

**East Hampshire
Citizens Advice Bureau Limited**
Company number 6694768

TRUSTEES' ANNUAL REPORT

April 2010 - March 2011

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Issued: 13th October 2011

Latest update: 13th October 2011

1. Reference and Administrative Details

East Hampshire Citizens Advice Bureau.

Registered Charity Number : 1129850

Registered Company Number : 6694768

Address :

Forest Community Centre, Pinehill Road, Bordon, Hampshire,
GU35 0BS.

The following people were trustees at the date of this report :

Trustees and Directors

Mr P Ladds	Chair
Ms G Allen	
Mr L Bowden	Honorary Treasurer
Mr M Croucher	
Mr B Lynds	Resigned March 2011
Ms S Pitman	
Ms M Rivett	Resigned March 2011
Mr P Susans	
Ms S Telfer	

Mr Ladds, Ms Pitman and Mr Susans are the Board primary points of contact for the Alton, Petersfield and Whitehill & Bordon offices.

Ms Allen is the Board primary point of contact for Citizens Advice Hampshire.

Representatives of Bureau Advisers :

Ms G Dawson
Mr W J Organ
Ms Jo Rex

Secretary to the Trustee Board :

Ms H Kendall District Administrator

2. Structure, Governance and Management

On October 1st 2009, the assets of the three East Hampshire Citizens bureaux (Alton, Petersfield and Whitehill & Bordon) were transferred to East Hampshire Citizens Advice Bureau Limited, operating under the Citizens Advice model Memorandum and Articles of Association. Advice continues to be provided locally in the existing bureaux by the same advisors, but now operating under a single board of trustees supported by a Chief Executive Officer and staff who oversee the strategic direction of advice in East Hampshire, have a single budget and are able to identify areas of greatest need across the district. Trustees are appointed and reappointed annually at the bureau Annual General Meeting.

The Executive Committee meet monthly, but a full Board of directors and trustees meets 4 times a year, with representatives of bureaux advisers in attendance. An Annual General Meeting is held once a year.

The Trustee Board has delegated responsibility for specific areas to sub committees. These committees cover the areas of finance and resources, personnel, planning and social policy, meet at least quarterly, and refer major recommendations back to the main Board for decision.

The trustees maintain overall responsibility and control of the trustee recruitment process. Following periodic skills audits, the Board seeks to recruit trustees that reflect the diversity of the East Hampshire community and that have skills that will add value and enable the Board to govern effectively. Potential candidates are identified through advertisements with local voluntary sector agencies, supplemented by targeted adverts with newspapers or internet sites and occasionally by personal recommendation. Formal short-listing and interviewing processes are used. The Board follows Citizens Advice Membership Scheme procedures to ensure that all members of the trustee board are inducted and trained in a timely fashion and understand their responsibilities.

3. Objectives and Activities

The Charity's objects as set out in the company's Memorandum of Association are to promote any charitable purpose for the benefit of the community in East Hampshire and surrounding areas by the advancement of education, the protection and preservation of health, and the relief of poverty, sickness and distress.

The Trust carries out these objects by helping people resolve their legal, financial and other problems by providing information and advice and by influencing policy makers.

The service is independent and provides free, confidential and impartial advice to everybody, regardless of race, gender, disability, sexual orientation, religion, age or nationality.

The service recognises that the positive value of diversity promotes equality and challenges discrimination.

4. Achievements and Performance

Service Delivery

In 2010/11 the East Hampshire Bureau dealt with

	East Hants CAB (2010/2011)	<i>Full year 2009/2010 (Sum of 3 bureaux plus EHCAB)</i>
No. of Clients	5545	7,214
Enquiries	6829	8,048
Social Policy Issues	20557*	26,262
Contacts	22064	26,578

**Excludes Adviceline issues.* East Hampshire CAB was an early adopter of Adviceline, and there were some difficulties initially which led to a loss of clients. There is an expectation that client numbers will rise again in 2011-12, as the service improves.

The bureau has been supporting clients or managing debts on their behalf, with **3,476 debts totalling £12.03 million**. This compares with 2,684 debts totalling £8.5 million in 2009-10.

The recorded client financial outcome totalled **£686,286** for **120 clients**, an average of **£5,719 per client**. This included debts written off and benefits gained for clients. The comparable figures for 2009-10 were £606,225 for 156 clients, being an average of £3,886 per client. This shows a trend of fewer clients asking for debt advice, but with significantly larger debts.

