

ANNUAL REPORT

2017/18



We are Citizens Advice

We're here for everyone.

We provide free, confidential and independent advice to help people overcome their problems.

We work to fix the underlying causes of these problems. We are a voice for people on the issues that matter to them.

We value diversity, champion equality and challenge discrimination.

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Sir David Varney

Chair of Trustees

Citizens Advice has a long and proud history of helping people solve their problems. At times, the world around us can seem increasingly fragmented and people can become more isolated from their communities. Our role in society in helping people is more important than ever.

I believe we should have great pride as a service in our achievements. This pride motivates us to build and modernise our service so that we can be there for everyone who needs us.

We have made, and continue to make, great strides to harness the technological developments around us. This is essential work, and vital for the benefit of the people we help across England and Wales every day.

Citizens Advice is a stronghold in the history of British society, but we know to be here for another 80 years, we must move forward and evolve as a trusted institution that people turn to in times of need.

As my time as chair of the trustee board comes to an end, I've reflected a great deal on the progress our service has made in the past few years. We began to deliver Pension Wise and the Witness Service, transformed how we work together as a service to reach more clients in more ways, and we have become a stronger equality champion. I am proud to see the momentum we've built and I am confident that my successor will harness it to develop and deliver an ambitious future strategy.

I'd like to personally thank all those who have given their time, passion and dedication to making sure the people who come to us for help are given the respect they deserve, and the support and advice they need. On a personal note, I have been privileged to be part of our collective success in helping make our society more inclusive and fairer. I want to thank the executives and the trustees for all their many kindnesses.

Gillian Guy

Chief Executive

The Citizens Advice service is truly unique, powered by nearly 30,000 staff and volunteers who help millions of people find a way forward.

In a year of uncertainties, including the changing national and international political landscapes and preparations to leave the European Union, we've continued to be a source of reassurance and stability for people, no matter the problem they face.

We've seen the impact of these changes in very real terms. Our advisers report immigration is the biggest Brexit-related issue they see, and demand for online immigration advice has risen from 25,000 page visits per month before the referendum to 153,000 in April 2018.

Those in our network have also worked on the ground to support communities during difficult and sometimes tragic times, including the devastating effects of the Grenfell fire, the shockwaves of which resonated with all of us.

Whether dealing with a single issue or a complex set of problems that require more specialist support, this year we provided advice, support or information to 2.6 million people directly, whether face-to-face, over the phone or by email, with many millions more viewing our advice pages.

That reach and scale gives us the data which means, along with our subject matter expertise and research, we're able to represent the voice of the people we help and tackle the root cause of key issues.

We've seen this in our work on Universal Credit, where we secured important changes

and investment in a flawed system. And we've seen it across our work on consumer markets, persuading energy networks to return millions in excess profits, and achieved redress compensation for those who were treated unfairly by rent-to-own firms.

We've also made important progress in the way we operate, implementing a new membership agreement and a performance framework that focuses on continuous improvement. We've rolled out our new case management system, which has now halved the time it takes advisers to log clients and cases.

As we come to the end of our current strategy, we're putting our focus on making sure we continue to evolve and provide the best service we can for the people we help. In 2017/18 we started crucial conversations across our service about the future of advice and our place in society in the years ahead.

This is particularly important as we look forward to the 80th anniversary of the Citizens Advice service next year – both a time to reflect on our history and also ensure we can always be there for people.

There's a lot to be proud of in this report, and for that I'd like to thank the staff and volunteers across our service. Their hard work and dedication means we can help more people to solve their problems, fix the underlying causes, and continue to challenge ourselves to provide an outstanding service.



Our strategy

Our current strategy, which covers the period 2015–2020, has 5 key goals. This report explains what we've done to deliver against them.

1. Make it easier to get advice
2. Be more influential
3. Work together as one service
4. Be even more effective and sustainable
5. Be a stronger equality champion

Looking ahead we're taking forward conversations across the service to help shape our business model for the years to come. We're focusing on finding ways to ensure we offer a truly multi-channel, seamless service to clients.

How we work

The Citizens Advice service is made up of Citizens Advice, the national charity, and a network of over 280 independent local Citizens Advice members.

At a national and local level, we provide advice and support for people who need help solving their problems and we advocate for people on the issues that matter to them.

Our role as a national charity is both to enable local Citizens Advice to deliver their services, and to deliver those and other services at a national level.

We deliver the Witness Service, Pension Wise, the Consumer Service and the Money Advice Service Funded Debt Advice Project. We're also the consumer champion for the energy market and the statutory consumer watchdog for the postal service.

Our service is run by 800 national staff, 6,100 local staff, 19,000 trained volunteers and over 3,600 Witness Service volunteers.

Citizens Advice is run from 6 national offices, and locally from approximately 2,300 locations, with the Witness Service in 240 courts, across England and Wales.

Our reach means that 99% of people can access a local Citizens Advice within a 30 minute drive of where they live. This year, 41% of people receiving direct advice had a disability and 17% were black, Asian or minority ethnic.

Our service is run by:



800

NATIONAL STAFF



6,100

LOCAL STAFF



19,000

TRAINED
VOLUNTEERS



3,600

WITNESS SERVICE
VOLUNTEERS

Advice

Together we deliver advice and support to millions of people

Delivered by national Citizens Advice in 240 courts



Witness Service

Advocacy

Together we use our data and expertise to fix the underlying causes of people's problems

National Citizens Advice holds statutory responsibility for



Energy



Post

National services delivered by local Citizens Advice



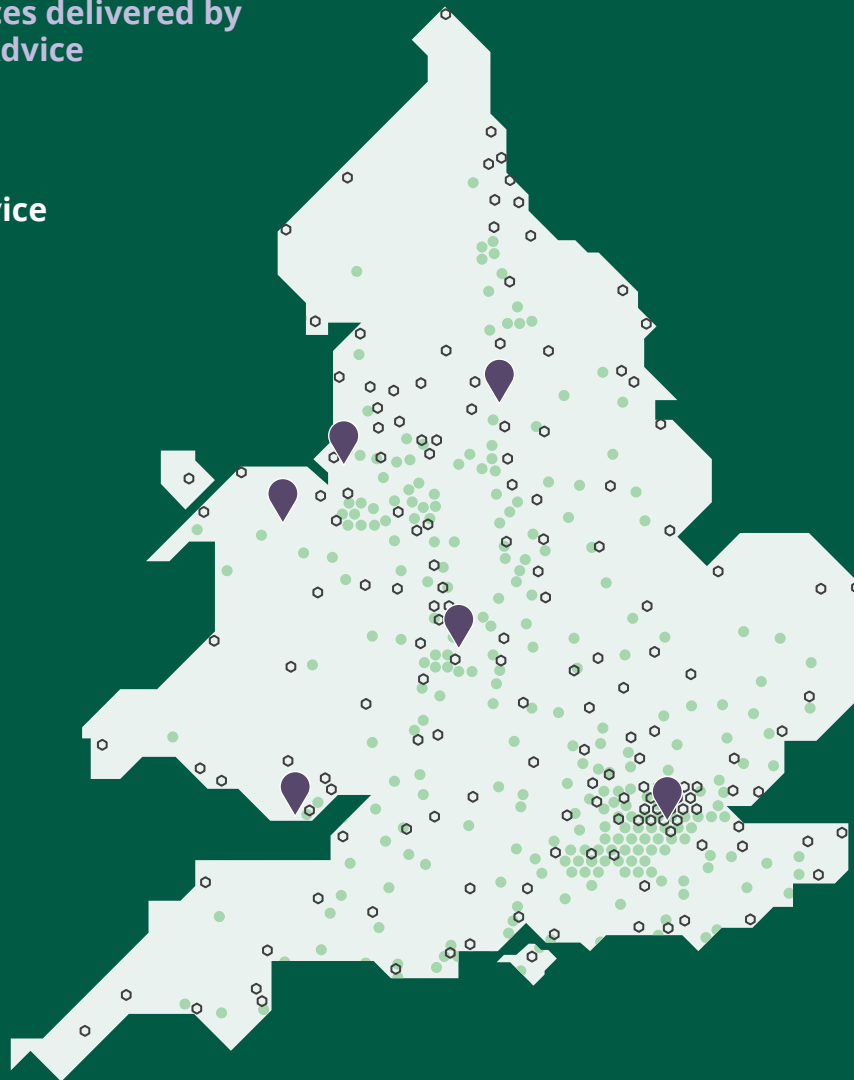
Consumer Service



Pension Wise



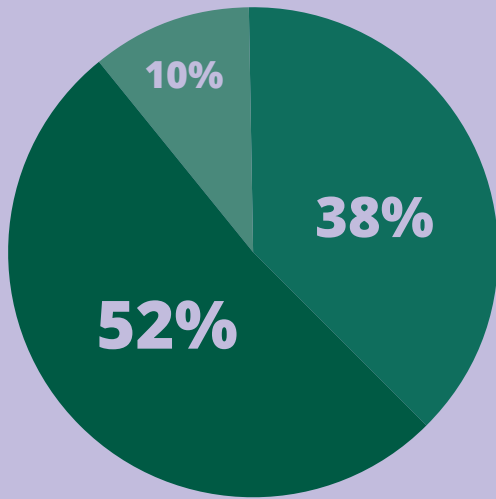
Money advice



 National offices  Local Citizens Advice  Court Locations

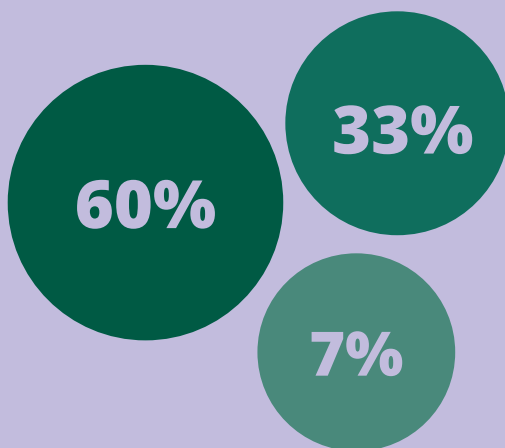
How we help

Every year our service **helps millions of people** through advice on our website.



