Charity Registration No 1075040
Company Registration No 3038147

ChantreyVellacottDFKLLP

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LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements
31 March 2012

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements for the year ended 31 March 2012

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Reference and Administrative Information

Company Number 3038147

Charity Number. 1075040

Trustees/Directors
James Banks
Sheila Carpenter
Andy Day (until 31 March 2012)
Sally Garner (from 15th May 2012)
Vicky Ling
Sonny Manly-Rollings
Glenys Russell (Treasurer)
Aida Shoush
Mark Simons (Chair)
Gillian Smith
Judith van den Broek (until 25th June 2012)

Co-Chief Executives Carole Adams and Rachel Braverman

Company Secretary Carole Adams

Registered office and business address
Duke House, 3rd Floor
84-86 Rushey Green
London
SE6 4HW

Auditor
Chantrey Vellacott DFK LLP
Chartered Accountants
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Bankers
Co-operative Bank Plc
151 Lewisham High Street
London
SE13 6AA

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2012

The Trustees who are also directors of the charity for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2012 The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" revised in July 2008 (SORP 2005) in preparing the annual report and financial statements of the charity

Structure, Governance and Management

Lewisham Citizens Advice Bureaux Service Ltd (Lewisham CAB Service) is a registered charity and company limited by guarantee Our Memorandum and Articles of Association set out our charitable objects and powers

Our trustees are individuals and representatives of community organisations, elected by members at our Annual General Meeting Trustees may co-opt up to six people onto the Trustee Board to ensure the Board is broadly representative of local organisations, interest groups and interested local people, and to fill any specific vacancy (e g Treasurer) One third of the elected trustees (the longest serving since previous election) stands down at each AGM, and is eligible to stand for re-election We invite nominations for trustees through our annual mailing to our service members and local community organisations Co-opted trustees are recruited through a variety of methods, including direct advertising in the relevant media (e g Voluntary Action Lewisham Grapevine) and personal contact

New trustees meet informally with our Chief Executives to learn about our Service and are invited to arrange bureaux visits to meet our managers and find out more about bureaux work

The Trustees who served during the period and up to the date of this report are
Sheila Carpenter
James Banks
Andy Day (until 31 March 2012)
Sally Garner (from 15th May 2012)
Vicky Ling
Sonny Manly-Rollings
Glenys Russell (Treasurer)
Aida Shoush
Mark Simons (Chair)
Gillian Smith
Judith van den Broek (until 25th June 2012)

The Trustee Board acting together has the responsibility for governing Lewisham CAB Service to ensure that the organisation acts within its charitable aims and objects, fulfils statutory obligations and complies with company and charity law Our Trustee Board has 6 meetings a year, plus our AGM The Board oversees the strategic direction of development within the organisation The Board has delegated overall operational responsibility for managing the Service to the Chief Executives The Chair of the Trustee Board meets regularly with the Chief Executives to discuss operational matters and the Treasurer meets with them to monitor the budget and discuss other financial matters The Board receives reports from the Chief Executives, incorporating management accounts, other finance issues and information from the Catford, Sydenham and Specialist Service Managers

Lewisham CAB Service is a member of CitA and subscribes to Citizens Advice aims, principles and values Citizens Advice provides the information on which our Service is based and also accredited training in advice work All CAB advisors, paid and voluntary, undertake this training, which takes a minimum of 6 months to complete Citizens Advice also provides a range of support services including management consultancy and specialist employment advice for Trustee Boards Member bureaux must meet the quality assurance standards set out in the Membership Agreement and we undergo regular audits by Citizens Advice to ensure that requirements in all areas of our work, including governance and management, are met

Risk Management

The Trustees have reviewed the major risks to which the charity is exposed, and procedures have been established to manage the risks identified e g regular bank reconciliations, budget meetings as well as regular senior management team and staff meetings This risk assessment is undertaken annually, and procedures are periodically reviewed to ensure that they continue to meet our needs

