



Citizens Advice

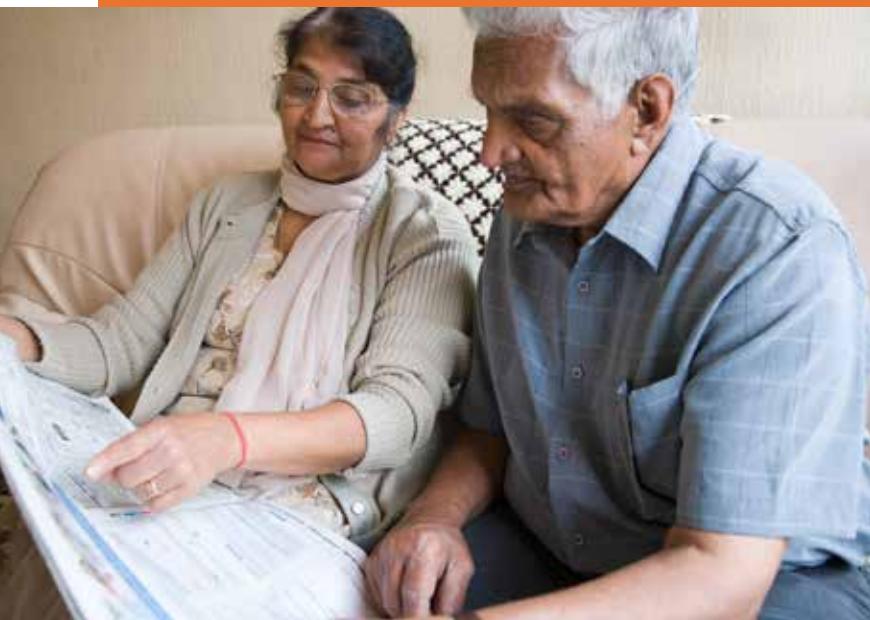
Annual report and accounts



years of advice

20¹³
14

The Citizens Advice service



Posed by models © John Birdsell Photography

The Citizens Advice service helps people to find a way forward, whoever they are. We help millions of people solve their problems. We help people develop the skills and confidence they need to help themselves. We use our clients' experiences to campaign for policy changes that benefit everyone.

Our service is made up of 319 member Citizens Advice Bureaux (CAB), all individual charities along with the national Citizens Advice charity. Our bureaux deliver advice services from 637 bureau premises and over 3,300 community locations across England and Wales including community centres, doctors' surgeries, courts and prisons.

**citizensadvice.org.uk
@citizensadvice**

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The Trustees of the National Association of Citizens Advice Bureaux (Citizens Advice) present their Annual report for the year ended 31 March 2014 under the Charities Act 2011 and Companies Act 2006, including the Directors' report and the Strategic report under the 2006 Act, together with the audited financial statements for the year.

Citizens Advice is a registered charity and a company limited by guarantee. Citizens Advice is governed by its Memorandum and Articles of Association as amended October 2000, September 2009 and September 2010.

Company number: 1436945

Registered charity number: 279057

Registered office: 200 Aldersgate Street, London EC1A 4HD

Foreword

Millions of people came to the Citizens Advice service in 2013/14 to help them find a way forward. In very challenging circumstances, volunteers and staff across our service have worked with enormous invention, responsibility and generosity to find solutions wherever they can. The work of our 21,500 volunteers has a market rate value of £110 million.¹

For many of our clients and advisers the year was dominated by continuing economic challenges. Problems with debt, money, employment, housing and getting the support to which people were entitled remained high on our agendas. At the same time, shrinking public spending has meant our service has had to find new ways to be even more efficient, work in partnership and often take tough choices about how best to focus our efforts.

We set ourselves some big, ambitious challenges for 2013/14. Although our service is much loved across England and Wales and achieves extraordinary satisfaction levels for our work, we want to keep improving.

Easier to get the right advice

Although we help millions of people every year, it is still too hard for too many people to get our help. So we have focused our effort this year on improving our phone services. Over the past year we have made real gains, both in terms of our generalist Adviceline, and consolidating the new Citizens Advice consumer helpline, which took more than 1.2 million calls. We experimented and developed new and more efficient ways of helping people, particularly in challenging and identifying discrimination, and are starting to spread these lessons out more widely across the service.



More influential on the right issues

Our public profile has increased markedly in the last couple of years. We achieved significant policy changes as a result of combining our insight and expertise and working with government, regulators and the private sector to identify and implement changes that benefit millions of people. Our work to change the law around payday lending and to identify companies that are breaking the rules has been particularly important.

Over the past year we have also worked hard to give our clients a platform to share their experiences and tell their stories directly. Our work to reform employment and support allowance (ESA) has been a powerful example of this.

1. Based on number of hours per volunteer role (as declared by bureaux in the Bureau Characteristic Survey) multiplied by the hourly rate for equivalent roles from the Office of National Statistics.

Our credibility and track record meant that we were asked to take on responsibility to be the publicly funded consumer champion in 2014/15 and beyond. It is a great privilege for our service and will allow us to strengthen our work and make more of our potential. So we spent much of 2013/14 working hard to prepare for this, so that we could hit the ground running in this new area of work.

One service, working together

The diversity of our service is one of its greatest strengths. It means we can respond flexibly and locally to what is needed most. But without careful attention, it can mean we don't learn from what works brilliantly or ensure the sum of our activities is greater than the parts. So an unrelenting focus of our effort over the past year has been to bring our service together as a more cohesive service, working together in partnership to develop better ways of helping our clients. We've achieved a real change in this, and will continue to build on it over the coming months and years.

A strong financial basis

While this has been a challenging year, our financial position is sound:

- We have maintained our overall funding at £77 million.
- We have increased the amount of funding we pass through to the bureaux network to £25 million to help them deliver services to clients.
- We have delivered efficiency savings, focusing more of our income on services provided.
- Our unrestricted reserves are £7 million.

Our cash position is also very strong, and this is largely due to the fact that we are holding grants received in advance for restricted projects which will be delivered throughout the next financial year.

An exciting future

In 2013/14, we stand on the brink of our 75th anniversary. As we look back at our proud history, we are confident that the future of our service is in good shape. The work we have been doing to build one service working together to focus on what our current and future clients need has laid strong foundations.

Our direction is clear and we plan to improve our advice, influence and effectiveness further in the year to come, as we finalise, formally agree and start to implement a new strategy for the Citizens Advice service as a whole. We are optimistic about what we can achieve as we continue to modernise our service.

John Gladwin
Chair of Trustees

Gillian Guy
Chief Executive

The diversity of our service is one of its greatest strengths.

Approach and aims

As one service, we want to provide quality advice for everyone when they need it, in the way they want it – whether that's face-to-face, online or on the phone.

We work with people to find a way forward, by giving them the support they need. And we build on this relationship to make sure people feel able to support us through volunteering, donating or campaigning.

When their voices need to be heard, we come together to campaign on big issues, and use our influence to prevent problems in the first place. Everything we do starts and ends with our clients' needs.

Charitable objects

As stated in the memorandum of association, the objects for which Citizens Advice is established for the public benefit are:

- the advancement of education
- the protection and preservation of health
- the relief of poverty, sickness and distress.



Strategic priorities

Our business plan for 2013/14 set out three clear strategic priorities for our work:

1. Making it easier for people to access our services.
2. Ensuring our advice and advocacy was focused on the right issues.
3. Strengthening our ability to deliver effectively by working as one service.

In each of these areas we made significant progress over the year, but still have much to achieve to realise our long term ambitions.

We work with people to find a way forward, by giving them the support they need.

How we turn individual problems into solutions for society

We help people who are in financial crisis...

Brian's story



Posed by model © Justin Pipeger

Brian*, 54, found himself falling deep into a spiral of debt after he took out three payday loans to top up his part-time salary. Owing over £3,000 and finding himself unable to make the repayments, Brian sought help from his local CAB.

Bureau staff helped Brian identify his key debts as well as his income and expenditure. Then his adviser spoke to his creditors to negotiate a repayment plan that he could stick to.

Brian says "Citizens Advice was really helpful. Since then I've lost my job and so have an even smaller income, but because of the help they gave me I'm keeping my head above water. They helped me get back on track."

*name has been changed

We help people like Brian with their problems

Being in debt, and having poor finances, can be a difficult cycle to break:

- People go further into debt to repay creditors.
- Reduce other expenditures below acceptable levels to try to make repayments.

Approximately 65 per cent of UK adults require some level of financial capability support.

Experiencing financial trouble has wide-reaching impact on individuals' lives, including their:

- mental wellbeing
- ability to maintain relationships, housing, and their employment.

Debt issues also impact on us all, with an estimated cost to society of £1,000 per typical problem.

An estimated 5.3 million households would have benefitted from free debt advice in 2011, but not everyone seeks or accesses help.

And look at tackling what's causing it...

We know that the prevalence of high cost credit and lack of consumer awareness of its impact, is leaving people unable to manage their debt.

Our evidence showed that payday loan companies were:

- not treating their customers fairly
- breaking regulations and guidance regarding responsible lending.

What we do...

Debt advice

Via our bureaux we saw:



450,000 people with 1.6 million debt issues

We provided crisis debt management, ensuring clients understand income and expenditure, and prioritise rent and council tax bills.

Financial capability education

At least 163,000 people received education

We also trained 8,200 frontline workers who teach an estimated 132,000 people how to maximise their income.

Campaign for change



Issue on radar of millions thanks to our extensive media work

Built awareness and pressure for reform using our clients' evidence.



Simplified process to complain to Advertising Standards Authority about misleading payday loan adverts.

...and achieve



2 in 3 debt clients had their problem partly or completely solved.



4 in 5 could not have resolved problem without CAB.



2 in 3 reported a positive impact on their finances.

+£10

on average better off a week following financial capability education.

New stricter rules for payday lenders.

50%

increase in complaints to Financial Ombudsman.



Trusted relationship with regulators, providing our insight and evidence.

This improves our client's lives...

Getting debt under control is like removing a weight hanging over people's lives.



9 in 10 debt clients felt less stressed, depressed or anxious.

Our advice and education also means that people are less likely to have the same problem again:

9 in 10

have a better understanding of their rights and responsibilities.

And helps all the people that will take out an estimated 10 million payday loans this year...



Consumers are more aware of the implications of taking out payday loans, thanks to our resources.

Fewer people will be misled about payday loans thanks to complaints made by our campaigners about irresponsible adverts.



The cost of credit will be capped by 2015.

...and benefits society



Reduces societal cost of debt

Stopping debt problems from escalating means local and national government do not incur the cost of resolving the potential consequences of debt: poor mental health, loss of employment and homelessness.



Reduce chance of future debt crisis

By building people's financial capability, they are less likely to fall into debt in the future. Society benefits from not having to resolve these debts, and individuals instead can invest in their local economy.



Financial services are better and fairer

Ensuring creditors act reasonably, and that people can access financial services not only makes society fairer, but also reduces financial exclusion and further debt.