The service has been delivered by a part time paid team of 22 staff (11.4 full time equivalent staff or FTEs), managing 123 volunteers in adviser, admin and clerical capacities.

Achievements against specific plan objectives:

1) Improve access to advice.

- Integration of processes and procedures was undertaken and achieved across the whole District, to enable a more seamless advice service to clients, and to reduce unnecessary administration within the offices. A District-wide Awayday was held in February 2011 to discuss areas of concern and how we could better work together.
- We implemented a District-wide telephone service, called Adviceline, in November. This enables clients to call a single 0845 telephone number for information and advice. Between November and March, we had 502 enquiries via Adviceline. Of those who spoke to a Gateway Assessor, 92% require gateway advice and 8% needed information only. The purpose of Adviceline is to reduce the burden on our telephone lines by either giving clients the information they need via menus, or by referring them on to other organisations, such as Consumer Direct or Money Made Clear when a query would be better dealt with by them. All clients can still speak to an Assessor if they wish.
- A home visiting service was extended with funding from the Bordon Charity and local councillors towards the end of the financial year. Our home visiting adviser saw 18 clients during the year, who were unable to attend the bureau because of disabilities, and this figure is expected to rise considerably during 2011/12.
- A partner survey was undertaken to better understand the needs of our partner organisations. The outcomes of this were integrated into the plan for 2011/12.
- We maintained and developed contacts with our partners, at district and local level. This included membership of the East Hampshire Community Partnership Steering Committee, Community First, Whitehill & Bordon Community Association, Citizens Advice Hampshire and our local Credit Union, United Savings & Loans.
- The Petersfield office continued to host a Hampshire Macmillan advice worker, providing support and advice for families who are dealing with cancer. 116 clients were helped during this financial year, with benefit, employment and debt advice, including in-depth casework such as benefit appeals and grant applications
- We continued to provide a specialist debt advice service via the Independent Debt Counselling Service, funded by East Hampshire Community Partnership. During the year, as outlined above, we provided specialist advice to 120 clients about 5230 debt issues.

- Fuel Poverty – we saw 115 clients about Fuel poverty issues during the year, of which 26 needed other debt advice as well. 106 advisers were trained in Fuel Poverty issues.
We helped 83 clients with issues relating to domestic violence.

2) Campaign on social policy issues.

- We fed 241 social policy issues to Citizens Advice to help provide evidence to Government on areas where changes in legislation are needed. The main concerns were about benefits and debt.
- We gave specific evidence to Citizens Advice on ATOS Healthcare medicals and to Her Majesty's Revenue & Customs (HMRC) on the proposed court closures.
- We sent monthly updates on social policy issues to our local Member of parliament, Damien Hinds, and several were specifically mentioned in the House of Commons.
- We did a local press campaign with the Herald Group on hard-selling of gym memberships.
- We attended and provided information for several district community forums, including those for Social Inclusion, Domestic Violence and Financial Capability.
- We started work on a system of Accommodation Boards, aimed at local people who either want to let, or need to rent, a room, under the rent-A-Room Scheme. This was in response to a perceived lack of accommodation for young single people, particularly men.

3) Maintain good governance and resource management.

- A reduced staffing structure was agreed, with the emphasis on cross-bureau working. This was achieved by cutting the District Operations Manager post and reducing some other paid staff hours.
- District staff were reassigned to the Whitehill & Bordon office, and the registered office was moved to Bordon from Alton.
- The Alton and Petersfield CAB charities and companies were successfully shut down, and all their activities and funds were transferred to the East Hampshire CAB name. The Whitehill & Bordon CAB still exists as a company and charity, due to issues relating to the lease on the Forest Community Centre building, but this should be resolved in 2011/12.
- A district training strategy was identified and implemented, with new trainees across the district being trained together as from October 2010. All new trainees now do Gateway training as their

first advice module and the training is fully integrated across the District.

- A commitment was made to ensuring that the staff and volunteers, both advisers and trustees, reflect the diversity of the community and that there is equality of both opportunity for advisers, and equality and fairness in the advice process.
- Adequate financial provision was put in place to enable the bureau to undertake its commitments. Currently, we receive 71% of our overall funds from district and local councils, and the aim is to reduce this further next year.