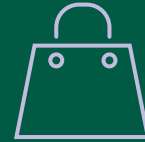
■ Mobile ■ Desktop ■ Tablet

We gave advice directly – whether face-to-face, on the phone or through webchat – to **2.6 million people**, with **6.3 million problems**.



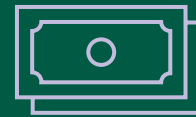
■ Face-to-face ■ Telephone ■ Webchat

We provided advice, support or information to **2.6 million people** directly through local Citizens Advice, including:



VIA OUR
CONSUMER SERVICE

500,000



WITH
MONEY ADVICE

150,000



THROUGH THE
WITNESS SERVICE

147,000



THROUGH
PENSION WISE

43,000

The **top 6 issues** people came to us about were:



This is in addition to the **25 million visits** to our website – where people viewed our advice pages **34 million times***.

The top 6 topics people visited our advice website about were:



*We've changed the way we measure web visits in line with industry best practice: we now only count pages viewed for at least 30 seconds.

Our impact

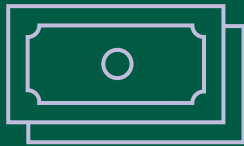
We help 7 in 10 people to solve their problems. 4 in 5 clients say that our help improved their lives in other ways such as reducing their stress, improving their physical health or increasing their finances.

For every £1 spent on the Citizens Advice service, we benefit our clients by £12. In 2017/18 we saved government and public services £435 million, and we estimate that our total social and economic value to society was £2.6 billion.

Our wider social value can also be seen in the way we bring local people together, through our army of volunteers, our support for diverse local communities and our national network.

In 2017/18

For every £1 we spend on the Citizens Advice service



£1

For every pound we spend



£12

Benefits to our clients



£435 million

We save for the government and public services



£2.6 billion

Social and economic value to society

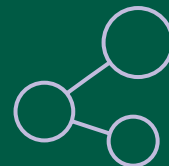
Our wider social value can also be seen in the way we bring local people together:



OUR ARMY OF VOLUNTEERS



OUR SUPPORT FOR LOCAL COMMUNITIES



OUR NATIONAL NETWORK

The power of our network

We improved how we operate

In 2017/18 we continued to ensure that national and local Citizens Advice work as effectively and efficiently as possible, as we look forward to building the future of our service together.

Working as one service

This was the first year of operation for our new membership agreement, the governing framework for our service. We successfully managed and rolled this out across our network, helping more people through the shared delivery of advice and strengthening our membership support offer.

This year we also began delivering our Consumer Service – which Citizens Advice has managed since 2012 – through 7 delivery centres run by the local Citizens Advice network. They're performing well and providing a good service to our partners and clients. We're now further developing and improving the Consumer Service and we're currently focussing on five key areas: piloting web chat, finding faster resolution for clients through referrals and signposting, looking at the demand for the service and how we maintain this, gathering more intelligence from our website for our partners and streamlining training for our advisers.

Innovation

We completed the rollout of our flagship case management system Casebook across our entire service, helping train 23,000 staff and volunteers to use it. We also continued refreshing our digital content and delivering our technology strategy as we move to becoming fully cloud-based.

Performance and quality

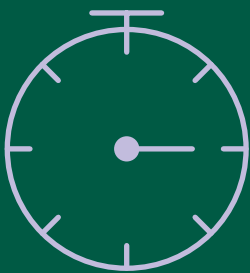
We continued to hold ourselves accountable through improvements to our performance and quality framework, monitoring client experience, quality of advice, people management, leadership and financial health across national and local Citizens Advice.

Building Casebook

We invested in building our own bespoke case management system, based on what our advisers told us they needed, rather than buying a product off the shelf and adapting it. By December 2017, the whole Citizens Advice network was live on the system.

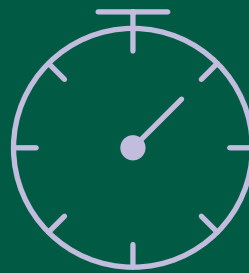
This means that the thousands of people across England and Wales who volunteer every day to help people in their communities in real need are spending less time writing up their notes after they have advised a client.

Average write up time has been halved:



15 minutes

Before the
introduction of
Casebook



7.5 minutes

After the
introduction of
Casebook

This is not just time saved, this means we can help more clients. We're also using our data from Casebook in more sophisticated ways to demonstrate our impact to our funders.

Raymond's story

Raymond was having trouble organising his bills. He went to his local Citizens Advice for help.

"I'm not that great at reading and writing and it makes life very difficult. I was swamped with bills. They kept coming in but I couldn't always understand what they were telling me – which was the most important and when they needed to be paid. It was really stressful.

"My adviser worked with me to figure out a way forward. She showed me how to file my letters by the company and in month order. She also helped me mark my payment dates on a calendar to make a schedule. I now know how to keep on top of things.

"Citizens Advice have helped me so much this year. I know that if I get a letter I don't understand they'll be there for me. Everyone from the reception staff to the advisers are amazing. I am so happy – I can see the light at the end of the tunnel."



.....

“Citizens Advice have helped me so much this year. I know that if I get a letter I don’t understand they’ll be there for me.”

Solving problems at the root

We achieved change for our clients and consumers

We worked as one service to use our unique evidence, research and relationships to influence policy and solve the underlying causes of people’s problems. As the general consumer advocate, and consumer champion for energy and post, we also worked to achieve change in a range of essential markets.

Working in Parliament



58%

increase in the number of mentions we had in Parliament



2016/17

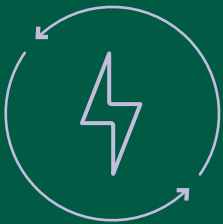


2017/18

Last year we stepped up our work with MPs and peers. This allowed us to influence specific pieces of legislation, like the new law to cap energy prices, as well as helping to shape the public debate about broader issues.

Creating change

We also used the media and our relationships with policymakers to create change for our clients and consumers. This included:



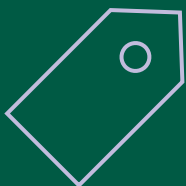
Persuading some of the companies that provide the 'pipes and wires' in our energy network to return the excess profits they'd made to consumers, while working with Ofgem to make sure these excess profits can't be made in future years.



Highlighting the challenges that many of our clients were facing when making a claim for Universal Credit, resulting in the Government announcing an additional investment of £1.5 billion in the programme in the 2017 Budget, along with a number of other changes to the design and delivery of the benefit.



Helping to secure £160 million of government funding to protect the 'last shop in the village' Post Office branches, and maintain people's access to their local branch.



Working with the Financial Conduct Authority (FCA) to ensure people buying rent-to-own products are treated fairly. This led to rent-to-own firms BrightHouse and Perfect Home agreeing to give a total of £17 million back to nearly 300,000 consumers as a means of redress, and the FCA proposing a cap on interest in the sector.

“Our adviser told us that I was entitled to pension credit and helped me apply for it. Now we’re in a much better financial position. I tell everyone to go to Citizens Advice now.”



Mary's story

Mary was struggling to keep her home warm.

"I used to have solid fuel heaters but only one of them worked. It was OK downstairs but I suffered terribly upstairs and it really affected my arthritis in my hands, legs and back. I didn't know if Citizens Advice could help me but I was desperate so I went to see.

"The adviser there was brilliant. She told me that sometimes the council funded home improvements for disabled people. She managed to get them to agree to put in electric storage heaters all through the house. It makes such a difference to my quality of life.

"I was on a very small pension and me and my husband were struggling. We had to be so careful about what we were spending. Our adviser told us that I was entitled to pension credit and helped me apply for it. Now we're in a much better financial position. I tell everyone to go to Citizens Advice now."

Finding ways to support more people

We have continued to increase and improve the range of ways in which people can access our services and get help to move forward.

Digital content

This year we continued a major project to improve digital advice and tools to help our staff and volunteers to advise clients. We have continued to provide help and advice online through chat, email and messaging services, producing digital advice on the most sought after subjects while responding quickly to emerging issues.

We've developed new improved advice on housing, benefits and energy and launched a tool to help hundreds of thousands of people check their Universal Credit eligibility. We produce online advice in plain English which is used through chat, email and messaging services for the most sought after subjects and emerging issues.

We have made our advice more accessible, designing and testing new features and making it easier to read for colour blind users and people who are visually impaired, and introducing advice in British Sign Language.

Pension Wise

This was our third year delivering Pension Wise, and in December we delivered our 100,000th appointment. We delivered 43,000 face-to-face appointments in total, which was a 14%

increase on 2016/17. This led to an increase in Department for Work and Pensions funding for 2018/19 and to the recruitment of additional guiders for the first time since the launch of the service. 97% of clients said they were pleased with our Pension Wise service.

Witness Service

In August 2017 we began trialling webchat for the Witness Service, for those who are less comfortable calling us or visiting a court. We're continuing to test what works best for witnesses and we recently extended our pilot to partner organisations too.

Working in Wales

In 2017/18 by nationally coordinating locally-delivered advice services, we've brought in over £48 million of additional income for people through Welsh Government funded projects. We've taken advice out into a range of community venues including healthcare settings, community centres and job centres to reach vulnerable people who don't access our traditional settings. We've delivered advice and casework from specialists in debt, discrimination, housing and welfare benefits in partnership with Shelter Cymru and SNAP Cymru.