Our impact

Our bureau network helped

2 million people find their way forward with 5.5 million problems

86 per cent of our clients report a positive impact of advice on their lives²

84 per cent say their understanding of rights and responsibilities has improved²

82 per cent say we helped them to be treated fairly or challenge discrimination²

95 per cent would recommend us²

£300 million worth of debt to be rescheduled or written-off³

Our new consumer service dealt with

1.2 million calls and 626,000 new cases

91 per cent would recommend us⁴

The service was worth £145 million to the public³

Our digital services assisted

16 million people, equivalent to over a third of the UK's online population

21.7 million visits to 35 million content pages

Our value to society

In 2013/14 in our report *Making the case* we valued the social benefit of our service as at least £750 million³ based on a conservative estimate that we solve one in three clients' problems.

Our latest research proves we actually completely or partially solve 2 in 3 clients' problems. Our value to society is therefore likely to be much higher.²

Our plans for 2013/14

In our business plan for 2013/14 we set out three broad kinds of activities:

- In our advice and campaigning work we planned to focus efforts on the topics of consumer, money and welfare reform, building on our strong delivery.
- In six strategic areas, we planned to conduct in-depth strategic reviews of our approach: digital services, phone services, people development, training, income generation and network development. This was about laying the groundwork for bigger changes in 2014/15, making sure we understood what works locally and in other organisations, working as one service as we did so.
- In other areas where major change was already underway, we planned to finish the job of implementation, particularly around our consumer advocacy, case management system and data networks.

2. National outcomes and impact research, 2014 with 2,700 clients.

3. *Making the case*, 2014.

4. Consumer helpline satisfaction survey, 2013/14 with 2,400 clients.

Making it easy to get the right advice

We want to make it as easy as possible for people to find the advice they need to move forward. While we are still best known for our high street presence and face-to-face advice, millions of people use other ways of getting our help, and demand for our digital and phone services is growing rapidly.

Our major successes in 2013/14 included:

- maintaining the availability and reach of much of our face-to-face services despite tight funding pressures across the country
- working in partnership with the Money Advice Service to deliver and improve debt advice across the country
- helping hundreds of thousands of people navigate welfare reform changes
- exceeding our targets on the number of people contacting our Consumer helpline (with over two million calls since we took over the service in April 2012)
- conducting in-depth reviews of our digital and phone services, identifying more effective ways to deliver these in future, and starting pilots to test these new approaches.

Our plans for the future include:

- transferring our national telephone services to 03 numbers, reducing the cost to clients of getting advice by phone
- testing a faster and more immediate advice process across phone and face-to-face services that should make it easier and quicker for clients to access the service
- piloting large-scale web chat and email advice
- refreshing our digital content and tools
- developing a performance quality framework to ensure that bureaux are delivering high quality advice to clients.

The right advice

Marita's story

Posed by model © Citizens Advice



Marita*, a CAB client with severe health problems, was found fit for work by the DWP and had her employment and support allowance stopped, meaning her other benefits stopped too and she was left without any money. Her local CAB helped her complete a mandatory reconsideration request – but it took over two months for the DWP to process it. During this time the bureau advised Marita to apply for jobseeker's allowance (JSA), but she was given incorrect and contradictory information by the Jobcentre.

Marita's bureau adviser helped her to explain the correct process to the Jobcentre and supported her to access foodbank vouchers while she waited for the reconsideration decision. She is now on benefit while she waits for her appeal to be heard and the bureau is helping the Jobcentre to clarify their guidelines to avoid a similar situation in the future.

*name has been changed



Helping people to help themselves

We run a number of education programmes designed to give people the skills, knowledge and confidence so they can avoid getting into the same difficulty and are better equipped to deal with their problems themselves in the future.

'Financial Skills for Life' helps people across England and Wales to manage their money by delivering training sessions to empower them to manage their finances better in the future. The programme is coordinated by Citizens Advice, funded by Prudential and delivered by local bureaux. We have also delivered a public awareness campaign called Energy Best Deal (EBD) that helps people to reduce their energy bills by shopping around to get the best deal and getting help if they are falling behind.

Our major successes in 2013/14 included:

- Helping 158,600 people to take control of their finances through the **Financial Skills for Life** programme between January and December 2013. Over 85 per cent of the bureau network now offer Financial Skills for Life sessions and we have trained over 500 volunteers to deliver financial skills sessions. A recent independent evaluation showed that each client who attended a session was £10 a week better off.
- Our **Energy Best Deal** campaign delivered almost 1,300 sessions to over 9,000 consumers and 4,800 frontline workers. Follow up interviews with programme participants told us that 53 per cent of those who looked for a better deal found one and overall 75 per cent of participants had taken some kind of action as a result of the session.
- As part of our increased responsibility for consumer advocacy and education, 10 **Consumer Empowerment Partnerships** across England have been set up to ensure local delivery of consumer advocacy and education. The bureau-led partnerships provide local leadership and work closely with partners including Trading Standards Services (TSS) to improve consumer protection and empowerment and provide information, advice and education to consumers.

Our plans for the future include:

- starting to consistently integrate self-help seamlessly into our core advice processes, starting with money advice.

Helping themselves

Ron and Sayed's story



Posed by model © iStock.com/Squaredpixels

After attending an EBD session, pensioners Ron and Sayed* who live near each other both switched tariffs. They worked together to keep an eye on energy bills and a few months later found an even cheaper tariff. Ron saved £140 per year and Sayed saved just under £100 per year.

Ron and Sayed told their neighbour Lawrence*, who went to a session. He also booked an appointment at his bureau for some support. The adviser helped him save £120 per year by changing tariff and he received another £10 compensation for not being put on the correct tariff. Lawrence said he wouldn't have had the confidence if it weren't for the EBD presentation, his neighbours' testimonies and the advice and support.

*names have been changed

More influential on the right issues

We use the evidence and insight from our clients' experiences and combine this with independent research to spot emerging trends and campaign for positive changes to the policies and practices that affect everyone.

Our major successes in 2013/14 included:

- completing the transfer of Consumer Futures into the Citizens Advice service, taking on the role of consumer champion in the regulated industries of energy and post
- our payday loan campaign resulting in tough new rules for payday lenders, including restrictions on the use of continuous payments authority, more stringent affordability checks and a health warning on adverts
- delivering campaigns which provide opportunities for MPs to support and get involved – particularly Big Energy Saving Week, Payday Watch and Fit for Work. We engaged MPs via debates, Parliamentary Questions and Select Committees with Citizens Advice receiving 773 parliamentary mentions
- one of our key recommendations to increase the support towards childcare costs within universal credit from 70 per cent to 85 per cent being accepted by the Government
- achieving a high profile in the media with, 11,889 pieces of high quality news coverage in 2013/14.

Our plans for the future include:

- giving our clients a stronger voice in our research, campaigning and influencing work
- strengthening our ability to understand what is happening across the country in real time
- securing change where it is needed most, particularly in the areas of consumer; families, welfare and work; and democratic participation.



We campaign for positive changes to the policies and practices that affect everyone.

One service, working together to deliver more effectively

Citizens Advice works with bureaux and partners across England and Wales to develop and deliver the best possible services to people who need our help. Among many other activities, we provide infrastructure and support, ensure quality, facilitate work and help pilot and improve services.



Our major successes in 2013/14 included:

- developing a culture of working as One service on strategic priorities to find new ways of improving services we offer to clients
- delivering against large scale contracts, particularly around money advice
- helping the Citizens Advice service secure additional funding through the Advice Service Transition Fund
- working in partnership with our corporate partners to deliver real change
- responding rapidly and flexibly to flooding as part of the Government's Civil Contingencies work
- improving the relevance and sophistication of our impact work and broader management.

Our plans for the future include:

- continuing to strengthen our One service approach
- testing and starting to implement a refreshed quality and performance regime that provides faster, more client-focused information to improve services
- strengthening our delivery partnerships with national and local funders
- informing and influencing the enforcement priorities of members of the Consumer Protection Partnership
- continuing to provide support to bureaux undergoing major change and working to maintain the geographical spread of services available to clients across England and Wales – currently at 99 per cent
- continuing to develop our brand to create a clear and consistent service proposition so we find it easier to retain or gain funding, appeal to more potential volunteers and supporters and are in a stronger position to effect change.

A good employer

Our People strategy is straightforward – and that's just how it should be. We want to have empowered people working in an inventive, responsible and generous culture. Our people's talent is key to the Citizens Advice service being able to deliver its strategic aims.

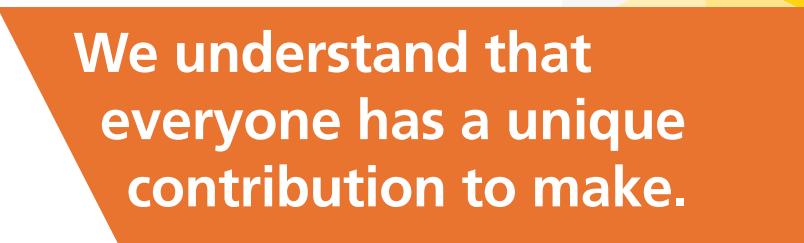
Whether we are a volunteer or paid staff, working in a bureau or as part of one of the national charity's teams, we all bring skills, strengths, abilities and experiences to the service. We value difference and respect others, and understand that everyone has a unique contribution to make.

Our major successes in 2013/14 included:

- deepened a generous, inventive and responsible culture across Citizens Advice
- remained in the top 100 of employers in the Stonewall index for the ninth year running
- maintained our representation of black, Asian and minority ethnic (BAME) staff at senior management level, and generally across the organisation
- maintained an even balance of gender representation at Executive Team level.

Our plans for the future include:

- progressing work on our People strategy by introducing a new approach to performance management along with a management framework to help us identify talent
- developing of a new internship programme which will provide valuable work experience to CAB volunteers and students
- continuing our commitment to a responsible, inventive and generous culture and being a place that people want to work and volunteer
- establishing a mentoring programme to ensure knowledge and learning is shared throughout Citizens Advice.



**We understand that
everyone has a unique
contribution to make.**

A champion for equality and against discrimination

At Citizens Advice we are committed to valuing diversity, promoting equality and challenging discrimination as we campaign for a fairer society. We work with bureaux and others to achieve our equality outcomes for our clients and communities.