Other achievements

- The bureau successfully passed its Management Audit in November 2010, and was re-admitted to membership of Citizens Advice, effective until May 2014.
- Appointments Plus has continued to be slow and unreliable and the bureau is hoping that the forthcoming PETRA integrated case management system will provide an easier platform for making appointments.
- An IT strategy was implemented with the aim of integrating the IT throughout the District, and a provider was successfully identified.
- A risk management assessment was undertaken, and processes put in place to deal with the main risks.
- Among the 3-4% of clients who let us know the outcomes of the work we undertook, there was £335,433 of recorded income gain, and £165,515 worth of debt was written off.

5. Plans for Future Periods

The Bureau has a number of key objectives and strategic aims for the next three years and these are outlined in detail in our business plan for the period 2011 to 2014, including specific tasks/deliverables, responsibility and target dates.

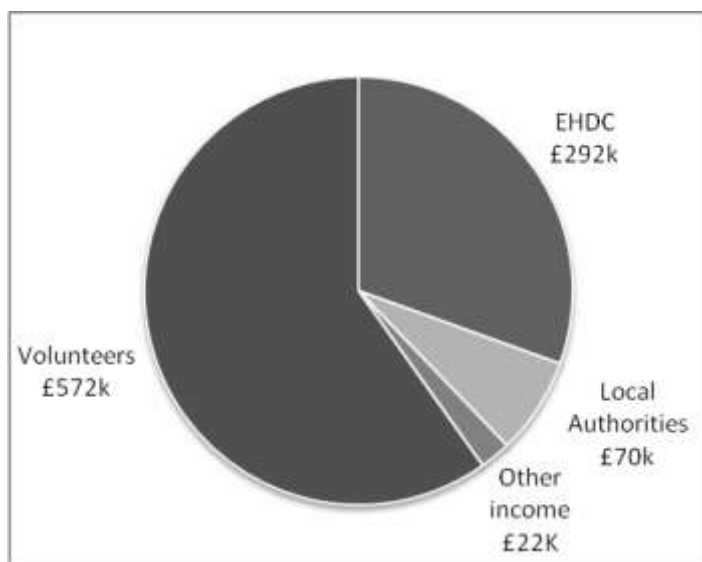
- 1. Delivering an effective range of information and services to match client needs.**
- 2. Achieving sustainable funding.**
- 3. Achieving a good standard at the Citizens Advice quality of advice audit.**
- 4. Improving premises and communications.**
- 5. Investing in social policy.**
- 6. Achieving good process performance and management.**

Full details can be found in our Strategic Business Plan 2011- 14 dated 17 May 2011.

6. Financial Review

EHCAB received core funding from local authorities and parishes amounting to £339,276 during the period, 86% of total unrestricted income. Of this, £272,598 (70% of unrestricted income) was provided by East Hampshire District Council. EHDC also provided rent free accommodation to the Alton bureau and mandatory and discretionary rate relief for all 3 bureaux to the total value of £19,302. A further £3,219 was received in the form of other grants, and we obtained £27,394 of other income from donations, from sub-let office space, and from our investments. In 2011/12, the EHDC grant will reduce by more than £54,000, and we are making every effort to increase other income, obtain project funding that will contribute to our overheads, and reduce expenditure.

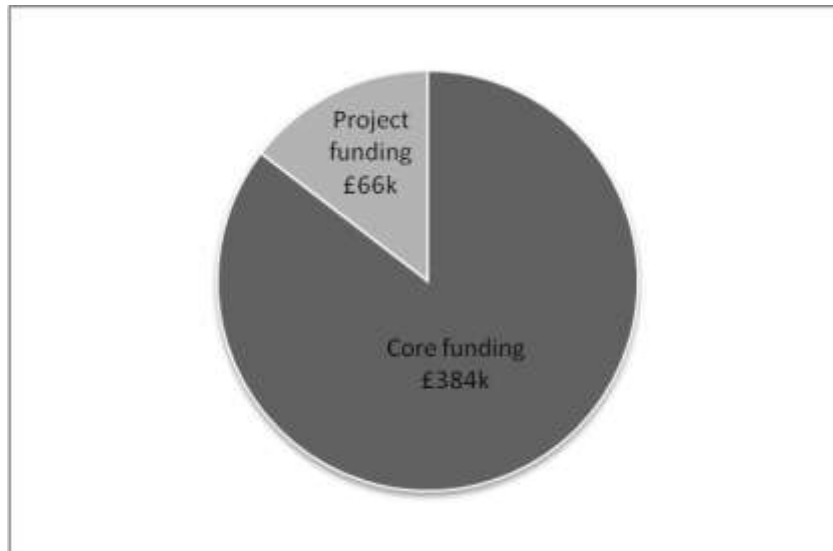
To put our core funding in a truer perspective, we have estimated the economic value of our 120 volunteers. Using Office of National Statistics Annual Survey of Hours and Earnings data, we estimate the value to be over £572,000.