Objectives and Activities

Our governing document sets out our charitable aims

"The Service is established for the promotion of any charitable purposes for the benefit of the community in the administrative area of the London Borough of Lewisham and surrounding areas, by the advancement of education, the protection of health and the relief of poverty, sickness and distress "

Our purpose is to benefit all sections of the local community through a service of advice and information We are committed to Citizens Advice's twin aims, which are 'To provide the advice people need for the problems they face, and to improve the policies and practices that affect people's lives'

The Citizens Advice Service helps people resolve their money, legal and other problems by providing information and advice and by influencing policymakers The Service is independent and provides free, confidential and impartial advice to everybody, regardless of race, gender, disability, sexual orientation, religion, age or nationality. It recognises the positive value of diversity, promotes equality, and challenges discrimination

We continue to offer a range of advice and information services

Volunteers increase our capacity to deliver services by taking on a variety of roles including receptionists, administrators, advisers and trustees In return, volunteers receive training and support and gain new skills and experience

Achievements and Performance

Our generalist service, funded by the Lewisham Council, is delivered through our bureaux in Catford and Sydenham We continue to offer help across a range of problem areas, especially welfare benefits, debt, housing and employment The service of general help with casework is accredited by the Citizens Advice logo, which assures our clients that they can expect to receive an excellent quality service

Our Gateway system, where clients are given an initial brief diagnostic interview to decide on the best next step, continues to enable us to offer a focused service We continue to be very busy and work to capacity This year, we increased the number of clients seen through our reception service, where clients can get assisted information and signposting information, by 7%

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2012

Our debt service increased this year, thanks to extra funding from the Capitalise partnership Lewisham Council also continued to fund a specialist money adviser, enabling us to have a substantial team Our money advisers deal with the most complex cases, including bankruptcy and multiple debt and Debt Relief Orders

We are able to offer other specialist services in partnership with other organisations
- Southwark Law Centre provide immigration advice (funded by Lewisham Council) and employment advice
- Shelter provide Housing Advice
- Several local solicitors provide advice in housing, immigration, personal injury and general litigation, through our Honorary Legal Advice Scheme

We continue to offer outreach advice to young people leaving care (funded by Lewisham Social Services), patients at a number of local GP surgeries (funded by Lewisham PCT) and Phoenix Community Housing Association tenants (funded by the housing association)

Our three-year Older People's Project sadly came to an end in January 2012 During the final year, we
- Advised 87 older clients, raising £161,590 on their behalf
- Carried out 18 outreach events including 13 presentations followed by one-to-one light touch advice for those attending
- Trained 4 older volunteers to work on the project

We continue to offer training to frontline staff and service users in other organisations through the Energy Best Deal scheme, aimed at increasing people's awareness of energy issues, such as switching suppliers and sources of help for those in difficulties with their bills We also participated in the Mayor of London's "Know Your Rights" campaign, which aims to ensure that the capital's older people, disabled people, carers and low-income families receive financial help and advice when they need it, and get the benefits they are entitled to

We expanded the type of service we offer through our Money Active, Financial Education Project This was a partnership project with Greenwich and Bromley CABx Over the course of the year, we trained 33 volunteers, 121 frontline workers and 264 end users through 49 group sessions We also advised 315 clients individually on budgeting and other financial capability issues

We need to know whether our services are effective We therefore measure outcomes for our clients and ask them what they think of the service they receive Last year, we know we raised at least £7,975,819 on behalf of our clients Other outcomes include preventing bailiff action, preventing homelessness and preventing disconnections

Our client feedback exercise showed that
- 99 9% of respondents who got advice said it was very useful or useful
- 92 1% of respondents said the information/advice they got made a difference to their situation
- 98 6% of respondents were very happy or happy with our service overall
- 98 9% would use us again
- 99 3% would recommend us to others

Social policy is an important part of our work Activities this year included
- Participating in the national social policy work of Citizens Advice by submitting Electronic Bureau Evidence Forms (used to identify social policy issues raised by clients) and Local Action Report Forms (short reports detailing actions taken by local bureaux to address social policy issues)