Our major successes in 2013/14 included:

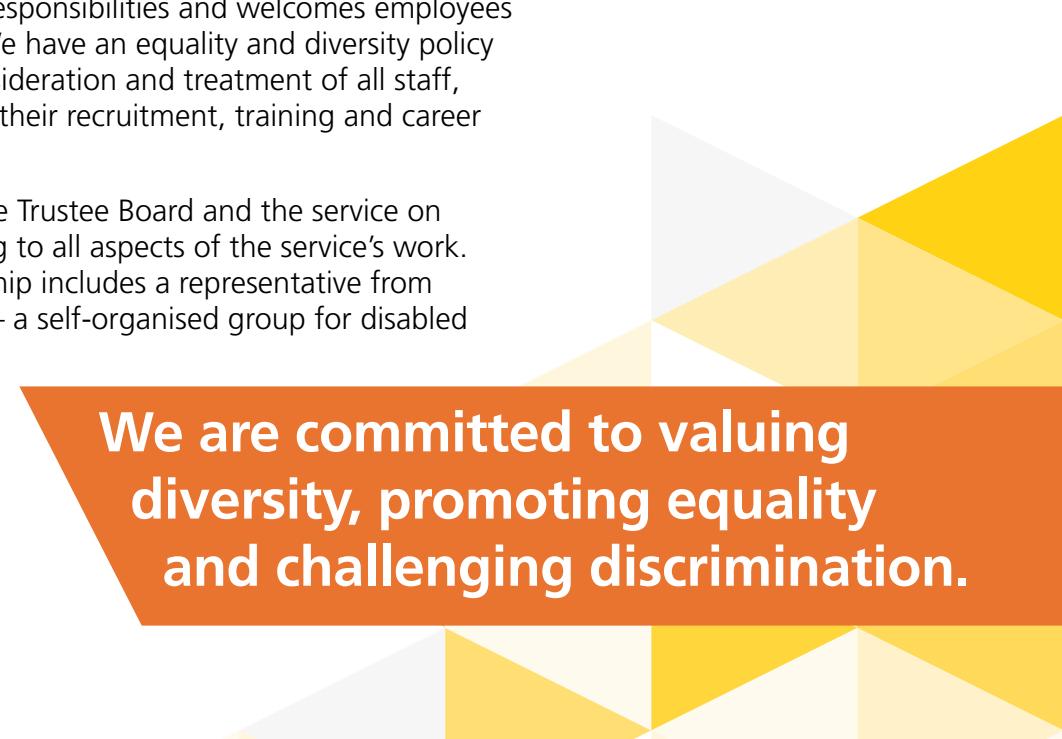
- 27 per cent of clients disclosed gender violence and abuse issues as part of our ASK pilot. Advisers were trained to ask gender violence and abuse questions, provide relevant information and take action on these issues
- 99 bureaux are hate crime reporting centres (an increase from 77)
- 37 per cent of our clients were disabled or had a long term health problem.

Our plans for the future include:

- our 'Progress: solutions for equality and growth' project, funded by the European Union and Government Equalities Office, will identify solutions to help people overcome discrimination and barriers to employment
- continuing our Fit for Work campaign, providing a platform for disabled people and those with health conditions to highlight the problems and discrimination they encounter when dealing with employment and support allowance (ESA)
- developing our new equality strategy in 2014/15.

Citizens Advice meets all its legal responsibilities and welcomes employees from all parts of the community. We have an equality and diversity policy in place to ensure full and fair consideration and treatment of all staff, including disabled persons, during their recruitment, training and career development.

The Equality Committee advises the Trustee Board and the service on equality and diversity issues relating to all aspects of the service's work. They meet quarterly and membership includes a representative from Disabled People Creating Change – a self-organised group for disabled staff and volunteers in the service.



We are committed to valuing diversity, promoting equality and challenging discrimination.

Financial review

Our strategic approach

The overarching financial objectives of Citizens Advice have continued to concentrate on three key themes:

- maintaining a diverse and resilient funding base to ensure we can continue to deliver our charitable objectives
- maximising the funding available to the bureau network either directly through securing funding and contracts which we can pass on in the form of grants or by supporting local bidding activities and initiatives
- using our money well and delivering value for money.

We have been successful across these, having:

- maintained our overall funding base
- increased the amount of funding we have passed on to bureaux
- delivered efficiency savings.

We would have liked to have increased our fundraising income further but this has proved very hard in the current climate. We will continue to develop our fundraising strategy in 2014/15 to address this, as we develop and strengthen our fundraising capability.

Summary financial performance

Whilst our core funding from the Department for Business, Innovation and Skills (BIS) – excluding consumer funding – has dropped in cash terms over the last five years from £21.5 million to £19.0 million, our overall income increased by 24 per cent in 2012/13, and has been maintained at this higher level in 2013/14 and for next financial year too. This is largely down to the new funding from BIS for consumer advice and advocacy services, which have been successfully delivered following the transfer of Consumer Direct and Consumer Futures to Citizens Advice.

Although non statutory income targets were not quite achieved, this did not adversely impact on overall operational performance, as this fundraised income is usually for restricted projects. Overall operational targets were achieved in respect of the delivery of outputs related to the BIS and other project funded activities.

This has enabled us to successfully negotiate continuation of existing funding streams, or win new bids for 2014/15.

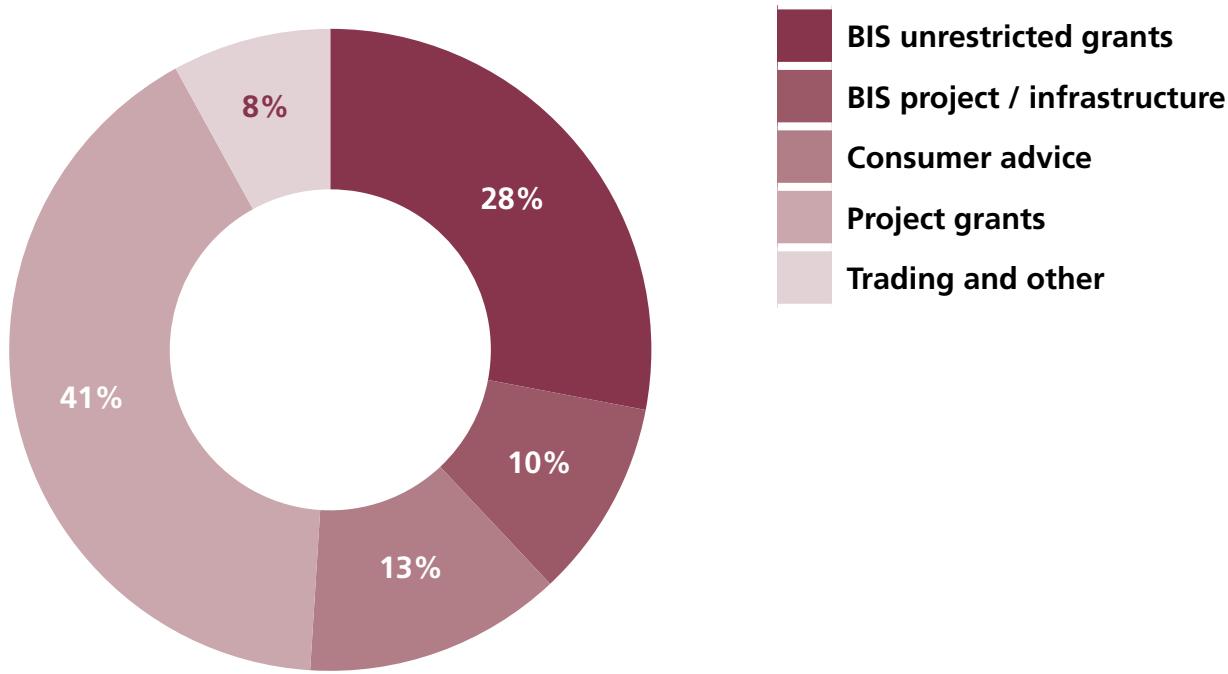
Expenditure levels have been maintained at previous year's levels to support all areas of our strategic plan:

- grants payable to bureaux have increased to £25.1 million (2013: £24.5 million)
- we achieved a surplus across all funds of £7.4 million (2013: £8.1 million).

These surpluses either are ring-fenced for restricted projects, such as the infrastructure grant from BIS, or relate to the capitalisation of assets.



Income



The chart above provides an overview of our income sources.

Despite the uncertain economic climate overall income remained at similar levels to 2013. Citizens Advice funding received from BIS for our core charitable purposes was £22.1 million (2013: £19.0 million). This comprised £18.9 million for existing activity plus £3.2 million to provide consumer education and advocacy. BIS also provides funding for a number of specific projects and services.

In continuing to build our role as the consumer champion BIS provided funding of £9.3 million for the Citizens Advice consumer service and some project funding to prepare for the transfer of Consumer Futures in April 2014. We were also successful in securing funding for bureaux to provide support and advice to residents in storm or flood affected areas.

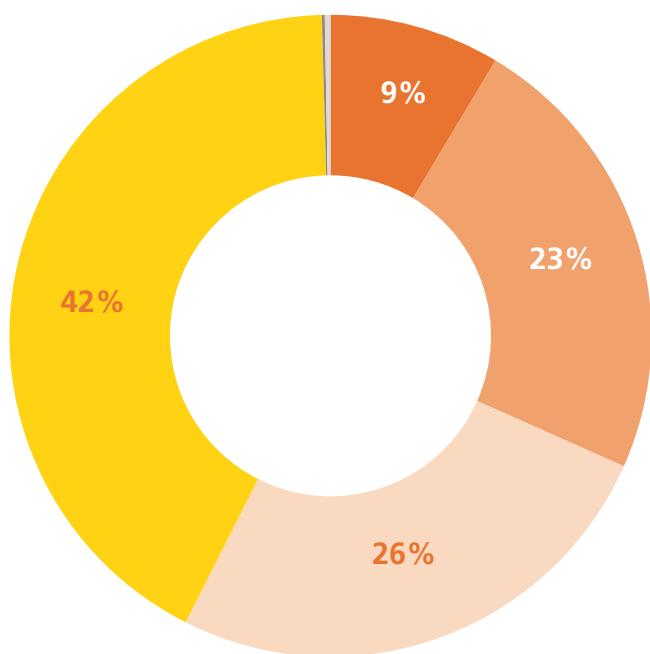
While our core funding from BIS has fallen in cash terms over the last five years, our overall income increased by 24 per cent in 2012/13 and has been maintained at this higher level in 2013/14.

This is largely due to new funding from BIS for consumer advice and advocacy services, which have been successfully delivered following the transfer of Consumer Direct and Consumer Futures.

- the total income for the year was £77.2 million (2013: £77.6 million)
- funding from BIS for our core charitable activities was £22.1 million (2013: £19.0 million)
- funding from BIS for our consumer service was £9.3 million (2013: £9.1 million)
- our funding from the Welsh Government increased to £3.9 million (2013: £3.2 million)
- Money Advice Service funding increased to £19.5 million (2013: £17.9 million)
- BIS project grant funding of £7.6 million for the development of our digital infrastructure and telephone services.

We also receive a wide range of project-based income from the public, private and charitable sectors, plus some trading income and other income. There has been a slight deterioration in trading income, which we aim to address in 2014/15.

Charitable expenditure



The main focus of our funding from BIS is on support to the bureau network, in the form of:

- **Strengthening the bureau network** – We spent £16.4 million of BIS funding in the form of network support, Information Services (IS) infrastructure, training and quality assurance.
- £5.3 million was spent on **information and advice** – this includes spend on the production of information and specialist training.
- We have maintained our spending in supporting the bureaux network, and **developing partnerships**. Out of these funds the grants payable to bureaux have been increased to £25.1 million (2013: £24.5 million).
- Spend on advice and advocacy largely relates to campaigning and policy work.
- The BIS unrestricted fund showed net income of £1.4 million (2013: net expenditure of £0.3 million). This balance is required for the capitalisation of the fit out of the new Aldersgate premises in London, and other capital purchases.

There has been a slight shift in our allocation of resources towards advice and advocacy work following the transfer of some of the Consumer Futures functions in April 2013.

Advice and advocacy	£6.0 million (2012/13 £3.8 million)
Delivering information and advice	£16.1 million (2012/13 £18.6 million)
Strengthening the bureau network	£18.0 million (2012/13 £18.4 million)
Delivering through partnerships with the Citizens Advice service and others	£29.4 million (2012/13 £28.6 million)
Cost of generating funds	£0.1 million (2012/13 £0.0 million)
Governance	£0.2 million (2012/13 £0.2 million)

This will further increase in 2014/15 when the remainder of Consumer Futures functions transfers in April 2014.

