Charity Registration No 1075040
Company Registration No 3038147

Chantrey Vellacott DFK LLP

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COMPANIES HOUSE

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements 31 March 2013

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Financial statements for the year ended 31 March 2013

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Reference and Administrative Information

Company Number 3038147

Charity Number 1075040

Trustees/Directors
James Banks
Malcolm Beane (co-opted 16th May 2013)
Sheila Carpenter
Sally Mary Garner
Verena Hefti (co-opted 16th July 2013)
Barbara Limon (co-opted 16th May 2013)
Vicky Ling
Sonny Manly-Rollings
Iain McDiarmid (co-opted 16th May 2013)
Glenys Russell (Treasurer)
Aida Shoush
Mark Simons (Chair)
Gillian Smith (until 17th January 2013)
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 2013

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 2013 The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities 2005" 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, 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 the community, and to fill any specific vacancy and skills needed to carry out our responsibilities effectively (e g Treasurer) Co-opted members must stand down at the Annual General Meeting following their co-option, but they are eligible to stand for election 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 stakeholders and local community organisations Co-opted trustees are recruited through a variety of methods, including direct advertising in the relevant media (e g the internet, Voluntary Action Lewisham Grapevine)

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 our work All new trustees are invited to attend an induction training session at Citizens Advice (CitA) London office, to find out more about the Citizens Advice Service nationally and the role of trustees

The Trustees who served during the period and up to the date of this report are
Sheila Carpenter
Vicky Ling
Sonny Manly-Rollings
Glenys Russell (Treasurer)
Aida Shoush
Mark Simons (Chair)
Gillian Smith (Retired 17th January 2013)
James Banks
Sally Mary Garner
Malcolm Beane (co-opted 16th May 2013)
Barbara Limon (co-opted 16th May 2013)
Iain McDiarmid (co-opted 16th May 2013)
Verena Hefti (co-opted 16th July 2013)
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

This year, the Board decided to create two sub-committees to promote more active involvement of all Trustees and to provide extra support for the Chief Executives The Finance and Funding Sub-committee will oversee and scrutinise finance and funding streams The Human Resources Sub-committee will oversee and scrutinise all staffing matters including procedures and policies of Lewisham CABx relating to personnel matters

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

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2013

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

We continue to be very busy and work to capacity in all areas of service delivery Our generalist service offers a focused approach using our Gateway system, where clients are given an initial brief diagnostic interview to decide on the best next step This might be an appointment with one of our advisers, a referral to a more suitable organisation or information to enable the client to take action themselves This year, we offered advice to 10,312 new/repeat clients and another 6,292 received information through our reception service

Our debt advice team continues to offer a substantial service, thanks to funding from the Capitalise partnership and Lewisham Council Money advisers deal with the most complex cases, including bankruptcy, multiple debt and Debt Relief Orders As reported last year, the Money Advice Service (MAS) is funding the Capitalise project until October 2014 We were very pleased that we ended the first year of the new contracts having successfully met our stringent targets

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

Providing outreach services helps us to reach people who would not otherwise be able to get advice Our GP Surgeries project, offering advice to patients at their doctors' surgeries, are particularly accessible for people with disabilities Offering outreach advice to young people leaving care and second tier advice to their social workers (funded by Lewisham Social Services) gives us the chance to help a particularly vulnerable group

We have expanded the work we do with Housing Association tenants Our sessions at Phoenix Community Housing Association continue to be very well used This year, we also became part of London & Quadrant's Pound Advice scheme, along with CABx in some other London boroughs, and are comfortably meeting our targets

As in previous years, we provided 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

Partnership work has been a particular focus for Lewisham CAB this year We have taken a lead in developing the Lewisham Advice Providers Consortium (LAPC), as is appropriate for the largest funded advice agency in the borough We successfully fundraised for and led the Warm Homes Healthy People project, a partnership between ourselves, Lewisham Refugee and Migrant Network and Evelyn 190 Community Project This funding allowed our partners to offer home visits to 194 particularly vulnerable clients As well as co-ordinating the advice provision, Lewisham CAB were responsible for raising awareness of the project and issues around fuel poverty, reaching out to around 300 individuals