- Presenting evidence to the Lewisham Housing Select Committee on issues for private tenants, based on our clients' experiences
- Helping to organise a conference in Lewisham about the experiences of those who are hardest hit by recent legislative and financial changes A range of stakeholders were encouraged to consider what they and their organisations could do to help Service users from a number of organisations, including one of our clients, spoke eloquently about their experiences, so delegates could see how changes are affecting people's lives

Financial Review

The reserves at 31 March 2012 totalled £98,627, which represents £17,134 restricted funds and £81,493 unrestricted funds

The Trustees are responsible for ensuring that sufficient funds are available in each financial year to meet any reasonable foreseeable contingencies The Trustee Board has agreed that a sum equivalent to three months running costs (£250,000) would be a reasonable level of unrestricted general reserves in our service

Our financial situation has again improved since 2010/11 We ended the year with a small surplus of £17,950 We are particularly encouraged by the increase in unrestricted funds, as we very much need a cushion in this era of retrenchment and cuts As in previous years, we were able to take advantage of short term funding opportunities and kept a tight rein on our overheads

However, our levels of reserve are still too low and represent a considerable risk to the service We will therefore continue to focus on increasing the level of free reserves

Our main funding sources are the London Borough of Lewisham and the Lewisham Primary Care Trust and we are grateful for their support of our service The Financial Inclusion Fund and City Bridge Trust were the most significant sources of project funding

We were very pleased and relieved that London Borough of Lewisham granted us 2 5 year funding from October 2011 to March 2014 at the same level as previously We are most grateful that the council recognises the importance of advice and information for its residents

Lewisham Primary Care Trust continued to contract us to provide advice to GP surgeries this year and Capitalise funding increased

We also have various other funding sources which fund specific project development, some of which have been mentioned previously All the funding streams for the year are shown in Note 2 to the financial statements

Future Plans

Although we are still in a period of great uncertainty, our financial position is a little more secure than it was this time last year, particularly thanks to the new grant from Lewisham Council

The Money Advice Service (MAS) formally took over responsibility for the co-ordination of debt advice across the UK and is funding the Capitalise project funding for a further 18 months until October 2013 Looking to the future, the MAS is continuing to develop a longer-term model for debt advice provision to be introduced by the Autumn of 2013 and we very much hope to be part of their strategy

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2012

The Lewisham Advice Providers Consortium continues to gather strength We are leading on a project to develop the consortium, develop specialist services in the borough and to provide volunteer training and will be recruiting a co-ordinator for this work We are again grateful to the London Borough of Lewisham's Community Sector Unit, who are funding this project through money repatriated from London Councils

We are increasing the work we do with Housing Associations Phoenix Housing Association has contracted us for an additional weekly session for their tenants, following a successful pilot We have also taken on a year's contract with London & Quadrant to provide services for their residents

This year, we are co-ordinating a Consumer Empowerment Partnership, funded by Citizens Advice We are focusing on providing training to organisations to help them become more informed about how to help their service users with consumer issues

The future of the PCT remains unclear However, we have been contacted by Public Health Lewisham and provided them with information they need to set up a Service Level Agreement We very much hope that they will continue to fund this much needed and effective service

The Trustee Board recognises that there are challenges ahead and will continue to keep control of expenditure and take advantage of opportunities as they arise For the next year, the focus will be on ensuring the organisation's infrastructure is as robust as possible so that Lewisham CAB can continue to flourish

There are opportunities for the organisation It is recognised that the CAB service is vital, particularly during a time of rising unemployment and cuts We will seek to raise the profile of our work, ensuring that it continues into the future

Statement of Trustees Responsibilities

The Trustees (who are the directors of Lewisham Citizens Advice Bureaux Service Limited for the purposes of company law) are responsible for preparing the Report of the Trustees (incorporating a directors' report) and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period