Total income £956k including assessment of volunteers' contribution.

Project funding amounted to £65,619, 14% of total income. Macmillan Cancer Support provided £28,862 under a three year agreement for advice to cancer patients. Debt Advice was funded by the East Hampshire Community Partnership (£20,179), and by Citizens Advice Hampshire (£3,913). Despite increasing client demand for debt advice, the East Hampshire Community Partnership have not continued funding through to 2011/12. We received £1,665 from local charities for Home Visiting and are also utilising funds received in 2009/10. We also received

£10,500 from Scottish & South East Electricity for a Fuel Poverty project and £500 from local charities to help people in need.



Unrestricted funds increased by £18,214 during the period. Income was close to expectation but staff resignations gave rise to a substantial salary under-run. Restricted funds reduced by £4,279 reflecting the normal use of project funding.

Reserves Policy

1. Unrestricted and Trustee Designated Reserves

The Trustee Board believe that the Bureau should hold financial reserves in order to ensure that the charity can continue to operate and meet the needs of clients in the event of unforeseen and potentially damaging circumstances arising, particularly uncertainties in the amount and timing of income. The Board consider it would be prudent to set aside an amount equivalent to three months of unrestricted operating expense. Three months of unrestricted operating expense in 2011/12 amounts to £85,000.

In addition, unrestricted funds have been designated for the following purposes:

Contractual commitments reserve

A reserve to ensure that the Bureau is able to cover contracted payments to staff such as notice and redundancy and the costs of any disciplinary and/or grievance procedure which may arise, and to cover the excess on insurance our various insurance policies.

Premises reserve

The Trustees have also decided to hold a premises reserve of £39,000 to provide for the cost of refurbishing premises and relocating to new premises. The Petersfield office has serious roof and ceiling problems, the Alton office has space and disabled access problems, and there are space and access issues with the outreach offices in Liphook and Horndean.

Equipment reserve

£10,000 has been held to cover the costs of major telephony improvements in 2011/12.

Transition reserve

Towards the end of 2010/11 we received a substantial cut in our 2011/12 funding. To respond to this we have agreed a number of actions to balance our budget on an ongoing basis. Some of these actions could not be completed until July/August 2011, so we have designated £6,000 to cover this transition.

2. Restricted Reserves

A balance of £1,214 remains of funds provided by local charities for charitable client support. We anticipate that the bulk of this will be utilised or returned to the funding charities during 2011/12.

A balance of £9,012 remains of funds recently provided to operate a home visiting service. We are now staffed to provide an enhanced service following substantial grants received during the last year, and expect to utilise this funding in 2011/12.

Reserve Policy (Unrestricted, designated reserves)

<i>Service Maintenance Reserve (equiv. to 3 months of 2010/11 expense)</i>	<i>£85,000</i>
<i>Contractual Commitments Reserve</i>	<i>£69,000</i>
<i>Premises Reserve</i>	<i>£39,000</i>
<i>Equipment Reserve</i>	<i>£10,000</i>
<i>Transition Reserve</i>	<i>£6,000</i>
<i>Total</i>	<i>£209,000</i>

Reserve Status 31/3/2011

Unrestricted, designated reserves

Service Maintenance Reserve (equiv. To 3.5 months of 2011/12 expense)	£97,788
Contractual Commitments Reserve	£69,000
Premises Reserve	£39,000
Equipment Reserve	£10,000
Transition Reserve	£6,000
Total unrestricted reserves	£221,788

Restricted reserves

Charitable Client Support	£1,214
Home Visiting	£9,012
Total restricted reserves	£10,226

Total reserves	£232,014
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Statement of Accounting Policies - period ended 31st March 2011

The following are the main accounting policies that have been used consistently in dealing with items which are considered material in relation to the accounts.

Historical cost accounting

The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice on Accounting by Charities (2005).

Incoming resources

The income is actual income received in the financial year under review, analysed by source.

Fixed assets

Fixed assets are capitalised at the date of acquisition. The minimum level of capitalisation is £500.