We also co-ordinated the Consumer Empowerment Project (funded by Citizens Advice), working with local organisations and Trading standards to raise the profile of Consumer issues and make organisations more aware of what issues are included in Consumer Law

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 £5,300,000 on behalf of our clients Other outcomes include stopping bailiffs' action, preventing homelessness and disconnections, resolving health and education complaints securing temporary and permanent housing, enforcing employment terms and conditions and helping clients get their employment reinstated, improving clients' immigration statuses and preventing people being deported

Volunteers are a vital part of our organisation at every level and we could not run our services without them This year, we recruited 31 new volunteers and are delighted that 5 passed their Certificate in Advice Work or the Gateway Certificates (a new qualification introduced by Citizens Advice this year) Volunteers gave 26,364 hours to our organisation in 2012/13 in a variety of roles, including Receptionists, Administrators, Social Policy Workers, Advisers and Trustees Citizens Advice calculated that, in financial terms, this was the equivalent of £281,401

Social policy is an important part of our work We continue to participate 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)

Locally, our main focus for social policy has been the actual and forthcoming changes to the welfare benefit system These affect the majority of our clients, both in terms of having to find their way around new systems and in coping with a drop in income Our social policy group carried out a survey of clients to gauge how people are likely to be affected by the move to Universal Credit and will be presenting the results later in 2013 We recognise that the local authority has been put in a very difficult position, so we aim to work in partnership with them to ease the transition as far as possible for Lewisham residents

Financial Review

The reserves at 31 March 2013 totalled £118,984, which represents £20,356 restricted funds and £40,857 unrestricted funds and £57,771 in designated 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 would be a reasonable level of unrestricted general reserves in our service

Our financial situation has improved and we ended the year with a surplus of £20,357 We are particularly encouraged by the increase in unrestricted funds to provide a much needed 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

Our levels of reserve remain too low, however, 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 Lewisham Public Health were the most significant sources of project funding

This year was the second of our 2 5 year funding from London Borough of Lewisham Having this commitment from the council has enabled us to plan much better and sends a message to other stakeholders that we are a stable organisation We continue to be very grateful that the council recognises the importance of advice and information for its residents

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 the future for Lewisham CAB, as for the voluntary sector in general, is uncertain, our financial position is reasonably secure

The Money Advice Service (MAS), which co-ordinates debt advice across the UK, will fund the Capitalise project until October 2014 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

The future of the funding for our much needed and effective GP Surgeries Project remains unclear Responsibility for this contract has moved to Lewisham Public Health, but there is no information at this stage about what will happen when this temporary arrangement ends Trustees will continue to keep a close watch on developments to ensure this service continues

The Lewisham Advice Providers Consortium goes from strength to strength Having a co-ordinator in post has given the partnership the capacity to start developing a solid infrastructure and we are grateful to London Borough of Lewisham's Community Sector Unit for enabling this through funding from money repatriated from London Councils The Consortium members recently decided to change the name to Advice Lewisham and are currently working on rebranding The aim is for Advice Lewisham to be recognised across Lewisham and neighbouring boroughs as a successful and inspirational partnership increasing access to advice

Advice Lewisham was recently successful in securing funding from the Big Lottery Advice Services Transition Fund for a project due to start in July, with Lewisham CAB as lead agency The aim of the funding is to make advice services more resilient in the future and will provide opportunities to develop different ways of offering information and advice to clients The consortium plans to set up three new Information Hubs across the borough, training volunteers to work in the hub and to provide home visits and outreach services The project has also enabled Advice Lewisham to improve working relationships with Phoenix, Hyde and London and Quadrant Housing Associations and the new project will be providing outreach services to their tenants As lead agency, Lewisham CAB will be responsible for co-ordinating the project and overseeing one of the information hubs