Paul's story

Paul contacted Citizens Advice through Facebook Messenger to discuss his financial problems.

“After I stopped working my only income was statutory sick pay and it became a struggle to pay the bills. I used Facebook to message my local Citizens Advice for help. They called me soon after and suggested I do a quick check with their online benefits calculator. I found that I was eligible to receive Universal Credit and Council Tax Support.

“That was a huge relief but I wasn't sure exactly how to fill out the forms. I really didn't feel confident that I would get it right and knew that if it wasn't done properly there would be a delay in getting the financial help I needed.

“The adviser told me that there was a digital drop in at my local library where they could help me fill in these online forms. I was really happy with the help I got from Citizens Advice.”



.....

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Our structure, governance and management

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

There are 6 formal trustee board meetings each year, and other meetings and events for trustees to shape the organisation's strategic direction and develop as a team.

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

The trustee board is committed to high standards of corporate governance and complies with the principles and practices set out in the new Charity Governance Code, which came into force in 2017. This year we carried out a governance effectiveness review to make sure our clients continue to benefit from robust and effective governance of the national charity. This review did not highlight any significant gaps, and we have developed an action plan to address some of the best practice recommendations.

Our trustees

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

David is Chair of the Chair’s Committee and a member of the Remuneration Committee. He was also Chair of the Equality Committee until 28 February 2018.

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Warren Buckley (Deputy Chair) is Global Head of Contact Centres for HSBC and Chair of the Business Disability Forum, a charity working with the disabled community and business.

Warren is Chair of the Technology Committee and a member of the Chair’s Committee.

.....

Lucy Inmonger (Deputy Chair) is an Investment Manager at LGT Impact Ventures, investing in sustainable businesses seeking to improve the lives of disadvantaged people.

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John Woodman (Treasurer) is a lay member of the Upper Tribunal, Tax and Chancery Chamber, the non-executive Chairman of CBOE Europe Ltd and a non-executive director of Northumberland County Council’s development company, Arch. He is also a trustee of Citizens Advice Northumberland.

John is Chair of the Audit and Risk Committee and a member of the Chair’s and Remuneration Committees.

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Andrew Stephenson is a Group People Director at Lookers, one of the UK’s leading automotive dealer groups.

Andrew joined the board on 26 July 2017 and is the Chair of the Remuneration Committee.

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

Ann-Marie joined the board on 28 February 2018. She is also a member of the Cymru Committee.

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Ashok Vaswani is CEO for Barclays UK, covering Retail Banking, Wealth, Business Banking and Barclaycard UK.

Ashok is a member of the Audit and Risk Committee.

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Barbara Shaw has more than 20 years experience of working in the Citizens Advice service and was Chief Executive at Citizens Advice West Oxfordshire.

Barbara is a member of the Technology Committee.

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Fran Keene was Head of Diversity at the Audit Commission. She is now an independent consultant for the production and design of property interiors, with a specific emphasis on universal design for holiday lets.

Fran is a member of the Equality Committee. She became Chair of the Equality Committee and a member of the Chair’s Committee on 28 February 2018.

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

Mark joined the board on 26 July 2017.

.....
Rolande Anderson has had a wide-ranging senior career in government and now works as an independent non-executive.

Rolande became a member of the Equality Committee on 28 February 2018.

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Will Cavendish is Global Lead, Digital Services at ARUP. Prior to this he was a senior civil servant.

Will joined the board on 22 August 2017 and is a member of the Audit and Risk Committee.

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Anne Stephenson (Deputy Chair) retired in 2010 from a 30 year career in the civil service in Wales. Anne is a trustee of the University of Bristol.

Anne retired as a trustee on 12 September 2017.

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Mark Gamsu is a trustee of Citizens Advice Sheffield and lay member of Sheffield Clinical Commissioning Group. Mark is a professor at Leeds Beckett University.

Mark retired as a trustee on 30 April 2017.

.....
Jonathan Rees is a Director of the Lending Standards Board, Ombudsman Services and the

Personal Finance Society, as well as a Director/Trustee of the Employers' Network on Equality and Inclusion.

Jonathan retired as a trustee on 12 September 2017.

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We'd like to take this opportunity to thank Anne Stephenson, Mark Gamsu and Jonathan Rees, who retired as trustees in 2017.

Delegation of duties

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

Trustee committees

The following committees support the trustee board in its work.

Chair's Committee

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

Audit and Risk Committee

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

Remuneration Committee

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

Equality Committee

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

Cymru Committee

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

Membership and Standards Committee

This committee was disbanded in February 2018. It oversaw the rules for membership and the standards for local Citizens Advice. The committee also determined action – and appropriate sanctions – where a member organisation caused concern or was not meeting required standards. Following the adoption of the new membership package and the local performance and quality framework, the workload of the committee reduced. The board therefore decided that a dedicated panel would be more appropriate than a standing committee. It will be convened from a pool of members with an appropriate balance of experience and skills and will meet when required to consider a specific case.

Technology Committee

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

Working as one service

Local Citizens Advice are independent charities, and the relationship between the national charity and its local members is governed by our new membership agreement. The key performance indicators set out in our performance and quality framework are determined by a dedicated panel drawn from across the Citizens Advice network. Local Citizens Advice are funded from a diverse range of sources, including through grants from national Citizens Advice.

Recruitment, induction and training of national trustees

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

Trustees can serve for up to 2 consecutive terms of 3 years, but must then step down. A trustee who holds office as chair, deputy chair or treasurer may not hold office in that capacity for more than 6 consecutive years, but at the end of that period a deputy chair or treasurer may be appointed as chair. No trustee may hold office for more than 12 consecutive years. After the end of this period, two further years must pass before any former trustee may be re-appointed.

During 2017/18, we recruited 4 new trustees. New trustees receive a full induction during which they meet the chair, agree their role and meet key members of staff. They also visit local Citizens Advice to get a better understanding of the service and the vital work local Citizens Advice do. Inductions are tailored to meet trustees' individual needs and interests. Trustees are unpaid volunteers, but are reimbursed for reasonable expenses, like travel costs to attend meetings.

Statement of trustees' responsibilities

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

Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the charities SORP.
- Make reasonable and prudent judgements and estimates.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records. The records must disclose with reasonable accuracy at any time, the

financial position of the charitable company and make sure the financial statements comply with the Companies Act 2006. They're also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

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

- As far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Public benefit

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

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

The main activities undertaken to further our charitable purposes for public benefit are to provide the advice people need for

the problems that they face and improve the policies and practices that affect people’s lives.

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

Executive team

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

.....

Gillian Guy CBE
Chief Executive

Strategic direction and leadership of Citizens Advice.

.....

Alistair Cromwell
Chief Operating Officer

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

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James Plunkett
Executive Director of Advice and Advocacy

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

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Michele Shambrook
Executive Director of Operations

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

.....

Steve Whitehead
Executive Director of People and Equality

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

Our people

Over 800 staff work across our different services, membership support and corporate functions.

We want our staff to have a good understanding of how they are contributing to our business and strategic objectives and to feel proud to work for national Citizens Advice. At our annual staff conference in March 2018 staff had the opportunity to learn new skills, improve ways of working and hear from people across the organisation. We also shared early thinking around our next organisational strategy and got valuable input and ideas from our staff.

Our ability to attract and retain staff and volunteers from diverse communities is critical to our service. Over the past year we have made significant improvements to our system to record our diversity characteristics. We're working hard to create an inclusive culture but recognise that there is more to do to make sure we're accessible to and representative of the communities we serve.

.....

How our staff identify themselves:



.....

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

Witness service volunteers

For our 3,000 volunteers in the Witness Service we're now offering outreach as a separate volunteer role. We've introduced 3 other new roles – training support, volunteer mentor and project volunteer – to offer even more development opportunities and we've made improvements to ensure that we support volunteers effectively in these important roles.

Risk and internal controls

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

Our risk management strategy and policies were reviewed and agreed by the Audit and Risk Committee and trustee board during the year. Regular reviews of divisional and corporate risks are performed by risk owners to assess the likelihood, impact and relevance of risks, the plans for managing them and the adequacy of those plans.

We operate a robust system of internal financial controls which is fully compliant with Charity Commission guidance and good practice. Budgeting systems and financial reports are reviewed and agreed by the executive team and Trustee Board. Internal audit plans are informed by an analysis of the risks to which the organisation is exposed, and a database of all audit recommendations is held and progress is monitored by the Audit and Risk Committee.

We appointed a new internal auditor from April 2018. The Audit and Risk Committee and trustee board carry out a quarterly assessment of the principal risks facing Citizens Advice. This year, the Audit and Risk Committee also developed statements which articulate our shared risk appetite as an organisation around business change, compliance, financial health, privacy, reputation and service delivery.

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

Technology and business transformation



Risks and uncertainties

Our ability to meet our clients' changing needs in the future will depend on using technology as an integral part of our business, and delivering an ambitious programme of technological and business change in a controlled and cost-effective way.

Mitigation and management

This year we completed the rollout of our new case management system, Casebook, and we continued to develop our digital capability to meet adviser and client needs. We apply programme and project management disciplines to manage risk and our Technology Committee assures our technology strategy on behalf of the trustee board. We began work to develop a new strategic framework for our service in the future and to consider how we can improve the customer journey for people seeking advice.



Service delivery



Risks and uncertainties

The services we deliver to clients and the support we provide to local Citizens Advice need to adapt to rising expectations from clients for non face to face services, changing funder requirements and shifting demand, to ensure we continue to deliver a quality, reliable service that meets the needs of our clients.