In preparing these financial statements, the Trustees are required to

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

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2012

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the 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

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

Going Concern

Based upon budgets and forecasts prepared, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small Company Provision

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006

Approval

This report was approved by the Trustees and signed on their behalf by

Glenys Russell, Treasurer
Date

20/9/12

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Independent Auditor's Report to the members of Lewisham Citizens Advice Bureaux Service Limited

We have audited the financial statements of Lewisham Citizens Advice Bureaux Limited for the year ended 31 March 2012 which comprise Statement of Financial Activities, the Balance Sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 6 and 7], 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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the charitable company s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report of the Trustees (incorporating the directors' report) to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees (incorporating the directors' report)

ChantreyVellacott DFK LLP

HELENA WILKINSON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

20 Sept 2012

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2012

	Note	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Incoming resources					
Incoming resources from charitable activities					
Provision of Advice and Information Service	2	**183,602**	**822,650**	**1,006,252**	1,030,744
Incoming resources from generated funds					
Bank interest receivable		**2,217**	**-**	**2,217**	648
Voluntary income		**150**	**-**	**150**	501
Total incoming resources		**185,969**	**822,650**	**1,008,619**	1,031,893
Resources expended					
Charitable activities					
Provision of Advice and Information Service	3	**145,033**	**833,169**	**978,202**	961,639
Governance costs	4	**2,192**	**10,275**	**12,467**	14,582
Total resources expended		**147,225**	**843,444**	**990,669**	976 221
Net incoming/(outgoing) resources before transfers, being net income/(expenditure) for the year	6	**38,744**	**(20,794)**	**17,950**	55,672
Transfers between funds	9	**(1,097)**	**1,097**	**-**	-
Net movement in funds		**37,647**	**(19,697)**	**17,950**	55,672
Balance brought forward 1 April 2011		**43,846**	**36,831**	**80,677**	25,005
Balances carried forward 31 March 2012	9	**81,493**	**17,134**	**98,627**	80,677

All amounts relate to continuing activities

As all gains and losses are included above, no statement of total recognised gains and losses has been presented

The notes on pages 11 to 21 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Balance Sheet
As at 31 March 2012

	Notes	2012 £	2011 £
Tangible fixed assets	7	-	7,311
Current assets			
Other debtors		11,676	12 045
Prepayments and accrued income		10,061	17,560
Cash at bank and in hand		138,767	109,461
		160,504	139,066
Creditors amounts falling due within one year			
VAT and payroll taxes		19,295	17,566
Other creditors		15,955	11,764
Accruals		20,210	8 090
Deferred income	8	2,900	17 500
Obligations under hire purchase agreements		2,345	7 357
		60,705	62,277
Net current assets		99,799	76,789
Creditors amounts falling due after one year			
Obligations under hire purchase agreements		1,172	3,423
Net assets	10	98,627	80,677
Funds			
Unrestricted funds			
General funds		81,493	43,846
Restricted funds		17,134	36,831
Total funds	9	98,627	80,677

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Trustees and authorised for issue on 20/9/12 and signed on their behalf by

Mark Simons
Chair

Glenys Russell
Treasurer

Company number 3038147

The notes on pages 11 to 21 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements
For the year ended 31 March 2012

1 **Accounting policies**

a) **Basis of preparation**
The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards, the Statement of Recommended Practice Accounting and Reporting by Charities published revised in July 2008 ("SORP 2005"), and the Companies Act 2006

b) **Tangible fixed assets and depreciation**
The costs of minor additions costing below £1,000 are not capitalised This policy is reviewed periodically by the Trustees

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Computer and office equipment	- 33% straight line
Fixtures and fittings	- 33% straight line

c) **Incoming resources**
Contract and grant income is accounted for in the Statement of Financial Activities ("SOFA") when the charity has entitlement to the income and amounts can be measured with reasonable certainty Income received which relates to a future period is deferred in creditors as deferred income Bank interest is recognised on a receivable basis Donations are recognised upon receipt

d) **Resources expended**
Charitable expenditure comprises services supplied and activities undertaken which are identifiable as wholly or mainly in support of the charity's objectives