The Trustees are committed to making the best use our current premises to enhance the client journey and to create a pleasant working environment for our staff We are giving up our premises at "Seniors" and our Central Services Team who were based there are moving into Catford Bureau We are in the process of negotiating the lease of the Access Point at Downham Leisure Centre at which we will operate an Advice and Information Hub as part of the ASTF project

The Trustee Board recognises the organisation's infrastructure needs to be as robust as possible to meet the challenges ahead Next year, the restructuring exercise will be completed, with the aims of

- ensuring clear accountability and lines of communication throughout Lewisham LCAB

- providing strong leadership to staff and volunteers
- focusing more resources to the training, supervision and development of staff and volunteers
- facilitating the operation of Lewisham LCAB as a single entity
- reducing management costs to ensure Lewisham LCAB is financially viable in the future
- enabling Lewisham LCAB to extend and develop services in response to changing needs

Having a strong organisational structure will enable our organisation to continue to provide a vital service to the people of Lewisham, who need us more than ever

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

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

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2013

Going Concern

Based upon budgets and forecasts prepared, the trustees have a reasonable expectation tha 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

Chantry 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 10/10/13.

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 2013 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 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 2013 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)

Chantrey Vellacott DFK LLP
PHILIP CLARK (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London, UK

18 October 2013

ChantreyVellacottDFKLLP

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2013

	Note	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Incoming resources					
Incoming resources from charitable activities					
Provision of Advice and Information Service	2	204,111	848,867	1,052,978	1,006,252
Incoming resources from generated funds					
Bank interest receivable		2,142	-	2,142	2,217
Voluntary income		-	-	-	150
Total incoming resources		206,253	848,867	1,055,120	1,008,619
Resources expended					
Charitable activities					
Provision of Advice and Information Service	3	161,652	860,574	1,022,226	978,202
Governance costs	4	2,002	10,535	12,537	12,467
Total resources expended		163,654	871,109	1,034,763	990,669
Net incoming/(outgoing) resources before transfers, being net income/(expenditure) for the year	6	42,599	(22,242)	20,357	17,950
Transfers between funds	9	(25,464)	25,464	-	-
Net movement in funds		17,135	3,222	20,357	17,950
Balance brought forward 1 April 2012		81,493	17,134	98,627	80,677
Balances carried forward 31 March 2013	9	98,628	20,356	118,984	98,627

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 12 to 22 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Balance Sheet
As at 31 March 2013

	Notes	2013 £	2012 £
Tangible fixed assets	7	-	-
Current assets			
Other debtors		11,551	11,676
Prepayments and accrued income		22,791	10,061
Cash at bank and in hand		163,089	138,767
		197,431	160,504
Creditors amounts falling due within one year			
VAT and payroll taxes		21,487	19,295
Other creditors		15,207	15,955
Accruals		12,808	20,210
Deferred income	8	27,318	2,900
Obligations under hire purchase agreements		1,627	2,345
		78,447	60,705
Net current assets		118,984	99,799
Creditors amounts falling due after one year			
Obligations under hire purchase agreements		-	1,172
Net assets	10	118,984	98,627
Funds			
Unrestricted funds			
General funds		40,857	81,493
Designated funds		57,771	-
Restricted funds		20,356	17,134
Total funds	9	118,984	98,627

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 10/10/13 and signed on their behalf by

Mark Simons
Chair

Glenys Russell
Treasurer

Company number 3038147

The notes on pages 12 to 22 form part of these financial statements

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

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 2012/13

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**	**2013**	2012
	£	£
Grants - London Borough of Lewisham	532,745	500,754
Grants – LAPC	27,322	-
Grants-Capitalise	273,000	272,460
Grants – CitA	15,800	21,800
Contracts - Lewisham Primary Care Trust	148,677	148,677
Grants - City Bridge Trust	-	25,000
Grants - London Councils	-	2,636
Other Income	55,434	34,925
	1,052,978	1,006,252