Mitigation and management

We began work to develop a new strategic framework for our service in the future and to consider how we can improve the customer journey for people seeking advice. We are also transforming the way we support the network to deliver our services. We have robust performance management processes in place through the local performance and quality framework and grant agreements with local Citizens Advice who deliver our funded programmes.





Sustainable funding

Risks and uncertainties

Income sustainability continues to be a key risk for both national and local Citizens Advice. We operate in a highly competitive environment with ongoing pressures on public funding. Loss of funding could reduce service provision.

Mitigation and management

We continue to focus on resecuring key services and securing major grants. In line with our current and longer term planning, we will continue to diversify our funding sources and invest to support local Citizens Advice to secure new, sustainable sources of income.

Pension liability



Risks and uncertainties

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

Mitigation and management

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

Protecting our data



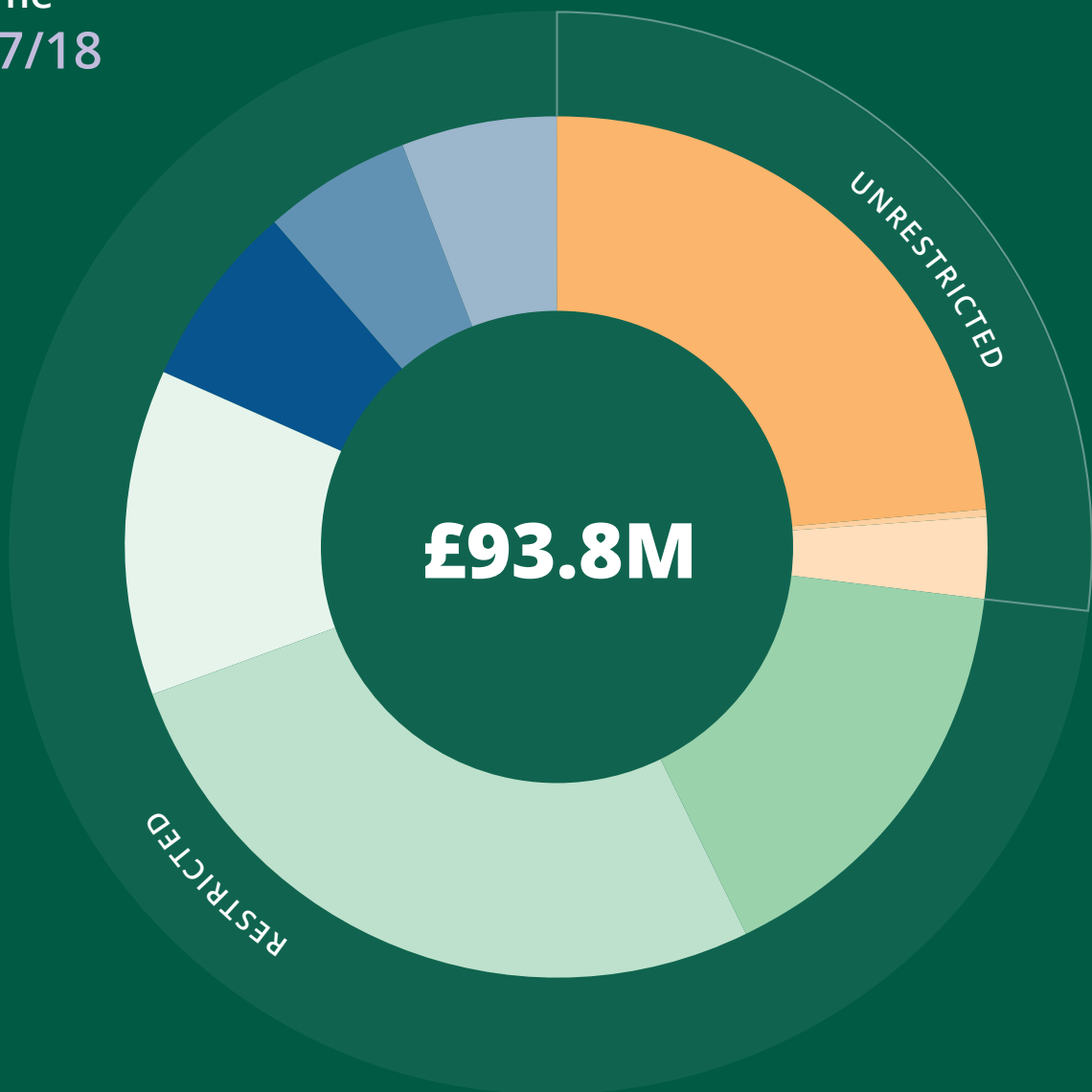
Risks and uncertainties

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

Mitigation and management

This year we have strengthened our information governance function and delivered a major project to support compliance with the new General Data Protection Regulation. We have rolled out 2 factor authentication across our web applications.

Income 2017/18



Restricted:

- Department for Business, Energy & Industrial Strategy - Consumer £15.1m (2017: £16.1m)
- Money Advice Service £24.8m (2017 £24.4m)
- Ministry of Justice - Witness Service £11.6m (2017: £11.3m)
- Department for Work & Pensions - Pension Wise £6.4m (2017 £9.1m)
- Welsh Government £5.3m (2017: £5.7m)
- Other Income (corporates, charities, donations, trading) £5.4m (2017: £5.1m)

Unrestricted:

- Department for Business: Energy & Industrial Strategy £22.3m (2017: £22.3m)
- Other public sector £0.2m (2017: £0.4m)
- Other income (corporates, charities, donations, trading) £2.7m (2017: £4.7m)

Financial review

Income

In 2017/18 total income for the national charity was £93.8 million, compared to £99.1 million in the previous year. This reduction was expected and relates to both restricted and unrestricted income.

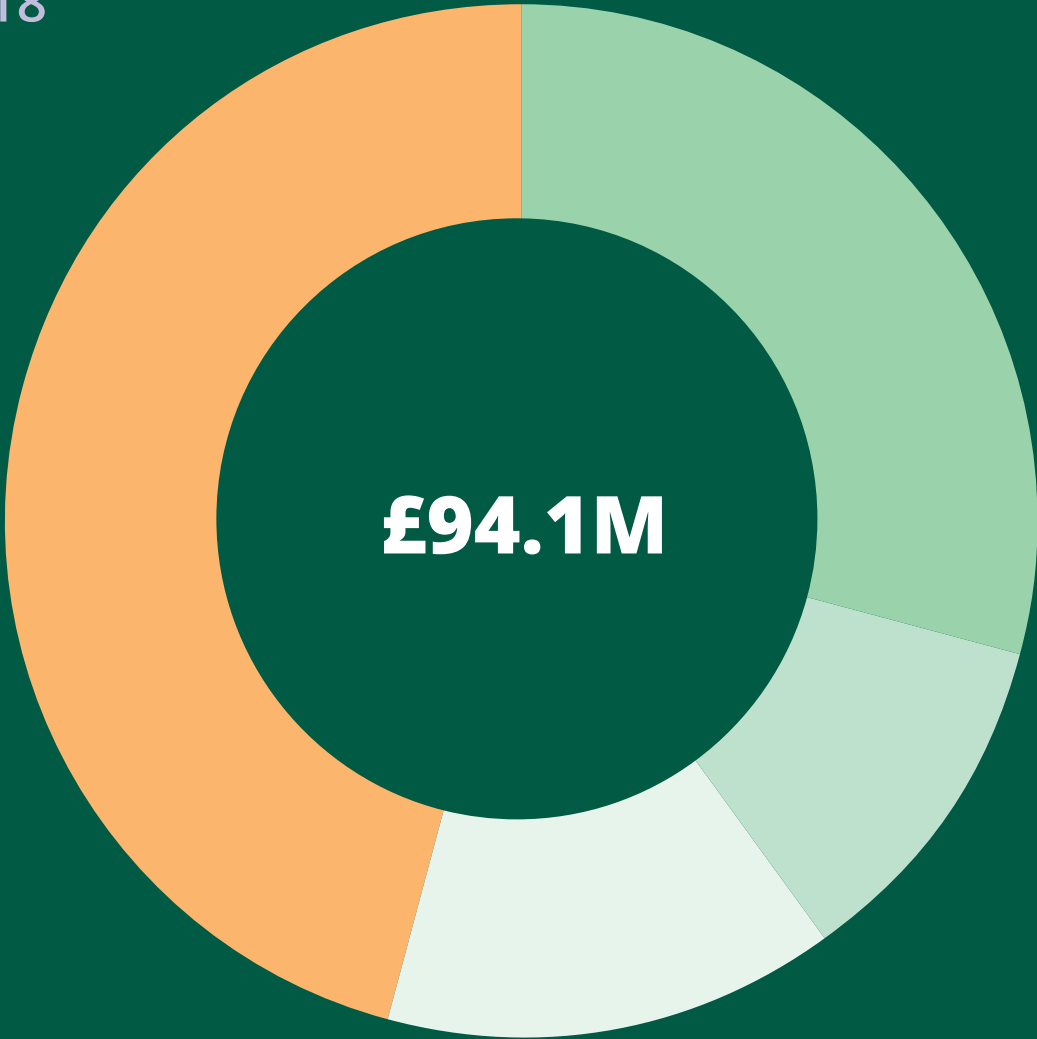
Our restricted income relates to funding for specific services and programmes. Total restricted income for the year of £68.6 million was £3.2 million lower than the previous year. This was due to fewer one-off restricted energy grants being received, with funding sources otherwise being very similar to the previous year.

Within our restricted income, funding from the Money Advice Service of £24.8 million (2017: £24.4 million) to deliver money and debt advice was our single largest funding stream. Other important streams of restricted income included £15.1 million (2017: £16.1 million) from the Department for Business, Energy and Industrial Strategy for our consumer work, £11.6 million (2017: £11.3 million) from the Ministry of Justice for the Witness Service and £5.3 million (2017: £5.7 million) from the Welsh government.

