provisions relate to rent reviews performed in the period which have not yet been finalised. It is expected that they will be finalised in 2005/06.

Notes to the financial statements year ended 31 March 2005

16. STATEMENT OF FUNDS

	At 1 April 2004 £'000	Prior year adjust - ment (note 24) £'000	Restated at 1 April 2004 £'000	Income £'000	Expenditure £'000	At 31 March 2005 £'000
Unrestricted funds - DTI	4,727	(745)	3,982	24,759	25,180	3,561
Unrestricted funds - other	609	-	609	1,802	1,390	1,021
Unrestricted funds - designated	163	-	163	142	114	191
Total unrestricted funds	5,499	(745)	4,754	26,703	26,684	4,773
Restricted funds - DTI	722	-	722	282	610	394
Citizens Connect project	5,105	-	5,105	145	4,124	1,126
Independent projects	773	(1,187)	(414)	2,948	2,277	257
Money Advice Trust funded projects	137	-	137	555	297	395
Regional managed funds	288	-	288	683	621	350
	-	-	-	448	285	163
National Homelessness Advice Service						
Social policy projects	18	-	18	224	127	115
Training projects	88	-	88	92	109	71
Independent Complaints Advocacy Service	136		136	4,093	4,160	69
IT Services programme	224	-	224	-	184	40
European Commission projects	47	-	47	180	207	20
Total restricted funds	7,538	(1,187)	6,351	9,650	13,001	3,000
Total funds	13,037	(1,932)	11,105	36,353	39,685	7,773

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

DTI restricted funds incoming resources represent two grants from the DTI for the EEJNet Project, and the Sexual orientation and religious beliefs project.

The Citizens Connect project continued to link individual Citizens Advice Bureaux to a virtual private network and develop and install CASE software in bureaux. The project will finish in 2005/06.

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

Money Advice support strategy funds are funds received via the Money Advice Trust for the Money Advice Development Officer posts in the regions and for specialist casework and training consultancy to MAT agencies in England and Wales.

Notes to the financial statements year ended 31 March 2005

16. STATEMENT OF FUNDS (Continued)

Regional Managed Funds are funds raised in the regions for local initiatives, and the income comprised: £668,000 (note 3, mainly from County Councils) and bank interest and other income of £15,000.

The Office of the Deputy Prime Minister 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 to Citizens Advice.

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

The Independent Complaints Advocacy Service (ICAS) began in September 2003 in six of the nine local government regions. It provides 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 will continue in 2005/06.

IT services programme funds comprise all non-DTI funds received for the development of IT Services projects: CASE recording and Electronic Information System.

European Commission funded projects consist of three projects: the UK European Consumer Centre, Sexual orientation and religious beliefs conference and the European Consumer Rights project.

17. DESIGNATED RESERVES

London region reserves

The London region reserves were acquired on 1 April 1991 when the undertaking of GLCABS together with its assets and liabilities were transferred to Citizens Advice. It has been agreed that the reserves acquired on this date would be used solely within the London region, to deal with property and other issues related to the London bureaux employment function. This is at the discretion of the Trustee Board. The balance as at 31 March 2005 was £52,000 (2004: £52,000).

Capital fund

The fund represents the balance of the capital element of DTI grants. The balance as at 31 March 2005 was £130,000 (2004: £102,000).

CAB general fund

The CAB general fund represents the excess of income over expenditure for the period prior to incorporation. It has been agreed that as general reserves these should be made available to be allocated as the Trustee Board decides for the IT Services project. The balance as at 31 March 2005 was £9,000 (2004: £9,000).