Efficiency savings

We have increased our focus on reviewing areas of operation where efficiency savings can be achieved and have continued to deliver efficiency savings during 2013/14:

- our core non-staff spending for 2014/15 is planned to be £1 million less than in the current year
- our accommodation strategy has delivered significant savings in year, and for future years
- the recent move to our new Aldersgate office will deliver savings over the lifetime of the lease and has enabled us to make savings in office costs, which will be realised over the next financial year
- our procurement processes have been reviewed, and these savings will be captured more readily as we implement new procurement systems in 2014/15.

Balance sheet

Our balance sheet remains strong, and we benefit from a strong cash flow profile which results from nearly all our funders paying grants in advance. The cash balance at the year-end remained high at £14.7 million.

Total funds increased to £29.9 million (2013: £22.5 million) with a corresponding increase in debtors, as infrastructure funding was received from BIS in April 2014.

The pension fund deficit and contributions continue to be disclosed in the notes to the accounts (note 22) and not on the balance sheet, and will remain at the current levels following the 2013 actuarial valuation.

The BIS restricted fund showed net income before transfers of £5.1 million (2013: £7.0 million). This fund includes the consumer service funding and the transitional funding we received from BIS during 2013/14. The surplus balance is due to some funding being committed but not spent as at 31 March 2014.

Pensions

Citizens Advice has a defined benefit multi-employer pension scheme, which closed to future accrual in March 2008. The other employers in the scheme are 16 London bureaux. The total deficit of the scheme as at 31 March 2014 was £38.9 million (2013: £53 million). Citizens Advice pays annual contributions into the scheme of £1.1 million.

The scheme actuary has confirmed that it is not possible to allocate assets and liabilities between the employers on a reasonable and consistent basis. Accordingly, as required by FRS17 Retirement Benefits, the scheme is treated as a defined contribution scheme. This means that no liability has been included on the balance sheet and that all disclosures, as required by FRS17, have been provided in note 22.

Reserves policy

Citizens Advice holds unrestricted reserves to protect against the impact of shortfalls in forecast income, unforeseen expenditure or one-off expenditure which Citizens Advice would like to commit to in the delivery of its charitable objectives.

Our maximum allowed unrestricted BIS balance is equal to one month's BIS grant. The year-end balance after transfers and capitalisation adjustments was £1.4 million (2013: nil), which is within this limit.

Our other unrestricted reserves were £5.8 million as at 31 March 2014 (2013: £5.6 million). A minimum level of reserves of £3.5 million has been set by the Trustee Board across all unrestricted funds following consideration of strategic risks. We intend to use surplus unrestricted funds for planned activities in 2014/15.

Restricted reserves, which showed a year end position of £22.7 million at 31 March 2014 (2013: £16.9 million), represent the balance of on-going projects. Restricted balances do not form part of the reserves policy other than to spend the money in accordance with the funders' restrictions.

Going concern

Citizens Advice has adequate financial resources and is well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We acknowledge our pension fund obligations and have a clear strategy to recover the deficit over the next 20 years. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future, and believe that there are no material uncertainties that call into doubt the ability of Citizens Advice to continue as a going concern.

Investment policy

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

- All surplus funds are held in an interest bearing account. Our first priority is security, and we then ensure funds are invested at the best rates attainable.
- We invest funds during the year with counterparties wherever possible and aim to invest no more than 25 per cent of its funds available for long term investment in any one institution.

This remains a challenge whilst the interest rates are so low, and the limitations applied by other banking institutions regarding the banking arrangements. An aim of the investment strategy is to only invest with those institutions with a high credit rating.

- The investment strategy will be reviewed again in the light of the current financial climate.

Risk management and internal control

As required under the Statement of Recommended Practice (SORP), the Trustee Board has approved the risk management strategy and regularly reviews the risk register. Citizens Advice has identified high level and operational level risks.

Risks are identified and evaluated in the following ways:

- Regular review by the Trustee Board, Audit and Risk Committee and the Executive Team.
- 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.
- The Executive Team and Finance Team are responsible for monitoring external developments that may impact on the organisation.
- External and internal audit functions.
- Comprehensive budgeting systems and financial reporting which indicate financial performance against the budget and forecast are reviewed and agreed by the Trustee Board.
- The work of the internal auditors, KPMG LLP, 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 reviewed and agreed by the Audit and Risk Committee. A database of all audit recommendations is held and progress is monitored by the Audit and Risk Committee, which meet five times a year.

The most significant risks faced by Citizens Advice have been identified by the Trustee Board and relate to the following:

- The service's ability to transform itself and respond flexibly to demands.

- The overall financial health and sustainability of the bureaux network.
- Managing the financial implications of the pension scheme deficit.
- The ongoing costs of maintaining and hosting our case management system – Petra.
- Ensuring we protect the data held across the service.

Much work was undertaken during the year to address and mitigate these risks:

- We continued development of our programme and project management capability to help underpin the successful delivery of projects.
- Tight budget setting and budget management processes with a continued focus on efficiency savings and controlling costs.
- Exploring new ways of generating sustainable sources of income.
- Working with our actuary to review the financial performance of the closed defined benefit pension scheme and exploring alternative strategies to manage the scheme deficit.
- Reviewing our IS strategy to ensure robust support for our core services.

Risk management is incorporated into our project methodology. The largest projects are now managed by a dedicated Programme Management Office. The system of internal control is designed to manage risk to a reasonable level; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control has been in place in Citizens Advice for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

Citizens Advice's operations expose the Charity to a variety of financial risks, but it is a debt free organisation with a positive cash-flow, so the impact of interest rate changes, debt market prices and liquidity are extremely low. The majority of our customers are member bureaux and as a consequence payment defaults are uncommon. Citizens Advice receives the majority of funds in advance, and therefore liabilities can be met as they fall due.

How we are governed

Our Trustee Board provides strategic direction and vision for Citizens Advice and our membership of Citizens Advice Bureaux across England and Wales. The Board is made up of 12 trustees who are trustees under charity law and directors of the charitable company. Our Chief Executive, working with the Executive Team, is responsible for delivering the Board's vision and the day-to-day operation of Citizens Advice.

Our Trustee Board



John Gladwin, Chair, retired as Bishop of Chelmsford after a long career in the Church of England where he championed issues of justice and equality. John's previous roles include Chair of Christian Aid and the founding Chair of Traidcraft.



Warren Buckley is Managing Director of Service Management at Openreach, a BT Group Company. In his last role he was Managing Director, Customer Service at BT. Warren is also the Chair of Trustees at the Business Disability Forum.



Fran Keene was Head of Diversity at the Audit Commission where she led the integration of equality and inclusion into the national performance framework for local government. She currently supports organisations in community and organisational wellbeing as an independent adviser.



Sacha Deshmukh, Deputy Chair, is Chief Executive of Smart Energy GB, the new independent body created to design and deliver public engagement during roll-out of smart energy meters. Sacha's background is in marketing, PR and communications.



Mark Gamsu has 25 years' experience in the UK voluntary, local government, social care and health sectors. He is currently a trustee of Sheffield Citizens Advice and Law Centre.



Mark Washer, Treasurer, is the Group Finance Director and a Group Board Member of Affinity Sutton Group, one of the largest housing association groups in the UK. Mark is a chartered accountant and Chair of the Audit and Risk Committee (ARC).



Annie Hedge is the joint founder and owner of Equality Works. Her primary role is to oversee product development and quality assurance. Annie is a member of the Equality Committee and ARC.



Paul Nicholls has worked in the Citizens Advice service since 1983 and is Chief Executive of Cheshire West Citizens Advice Bureau. Paul's earlier roles at Citizens Advice include Chair of the Equal Opportunities Advisory Committee.



Anne Stephenson is a former Chartered Fellow of the Institute of Personnel and Development. She retired in 2010 after a 30 year career in the civil service in Wales. She was heavily involved in social justice policy at the Welsh Assembly Government.



Jonathan Rees is a Non-Executive Director of Ombudsman Services, the Lending Standards Board and the Employers Network for Equality and Inclusion. As a civil servant Jonathan was Director-General of the Government Equalities Office and led on consumer and competition policy at BIS.



John Woodman is the Non-Executive Chairman of BATS Trading Ltd and a lay member of the upper tier tribunal, Tax and Chancery chamber. He is a trustee of Northumbrian Citizens Advice Bureau and Vice-Chair, Northumberland Citizens Advice Service and a County Councillor.



Lucy Inmoner was appointed a Citizens Advice trustee on 1 April 2014. Lucy works in social investment making bespoke investments into charities, social enterprises and intermediaries. Lucy has a background in urban regeneration.

The following retired as trustees during 2013/14

Jane Mordue retired as a Citizens Advice trustee on 27 October 2013.

Gerald Broadbent retired as a Citizens Advice trustee in March 2014.

Our Executive Team



Gillian Guy became Chief Executive at Citizens Advice in July 2010. A qualified lawyer Gillian previously worked as CEO of Victim Support and CEO of the London Borough of Ealing. She is a Non-Executive Board member and Chair of the Audit Committee of the National Audit Office and Chair of the British Banking Association Consumer Panel and also has served as a non-judicial member of the Sentencing Council for England and Wales.



Alistair Cromwell, Director of Finance and Transformation, joined Citizens Advice in May 2011. A qualified chartered accountant, Alistair has worked for PwC and latterly as a director at KPMG where his experience included leading major transformation programmes in the public, private and charitable sectors.



Mike Dixon, Assistant Chief Executive, leads on IS; external and internal communications, including public affairs and government relations; and governance. Mike's previous roles include working in the Prime Minister's Strategy Unit and as a Special Adviser to the Secretary of State in two Whitehall departments.



Adam Scorer, Director of Consumer Futures, which transferred to Citizens Advice in April 2014.

Adam has spent 15 years working for leading consumer advocacy organisations including Which?, energywatch and Consumer Focus.



Steve Whitehead, Director of People and Equality, is a Chartered Fellow of the CIPD. Steve has held a series of senior roles in a number of local authorities, spending seven years at the London Borough of Newham, as the Deputy Director for legal, people and change.



Sue Wigley, Director of Operations started in the Citizens Advice service as a volunteer and has held most bureau roles including being CEO of Leeds CAB. Sue has held management roles in Bradford Council for Voluntary Service and Kirklees Council/Kirklees Health Authority.

Teresa Perchard, Director of Policy and Advocacy left Citizens Advice on 23 May 2013.

Jane Deal, Chief Information Officer left Citizens Advice on 30 April 2014.

Ensuring good governance

Trustees are appointed by the Trustee Board, on the recommendation of our Trustee Recruitment Committee (TRC). The TRC uses national and social media, recruitment agencies and our bureau network to find talented individuals who have the skills and perspectives we need so the Trustee Board can provide good leadership and make sound decisions. This year the TRC has worked to improve the diversity of the Board, with the appointment of two women.

New trustees receive a full induction, meeting the Chair and agreeing their role and meeting key members of staff. Trustees also visit bureaux to get a better understanding of the service and the vital work bureaux do. Inductions are tailored to trustees' individual needs and interests. Trustees are volunteers and claim for reasonable out of pocket expenses such as travel costs to attend meetings.

There are at least six formal Trustee Board meetings a year, plus less formal meetings and social events for trustees to conduct business and develop as a team. Trustees participate in service wide groups including the Rural Issues Group and the Governance Action Group.