Depreciation

All fixed assets are currently depreciated over 36 months on a straight line basis. Assets transferred from Whitehill & Bordon CAB are also depreciated over 3 years. Assets transferred from Alton and Petersfield CABs are depreciated over 4 years. Where capital expenditure is financed by capital grants such grants are amortised at the same rate as the asset is depreciated.

Statement of Financial Activities for the 12 month period to 31st March 2011



	Unrestricted Funds £	Restricted Funds £	Total Funds £ (12 Months)	Total Funds 2009/10 £ (6 Months)
Incoming resources				
Voluntary income (grants & donations)	353,787	65,619	419,407	223,287
Investment income	11,991	0	11,991	2,267
Other income (Petersfield sub lease)	4,111	0	4,111	1,913
Notional income	19,302	0	19,302	12,100
Total incoming resources	389,191	65,619	454,810	239,567
Resources expended				
Charitable activities	281,611	69,844	351,455	182,463
Governance costs	17,905	0	17,905	27,684
Other resources expended	66,418	54	66,472	44,208
Total resources expended	365,934	69,898	435,832	254,354
Net incoming/(Outgoing) resources for the year	23,257	-4,279	18,978	-14,787
Realised gains/losses on investment assets	-1,065	0	-1,065	0
Unrealised gains/losses on investment assets	-3,978	0	-3,978	-2,491
Net income/(Expenditure) for the year	18,214	-4,279	13,935	-17,278
Funds at the start of the period	203,574	14,505	218,079	235,357
Funds at the end of the period	221,788	10,226	232,014	218,079

Notes

EHCAB was formed on October 1st 2009. Since the financial year runs from April 1st to March 31st consistent with our major funders, the comparison year of 2009/10 is just 6 months long.

Approved by the Management Committee on 13th October 2011

P Ladds, Chairman.

Breakdown of Incoming Resources for the 12 month period to 31st March 2011

	Unrestricted Funds £	Restricted Funds £	Total Funds £ (12 Months)	Total Funds 2009/10 £ (6 Months)
Local authority and parish grants (core funding)				
East Hampshire District Council	272,598		272,598	136,302
Alton Town Council	12,000		12,000	6,500
Petersfield Town Council	11,947		11,947	5,974
Bramshott and Liphook Parish Council	6,000		6,000	3,000
Horndean Parish Council	6,999		6,999	3,500
Whitehill & Bordon	15,000		15,000	8,625
Other parish councils	14,732		14,732	8,591
	339,276	0	339,276	172,491
Other grants				
East Hants Community Partnership (debt advice project)		20,179	20,179	10,588
CitA Hampshire (debt advice project)		3,913	3,913	4,488
CitA (IT grant)	3,000		3,000	7,454
Scottish & South East Electricity via CitA (fuel poverty project)		10,500	10,500	2,000
Macmillan (advice to cancer patients)		28,862	28,862	13,569
HCC councillor grant (home visiting)			0	3,000
Local charities (home visiting)		1,665	1,665	1,000
Local charities (charitable client support)		500	500	460
Local charities (core funding)	219		219	431
	3,219	65,619	68,838	42,990
Other income				
Donations	11,292		11,292	7,806
Investment income	11,991		11,991	2,267
Other income (Petersfield sub lease)	4,111		4,111	1,913
Notional income	19,302		19,302	12,100
	46,695	0	46,695	24,085
Total income	389,191	65,619	454,810	239,567
Realised gains/losses on investment assets	-1,065	0	-1,065	0
Unrealised gains/losses on investment assets	-3,978	0	-3,978	-2,491

Notes

The notional income relates to mandatory and discretionary rate relief provided to all 3 bureaux, and to rent and services provided free to the Alton bureaux by EHDC.