Notes to the financial statements year ended 31 March 2005

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted			Restricted		Total £'000
	DTI £'000	Other £'000	Designated £'000	DTI £'000	Other £'000	
Fund balances at 31 March 2005 are represented by:						
Fixed assets	-	3	130	-	41	174
Current assets	5,765	1,282	61	612	4,404	12,124
Creditors: amounts falling due within one year	(2,108)	(264)	-	(218)	(1,839)	(4,429)
Creditors: amounts falling due after one year	(40)	-	-	-	-	(40)
Provisions	(56)	-	-	-	-	(56)
Fund balance	3,561	1,021	191	394	2,606	7,773

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.

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.

21. OPERATING LEASE COMMITMENTS

At 31 March 2005 Citizens Advice was committed to making the following annual payments in respect of operating leases:

	2005		2004	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	34	6	43	9
Within between two and five years	1,114	1	358	18
After five years	68	-	754	-

Notes to the financial statements year ended 31 March 2005

22. PENSION SCHEME

Citizens Advice participates in the National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991) which is a defined benefit arrangement. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 April 2004. This has been updated on an approximate basis to 31 March 2005.

The triennial valuation of the whole scheme identified a deficit of £12,500,000. In order to address this deficit, changes to future benefits have been made to the scheme. From 1 April 2005 active members will see a fall in their accrual rate from 1/65 to 1/80 of their salary per year of service. Existing staff were given the option to buy back the extra 1/15 of their pension accrual rate, half of the cost of this would be met by Citizens Advice for those members exercising this option. The scheme continues to be open to new members of Citizens Advice staff. As a result of these changes to benefits, the employer contribution rate has changed to 5.9% (2004 and 2005: 8.5%) and the employee contribution rate remains at 8.2% of gross pay. In addition to the future service contributions, each participating employer is required to pay a share of the actuarial deficit over the next ten years, based on active members as at 31 March 2004. Citizens Advice has addressed its share of the deficit in the fund by making a lump sum payment during 2004/05 of £2,467,000.

Since more than one employer participates in the scheme, Citizens Advice accounts for the scheme on a defined contribution basis in accordance with FRS 17, because the contribution requirement is affected by a surplus or deficit in the scheme but it is not possible to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The contributions made by Citizens Advice over the financial year have been £3,550,000 (2004: £730,000); this includes the one off payment of £2,467,000.

In order to comply with the requirement, under FRS17, to disclose any available information about the existence of the surplus or deficit in the scheme and the implications of that surplus or deficit for the employer, disclosure of assets and liabilities of the entire scheme as at 31 March 2005 calculated in accordance with the requirements of FRS17 is made. For the purpose of these financial statements, however, these figures do not impact on the actual 31 March 2005 balance sheet or on the actual performance statements for the year ended 31 March 2005.

The amount due to the scheme at 31 March 2005 was £nil (2004: £nil).

Assumptions

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

	2005	2004	2003
Inflation	2.60% p.a.	2.50% p.a.	2.50% p.a.
Salary increases	3.60% p.a.	3.50% p.a.	3.50% p.a.
Rate of discount	5.44% p.a.	5.60% p.a.	5.25% p.a.
Pensions in payment increases	2.60% p.a.	2.50% p.a.	2.50% p.a.
Revaluation rate for deferred pensioners	2.60% p.a.	2.50% p.a.	2.50% p.a.

Notes to the financial statements year ended 31 March 2005

22. PENSION SCHEME (continued)

Balance sheet figures for the whole scheme

The following amounts at 31 March 2005 were measured in accordance with FRS17 and show the liability for all employers in the scheme:

	2005 £'000	2004 £'000	2003 £'000
Assets	46,233	37,369	30,784
Liabilities	(63,255)	(51,781)	(51,065)
(Deficit) in scheme – Net pension liability	(17,022)	(14,412)	(20,281)

Assets

The assets of the whole scheme on an FRS 17 basis, as at 31 March 2005 were:

	2005 £'000	2004 £'000	2003 £'000
Equities	33,722	28,269	19,562
Bonds	9,654	8,087	10,245
Cash	2,857	1,013	977
	46,233	37,369	30,784

The expected long term rate of return as at 31 March 2005 were:

	2005 £'000	2004 £'000	2003 £'000
Equities	6.69%	6.85%	6.50%
Bonds	5.44%	5.60%	5.25%
Cash	4.75%	4.00%	3.75%

Notes to the financial statements year ended 31 March 2005

22. PENSION SCHEME (continued)

Movement in balance sheet surplus figures for the whole scheme during the year ended 31 March 2005

	2005	2004
	£'000	£'000
(Deficit) at beginning of year	(14,412)	(20,281)
Movement in year:		
Current service cost	(1,117)	(1,474)
Net finance charge	(466)	(826)
Contributions	3,550	1,032
Actuarial (loss)	(4,577)	7,137
(Deficit) in scheme at 31 March	(17,022)	(14,412)

23. RELATED PARTY TRANSACTIONS

There have been related party transactions identified in accordance with FRS 8 and with Treasury Guidance during the year. Citizens Advice is sponsored by the Department of Trade and Industry (DTI). The DTI is regarded as a related party. During the year, Citizens Advice has had no material transactions with the DTI other than the receipt of its Grant in Aid, and £281,000 for two specific projects as shown in note 3a) (2004: £492,000, three specific projects). Citizens Advice had a number of transactions during the year with [Citizens Advice Scotland](#), which is also sponsored by the Department of Trade and Industry.

The [Friends of Citizens Advice Bureaux Trust](#) is a charity established to raise funds for the benefit of Citizens Advice Bureaux during the year. The Friends of Citizens Advice Bureaux Trust had two trustees who were also directors of Citizens Advice. There were transactions between Citizens Advice and The Friends of Citizens Advice Bureaux Trust of £17,000 (2004: £15,000) in relation to management contracts and expenditure recharges to The Friends of Citizens Advice Bureaux Trust. A grant of £100,000 (2004: £75,000) was paid to The Friends of Citizens Advice Bureaux Trust from Citizens Advice. This money came from Compaq, a subsidiary of Hewlett Packard Inc, for the provision of IT Training to bureaux. Citizens Advice also paid £2,000 towards the production costs of The Friends of Citizens Advice Bureaux Trust Annual Report. During the year payments from Friends of CABx to Citizens Advice were received totalling £17,000 (2004: £15,000) for management contracts and £nil (2004: £1,000) in relation to expenditure recharges. At 31 March 2005 The Friends of Citizens Advice Bureaux Trust owed Citizens Advice £nil (2004: £nil).

[Citizens Advice International](#) is a company registered in Belgium on 6 December 2004. It was established during the year to provide support to Citizens Advice organisations throughout the world. Citizens Advice International has been administered from Citizens Advice offices during the year, no charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2005, Citizens Advice owed Citizens Advice International £4,000, which was a donation, received by Citizens Advice on behalf of Citizens Advice International in the year. One member of the council of Citizens Advice International is a member of Citizens Advice staff; there are currently nine member countries of Citizens Advice International. Citizens Advice International is not consolidated into the accounts, as it is a separate entity, as Citizens Advice does not have any significant control over it.

Notes to the financial statements year ended 31 March 2005

24. PRIOR YEAR ADJUSTMENT

The resources expended and balance sheet in 2003/04 have been restated under the new Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) as revised in 2005. The restated figures show comparative figures had the SORP applied in 2003/04.

The adjustment in respect of the balance sheet meets the new definitions for recognising bureau and other grants. The adjustment results in an increase in creditors: amounts falling due within one year of £1,420,000 and an increase in creditors: amounts falling due in more than one year of £512,000. An adjustment of the amount brought forward on 1 April 2004 of £1,352,000 was also required.

The comparative figures in the statement of financial activities have been restated to reflect the revised presentation requirements, and in respect of resources expended is due to redefined definitions of governance costs and the costs of generating funds. In addition: there is an increase in the amount of bureau and other grants of £580,000 to meet the new requirements for recognising bureau and other grants.