Our Scheme of Delegation of Trustee Board Authority outlines decision-making responsibilities across Citizens Advice, listing issues reserved for the Board and areas which can be delegated to the Executive Team. The Standing Financial Instructions form the basis of the delegation of financial functions by the Citizens Advice Trustee Board to staff. The Citizens Advice Procurement Policy sets out authority levels for purchasing decisions.

There is a strong business planning, risk management and performance framework in place. The Membership Agreement sets out the relationship between Citizens Advice and our member bureaux. We have responsibilities and obligations to each other to protect the trust and confidence the public have in us. We are committed to involving our members in substantial change, using a range of forums from informal working groups to formal consultations.

The Trustee Board delegates powers to the committees listed below. Terms of reference explain roles, responsibilities and practical arrangements for each committee and are published on our intranet site, CABlink. Each committee includes trustee members who report back to each Board meeting.



Statement of trustee responsibilities

The trustees of Citizens Advice are the charity's trustees under charity law and the directors of the charitable company are responsible for preparing the strategic report, the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee confirms that:

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

- he/she has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information
- he/she has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting appropriate policies for the year.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Responsibility towards the environment

Citizens Advice aims to minimise its impact on the environment. It has improved its system of paper recycling and encourages electronic communication where possible. We are promoting a more sustainable working environment and have an environmental strategy with key deliverables.

Authorisation

This annual report of the trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustee Board on 23 July 2014 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

John Gladwin
Chair of Trustees

Independent auditor's report to the members of National Association of Citizens Advice Bureaux

Year ended 31 March 2014

We have audited the financial statements of National Association of Citizens Advice Bureaux for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which requires a specific treatment for multi-employer pension schemes that is set out and explained in the Trustees' report and note 22 of the financial statements.

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

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

**Naziar Hashemi,
Senior Statutory Auditor**

For and on behalf of:
Crowe Clark Whitehill LLP,
Statutory Auditor,
London

31 July 2014

Consolidated statement of financial activities

Year ended 31 March 2014 Incorporating an Income and Expenditure Account

	Note	Unrestricted		Restricted		Total 2014 £'000	Total 2013 £'000
		BIS £'000	Other £'000	BIS £'000	Other £'000		
Incoming resources							
Incoming resources from generated funds:							
Voluntary income	2	-	55	-	-	55	93
Bank interest		131	39	-	69	239	246
Incoming resources from charitable activities:							
Grants	3	22,068	-	17,650	31,566	71,284	71,436
Delivery of services		2,222	1,124	477	497	4,320	4,554
Training and support		91	659	150	95	995	1,085
Other incoming resources		11	65	147	101	324	139
Total incoming resources	17	24,523	1,942	18,424	32,328	77,217	77,553
Resources expended							
Costs of generating funds	6	66	-	-	-	66	36
Charitable activities							
Delivering information and advice	6	5,301	480	8,621	1,706	16,108	18,618
Advice and advocacy	6	5,819	77	-	102	5,998	3,831
Strengthening the bureau network	6	11,757	669	4,653	907	17,986	18,380
Partnerships	6	-	826	-	28,574	29,400	28,575
Governance costs	6,8	213	-	-	-	213	171
Total resources expended	6,17	23,156	2,052	13,274	31,289	69,771	69,611
Net incoming/(outgoing) resources before transfers	10	1,367	(110)	5,150	1,039	7,446	7,942
Transfers	17	-	313	-	(313)	-	-
(Losses)/gains on investment assets		-	-	-	(23)	(23)	139
Net movement in funds		1,367	203	5,150	703	7,423	8,081
Reconciliation of funds							
Fund balance brought forward	17	15	5,615	9,421	7,477	22,528	14,447
Fund balance carried forward	17	1,382	5,818	14,571	8,180	29,951	22,528

All activities derive from continuing operations. BIS is the Department for Business, Innovation and Skills (see note 3a).

Consolidated balance sheet

(Registered number 1436945)

At 31 March 2014

		Group		Citizens Advice	
	Note	2014 £'000	2013 £'000	2014 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	11	4,737	4,522	4,737	4,522
Investments	14	3,404	3,427	3,404	3,427
CURRENT ASSETS					
Investments	14	1,612	3,273	1,050	2,101
Debtors	12	10,453	2,873	11,132	3,901
Cash at bank and in hand					
Capital commitments	15	1,764	3,598	1,764	3,598
Other	15	12,926	10,622	12,809	10,391
		26,755	20,366	26,755	19,991
CREDITORS: amounts falling due within one year					
	13	3,739	4,966	3,739	4,591
Net current assets		23,016	15,400	23,016	15,400
Total assets less current liabilities		31,157	23,349	31,157	23,349
PROVISIONS for liabilities and charges					
	16	1,206	821	1,206	821
TOTAL ASSETS LESS ALL LIABILITIES		29,951	22,528	29,951	22,528
FUNDS OF THE CHARITY					
Restricted funds	17	22,751	16,898	22,751	16,898
Unrestricted funds					
General fund – non-BIS	17	5,818	5,615	5,818	5,615
General fund – BIS	17	1,382	15	1,382	15
Total unrestricted funds		7,200	5,630	7,200	5,630
TOTAL FUNDS	17	29,951	22,528	29,951	22,528

The financial statements were approved and authorised for issue by the Trustee Board on 23 July 2014 and signed on their behalf by:

John Gladwin
Chair

Mark Washer
Treasurer

Consolidated cash flow statement

Year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	A	807	5,295
Returns on investments			
Interest received		239	246
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,237)	(2,388)
Cash placed in other liquid resources	C	1,661	1,531
INCREASE IN CASH	B, C	470	4,684

Notes to the cash flow statement

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

	2014 £'000	2013 £'000
Net income	7,423	8,081
Shares received	-	(288)
Losses/(gains) on investment assets	23	(139)
Depreciation charges	1,480	1,063
(Increase) in debtors	(7,580)	(674)
(Decrease) in creditors (revenue)	(685)	(2,320)
Increase/(decrease) in revenue provisions	385	(182)
Disposal of assets	-	-
Bank interest receivable	(239)	(246)
Net cash inflow from operating activities	807	5,295

B. Analysis of changes in cash during the year

	As at 31 March 2014 £'000	Movement £'000	As at 1 April 2013 £'000
Cash at bank and in hand	14,690	470	14,220

C. Notes 14 and 15 provide details of investments placed in other liquid resources and cash in bank and in hand. The net reduction of £1,191,000 in cash and investments forms part of the operating statement in note 25.

Notes to the financial statements

Year ended 31 March 2014

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 (2011) and the Companies Act (2006). 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 valuation of investments at market value.

b) Going concern

The financial statements have been prepared on the going concern basis. Financial budgets are set to ensure that the organisation can continue to operate as a going concern for at least a year. Detailed financial budgets are presented and approved by the Trustee Board on a 12 month basis. Furthermore management accounts for the parent Charity are presented at regular intervals to the Trustee Board throughout the financial year on progress against budget. Any changes in funding within the year are reflected as soon as practicable and action taken by management to ensure that the Charity spends within its available resources.

c) Fixed assets

Fixed assets are recognised in the statement of financial activities on initial acquisition, in accordance with FRS 15.

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

Investments assets are held at market value. Unrealised gains and losses on revaluation and realised gains and losses on disposal are allocated to the fund to which the investments relate.

Only assets over £1,000 are capitalised.

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

The estimated lives of the assets are as follows:

Office and computer equipment – three years.
Infrastructure software – between three and eight years, depending on duration of license.
Fixtures and fittings – five years.

d) Leases

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

e) Pension costs

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

Year ended 31 March 2014

1. Accounting policies (continued)

f) 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.

g) 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.

h) Legacies

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

i) Delivery of services

The trading activities of Citizens Advice, mainly the bureau membership fee and 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 delivery of services and strengthening the bureau network respectively.

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

j) Training and support

The training and support activities comprise income for arranging insurance cover on behalf of bureaux in England and Wales as well as the provision of training courses in debt, employment, welfare benefits and consumer issues.

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.

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

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

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

Support costs, including premises, fundraising, central administration, IT support, human resources costs 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.

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies (continued)

m) 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 designated funds are subject to the approval of the trustees.

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

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

Restricted funds are awarded for a specified project, which will be declared by the funder, 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.

n) Provisions

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

o) Consolidation

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

The net income for Citizens Advice alone was £7,446,000 in 2013/14 (net income £7,942,000 in 2012/13).

A separate Statement of Financial Activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Notes to the financial statements

Year ended 31 March 2014

2. Voluntary income

	2014 £'000	2013 £'000
Legacies	7	59
Donations from private individuals	48	34
Total donations	55	93

3. Grants

a) Government grants

Funder	2014 £'000	2013 £'000	Purpose
Government department grants			
Department for Business, Innovation and Skills (BIS)	22,062	18,968	Grants
BIS	9,330	9,112	Consumer advice
BIS	-	8,000	Capital infrastructure funding
BIS	250	-	Advice for flood victims
BIS	7,550	-	Additional investment in infrastructure
BIS	519	4,936	Transition Funding for additional consumer functions
BIS	3	4	Conference sponsorship
Department for Communities and Local Government	737	878	The National Homelessness Advice Service
Department for Energy and Climate Change	46	-	Big Energy Saving Week
Department of Health	48	36	Enabling health bodies to use voluntary sector evidence (IESD) Fund
HM Revenue & Customs	534	251	Capacity building projects
Welsh Government	140	84	Better advice: better health
Welsh Government	940	-	Discrimination
Welsh Government	667	-	Advice service
Welsh Government	89	-	Equality
Welsh Government	222	130	Adviceline (Wales)
Welsh Government	1,828	2,007	Tackling poverty
Welsh Government	-	967	Advice Providers Forum
Total Government grants	44,965	45,373	

Notes to the financial statements

Year ended 31 March 2014

3. Grants (continued)

b) Grants from other public bodies

Funder	2014 £'000	2013 £'000	Purpose
Devon County Council	458	357	Regional welfare benefit rights
Equality and Human Rights Commission	-	63	Discrimination project work
Healthwatch England	100	-	Health promotion
The Insolvency Service	236	102	Debt relief orders
Leeds City Council	23	22	Money advice
Legal Services Commission	-	121	Employment consultancy
Money Advice Service	19,527	17,915	Face-to-face advice
	20,344	18,580	

c) Other grants

Funder	2014 £'000	2013 £'000	Purpose
Barclays Bank plc	139	128	Financial capability
Barclaycard	-	97	Financial capability for lone parents
British Gas	179	100	Energy advice projects
Co-operative Legal Services	50	-	Family welfare information
EDF energy	306	1,100	Energy advice projects
E.ON energy	-	100	Energy advice projects
First Utility	205	-	Financial capability
Grant Thornton	35	-	Specialist support project
HSBC Group	112	109	Financial capability
Lloyds Banking Group	-	95	Social policy development
Macmillan Cancer Support	-	31	Benefits advice
Martin Lewis Charitable Fund	-	903	Money advice
Money Advice Trust	37	56	Money advice training
Money Advice Trust	528	458	Money advice national strategy
Northern Rock Foundation	764	853	Integrated debt advice project
npower	558	-	Energy advice projects
Provident Financial plc	-	25	National money advice project
sub-total to carry forward to next page	2,913	4,055	

Notes to the financial statements

Year ended 31 March 2014

3. Grants (continued)

c) Other grants (continued)

Funder	2014 £'000	2013 £'000	Purpose
brought forward from previous page	2,913	4,055	
Prudential plc	350	350	Financial literacy
Santander plc	-	400	Financial capability
Scottish Power	148	100	Energy advice projects
SSE	808	337	Energy advice projects
StepChange	-	81	Debt management
The Royal British Legion	1,734	2,147	Veteran's welfare benefits advice
Various	22	13	Sundry projects
Total other grants	5,975	7,483	
Total grants	71,284	71,436	

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 (2012/13: nil). Payments of £8,278 (2012/13: £7,615) were made to seven (2012/13: nine) non-executive directors during the year in respect of expenses for travel and expenses incurred in the course of executing their duties. No trustee indemnity insurance was purchased.