Governance costs are those costs associated with the governance arrangements of the charity, and these include audit, legal advice for Trustees, costs associated with trustee meetings and the cost of the preparation of the statutory financial statements

Support costs are those costs, which enable the charitable activities to be undertaken and include overheads and general property maintenance Where activities incurred relate to more than one cost category, they are apportioned on the most appropriate basis, and predominantly with reference to staff time, on a reasonable and consistent basis

Expenditure is recognised on an accruals basis as a liability when incurred Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

e) **Fund accounting**
The unrestricted general funds are those funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity Designated funds are those unrestricted funds set aside by the Trustees for specific purposes or projects

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by the donors Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

f) **Operating leases**
Rentals under operating leases are charged to the SOFA on a straight – line basis over the lease term

g) **Hire purchase agreements**
Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements
For the year ended 31 March 2012

1 **Accounting policies *(continued)***

h) Pension costs

Lewisham CAB participates in 2 pension schemes,

a)The Pension Trust had been classified as a defined contribution "money purchase" scheme, but has now been redesignated a defined benefit scheme because of the guarantee within the scheme that the value attributed to each member will not be less than the accumulated contributions Consequently this also places a potential contingent liability on employers - see also note 12 The pension contributions charged in these accounts represent the amounts payable by the company for this scheme in respect of the year 2011/12

b) National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991) is a defined benefit arrangement However this scheme is a multi-employer scheme and is also accounted for as a defined contribution scheme because the charity is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis in accordance with Financial Reporting Standard Number 17 Retirement Benefits This scheme was closed to future accrual with effect from 31 March 2008 Further details are provided in note 13

2 **Incoming resources from charitable activities**

	2012	2011
	£	£
Grants - London Borough of Lewisham	500,754	546,773
Grants – Capitalise	272,460	214,494
Grants – CitA	21,800	29,181
Contracts - Lewisham Primary Care Trust	148,677	148,677
Grants - City Bridge Trust	25,000	50,000
Grants - London Councils	2,636	7,029
Grants – Big Lottery	-	9,619
Other Income	34,925	24,971
	1,006,252	1,030,744

As required by Section 37 of the Local Government and Housing Act 1989, Lewisham Citizens Advice Bureaux Limited confirms that all grants from London Councils have been expended on the purposes for which they were given

3 **Charitable expenditure**

	Staff costs	**Other direct costs**	**Central support costs**	**2012**	2011
	£	**£**	**£**	**£**	£
Core	379,593	43,093	66,255	488,941	536,953
Lewisham PCT	99,062	733	27,974	127,769	132,933
Capitalise	242,302	1,483	33,331	277,116	209,165
City Bridge	33,810	-	4,627	38,437	42,447
CitA	8,049	14,496	-	22,545	29 217
Other expenditure	16,227	4,903	2,264	23,394	10,924
	779,043	64,708	134,451	978,202	961,639

	2012	2011
	£	£
Central support costs	134,451	122,513

Central Support costs relate to costs incurred in running the central support function including salaries, organisational and administrative costs

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements
For the year ended 31 March 2012

4 **Governance costs**

	2012	2011
	£	£
Legal / professional and finance	2,509	4,032
Auditor's remuneration audit	4,900	7,593
Accountancy	2,910	1 439
Trustee Board mailing / AGM	2 148	1,518
	12,467	14,582

5 **Staff costs**

	2012	2011
	£	£
Wages and salaries	688,042	704,515
Social security costs	67,487	65,793
	755,529	770,308
Pension costs	15,445	16 889
	770,974	787,197
Staff training and travel costs	8,069	6,374
	779,043	793,571

The average number of staff employed by the charity (full-time equivalent) was	**2012**	2011
	No	No
Direct charitable work	27	27
Administrative	5	4
	32	31