The majority of our restricted funding is awarded through annual funding agreements, which creates a challenge for our long-term funding and investment decisions. In the coming year we will focus on maintaining some key funding streams including Money Advice and Witness Service, whilst continuing to look for ways to diversify our income so that we can continue to meet our charitable objectives and expand and improve our services for clients.

Total unrestricted income fell by £2.1 million to £25.2 million. The most significant cause of this reduction was in legacy income where there had been a large receipt in the previous year. The most significant unrestricted funding continued to be that provided by the Department for Business, Energy and Industrial Strategy (BEIS) to support our core membership services. This remained static at £22.3 million (2017: £22.3 million).

Expenditure 2017/18



- Delivering information and advice £26.1m (2017: £30.3m)
- Advice and advocacy £10.8m (2017: £11.5m)
- Strengthening the network £14.2m (2017: £14.6m)
- Delivering through partnerships £43.0m (2017: £47.5m)

Expenditure

This year the national charity spent £94.1 million delivering our charitable activities (2017: £103.9 million). The chart shows 2017/18 expenditure against our 4 areas of charitable activity.

Delivering information and advice

Our spending on the direct delivery of information and advice in 2017/18 was £26.1 million (2017: £30.3 million). This category includes the direct delivery of services by Citizens Advice. The main areas of expenditure cover our consumer service, the Witness Service and the continued investment in our online and digital services for clients.

Advice and advocacy

Our expenditure in 2017/18 on advice and advocacy was £10.8 million (2017: £11.5 million). This category includes the delivery of our energy and post statutory duties in line with our agreed work plan as well as expenditure on policy and influencing from our unrestricted funds to support our other key areas of advice work.

Strengthening the network

In 2017/18 we spent £14.2 million (2017: £14.6 million) on this area. This covers our core network support services, information services, systems support, training and quality assurance costs.

Delivering through partnerships

This represents the largest proportion of our expenditure at £43.0 million (2017: £47.5 million, which corresponds with the reduction in income). Within this we provided £40.0 million (2017: £40.9 million) to the local Citizens Advice network.

Balance sheet

Total funds at 31 March 2018 were £8.8 million (2017: £8.0 million) and made up of unrestricted funds, restricted funds, and the negative pension reserve.

The unrestricted surplus for the year of £3.0 million (2017: £4.2 million) on our core operations means our unrestricted funds grew to £19.0 million (2017: £16.2 million), excluding the pension reserve.

The restricted deficit for the year of £3.4 million (2017: £9.0 million) reflects the energy funding recognised as income in previous years but spent during 2017/18. This deficit meant that restricted funds carried forward fell to £10.8 million (2017: £14.1 million).

The negative pensions reserve reduced to £21.0 million (2017: £22.2 million). This represents the net present value of the agreed payments to the closed pension scheme over the remaining repayment period to December 2033. The reduction in the balance this year reflects the reduction in future annual payments by one year, and a minor change to the discount rate applied. More details on the pension scheme are detailed in the pension section below.

We continue to benefit from a strong cash flow supported by our funders. The total cash balance at the year-end was £32.6 million (2017: £34.1 million).

Remuneration policy

Staff costs are our single biggest area of expenditure. During the year we've continued to implement our new approach to pay and grading with the aim of providing a more structured, transparent and fair pay scheme and achieving pay equality. All roles are evaluated using an industry standard evaluation

scheme to ensure equal pay is offered for work of equal value. In order to attract the right talent, our pay and grading scheme is structured on the basis of market median salaries. All national Citizens Advice employees earn in excess of the Living Wage and in excess of the London Living Wage for those who live in the capital.

A 1% annual salary increase was awarded to all staff effective as of April 2017 (agreed August 2017). Our pay award of 2% for 2018 was negotiated and agreed ahead of April 2018.

This year we published our gender pay gap, with our mean pay gap in April 2017 at 17.7%. This is lower than the national figure of 18.1%. Given the gender distribution across our frontline operational services, including the Witness Service, we anticipated this. We're working hard to close this by continuing to attract and develop more women into senior leadership roles, looking to recruit more women into technology roles and exploring how we can improve the gender balance in other roles.

We launched our leadership framework LEAD, which provides access to learning and tools to develop the skills to be a great leader at Citizens Advice.

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

Grant making policy

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

Funds either come directly from national Citizens Advice for developmental opportunities that enhance our service to clients (including piloting or testing new ways of meeting need or reaching more people) or as a result of funding awards to national Citizens Advice for specific services which are then passed on to the network for delivery. The grant application process is published on the Citizens Advice intranet so applicants are aware of the methodology. Evaluators are trained in-house and include members of the network to ensure transparency and objectivity. In 2017/18 £43 million in grants has been allocated to the network and other organisations from funding sources including:

- Department for Business, Energy and Industrial Strategy (BEIS) for the Consumer Service
- Money Advice Service for the delivery of face to face debt advice in England and Wales and for the delivery of money advice in Wales
- Energy companies for energy advice and education programmes
- Department for Work and Pensions (DWP) for the delivery of pensions guidance through Pension Wise
- Welsh Government for the delivery of face to face advice in Wales.

Reserves policy

Each year our Trustee Board reviews our reserves policy and considers the appropriate level of reserves for the organisation to hold. In doing so they consider the level appropriate for the current size and complexity of the organisation, the economic environment within which we are operating, the risks and inherent uncertainties we are currently managing and known investment plans above and beyond annual budgeted costs. Trustees also consider our current risk profile, balancing the need to reflect that risk whilst ensuring

that we are not holding funds unnecessarily at the expense of committing funds to meet our charitable objectives.

As a result of this year's review, the Trustee Board, advised by the Audit and Risk Committee and considering Charity Commission published guidance, decided to revise the reserves policy.

The first change made recognises that some unrestricted funds have been designated for a specific purpose and are not freely available to meet immediate operational needs. This includes a new designated fund set up this year for tangible and intangible fixed assets (equal to the value in the balance sheet) and an existing designated fund for technology investment. Therefore, designated funds are now excluded from the unrestricted funds total in calculating the level of free reserves held against the minimum reserve target.

The second change to the reserves policy is to move from a minimum reserves target of 3 months of core operating costs (£8 million) to a target range of reserves between 3 and 6 months of core operating costs (£8 million to £16 million). This confirms the existing minimum and recognises more explicitly that a higher level of reserves than the minimum is desirable to help us manage risk effectively and allow for future investment when required or if income were to fall for a particular year. The range is relatively broad because we don't just manage our planning of improvements in delivery on a narrow single year basis, and so we expect to see significant variations in the unrestricted surplus or deficit between different financial years and in the reserves level.

As at 31 March 2018, our free reserves (unrestricted funds less designated funds) totalled £11.4 million and so were within the target range of £8 million to £16 million.

Pensions

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

The total deficit of the closed scheme as at 31 March 2018 was £43.2 million, decreasing from £59.7 million in 2017. This movement primarily relates to changes to the actuarial assumptions on the liabilities of the scheme as a whole.

We remain committed to meeting our obligations in relation to the scheme and work closely with the Pension Scheme trustee board and its advisers. Accordingly, this year the Pension Scheme trustee board has agreed a range of mitigating actions to help improve the position. This means we have been able to avoid extending the recovery period despite the significant deficit. The current deficit recovery period runs to December 2033 with agreed annual pension deficit recovery payments of £1.6 million. An additional £750,000 payment was made in 2017/18 towards the pension deficit, as it was agreed that where available additional funds would be paid to the pension scheme to reduce risk.

National Citizens Advice now operates a defined contribution scheme. New staff are automatically enrolled into the scheme and employer contributions are charged as they are incurred. We have a high level of enrolment with 95% of our staff in the scheme.

Pension reserve

In line with the reporting requirements of the charities SORP the negative pensions reserve decreased to £21.0 million (2017: £22.2 million).

This represents the net present value of Citizens Advice's share of the agreed payments to the closed pension scheme over the remaining repayment period to December 2033. This negative balance will be reduced by the annual deficit contributions over the payment period. The overall liability and the level of this reserve will vary based on the discount rate applicable to future contributions and periodic revaluations.

Investments

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

Citizens Advice's investment strategy is to manage the charity's cash flows and investments, controlling the associated risks to maximise income with minimal risk. All surplus funds are held in interest-bearing accounts. Our first priority is the security and availability of our funds and to make sure funds are invested at the best interest rates attainable. We hold our funds with UK-based institutions, with strong credit ratings, and we review the policy each year in the light of changes to the financial climate.

We receive regular monthly reports on our cash investments and evaluate performance with the banks twice a year. We continue to take advice about how best to manage the changes in rates to maximise our return, taking into account the security of our investments.

Going concern

National Citizens Advice is well placed to manage our liabilities as they fall due and the business risks we face. This position is supported by a strong cash flow, sufficient reserves, good relationships with our key funders and a proven ability to secure new services. There's a reasonable expectation that we've sufficient resources to continue in operational existence for the foreseeable future. We don't believe there are material uncertainties which call into doubt our ability to continue. Our planning processes, including financial projections, take into consideration the current economic climate and its potential impact on our various sources of income and planned expenditure. We acknowledge our pension fund obligations and have a clear strategy to recover the deficit over the next 16 years, subject to continued discussion with the Pension Scheme trustee board and the Pensions Regulator.

Approval

This annual report of the trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the board of trustees on 25 July 2018, including approving in their capacity as company directors the Strategic Report, and is signed as authorised on the Board's behalf by:

Sir David Varney

Chair of Trustees

Our funders

Citizens Advice enjoys support from a wide range of funders, and we obtain the maximum value for every pound we spend. We would like to thank all of the organisations that have supported us during 2017/18. We look forward to working with you all in future years.