Employee costs during the year:

	2014 £'000	2013 £'000
Wages and salaries	16,104	14,868
Social security costs	1,594	1,501
Pension costs (see note 22)	1,941	2,293
Temporary staff	385	304
	20,024	18,966

Pension costs shown above relate to amounts accrued in the year. Amounts were paid to the Citizens Advice Group Personal Pension Plan a month in arrears which commenced on 1 April 2008. The amount paid in 2013/14 was £891,000 (2012/13: £843,000). In addition there was a contribution of £1,050,000 (2012/13: £1,050,000) to the NACAB Pension & Assurance Plan (1991). There was no further provision (2012/13 £400,000) to this Plan which was closed on 27 March 2008.

Notes to the financial statements

Year ended 31 March 2014

4. Information regarding directors and employees (continued)

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

	Number 2014	Number 2013
Costs of generating funds	1	1
Charitable activities		
Delivering information and advice	109	122
Advice and advocacy	82	65
Strengthening the bureau network	195	183
Partnerships	38	41
Governance	2	1
Average number of persons employed	427	413

Aggregate emoluments paid to executive directors in the financial year

Citizens Advice has identified all the executive directors as senior managers. This is consistent with its treatment of key managers for Related Party Disclosures (FRS 8 – note 23).

The figures comprise gross salaries and all allowances payable and employer's pension contributions. In addition, six executive directors were reimbursed £2,028 (2012/13: £5,681) in total for travel and out-of-pocket expenses incurred in the course of executing their responsibilities. No other amounts were payable. Four other employees were paid between £60,000 and £69,999, two employees between £80,000 and £89,999 and one employee between £100,000 and £109,999 including compensation for loss of office.

Post	Salary	Pension	Total	Total
	2014	2014	2014	
	£	£	£	£
Director of Consumer Futures ²	51,857	1,723	53,580	-
Director of Operations	85,260	6,565	91,825	90,468
Chief Information Officer ³	87,290	6,811	94,101	53,899
Director of People and Equality	91,297	-	91,297	39,529
Assistant Chief Executive	100,700	7,682	108,382	85,760
Director of Finance & Transformation	101,500	9,139	110,639	99,917
Chief Executive	142,100	-	142,100	140,000
Director of Policy & Advocacy ⁴	-	-	-	165,685

The ratio of the highest to median earnings in the organisation is 4.45:1.

² Appointed from September 2013 – Annual salary of £99,000.

³ Left April 2014 – started in September 2012.

⁴ Left May 2013.

Notes to the financial statements

Year ended 31 March 2014

4. Information regarding directors and employees (continued)

Pension contributions paid by Citizens Advice into the Citizens Advice Group Personal Pension Plan on behalf of senior managers in the financial year are included in the above table and summarised below:

	Number 2014	Number 2013
up to £2,499	1	1
£2,500 to £4,999	-	-
£5,000 to £7,499	2	3
£7,500 to £10,499	2	1

Pension contributions for those executive directors in the scheme are paid at the same rate as for all other staff. Citizens Advice does not pay any other pension contributions (including personal contributions) on behalf of any senior managers.

5. Grants payable

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

a) Regional grants to member bureaux

Region	Funder	2014 Total No.	2014 £'000	2013 £'000
England & Wales	BIS	121	219	381
South West	Devon County Council	17	181	197
Total		138	400	578

b) Other grants to member bureaux

Purpose	Funder	2014 Total No.	2014 £'000	2013 £'000
Financial capability for lone parents	Barclaycard	2	42	136
Financial literacy	Barclays plc	279	96	46
Flood victim advice	BIS	40	254	-
Social policy development	BIS	63	378	-
Network Development	BIS	-	-	426
Financial capability	Citi Foundation	-	-	10
National Homelessness Advice Service	Department for Community & Local Government	303	122	176
sub-total to carry forward to next page		687	892	794

Notes to the financial statements

Year ended 31 March 2014

5. Grants payable (continued)

Purpose	Funder	2014 Total No.	2014 £'000	2013 £'000
brought forward from previous page		687	892	794
Financial capability	EDF Energy	259	304	73
Energy Advice	EDF Energy	155	656	137
Adviceline	EDF Energy	4	110	132
Tax credits training	HM Revenue & Customs	57	255	98
Debt Relief orders	Insolvency Service	557	127	113
Money Advice	Martin Lewis Charitable Fund	16	320	20
Financial guidance and financial capability	Money Advice Service	-	-	47
Face-to-face debt advice	Money Advice Service	2,295	15,776	15,841
Financial capability	Nationwide Building society	-	-	29
Integrated debt advice	Northern Rock	70	666	737
Fundraising project	Openreach	-	-	42
Various projects	Other regional funders	41	43	63
Financial capability	Prudential plc	55	68	10
Veterans' welfare benefits advice	Royal British Legion	118	1,591	2,562
Financial capability	Santander plc	-	-	70
Fuel poverty project	SSE	21	132	137
Big Energy Saving Week	various	181	106	171
Debt management plans	Stepchange	64	31	15
Advice	Welsh Government	47	611	-
Adviceline (Wales)	Welsh Government	27	214	157
Discrimination	Welsh Government	44	873	-
Equality	Welsh Government	6	89	-
Tackling poverty	Welsh Government	143	1,822	1,833
Advice Providers Forum	Welsh Government	4	4	833
Total other grants to member bureaux		4,851	24,690	23,914
Total bureaux grants		4,989	25,090	24,492

Notes to the financial statements

Year ended 31 March 2014

5. Grants payable (continued)

c) Grants to other bodies

Grants paid to non-bureaux participants in delivery of national projects, funded by partner organisations.

Purpose	Recipient	2014 £'000	2013 £'000
Discrimination advice	Action in the Community	12	-
Face-to-face debt advice	Better Leeds Communities	51	-
Face-to-face debt advice	Birmingham Settlement	206	204
Energy advice	Bristol Debt Advice Centre	6	11
Face-to-face debt advice	Burley Lodge Centre	52	97
Discrimination advice	Cardiff Law Centre	14	-
Financial capability	Citizens Advice Northern Ireland	-	30
Face-to-face debt advice	Ebor Gardens Advice Centre	53	49
Face-to-face debt advice	Harlow Welfare Rights	-	-
Face-to-face debt advice and financial capability	Ipswich Housing Action	124	106
Face-to-face debt advice	Luton Rights	114	82
Various	Money Advice & Community Support	26	27
Face-to-face debt advice	Homemaker South West	104	90
Face-to-face debt advice	Norfolk Community Law	53	-
Face-to-face debt advice	North Bristol Advice Centre	-	53
Energy advice	Pennysmart CIC	11	10
Discrimination advice	Riverside Advice Ltd	55	-
Advice providers forum	Race Equality First	11	17
Financial capability and rural racial discrimination work	Scottish Association of Citizens Advice	93	135
Face-to-face debt advice	Shelter and Shelter Cymru	184	205
Discrimination advice	SNAP	39	-
Face-to-face debt advice	Single Parent Action Network	26	23
Energy advice	St Vincent Support Centre	54	49
Financial capability	Toynbee Hall	8	15
Advice providers forum	Welsh Refugee Council	18	48
Various	240 miscellaneous grants (2012/13 177)	182	141
Total grants to others		1,496	1,392
Total grants		26,586	25,884

Notes to the financial statements

Year ended 31 March 2014

6. Total resources expended

Total resources expended for the year ended 31 March 2014:

	Direct staff costs £'000	Grants £'000	Other direct costs £'000	Support costs £'000	Total 2014 £'000
Costs of generating funds	44	-	6	16	66
Charitable objectives					
Delivering information and advice	4,515	141	9,845	1,607	16,108
Advice and advocacy	3,379	412	865	1,342	5,998
Strengthening the bureau network	8,041	597	7,013	2,335	17,986
Partnerships	1,556	25,436	1,093	1,315	29,400
Governance costs	66	-	132	15	213
	17,601	26,586	18,954	6,630	69,771

Total resources expended for the year ended 31 March 2013:

	Direct staff costs £'000	Grants £'000	Other direct costs £'000	Support costs £'000	Total 2013 £'000
Costs of generating funds	22	-	2	12	36
Charitable objectives					
Delivering information and advice	4,958	390	11,362	1,908	18,618
Advice and advocacy	2,659	-	491	681	3,831
Strengthening the bureau network	7,441	812	8,070	2,057	18,380
Partnerships	1,678	24,682	1,121	1,094	28,575
Governance costs	40	-	124	7	171
	16,798	25,884	21,170	5,759	69,611

Notes to the financial statements

Year ended 31 March 2014

7. Support cost breakdown by activity

Support costs are allocated across activities based on direct staff numbers. The amounts below represent the allocated staff and other allocated costs in note 6.

Support costs breakdown for the year ended 31 March 2014:

	Premises £'000	Administration £'000	IT Services £'000	Human resources £'000	Finance £'000	2014 £'000	2013 £'000
Costs of generating funds	5	3	3	2	3	16	12
Charitable objectives							
Delivering information and advice	405	410	351	170	271	1,607	1,908
Advice and advocacy	337	304	259	162	280	1,342	681
Strengthening the bureau network	611	513	437	275	499	2,335	2,057
Partnerships	263	318	273	81	380	1,315	1,094
Governance costs	-	5	4	3	3	15	7
	1,621	1,553	1,327	693	1,436	6,630	5,759

8. Governance costs

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

	2014 £'000	2013 £'000
Audit fees (internal and external)	92	83
Management support	82	48
Recruitment expenses	6	8
Trustees' out-of-pocket expenses	8	7
Trustees' meeting costs*	25	25
	213	171

* Trustees' meeting costs include all costs relating to the running of the Trustee Board and all the Committees' meetings (Membership & Standards, Audit & Risk and Equality Committees).

Out-of-pocket expenses were reimbursed to seven trustees (2012/13: nine trustees).

These were approved expenses incurred by trustees relating to their work with the Charity.

Management support includes the costs of the Company Secretary, administration support and an apportionment of senior management costs.

Notes to the financial statements

Year ended 31 March 2014

9. Corporation tax

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

10. Net expenditure

Net incoming resources for the year are stated after charging:

	2014 £'000	2013 £'000
Operating lease costs		
Property	437	980
Office equipment	80	81
Depreciation	1,480	1,063
External Auditor's remuneration		
External audit fee – Crowe Clarke Whitehill LLP	37	36
Non audit work – Crowe Clarke Whitehill LLP	7	5
Internal Auditors' remuneration		
Internal audit fee – BDO	3	42
Internal audit fee – KPMG	45	-

Notes to the financial statements

Year ended 31 March 2014

11. Fixed assets: tangible assets

The fixed assets of Citizens Advice are the same as those of the Group, as stated below.