No staff member earned more than £60,000 (2011 nil) No remuneration was paid to Trustees in the year (2011 £nil) No expenses were paid to Trustees in the year (2011 £nil)

6 **Net incoming/(outgoing) resources**

	2012	2011
Net incoming/(outgoing) resources are stated after charging	£	£
Auditor's remuneration audit	4,900	7,593
accountancy	2,910	1,439
Depreciation	7,311	10,803
Operating lease rentals - land & buildings	26,088	31,796
Interest payable on finance leases	1,041	657

Notes to the financial statements
For the year ended 31 March 2012

7 **Tangible fixed assets**

	Fixtures & fittings £	Computer & office equipment £	Total £
Cost			
At 1 April 2011	2,540	28,092	30,632
Additions	-	-	-
At 31 March 2012	**2,540**	**28,092**	**30,632**
Accumulated depreciation			
At 1 April 2011	2,439	20,882	23,321
Charge for the year	101	7,210	7,311
At 31 March 2012	**2,540**	**28,092**	**30,632**
Net book value			
At 31 March 2012	-	-	-
At 31 March 2011	101	7 210	7 311

The net book value of assets held under finance leases was nil (2011 - £7,210) Depreciation of £7,210 (2011 £9,270) was charged on these assets

8 **Deferred income**

Deferred income comprises income received in advance of the work being carried out

	2012 £	2011 £
Balance at 1 April 2011	**17,500**	87,203
Amount released to incoming resources	**(17,500)**	(87,203)
Amount deferred in the year	**2,900**	17,500
Balance as at 30 March 2012	**2,900**	17,500

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements
For the year ended 31 March 2012

9 **Movement in accumulated funds**

	Balance b/fwd at 01/04/11 £	Incoming resources £	Resources expended £	Transfers £	Balance c/fwd at 31/03/12 £
General fund	43,846	185,969	(147,225)	(1,097)	81,493
Restricted funds.					
London Borough of Lewisham	7,088	500,754	(495,883)	-	11,959
Friends of the Citizens Advice	1,249	-	-	-	1 249
FIF Capitalise Project	4,581	272,460	(277,642)	601	-
City Bridge Trust	13,112	25,000	(38 608)	496	-
CitA	1,182	21,800	(22,545)	-	437
London Councils -Specification 50	-	2,636	(2,636)	-	-
Big Lottery	9,619	-	(6,130)	-	3,489
	36,831	**822,650**	**(843,444)**	**1,097**	**17,134**
Total funds	**80,677**	**1,008,619**	**(990,669)**	**-**	**98,627**

Restricted funds

London Borough of Lewisham – our core activity is funded by the Local Authority

Friends of the Citizens Advice – these funds are for interpretation However, they have not been spent, as interpretation is either provided free through Language Line, funded by London Borough of Lewisham or is paid for in funding for other projects We plan to explore how best to use this money in the coming months

FIF Capitalise - pan-London partnership project which receives funding from the government's Financial Inclusion Fund This project enables us to increase the level of face to face debt advice

City Bridge Trust - This project works to improve access to advice for older people, to encourage more older people to volunteer with us and to increase awareness amongst older people of the benefits and services they may be entitled to

CitA - This funding pays for our volunteer co-ordinator to recruit, train and supervise extra volunteers In turn, the volunteers enable our bureaux to extend their opening hours

London Councils-Specification 50 – This funding enables us to provide casework advice in welfare benefits, employment and housing

Big Lottery – This funding is being used for an ICT update

10 **Analysis of net assets between funds**

	Unrestricted £	Restricted £	Total £
Fixed and current assets	**140,470**	**20,034**	**160,504**
Current and long term liabilities	**(58,977)**	**(2,900)**	**(61,877)**
Net assets	**81,493**	**17,134**	**98,627**

11 **Obligations under operating lease agreements**

The company had annual commitments under operating lease expiring as follows

	Land and buildings	
	2012 £	2011 £
In less than one year	**-**	**17,000**
Between two and five years	**17,251**	**-**