Government funders

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

Other public bodies

- Big Lottery Fund
- Equality and Human Rights Commission
- Financial Conduct Authority
- Money Advice Service
- The Insolvency Service

Other major funders

- Arrow Global
- Comic Relief
- CYBG Plc
- EDF Energy
- E.ON
- Gulbenkian UK
- Just Retirement
- Money Advice Trust
- Nationwide
- Npower
- Partnership Services
- Trussell Trust

Legal and administrative details

Legal status

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

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

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

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

Telephone: 03000 231231
Fax: 03000 231053
citizensadvice.org.uk

Registered charity number: 279057
Company number: 1436945

Advisers

Independent auditor

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

Internal auditor

KPMG LLP
Canada Square
Canary Wharf
London E14 5HP

From 2018:

Mazars LLP
Tower Bridge House
St Katharines Way
London E1W 1DD

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Lloyds Bank
25 Gresham Street
London EC2V 7HN

Solicitors

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

Company secretary

Rachael Badger

Financial statements

Independent Auditor's Report to the Members of The National Association of Citizens Advice Bureaux

Opinion

We have audited the financial statements of The National Association of Citizens Advice Bureaux for the year ended 31 March 2018 which comprise consolidated statement of financial activities, consolidated balance sheet, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so. information, we are required to report that fact.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Naziar Hashemi
Senior Statutory Auditor

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

14 August 2018

Consolidated statement of financial activities

Year ended 31 March 2018

Incorporating an income and expenditure account

Income	Note	Unrestricted		Restricted		Total	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Income:							
Donations and legacies	2	87	1,193	-	-	87	1,193
Income from charitable activities:							
Grants	3	22,354	22,322	68,114	71,111	90,468	93,433
Delivery of services		1,784	2,581	433	344	2,217	2,925
Training and support		754	757	-	-	754	757
Other income:							
Other incoming resources		188	321	27	291	215	612
Investment income		72	190	-	-	72	190
Total income		25,239	27,364	68,574	71,746	93,813	99,110
Expenditure							
Expenditure on raising funds	6	37	37	-	-	37	37
Expenditure on charitable activities							
Delivering information and advice	6	3,764	5,247	22,324	25,081	26,088	30,328
Advice and advocacy	6	4,769	5,151	6,056	6,361	10,825	11,512
Strengthening the local Citizens Advice network	6	13,710	12,500	498	2,072	14,208	14,572
Partnerships	6	-	278	43,008	47,220	43,008	47,498
Total expenditure		22,280	23,213	71,866	80,734	94,166	103,947
Net gains/(losses) on investments		-	-	(88)	26	(88)	26
Net income/(expenditure)		2,959	4,151	(3,400)	(8,962)	(441)	(4,811)
Actuarial gains/(losses) on defined benefit pension schemes		1,226	(7,873)	-	-	1,226	(7,783)
Transfer between funds		(122)	-	122	-	-	-
Net movement in funds		4,063	(3,722)	(3,278)	(8,962)	785	(12,684)
Reconciliation of funds:							
Total funds brought forward	17	(6,033)	(2,311)	14,059	23,021	8,026	20,710
Total funds carried forward	17	(1,970)	(6,033)	10,781	14,059	8,811	8,026

All activities derive from continuing operations. The Charity has taken exemption from presenting its unconsolidated profit and loss account under s408 of the Companies Act 2006. The unconsolidated deficit for the year £785,000.

Consolidated balance sheet

Year ended 31 March 2018

Registered number 1436945

Income	Note	Group		Citizens Advice	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Intangible assets	10	2,293	2,183	2,293	2,183
Tangible assets	11	23	219	23	219
Investments	14	601	712	601	712
Current assets					
Debtors	12	3,520	2,945	3,938	3,246
Cash and cash equivalents					
Infrastructure funding	15, 17	5,322	4,681	5,322	4,681
Other	15	27,237	29,388	26,819	29,087
Creditors amounts falling due within one year	13	7,097	7,950	7,097	7,950
Net current assets		28,982	29,064	28,982	29,064
Total assets less current liabilities		31,899	32,178	31,899	32,178
Provisions for liabilities and charges	16	23,088	24,152	23,088	24,152
Total assets less all liabilities		8,811	8,026	8,811	8,026
Funds					
Restricted funds	17	10,781	14,059	10,781	14,059
Unrestricted funds	17	19,027	16,190	19,027	16,190
Pension reserve	17	(20,997)	(22,223)	(20,997)	(22,223)
Total funds		8,811	8,026	8,811	8,026

The financial statements were approved and authorised for issue by the trustee board on 25 July 2018 and signed on their behalf by:

Sir David Varney
Director (Chair)

John Woodman
Director (Treasurer)

Consolidated statement of cash flows

Year ended 31 March 2018

	Reference note	2018	2017
		£'000	£'000
Cash flows from operating activities			
Net movement of funds		785	(12,684)
Adjustments for:			
Depreciation of property, plant and equipment		231	268
Amortisation of intangible assets		801	923
Interest receivable		(72)	(190)
Decrease/(increase) in debtors		(575)	(303)
Increase/(decrease) in creditors		(853)	756
Increase/(decrease) in revenue provisions		(1,064)	7,813
Net cash generated from operating activities		(747)	(3,417)
Cash flows from investing activities			
Purchases of property, plant and equipment		(35)	-
Purchase of intangible assets		(911)	(922)
Decrease/(increase) in other fixed asset investments		111	5,426
Interest receivable		72	190
Net cash used in investing activities		(763)	4,694
Net increase/(decrease) in cash and cash equivalents		(1,510)	1,277
Cash and cash equivalents at the beginning of the year	A	34,069	32,792
Cash and cash equivalents at end of year	A	32,559	34,069
Notes to the consolidated statement of cash flows			
A. Net cash flow from operating activities:			
		2018	2017
		£'000	£'000
Cash		32,559	34,069
		32,559	34,069

Notes to the financial statements

Year ended 31 March 2018

1. Accounting policies

a) Accounting convention

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

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

b) Going concern

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

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

c) Fixed assets

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

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

The estimated lives of the assets are as follows:

Office and computer equipment – 3 years.

Infrastructure software – between 3 and 8 years, depending on the duration of license.

Software development costs and infrastructure purchased and developed in-house have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed project, usually expected to be between 3 and 8 years.

Fixtures and fittings – 5 years.

d) Leases

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

e) Pension costs

The National Association of Citizens Advice Bureaux (NACAB) Pension and Assurance Plan (1991) is a multi-employer defined benefit scheme which was closed during the financial year ended 31 March 2008. Having taken advice from the scheme's actuary, Citizens Advice cannot identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The disclosures under FRS 102 in this circumstance are shown in note 21. The expected cost of providing pensions is calculated periodically by a professionally qualified actuary. The operating costs of providing retirement benefits to employees are charged to the statement of financial activities in the year in which they are incurred as required by FRS 102.

On 1 April 2005, Citizens Advice introduced a defined contribution pension. From April 2014 staff are automatically enrolled unless they opt out of the scheme. The employer's contributions are charged to the statement of financial activities in the period in which they were incurred. Some Consumer Futures staff who transferred in April 2014 retain participation in the Civil Service scheme.

f) Financial Instruments

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

Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the

basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Financial liabilities held at fair value comprise the group's provisions. Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

At the balance sheet date the charity held financial assets at amortised cost of £34,111,000 (2017: £36,084,000). Financial assets at fair value through income or expenditure of £34,111,000 (2017: £36,084,000) and financial liabilities at amortised cost of £5,978,000 (2017: £6,197,000) and at fair value of £23,088,000 (2017: £24,152,000).

g) Grants payable and receivable

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

Grants receivable are recognised when due and when any conditions for receipt are met. Any unexpended grant is carried forward in reserves.

If any grant has been provided for a stated purpose, it is carried forward as restricted funds. Any unused grants not able to be used for the purpose determined by the funder are returned in accordance with the funding agreement.

h) Deferred income

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

i) Legacies

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

j) Delivery of services

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

The income and expenditure is shown in the Statement of Financial Activities as delivery of services and strengthening the network respectively.

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

k) Training and support

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

l) Other income

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

m) Resources expended

All expenditure is accounted for on an accruals

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

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

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

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

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

n) Reserves

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

Restricted funds are awarded for a specified programme as declared by the funder, or restricted with their authority or with a restriction created by a legal process. The scope of the programme is still within the wider objectives of the Charity. Income may be awarded in one year for expenditure in that or a subsequent year on a specified programme.

o) Provisions

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

p) Consolidation

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

The net outgoing resources for Citizens Advice alone were £441,000 in 2017/18 (net outgoing resources £4,811,000 in 2016/17).

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

q) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about

the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

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

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimates as disclosed in note 21.

The dilapidations – Liability is estimated to prevent inclusion of costs today in real terms. The estimated future liability is discounted and disclosed as part of our provisions in note 16.

2. Donations and legacies

	2018	2017
	£'000	£'000
Legacies	49	916
Donations	38	277
Total donations and legacies	87	1,193

Donations includes gifts in kind to the value of £16,820 for professional services provided by 2020 Trustee Services.