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**	**2013**	2012
	£	**£**	**£**	**£**	£
Core	440,170	54,404	68,926	563,500	488,941
LAPC	8,409	896	3,702	13,007	-
Lewisham PCT	108,280	1,137	16,655	126,072	127,769
Capitalise	224,239	2,487	36,650	263,376	277,116
City Bridge	-	-	-	-	38,437
CitA	11,004	4,578	428	16,010	22,545
Other expenditure	34,065	824	5,372	40,261	23,394
	826,167	64,326	131,733	1,022,226	978,202

	2013	2012
	£	£
Central support costs	131,733	134,451

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements
For the year ended 31 March 2013

4 Governance costs

	2013	2012
	£	£
Legal / professional and finance	3,785	2,509
Auditor's remuneration audit	5,100	4,900
Accountancy	1,597	2,910
Trustee Board mailing / AGM	2,055	2,148
	12,537	12,467

5 Staff costs

	2013	2012
	£	£
Wages and salaries	734,513	688,042
Social security costs	69,823	67,487
	804,336	755,529
Pension costs	16,833	15,445
	821,169	770,974
Staff training and travel costs	4,998	8,069
	826,167	779,043

The average number of staff employed by the charity (full-time equivalent) was	**2013**	2012
	No	No
Direct charitable work	25	24
Administrative	5	4
	30	28

No staff members earned more than £60,000 (2012 nil) No remuneration was paid to Trustees in the year (2012 £nil) £233 05 expenses were paid to Trustees in the year (2012 £nil) These expenses were travel and subsistence

6 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging	**2013**	2012
	£	£
Auditor's remuneration audit	5,100	4,900
Depreciation	-	7,311
Operating lease rentals - land & buildings	26,817	26,088
Interest payable on finance leases	1,041	1,041

7 Tangible fixed assets

	Fixtures & fittings £	Computer & office equipment £	Total £
Cost			
At 1 April 2012	2,540	28,092	30,632
Additions	-	-	-
At 31 March 2013	**2,540**	**28,092**	**30,632**
Accumulated depreciation			
At 1 April 2012	2,540	28,092	30,632
Charge for the year	-	-	-
At 31 March 2013	**2,540**	**28,092**	**30,632**
Net book value			
At 31 March 2013	-	-	-
At 31 March 2012	-	-	-

8 Deferred income

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

	£
Balance at 1 April 2012	2,900
Amount released to incoming resources	(2,900)
Amount deferred in the year	27,318
Balance as at 31 March 2013	**27,318**

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9 Movement in accumulated funds

	Balance b/fwd at 01/04/12 £	Incoming resources £	Resources expended £	Transfers £	Balance c/fwd at 31/03/13 £
Unrestricted funds					
General funds	81,493	206,253	(163,654)	(83,235)	40,857
Designated funds	-	-	-	57,771	57,771
	81,493	**206,253**	**(163,654)**	**(25,464)**	**98,628**
Restricted funds					
London Borough of Lewisham	11,959	532,745	(570,164)	25,460	-
Friends of the Citizens Advice	1,249	-	-	-	1,249
FIF Capitalise Project	-	273,000	(268,190)	-	4,810
LAPC	-	27,322	(13,025)	-	14,297
CitA	437	15,800	(16,241)	4	-
Big Lottery	3,489	-	(3489)	-	-
	17,134	**848,867**	**(871,109)**	**25,464**	**20,356**
Total funds	**98,627**	**1,055,120**	**(1,034,763)**	**-**	**118,984**