Notes to the financial statements
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12 **Contingent liabilities**

The charitable company has potential financial obligations in respect of pension entitlements for past and present staff arising under both the National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991) ("the National (1991) Plan") and Pensions Trust defined benefit pension schemes In the case of the Pensions Trust Growth Plan scheme it has been confirmed that on the basis of the actuarial assessment of the buy out funding position at 30 September 2011, the employer debt on withdrawal liability for Lewisham CAB is £42,101 and has been estimated to have risen to £45,890 on 31 March 2012

In the case of the NACAB scheme, liability arises should the National (1991) Plan (see note 13 below), for any reason, including non continuance of contribution by the present members of the Scheme within Lewisham CAB, be unable to recoup sufficient of its deficit to meet the minimum funding requirement under the Pensions Act within 3 years, prior to the next actuarial valuation The pension trustees also have the right to renegotiate the recovery plan if the actuarial report indicates that the existing recovery plan is no longer adequate Note that in this respect the charitable company is paying an annual contribution, as calculated annually by the actuary, in order to meet its estimated share of the deficit In 2011/12 this amounted to £8,400 (2011 £8,400)

The possibility of the above eventuality occurring is considered remote, and due to the high dependency on outside parties and external factors, it cannot be assessed with any accuracy

13 **NACAB pension scheme**

Period Ending 31 March 2012

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 March 2012 by a qualified actuary, independent of the scheme's sponsoring employers The major assumptions used by the actuary are shown below

The best estimate of contributions to be paid by the employers to the scheme for the period beginning after 31 March 2012 is as follows -

a) Contributions by each employer in respect of expenses

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

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

In accordance with the recovery plan following the 1 April 2010 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000 of which Lewisham Citizens Advice Bureau contributes £8,400

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

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s
Fair value of scheme assets	**65,073**	65,866	61,518
Present value of scheme liabilities	**115,205**	98,104	97,993
Deficit in scheme	**(50,132)**	(32,238)	(36 475)
Liability	**(50,132)**	(32 238)	(36,475)

Notes to the financial statements
For the year ended 31 March 2012

Reconciliation of opening and closing balances of the present value of the scheme liabilities	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Scheme liabilities at start of period	**98,104**	97,993
Current service cost	**263**	284
Interest cost	**5,353**	5,332
Actuarial losses/(gains)	**13,881**	(3,094)
Benefits paid, death in service insurance premiums and expenses	**(2,396)**	(2 411)
Scheme liabilities at end of period	**115,205**	98,104

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

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Fair value of scheme assets at start of period	**65,866**	61,518
Expected return on scheme assets	**4,594**	4,291
Actuarial (losses)/gains	**(4,470)**	965
Contributions by employer	**1,479**	1,503
Benefits paid, death in service insurance premiums and expenses	**(2,396)**	(2,411)
Fair value of scheme assets at end of year	**65,073**	65,866

The actual return on the scheme assets over the period ending 31 March 2012 was £124,000

Total expense

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Current service cost	**263**	284
Interest cost	**5,353**	5,332
Expected return on scheme assets	**(4,594)**	(4,291)
Total	**1,022**	1,325

Pension gains/(losses)

	Period Ending 31/03/12 £'000s	Period Ending 31/03/11 £'000s
Difference between expected and actual return on scheme assets (loss)/gain	**(4,470)**	965
Experience gains and losses arising on the scheme liabilities (loss)/gain	**(1,443)**	96
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities (loss)/gain	**(12,438)**	2 998
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) (loss)/gain	**(18,351)**	4,059
Total amount (loss)/gain *	**(18,351)**	4,059

*Citizens Advice and the bureaux are not required to prepare a statement of total recognised gains and losses

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements
For the year ended 31 March 2012