	Infrastructure software Work in progress £'000	Operational £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2013	274	5,446	127	5,847
Additions	119	577	999	1,695
Disposals	-	-	(36)	(36)
Transfers	(102)	102	-	-
At 31 March 2014	291	6,125	1,090	7,506
Depreciation				
At 1 April 2013	-	1,270	55	1,325
Charge for the year		1,205	275	1,480
Disposals	-	-	(36)	(36)
At 31 March 2014	-	2,475	294	2,769
Net book value at 31 March 2014	291	3,650	796	4,737
Net book value at 31 March 2013	274	4,176	72	4,522

12. Debtors

	Group		Citizens Advice	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	294	377	293	368
Other debtors	105	106	105	106
Prepayments & accrued income	9,524*	1,619	9,524	1,619
HM Revenue & Customs	530	771	530	771
Subsidiary undertakings	-	-	680	1,037
	10,453	2,873	11,132	3,901

* £7,550,000 of this relates to the infrastructure grant from BIS as outlined in note 3a).

Included in other debtors is £105,000 (2012/13: £97,000), which relates to 59 (2012/13: 62) staff season ticket or car loans. These are interest free and are recoverable through monthly payroll deductions.

There was one senior officer (2012/13: nil) with a £3,000 loan outstanding at the balance sheet date (2012/13: £nil).

Notes to the financial statements

Year ended 31 March 2014

13. Creditors: amounts falling due within one year

	Group		Citizens Advice	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade creditors	240	175	240	175
Citizens Advice bureaux grants	1,429	961	1,429	961
Other creditors including taxation & social security	445	433	445	433
Accruals & deferred income	1,573	2,803	1,573	2,428
Capital creditors	52	594	52	594
	3,739	4,966	3,739	4,591

	Group		Citizens Advice	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Other creditors including taxation and social security comprises:				
HM Revenue and Customs: PAYE	200	197	200	197
National Insurance	237	232	237	232
Other creditors	8	4	8	4
	445	433	445	433

	Group		Citizens Advice	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Accruals and deferred income comprises:				
Accruals	1,455	2,276	1,455	2,276
Deferred income brought forward	527	1,845	152	1,454
Amount released from previous year	(527)	(1,845)	(152)	(1,454)
Incoming resources deferred in the year	118	527	118	152
	1,573	2,803	1,573	2,428

Deferred income comprises £118,000 (2012/13: £120,000) subscription income for both paper and electronic information products, £nil received in grants (2012/13: £32,000) and £nil (2012/13: £375,000) received in sponsorship.

Notes to the financial statements

Year ended 31 March 2014

14. Investments

The value of shares held in Citizens Advice Ltd is £2 being two ordinary shares of £1 each which represents 100 per cent of the issued share capital. The company is a private limited company which was incorporated on 16 July 1982. The company is incorporated in England. The company manages all forms of sponsorship on behalf of the parent company and covenants all profits each year under gift aid. The turnover in 2013/14 was £616,000 (2012/13: £864,000) which generated an operating profit of £1,000 (2012/13: £213,000). Net assets were £2 in 2013/14 (2012/13: £2). The shares are held as a fixed asset.

Moneysupermarket.com shares were received from the Martin Lewis Charitable Fund in 2012/13 where the sale by Citizens Advice is restricted for three years. This is held as a fixed asset. The investment is listed on a recognised stock exchange and is held primarily to provide an investment return. The investment is analysed below.

	2014 £'000	2013 £'000
Brought forward	427	-
Addition	-	288
Revaluation	(23)	139
Carried forward	404	427

Cash deposits valued at £4,612,000 (2012/13: £6,273,000) were held as investments at 31 March 2014. These were all UK cash deposits varying from seven day notice to one year fixed bonds. All investments comply with the Charity's investment strategy. £3,000,000 (2012/13: £3,000,000) of the deposits are recognised as a fixed asset as the intention is to invest these monies longer than one year.

15. Cash at bank and in hand

Immediately available cash deposits valued at £14,690,000 (2012/13: £14,220,000) were held at 31 March 2014. These were all UK cash deposits, held to manage the cash flow of the organisation with a range of counter-parties, in compliance with the Charity's investment strategy. £1,764,000 of these has been identified in the balance sheet as needing to meet continuing costs of capital commitments made in 2012/13 and early in 2013/14 (2012/13: £3,598,000).

Notes to the financial statements

Year ended 31 March 2014

16. Provisions

	Group		Citizens Advice	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Property provisions				
Provision at 1 April 2013	215	188	215	188
Released during the year	(9)	-	(9)	-
Utilised during the year	-	(15)	-	(15)
Additional provision	258	42	258	42
Provision at 31 March 2014	464	215	464	215
Other provisions				
Provision at 1 April 2013	606	815	606	815
Released during the year	(2)	(8)	(2)	(8)
Utilised during the year	-	(766)	-	(766)
Additional provision	138	565	138	565
Provision at 31 March 2014	742	606	742	606
Total provisions at 31 March 2014	1,206	821	1,206	821

The property provisions relate to dilapidations at one office following office moves and an assessment of potential future liabilities across all other leases. Other amounts are £400,000 for additional voluntary pension fund contributions, £156,000 provision for electronic information, £39,000 for additional income tax and national insurance, £120,000 for redundancies and £27,000 for pension contributions to be settled on behalf of East End Citizens Advice Bureau.

17. Statement of funds

	At 1 April 2013 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Gains on investment assets £'000	At 31 March 2014 £'000
Unrestricted funds – BIS	15	24,523	23,156	-	-	1,382
Unrestricted funds – other	5,615	1,942	2,052	313	-	5,818
Total unrestricted funds	5,630	26,465	25,208	313	-	7,200
Restricted funds – BIS	9,421	18,424	13,274	-	-	14,571
Local Government projects	280	519	479	-	-	320
Welsh Government projects	309	3,884	4,064	-	-	129
sub-total to carry forward to next page	10,010	22,827	17,817	-	-	15,020

Notes to the financial statements

Year ended 31 March 2014

17. Statement of funds (continued)

	At 1 April 2013 £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Gains/(losses) on investment assets £'000	At 31 March 2014 £'000
brought forward from previous page	10,010	22,827	17,817	-	-	15,020
Social policy projects	163	724	350	(126)	-	411
Financial capability projects	1,647	1,096	1,301	(33)	-	1,409
Specialist support projects	1,358	1,757	1,856	-	-	1,259
Veteran welfare benefits advice	192	1,736	1,784	-	-	144
Integrated debt advice	79	763	760	-	-	82
Other projects	3,244	3,385	2,825	(154)	(23)	3,627
Money Advice Service	205	18,464	17,870	-	-	799
Face-to-face advice						
Total restricted funds	16,898	50,752	44,563	(313)	(23)	22,751
Total funds	22,528	77,217	69,771	-	(23)	29,951

The unrestricted funds (BIS and other) represent the free funds of Citizens Advice.

BIS restricted funds comprise funding for consumer advice and transition grants for developing Petra and other infrastructure.

Local Government comprises regional grant funding from Devon County Council and Leeds City Council. Welsh Government covers a range of money advice projects and funding for Adviceline (Wales).

Policy funds comprise all funds received specifically to undertake social policy. There is funding from eight organisations (2012/13: 18 organisations) to deliver financial capability projects and funding from five organisations (2012/13: six organisations) to deliver specialist support and advice.

Veteran welfare benefits advice is funded by the Royal British Legion whilst the integrated debt advice project is funded by Northern Rock Foundation. Both projects ended in 2013/14.

Face-to-face advice is delivered through funding from the Money Advice Service and comprised 11 projects (2012/13: 11 projects).

The other project funds comprise a variety of partnerships with a range of funders to provide, for example, money advice projects and learning and development projects.

A review of balances previously classified as restricted funds identified some amounts which should be treated as for unrestricted use. This is in line with our responsibilities to ensure that funds are applied against their proper purposes. The movement is shown as transfers and comprises a number of small projects.

Notes to the financial statements

Year ended 31 March 2014

18. Analysis of net assets between funds

	Unrestricted		Restricted		Total
	BIS £'000	Other £'000	BIS £'000	Other £'000	
Fund balances at 31 March 2014 are represented by:					
Fixed assets – tangible assets	1,970	-	2,678	89	4,737
Fixed Assets – investments	-	3,000	-	404	3,404
Current assets	2,278	2,911	12,358	9,208	26,755
Creditors: amounts falling due within one year	(1,660)	(93)	(465)	(1,521)	(3,739)
Provisions	(1,206)	-	-	-	(1,206)
Fund balance	1,382	5,818	14,571	8,180	29,951

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. Operating lease commitments

At 31 March 2014 Citizens Advice was committed to making the following annual payments in respect of operating leases:

	2014		2013	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	137	34	83	29
Between two and five years	220	46	792	52
After five years	80	-	105	-
	437	80	980	81

In disclosing the above operating lease commitments, only the amount payable in the next 12 months is disclosed. Where no amount is payable in the next year as a result of a lease incentive, no commitment is disclosed.

Notes to the financial statements

Year ended 31 March 2014

21. Capital commitments

£8 million was received in grant funding for capital projects from the Department for Business, Innovation and Skills in 2012/13. £5,954,000 was expended in 2012/13 and 2013/14, including £52,000 accrued at 31 March 2014 and £2,721,000 capitalised. As at 31 March 2014 the remaining £2,046,000 has been committed to a variety of improvements to the IT infrastructure and will be disbursed in line with contractual obligations.

A further £7,550,000 was awarded at the end of 2013/14 for four infrastructure projects. Funding was received in early April and accrued at 31 March 2014. No funds were expended in 2013/14.

22. Pension scheme

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

Period Ending 31 March 2014

The employers operate a defined benefit scheme in the UK. Citizens Advice's defined benefit pension scheme was closed to new entrants and future service accrual in March 2008. 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 by the pension fund trustees. From 1 April 2014, the sponsoring employers will pay total annual contributions of £1,200,000 to meet the scheme's deficit over the next 20 years. This amount may vary over time, dependent upon the results of the future actuarial valuations of the scheme. The next triennial valuation is due, based on the position at 31 March 2016. The length of the payment period may also vary if the contributions do not offset the deficit over the planned period. The pension trustees have the right to renegotiate the recovery plan if the actuarial report indicates that the existing recovery plan is no longer adequate. If Citizens Advice paid its annual contributions as planned, using an actuarial discount rate of 4.4 per cent, the net present value would be £11,408,000 (2012/13: £11,783,000 and 4.5 per cent discount).

A full actuarial valuation was carried out on the position at 31 March 2013 and updated to the position at 31 March 2014 by a qualified actuary, independent of the scheme's sponsoring employers. The major assumptions used by the actuary are shown below.

The best estimate of contributions to be paid by the employers to the scheme for the period beginning after 31 March 2014 is:

- a) Contributions by each employer in respect of expenses.

The principal employer will pay amounts into the scheme in respect of management and administration costs, including levy payments made by the scheme to the Pension Protection Fund subject to a maximum amount of £300,000 in each scheme year.

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

In accordance with the recovery plan following the 1 April 2013 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000, of which Citizens Advice contributes £1,062,000.