3. Grants

a) Government grants

Funder	2018	2017	Purpose
	£'000	£'000	
Government department grants			
Department for Business, Energy and Industrial Strategy (BEIS) unrestricted	22,300	22,300	Core charitable objectives
BEIS restricted	15,051	16,138	Consumer advice and other restricted activities
Department for Energy and Climate Change	315	301	Big Energy Saving Week
Department of Health	59	-	Membership of the Health and Wellbeing Alliance
Department for Work and Pensions	6,441	9,115	Pension guidance
Ministry of Justice	11,609	11,266	Court based Witness Service
Welsh Government			
Welsh Government	137	150	Better advice: better health
Welsh Government	386	368	Discrimination advice
Welsh Government	1,553	1,577	Advice service
Welsh Government	1,227	1,269	Debt and housing advice
Welsh Government	2,040	2,040	Tackling poverty
Welsh Government	1	279	Money guidance
European grants			
European Commission	-	18	Equality advice
Total Government grants	61,119	64,821	

b) Grants from other public bodies

Funder	2018	2017	Purpose
	£'000	£'000	
The Insolvency Service	196	139	Debt relief orders
Money Advice Service	24,832	24,392	Face to face debt advice
	25,028	24,531	

c) Other grants

Purpose	2018	2017
	£'000	£'000
Financial capability	266	356
Equality and diversity	100	247
Energy advice	3,369	2,458
Specialist support	-	-
Money advice	355	710
Homelessness advice	231	310
Total other grants	4,321	4,081
Total grants	90,468	93,433

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

4. Information regarding directors and employees

The trustees of Citizens Advice are the non-executive directors of the charitable company. No emoluments were paid to any non-executive directors (2017: nil). Expenses of £7,747 (2017:

£5,764) were reimbursed, or paid directly to third parties, for 11 (2017: 7) non-executive directors during the year in respect of expenses for travel, accommodation and expenses incurred in the course of executing their duties. No trustee indemnity insurance was purchased.

Employee costs during the year:

	2018	2017
	£'000	£'000
Wages and salaries	25,772	25,244
Social security costs	2,560	2,439
Pension costs (see note 21)	4,221	2,878
Temporary staff	216	888
	32,769	31,449

Pension costs shown above relate to amounts accrued in the year. Payments totalling £1,697,000 (2017: £1,516,000) were made to the Citizens Advice Group Personal Pension Plan and to the Civil Service Pension scheme for Consumer Futures staff who transferred to Citizens Advice in April 2014. There was also a contribution of £2,523,750 (2017: £1,362,000) to the NACAB Pension and Assurance Plan (1991) which closed on 27 March 2008.

Wages and salaries above include £417,000 (2017: £665,000) for redundancy and settlement costs. Redundancy payments were made in line with our contractual terms.

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

	2018	2017
		Restated
Charitable activities		
Delivering information and advice	340	318
Advice and advocacy	177	162
Strengthening the local Citizens Advice network	204	229
Partnerships	82	80
Average number of persons employed	803	789

Aggregate emoluments paid to executive directors in the financial year

Citizens Advice has identified all the key management personnel within the meaning of FRS102. These are the executive directors at Citizens Advice.

The figures below comprise gross salaries and employer's pension contributions paid to executive directors. In addition, the key management personnel were reimbursed £1,998 (2017: £1,967) for travel and out-of-

pocket expenses incurred in the course of executing their responsibilities. No other amounts were payable. In addition, 2 (2017: none) other employees were paid between £90,000 and £100,000, 3 (2017: 2) employees between £80,000 and £89,999, 9 (2017: 9) employees between £70,000 and £79,999 and 24 employees (2017: 10) between £60,000 and £69,000 (including compensation for loss of office).

Total employee remuneration for key management personnel is:

	Salary	Pension	Total	Total
	2018	2018	2018	2017
Post				
	£	£	£	£
Executive Director of Policy and Advocacy	103,030	7,830	110,860	109,845
Executive Director of Operations	103,030	7,212	110,242	107,970
Executive Director of People and Equality	103,030	7,109	110,139	103,115
Assistant Chief Executive	-	-	-	100,595
Chief Operating Officer	106,145	7,324	113,469	114,053
Chief Executive	148,602	-	148,602	147,131

The cost of earnings for the group and charitable company of key management personnel, which are considered to be the Executive team, were £662,778 (2017: £761,262), which includes employer's national insurance of £69,466 (2017: £78,553).

During the year all staff, including the key management personnel, received a pay review of 1%. Other salary changes were

a result of role changes and re-valuations. The remuneration policy is set out in the strategic report.

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

5. Grants payable

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

a) Grants to local Citizens Advice members

Purpose	2018	2018	2017
	Total number	£'000	£'000
Consumer empowerment	-	-	78
Welfare advice	2	2	-
Financial capability	9	1	99
BEIS	118	4,836	761
Equality and diversity	7	28	86
Debt Relief Orders	950	130	92
Energy advice	1,937	3,990	6,042
Pensions guidance	452	4,807	7,109
Money advice	2	168	651
Witness services	12	712	653
Debt advice	679	19,987	18,680
Fuel poverty project	-	-	6
Welsh Government funded projects	320	4,468	4,638
Various projects	630	869	1,982
Total local Citizens Advice network grants	5,118	39,998	40,877

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

b) Grants to other bodies

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

Purpose	Recipient	2018	2017
		£'000	£'000
Debt advice	Better Leeds Communities	48	-
Debt advice	Birmingham Community Law Centre	52	51
Debt advice	Birmingham Settlement	207	205
Debt advice	Burley Lodge Centre	56	103
Debt advice	Ebor Gardens Advice Centre	104	103
Debt advice	Homemaker South West	157	154
Debt advice and financial capability	Ipswich Housing Action	104	111
Debt advice	Luton Rights	-	30
Debt advice	Mind Salford	103	103
Debt line	Money Advice Trust	1,321	1,482
Various	Money Advice and Community Support	32	51
Debt advice	Norfolk Community Law	32	38
Debt advice	Shelter and Shelter Cymru	449	460
Welsh Government	Snap Cymru	57	48
Energy advice	St Vincent Support Centre	104	103
Various	76 miscellaneous grants (2017: 82)	152	261
Total grants to others		2,978	3,303
Total grants		42,976	44,180

6. Total resources expended

Total resources expended for the year ended 31 March 2018:

	Direct staff costs	Grants	Direct costs	Support costs	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating funds	30	-	1	6	37	37
Charitable objectives						
Delivering information and advice	10,856	6,357	5,424	3,451	26,088	30,328
Advice and advocacy	5,719	292	2,217	2,597	10,825	11,512
Strengthening the local Citizens Advice network	6,538	81	2,575	5,036	14,230	14,572
Partnerships	2,636	36,246	1,474	2,652	43,008	47,498
	25,779	42,976	11,691	13,742	94,188	103,947

See note 7 for the value of support costs allocated to grant making

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 2018:

	Premises	Adminis- tration	IT services	Human resources	Finance	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating funds	3	-	1	1	1	6	6
Charitable activities							
Delivering information and advice	299	778	1,475	256	643	3,451	4,007
Advice and advocacy	208	559	1,159	201	470	2,597	2,234
Strengthening the local Citizens Advice network	399	809	2,475	429	924	5,036	2,080
Partnerships	335	1,047	1,016	176	78	2,652	2,741
	1,244	3,193	6,126	1,063	2,116	13,742	11,068

Included in the strengthening the local Citizens Advice network heading are governance costs of £984,000 (2017: £1,007,000). These costs include management support costs, the Company Secretary, administrative support and an apportionment of senior management costs.

8. Corporation tax

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

9. Net expenditure

Net incoming resources for the year are stated after charging:

	2018	2017
	£'000	£'000
Operating lease costs		
Property	1,209	1,352
Office equipment	17	21
Amortisation	801	923
Depreciation	231	268
External auditor's remuneration		
External audit fee	45	46
Non audit work	8	12
Internal auditor's remuneration	42	48

10. Fixed assets – intangible assets

The fixed assets of Citizens Advice are the same as those of the group, as stated below. Assets have been split between intangible and

tangible assets in accordance with FRS102 and the Charities SORP 2015. Intangible fixed assets includes computer licences and software purchases.

	Work in progress	Operational	Total
	£'000	£'000	£'000
Cost			
At 1 April 2017	1,327	6,452	7,779
Additions	911	-	911
Disposals	-	(383)	(383)
Transfers	-	-	-
At 31 March 2018	2,238	6,069	8,307
Amortisation			
At 1 April 2017	-	5,596	5,596
Charge for the year	-	801	801
Disposals	-	(383)	(383)
At 31 March 2018	-	6,014	6,014
Net book value at 31 March 2018	2,238	55	2,293
Net book value at 31 March 2017	1,327	856	2,183

The amortisation charge is reallocated over all charitable activities.

11. Fixed assets – tangible assets

This includes capitalised fixtures, fittings and equipment.

	Fixtures, fittings and equipment	Total
	£'000	£'000
Cost		
At 1 April 2017	1,353	1,353
Additions	35	35
Disposals	(1,353)	(1,353)
Transfers	-	-
At 31 March 2018	35	35
Depreciation		
At 1 April 2017	1,134	1,134
Charge for the year	231	231
Disposals	(1,353)	(1,353)
At 31 March 2018	12	12
Net book value at 31 March 2018	23	23
Net book value at 31 March 2017	219	219

12. Debtors

	Group		Citizens Advice	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	195	360	195	357
Other debtors	197	97	197	97
Prepayments and accrued income	2,374	2,186	2,374	2,186
HM Revenue and Customs	754	302	754	302
Subsidiary undertakings	-	-	418	304
	3,520	2,945	3,938	3,246

13. Creditors: amounts falling due within one year

	Group		Citizens Advice	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	1,214	1,550	1,214	1,550
Local Citizens Advice network grants	735	235	735	235
Other creditors including taxation and social security	1,436	689	1,436	689
Accruals and deferred income	3,712	5,476	3,712	5,476
	7,097	7,950	7,097	7,950
Accruals and deferred income comprises:				
Accruals	3,301	4,394	3,301	4,394
Deferred income brought forward	1,082	756	1,082	756
Amount released from previous year	(1,082)	(756)	(1,082)	(756)
Incoming resources deferred in the year	411	1,082	411	1,082
	3,712	5,476	3,712	5,476
Other creditors including taxation and social security comprises:				
HM Revenue and Customs	708	669	708	669
Other creditors	728	20	728	20
	1,436	689	1,436	689

Deferred income includes subscription income for both paper and electronic information products.