Assets

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s
Equities	**40,019**	41,621	39,442
Gilts	**3,952**	330	395
Corporate Bonds	**10,890**	14,579	12,578
Cash	**8,064**	7,060	7,251
Property	**2,148**	2,276	1,852
Total assets	**65,073**	65,866	61,518

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

Assumptions

	31/03/12 % per annum	31/03/11 % per annum	31/03/10 % per annum
Rate of discount	**4 6**	5 5	5 5
Inflation (RPI)	**3 3**	3 6	3 6
Inflation (CPI)	**2 4**	3 1	n/a
Allowance for revaluation of deferred pensions of RPI or 5% p a if less	**n/a**	n/a	3 6
Allowance for revaluation of deferred pensions of CPI or 5% p a if less	**2 4**	3 1	n/a
Allowance for pension in payment increases of RPI or 5% p a if less	**3 3**	3 6	3 6
Allowance for commutation of pension for cash at retirement	**None**	None	None

The mortality assumptions adopted at 31 March 2012 imply the following life expectancies

Male retiring at age 65 in 2012	23 3 years
Female retiring at age 65 in 2012	25 8 years
Male retiring at age 65 in 2032	25 3 years
Female retiring at age 65 in 2032	27 7 years

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

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

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

	Period commencing 01/04/2011 % per annum	Period commencing 01/04 2010 % per annum
Equities	**8 00**	8 00
Gilts	**4 20**	4 40
Corporate Bonds	**5 50**	5 50
Cash	**4 20**	4 40
Property	**7 5**	7 50
Overall for scheme	**7 00**	7 03

Amounts for the current and previous four periods

	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s	31/03/09 £'000s	31/03/08 £'000s
Fair value of assets	**65,073**	65,866	61,518	47,971	59,926
Present value of scheme liabilities	**115,205**	98,104	97,993	82,123	87,794
Deficit in scheme	**(50,132)**	(32,238)	(36,475)	(34,152)	(27,868)
Experience adjustment on scheme assets	**(4,470)**	965	12,371	(15,462)	(8,354)
Experience adjustment on scheme liabilities	**(1,443)**	96	5,377	(972)	6,306

14 The Pensions Trust

1 Lewisham CAB Service Ltd (Lewisham CAB) participates in The Pensions Trust's Growth Plan (the Plan) The Plan is funded and is not contracted-out of the State scheme The Plan is a multi-employer pension plan

2 Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity

3 The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee

4 The Trustee commissions an actuarial valuation of the Plan every three years The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date Asset values are calculated by reference to market levels Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns

5 The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities known as Technical Provisions

6 If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these

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7 The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them

8 Lewisham CAB paid contributions at the rate of 0% during the accounting period Members paid contributions at the rate of 0% during the accounting period

9 As at the balance sheet date there were 3 active members of the Plan employed by Lewisham CAB Lewisham CAB continues to offer membership of the Plan to its employees Lewisham CAB has closed the Plan to new entrants [3]

10 It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable

11 The valuation results at 30 September 2008 were completed in 2009 and have been formalised The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i e past service liabilities) were £771 million The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%

12 The financial assumptions underlying the valuation as at 30 September 2008 were as follows

	% p.a.
Rate of return pre-retirement	7 6
Rate of return post retirement	
Active/Deferred	5 1
Pensioners	5 6
Bonuses on accrued benefits	0 0
Rate of price inflation	3 2

13 In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years

14 The preliminary triennial valuation results as at 30 September 2011 were received in March 2012 but, as the valuation will not be finalised until later this year, this disclosure note must still refer to the 2008 valuation results as the last completed valuation

15 The Scheme Actuary's preliminary results for 30 September 2011 show that the Plan's assets at that date were £780 million and the Plan's Technical Provisions (i e past service liabilities) were £928 million The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million equivalent to a funding level of 84%

16 If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall

17 The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan) A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation

18 Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4 (Our recent correspondence to all employers refers) The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up

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19 The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i e the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan If the liabilities exceed assets there is a buy-out debt

20 The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers) The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market The amounts of debt can therefore be volatile over time