Notes to the financial statements

Year ended 31 March 2014

22. Pension scheme (continued)

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

	31 March 2014 £'000s	31 March 2013 £'000s	31 March 2012 £'000s
Fair value of scheme assets	68,832	69,123	65,073
Present value of scheme liabilities	107,734	122,142	115,205
Liability to be recognised	(38,902)	(53,019)	(50,132)
Deferred tax	-	-	-
Net liability	-	-	-

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

	Period ending 31 March 2014 £'000s	Period ending 31 March 2013 £'000s
Scheme liabilities at start of period	122,142	115,205
Current service cost	-	-
Expenses	264	282
Interest cost	5,440	5,245
Contributions by scheme participants	-	-
Actuarial (gains)/losses	(17,320)	4,075
Benefits paid, death in service insurance premiums and expenses	(2,792)	(2,665)
Past service costs	-	-
Curtailments	-	-
Settlements	-	-
Scheme liabilities at end of period	107,734	122,142

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

	Period ending 31 March 2014 £'000s	Period ending 31 March 2013 £'000s
Fair value of scheme assets at start of period	69,123	65,073
Expected return on scheme assets	3,496	3,814
Actuarial (losses)/gains	(2,520)	1,094
Contributions by employer	1,525	1,807
Contributions by scheme participants	-	-
Benefits paid, death in service insurance premiums and expenses	(2,792)	(2,665)
Settlements	-	-
Fair value of scheme assets at end of year	68,832	69,123

The actual return on the scheme assets over the period ending 31 March 2014 was £976,000.

Notes to the financial statements

Year ended 31 March 2014

22. Pension scheme (continued)

Total expense

	Period ending 31 March 2014 £'000s	Period ending 31 March 2013 £'000s
Current service cost	-	-
Expenses	264	282
Interest cost	5,440	5,245
Expected return on scheme assets	(3,496)	(3,814)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Total	2,208	1,713

Pension gains/(losses)

	Period ending 31 March 2014 £'000s	Period ending 31 March 2013 £'000s
Difference between expected and actual return on scheme assets: (loss)/gain	(2,520)	1,094
Experience gains and losses arising on the scheme liabilities: gain/(loss)	4,325	286
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: gain/(loss)	12,995	(4,361)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable): gain/(loss)	14,800	(2,981)
Total amount: gain/(loss) *	14,800	(2,981)

*Citizens Advice and its subsidiaries are not required to prepare a statement of total recognised gains and losses.

Assets

	31 March 2014 £'000s	31 March 2013 £'000s	31 March 2012 £'000s
Equity	38,076	38,353	40,019
Gilts	9,166	7,528	3,952
Corporate Bonds	10,212	12,353	10,890
Cash	10,006	9,857	8,064
Property	1,372	1,032	2,148
Total assets	68,832	69,123	65,073

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 the financial statements

Year ended 31 March 2014

22. Pension scheme (continued)

Assumptions

	31 March 2014 % per annum	31 March 2013 % per annum	31 March 2012 % per annum
Rate of discount	4.4	4.5	4.6
Inflation (RPI)	3.4	3.4	3.3
Inflation (CPI)	2.5	2.5	2.4
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.5	2.5	2.4
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.4	3.4	3.3
Allowance for commutation of pension for cash at retirement	75% of Post A Day	None	None

The mortality assumptions adopted at 31 March 2014 imply the following life expectancies

Male retiring in 2014	21.5 years	Male retiring in 2034	23.2 years
Female retiring in 2014	23.7 years	Female retiring in 2034	25.6 years

Expected long term rates of return

The expected long term return on cash is determined by reference to gilt yields at the balance sheet dates. The long term expected return on gilts and corporate bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date.

The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

The expected long term rates of return applicable for each period are as follows:

	Period commencing 1 April 2014 % per annum	Period commencing 1 April 2013 % per annum
Equity	6.6	7.1
Gilts	2.3	2.7
Corporate Bonds	4.1	4.6
Cash	2.3	2.7
Property	6.1	6.6
Overall for scheme	5.1	5.9

Amounts for the current and previous four periods

	31/03/14 £'000s	31/03/13 £'000s	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s
Fair value of assets	68,832	69,123	65,073	65,866	61,518
Present value of scheme liabilities	107,734	122,142	115,205	98,104	97,993
Deficit in scheme	(38,902)	(53,019)	(50,132)	(32,238)	(36,475)
Experience adjustment on scheme assets	(2,520)	1,094	(4,470)	965	12,371
Experience adjustment on scheme liabilities	4,325	286	(1,443)	96	5,377

Notes to the financial statements

Year ended 31 March 2014

23. Related party transactions

Citizens Advice Limited is a subsidiary company owned by Citizens Advice and all Citizens Advice non-charitable trading is conducted through it. The Directors are the National Association of Citizens Advice Bureaux and John Gladwin. During the year ended 31 March 2014, it made a profit of £1,000 (2012/13: £213,000) which was then gift aided to Citizens Advice and recorded within delivery of services.

At 31 March 2014 Citizens Advice Limited owed £680,000 to Citizens Advice (2012/13: £1,037,000). The accounts for the year ended 31 March 2014 were approved on 23 July 2014.

There have been related party transactions identified in accordance with FRS 8. Citizens Advice is sponsored by BIS. BIS is regarded as a related party. During the year, Citizens Advice has had no material transactions with BIS other than the receipt of its grants, and the grant for infrastructure funding and transition funding to absorb Consumer Futures functions. Citizens Advice had a number of transactions during the year with Citizens Advice Scotland, which is also sponsored by BIS.

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. There were no financial transactions or balances in the year to 31 March 2014 (2012/13: nil).

A subsidiary company was set up in 2008/09, Citizens Advice Management Services, to provide management services to bureaux. There were no financial transactions or balances in the year to 31 March 2014 (2012/13: 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 charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2014, Citizens Advice owed Citizens Advice International nil (2012/13: 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.

24. Company Limited by Guarantee

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. The trustees have a maximum liability of nil.

Notes to the financial statements

Year ended 31 March 2014

25. Operating statement for the year ended 31 March 2014

	2014 £m	2013 £m
Income		
Grants	71.3	71.4
Delivery of services	4.3	4.6
Training and support	1.0	1.1
Other	0.4	0.2
Bank interest	0.2	0.3
	77.2	77.6
Cost of generating income		
Governance costs	(0.2)	(0.2)
Voluntary income	(0.1)	-
Net income for charitable purposes	76.9	77.4
Expenditure for charitable purposes		
Delivering information and advice	16.1	18.6
Advice and advocacy	6.0	3.8
Strengthening the bureau network	18.0	18.4
Partnerships	29.4	28.6
Total expenditure on charitable activities	69.5	69.4
Net operating income	7.4	8.0
Other movements		
Purchase of assets	(2.2)	(2.4)
Non-realised gain on investment asset	-	0.1
Depreciation	1.5	1.1
Debtors, creditors and provisions	(7.9)	(3.2)
Total other movements	(8.6)	(4.4)
Movement in cash and investments	(1.2)	3.6
Statement of net assets as at 31 March 2014		
Fixed assets	4.7	4.5
Cash and investments	19.7	21.0
Debtors, creditors and provisions	5.5	(3.0)
Net assets	29.9	22.5
Financial reserves as at 31 March 2014		
Available financial reserves at the start of the period	22.5	14.4
Net operating income	7.4	8.0
Non-realised gain on investment asset	-	0.1
Available financial reserves for future activities	29.9	22.5
less held for specific purposes	(22.7)	(16.9)
Free financial reserves	7.2	5.6

Thank you to our supporters

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 2013/14:

Government grants

Department for Business, Innovation and Skills
Department for Communities and Local Government
Department of Health
HM Revenue and Customs
Welsh Government

Public bodies

Devon County Council
Health Watch England
The Insolvency Service
Leeds City Council
Money Advice Service
SEETEC
Working Links

A number of donations were also made by individuals, for which we express our thanks.

Other

Axa Sun Life
BBC
Barclays Bank plc
Barclaycard
Big Lottery Fund
British Gas
Citi Foundation
Co-operative Legal Services
EDF Energy
Energy UK
E.ON Energy
Fist Utility Ltd
Grant Thornton
HSBC Bank plc
Martin Lewis Charitable Fund
Money Advice Trust
npower
Northern Rock Foundation
Prudential plc
The Royal Bank of Scotland plc
The Royal British Legion
Santander Foundation
ScottishPower
Sitel UK Ltd
StepChange
SSE (Scottish and Southern Energy)

Advisers

Auditor:

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Internal auditor (from April 2013):

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

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
Employee Benefits
Central Court
1b Knoll Rise
Orpington
Kent BR6 0JA

Company Secretary: Joanne Hampton

Our legal status

Citizens Advice is a registered charity and a company limited by guarantee. All member bureau charities are members of Citizens Advice and there are no other full members. The maximum liability of each member is limited to £1. Citizens Advice is governed by its Memorandum and Articles of Association as amended in October 2000, September 2009 and September 2010.

The registered name of the Charity is The National Association of Citizens Advice Bureaux, and from 6 January 2003 the Charity has used the operating name of Citizens Advice (prior to this 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 and included within unrestricted funds (see note 17).

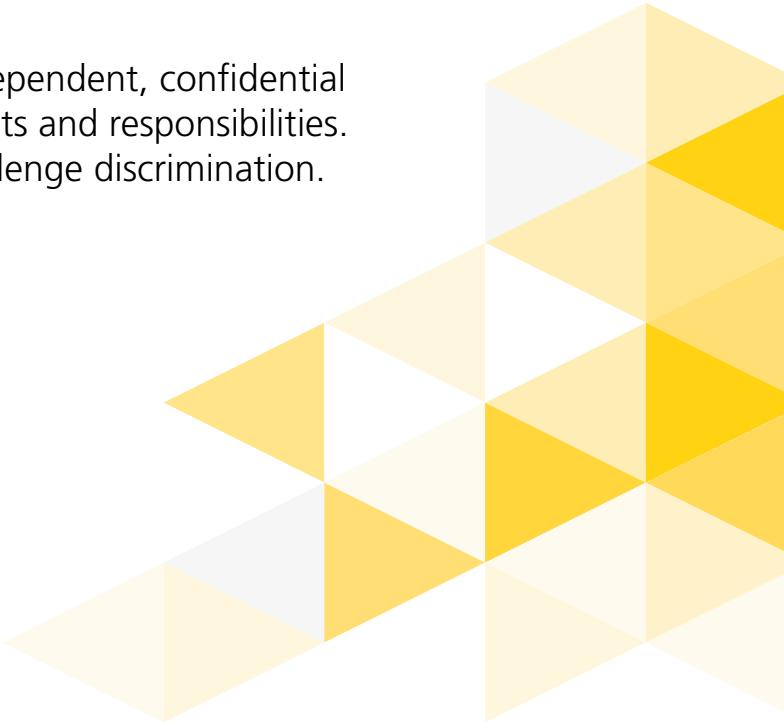
The Charity has a trading subsidiary, Citizens Advice Limited (formerly Advice Services Information Limited). Consolidated accounts have been prepared. The basis of consolidation is set out in the accounting policies note.

Our aims

- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

Our principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination.



citizensadvice.org.uk

Citizens Advice is an operating name of the National Association of Citizens Advice Bureaux.

Registered charity number: 279057
Company number: 1436945

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