Breakdown of Resources Expended for the 12 month period to 31st March 2011

	Unrestricted Funds £	Restricted Funds £	Total Funds £ (12 Months)	Total Funds 2009/10 £ (6 Months)
Charitable Activities				
Salaries and employer's National Insurance	224,136	44,026	268,161	136,482
Pension costs (Defined contribution)	9,783	1,457	11,240	7,259
Honoraria and consultancy	0	0	0	0
Staff training and recruitment	8,339	2,400	10,739	6,317
Travel and car parking	21,794	1,065	22,859	14,909
Telephone	9,459	58	9,516	3,615
Books, printing, stationery and postage	9,594	0	9,594	4,809
Citizens Advice subscriptions	6,291	0	6,291	3,833
Insurance	10,224	0	10,224	3,905
Charitable client support	0	300	300	281
Overhead allocation	-20,540	20,540	0	0
Other	2,531	0	2,531	1,054
	281,611	69,844	351,455	182,463
Governance Costs				
Trustee meeting costs	2,872	0	2,872	27
Professional fees	15,033	0	15,033	5,656
Merger costs	0	0	0	21,769
Other	0	0	0	232
	17,905	0	17,905	27,684
Other Resources Expended				
Rent and rates	29,424	0	29,424	16,322
Utility costs	14,426	0	14,426	7,903
Property maintenance	5,644	0	5,644	2,338
Equipment costs	10,969	54	11,023	14,244
Depreciation/Profit or loss on disposal of fixed assets	5,956		5,956	3,400
	66,418	54	66,472	44,208
Amortisation				
	0	0	0	0
Total Resources Expended	365,934	69,898	435,832	254,354

Notes

- 1 The average number of employees during the period was 22, none of whom earned more than £60,000.
- 2 Rent and rates includes £10,000 notional rent for the Alton Bureau, and £2,686 mandatory and discretionary rate relief for all 3 bureaux.
- 3 Utility costs includes £6,616 notional service charges for the Alton Bureau.
- 4 Overhead costs allocated to restricted funds was £6,807 to the Debt project, £2,440 to the Home Visiting project, £3,799 to the Fuel Poverty project, and £7,494 to the Macmillan project.

Balance Sheet as at 31st March 2011

	Total Funds 31/3/2011 £	Total Funds 31/3/2010 £
Fixed assets		
Tangible assets	14,993	10,700
	14,993	10,700
Current assets		
Current investments	226,837	117,509
Debtors and prepayments	2,322	2,636
Cash at bank and in hand	18,442	136,560
	247,601	256,705
Current liabilities		
Sundry creditors and accruals	30,580	49,326
	30,580	49,326
Net assets (Total assets less liabilities)	232,014	218,079
Financed by :		
Unrestricted funds	221,788	203,574
Restricted funds	10,226	14,505
	232,014	218,079

Analysis of Movement of Fixed Assets

	Computer Equipment £	Fixtures, Fittings and Equipment £	Total Fixed Assets £
Cost			
At 31st March 2010	61,954	22,952	84,906
Additions	10,249	0	10,249
Disposals	0	0	0
At 31st March 2011	72,202	22,952	95,154
Depreciation			
At 31st March 2010	51,933	22,273	74,206
On disposals	0	0	0
Charge for the year	5,730	226	5,956
At 31st March 2011	57,663	22,499	80,162
Net Book Value			
At 31st March 2010	10,020	680	10,700
At 31st March 2011	14,539	453	14,993

Outline Summary of Fund Movements

	Fund Balances at 31st Mar 2010 £	Incoming Resources £	Resources Expended £	Amortisation in Period £	Fund Balances at 31st Mar 2011 £
<u>Restricted Funds</u>					
Capital Grants	0	0	0	0	0
Revenue Grants					
Merger Fund	0	0	0	0	0
Local Charities (Client Support)	889	500	175	0	1,214
East Hants CP (Debt Project)	0	24,092	24,092	0	0
Home Visiting	13,616	1,665	6,269	0	9,012
Fuel Poverty	0	10,500	10,500	0	0
Macmillan grant	0	28,862	28,862	0	0
	14,505	65,619	69,898	0	10,226
<u>Unrestricted Funds</u>					
Unrestricted Funds	206,065	389,191	365,934	0	229,322
Realised gains/losses on investments	0	-1,065	0	0	-1,065
Unrealised gains/losses on investments	-2,491	-3,978	0	0	-6,469
	203,574	384,148	365,934	0	221,788
Total Funds	218,079	449,767	435,832	0	232,014

7. Funds Held as Custodian Trustee on Behalf of Others

No funds are currently held as a custodian trustee on behalf of other organisations.

8. Independent Examiner's Report

I report on the accounts of East Hampshire Citizens Advice Bureau Limited for the year ended 31 March 2011.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act), as amended by section 28 of the Charities Act 2006 and that an independent examination is needed. It is my responsibility to examine the accounts under section 43(3)(a) of the Act, as amended; to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the Act, as amended; and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

In connection with my examination, no matter came to my attention:

(i) which gives me reasonable cause to believe that in any material aspect the requirements:

- to keep proper accounting records in accordance with section 386 of the Companies Act 2006
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



14/10/11

MF Kirby BSc FCA
Chartered Accountant
Independent examiner