14. Investments

The value of shares held in Citizens Advice Limited is £2 being two ordinary shares of £1 each which represents 100% of the issued share capital. The company is a private limited company which was incorporated on 16 July 1982. The company is incorporated in England. The company manages all forms of sponsorship on behalf of the parent company and covenants all profits each year under gift aid. The turnover in 2017 was £96,000 (2017: £64,000) which generated a profit of £23,554 (2017: profit

£124). Net assets were £2 in 2018 (2017: £2). The shares are held as a fixed asset.

Moneysupermarket.com shares were received from the Martin Lewis Charitable Fund in 2012/13 for which the sale by Citizens Advice was restricted for 3 years. 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 valuation was as at 31 March 2018 and is subject to market fluctuations. The investment is analysed below.

	2018	2017
	£'000	£'000
Brought forward	712	692
Revaluation	(111)	20
Carried forward	601	712

There were no cash deposits held as investments at 31 March 2018 (2017: £nil) and none were held as fixed assets (2017: £nil) or as current assets (2017: £nil).

15. Cash at bank and in hand

Cash and fixed term deposits valued at £32,559,000 (2017: £34,069,000) were held at 31 March 2018. These were all held in UK accounts. Of these £5,322,000 has been identified in the balance sheet as needing to meet future technology commitments (2017: £4,681,000).

16. Provisions

	Group		Citizens Advice	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Property provisions				
Provision at 1 April 2017	1,015	1,014	1,015	1,014
Released during the year	(97)	(58)	(97)	(58)
Utilised during the year	-	-	-	-
Additional provision	152	59	152	59
Provision at 31 March 2018	1,070	1,015	1,070	1,015
Other provisions				
Provision at 1 April 2017	23,137	15,325	23,137	15,325
Released during the year	(1,234)	(746)	(1,234)	(746)
Utilised during the year	-	-	-	-
Additional provision	115	8,558	115	8,558
Provision at 31 March 2018	22,018	23,137	22,018	23,137
Total provisions at 31 March 2018	23,088	24,152	23,088	24,152

The provision includes Citizens Advice's pension liability in compliance with FRS102 of £20,997,000 (2017: £22,223,000).

The nature of provisions and the expected timing of resulting payments are:

Nature of provision	Amount	Payment due
	£'000	Year
Dilapidations payments due on major repairs on leased buildings after the first break clause	1,070	Between 2016 and 2023
Tax related provision	104	2018
Redundancies and settlements known and consulted on by 31 March 2018	74	2018
Local Citizens Advice pension liability	17	2027
Holiday pay accrued	826	Reassessed annually
Pension contribution liability	20,997	See note 21
Total provisions at 31 March 2018	23,088	

17. Statement of funds

	At 1 April 2017	Income	Expenditure	Pension adj	Transfers	Gains (losses) on investment assets	At 31 March 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Infrastructure projects	3,766	15,425	(16,488)	-	122	-	2,825
Local government projects	115	-	-	-	-	-	115
Welsh Government projects	56	5,345	(5,382)	-	-	-	19
Social policy projects	822	1,334	(1,412)	-	-	-	744
Financial capability	244	-	-	-	-	-	244
Specialist support projects	1,164	2	(33)	-	-	-	1,133
Pension Wise	148	6,441	(6,589)	-	-	-	-
Court based witness service	25	11,609	(11,608)	-	-	-	26
Energy	5,465	2,394	(4,564)	-	-	-	3,295
Other projects	1,270	2,515	(2,253)	-	-	(88)	1,444
Money Advice Service debt advice	984	23,509	(23,557)	-	-	-	936
Total restricted funds	14,059	68,574	(71,886)	-	122	(88)	10,781
Designated funds	5,322	-	-	-	2,316	-	7,638
Unrestricted funds	10,868	25,239	(22,280)	-	(2,438)	-	11,389
Total unrestricted funds	16,190	25,239	(22,280)	-	(122)	-	19,027
Pension scheme	(22,223)	-	-	1,226	-	-	(20,997)
Total pension reserve	(22,223)	-	-	1,226	-	-	(20,997)
Total funds	8,026	93,813	(94,166)	1,226	-	(88)	8,811

17. Statement of funds (continued)

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

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

Designated funds represent those unrestricted funds that have been allocated by the board of trustees for technological investment, with a value of £5.3 million. The remaining £2.3 million

is a designated fund reserved for tangible and intangible fixed assets which are equal to the net book value of those assets.

The board of trustees have reviewed the reserves policy in the year and have maintained the minimum reserves target of a minimum three months core operating expenditure to be held, being £8 million. The basis of the target has been revised to only include free reserves (ie unrestricted funds less designated funds) instead of all unrestricted funds.

The pension reserve as at 31 March 2018 was £21.0 million (2017: £22.2 million) and represents the discounted liability of the defined benefit pension scheme of Citizens Advice.

18. Analysis of net assets between funds

	Unrestricted		Restricted		Total	Total
	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March are represented by:						
Fixed assets - intangible	2,293	2,183	-	-	2,293	2,183
Fixed assets - tangible assets	23	219	-	-	23	219
Fixed assets - investments	-	-	601	712	601	712
Current assets	25,489	21,236	10,590	15,778	36,079	37,014
Creditors: amounts falling due within one year	(6,687)	(5,519)	(410)	(2,431)	(7,097)	(7,950)
Provisions	(23,088)	(24,152)	-	-	(23,088)	(24,152)
Fund balance	(1,970)	(6,033)	10,781	14,059	8,811	8,026

19. Local Citizens Advice network

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

20. Operating lease commitments

At 31 March 2018 Citizens Advice was committed to making the following payments in respect of operating leases:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases which expire:				
	1,512	17	1,444	21
Within one year	5,097	-	4,928	-
Between two and five years	1,095	-	1,548	-
After five years	-	-	601	712
	7,704	17	7,920	21

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

21. Pension scheme

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

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

The Plan is closed to future accrual. In accordance with the schedules of contributions in force over the 2018/19 accounting year, the contributions to the Plan for the year ending 31 March 2019 are expected to be £2,049,000, which includes £1,749,000 towards the deficit and £300,000 as an allowance for administration expenses and all scheme levies.

The Plan is a registered scheme under UK legislation. The Plan is subject to the scheme funding requirements outlined in UK legislation. The Plan is governed by the Plan’s Trust Deed and Rules dated 4 April 2011. The trustee is responsible for the operation and the governance of the Plan, including making decisions regarding the Plan’s funding

investment strategy (although they are required to consult the Principal Employer).

A full actuarial valuation of the Plan was carried out as at 31 March 2018 by a qualified independent actuary, based upon membership data as at 31 March 2016.

The most recent formal actuarial valuation of the Plan was as at 31 March 2016 and revealed a funding deficit of £43,150,000. In the recovery plan agreed following the valuation, the Principal Employer and other participating employers agreed to pay deficit reduction contributions of £1,749,000 per annum with effect from 1 July 2017 with the view to eliminating the deficit by 31 December 2033.

The liabilities of the Plan are based on the current value of expected benefit payment cash flows to members of the Plan over the next 60 or more years. The average duration of the liabilities is approximately 17 years.

The Plan is exposed to actuarial risks such as market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk.

If Citizens Advice paid its annual contributions as planned, using an actuarial discount rate of 2.7%, the net present value would be £20,996,000 (2017: £22,223,000 and 2.6% discount).

Present values of scheme liabilities, fair value of assets and defined benefit asset (liability) funds	31 March 2018	31 March 2017
	£'000	£'000
Fair value of plan assets	82,672	80,900
Present value of defined benefit obligation	125,822	140,553
Surplus (deficit) in plan	(43,150)	(59,653)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(43,150)	(59,653)

22. 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 Sir David Varney. During the year ended 31 March 2018, it made a surplus before gift aid of £23,554 (2017: £124).

At 31 March 2018 Citizens Advice Limited (company number 1652053) owed £419,000 to Citizens Advice (2017: £304,000). There were 31 transactions (2017: 17) between Citizens Advice and Citizens Advice Limited during the year. The accounts for the year ended 31 March 2018 were approved on 25 July 2018.

A subsidiary company was registered on 4 April 2008, Citizens Advice Management Services, to provide Notes to the financial statements management services to the local Citizens Advice network members. There were no financial transactions or balances in the year to 31 March 2018 (2017: nil).

Citizens Advice International is a company which was registered in Belgium on 6 December 2004. Although not a related party under FRS 102, it is included here due to the connection of name and objectives. It was established to provide support to Citizens Advice organisations throughout the world. No charge has been made for any expenditure incurred by Citizens Advice on behalf of Citizens Advice International during the year. At 31 March 2018, Citizens Advice owed Citizens Advice International nil (2017: nil). Citizens Advice International is not consolidated into the accounts as it is a separate entity and Citizens Advice does not have the power to control it.

NACAB Pension Trustees Limited is a company limited by guarantee and is the corporate trustee of the NACAB Pension & Assurance Plan (1991). Citizens Advice is the sole member of

this company. This subsidiary was incorporated on 14 February 2017. There were no financial transactions or balances in the year to 31 March 2018.

23. Company limited by guarantee

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

Free, confidential advice. Whoever you are.

We help people overcome their problems and campaign on big issues when their voices need to be heard.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.



citizensadvice.org.uk

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