Restricted funds

- **London Borough of Lewisham** – our core activity is funded by the Local Authority This figure does include the money the Local Authority gave us for the Apprenticeship Scheme, Warmer Homes and Consumer Empowerment Project
- **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
- **LAPC** - These funds allow us to employ a volunteer co-ordinator for the consortium
- **CitA** – these funds were to develop the Energy Best Deal Project to assist client confidence to shop around for better energy suppliers and to assist clients in taking action to reduce fuel bills by offering one to one advice and casework support
- **Big Lottery** – This funding was used for an ICT update

Designated funds-This year the trustees agreed to spilt the General Fund and designate some of the funds Therefore it was agreed that £57,771 will be designated in this financial year, this relates to premises and contractual commitments

10 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fixed and current assets	**146,472**	**50,959**	**197,431**
Current and long term liabilities	**(47,844)**	**(30,603)**	**(78,447)**
Net assets	**98,628**	**20,356**	**118,984**

11 Obligations under operating lease agreements

The company had annual commitments under operating lease expiring as follows

	Land and buildings 2013 £	2012 £
In less than one year	-	-
Between two and five years	**17,251**	17,251

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 2007, the employer debt on withdrawal liability for Lewisham CAB is £52,661 32

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 2012/13 this amounted to £8,400 (2012 £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 2013

The employers operate a defined benefit scheme in the UK A full actuarial valuation was carried out on the position at 1 April 2010 and updated to the position at 31 March 2013 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 2013 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 Bureaux contributes £8,400

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

	31/03/13 £'000s	31/03/12 £'000s	31/03/11 £'000s
Fair value of scheme assets	**69,123**	65,073	65,866
Present value of scheme liabilities	**122,142**	115,205	98,104
Deficit in scheme	**(53,019)**	(50,132)	(32,238)
Liability	**(53,019)**	(50,132)	(32,238)
Deferred tax	-	-	-
Net liability	-	-	-

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

	Period Ending 31/03/13 £'000s	Period Ending 31/03/12 £'000s
Scheme liabilities at start of period	**115,205**	98,104
Expenses	**282**	263
Interest cost	**5,245**	5,353
Contributions by scheme participants	-	-
Actuarial losses/(gains)	**4,075**	13,881
Benefits paid, death in service insurance premiums and expenses	**(2,665)**	(2,396)
Past service costs	-	-
Business combinations	-	-
Curtailments	-	-
Settlements	-	-
Scheme liabilities at end of period	**122,142**	115,205

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

	Period Ending 31/03/13 £'000s	Period Ending 31/03/12 £'000s
Fair value of scheme assets at start of period	**65,073**	65,866
Expected return on scheme assets	**3,814**	4,594
Actuarial gains/(losses)	**1,094**	(4,470)
Contributions by employer	**1,807**	1,479
Contributions by scheme participants	-	-
Benefits paid, death in service insurance premiums and expenses	**(2,665)**	(2,396)
Business combinations	-	-
Settlements	-	-
Fair value of scheme assets at end of year	**69,123**	65,073

The actual return on the scheme assets over the period ending 31 March 2013 was £4,908,000

Total expense

	Period Ending 31/03/13 £'000s	Period Ending 31/03/12 £'000s
Current service cost	-	-
Expenses	**282**	263
Interest cost	**5,245**	5,353
Expected return on scheme assets	**(3,814)**	(4,594)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Total	**1,713**	1,022

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Pension gains/(losses)

	Period Ending 31/03/13 £'000s	Period Ending 31/03/12 £'000s
Difference between expected and actual return on scheme assets gain/(loss)	**1,094**	(4,470)
Experience gains and losses arising on the scheme liabilities gain/(loss)	**286**	(1,443)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities (loss)/gain	**(4,361)**	(12,438)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) (loss)/gain	**(2,981)**	(18,351)
Total amount (loss)/gain *	**(2,981)**	(18,351)

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

Assets

	31/03/13 £'000s	31/03/12 £'000s	31/03/11 £'000s
Equities	**38,353**	40,019	41,621
Gilts	**7,528**	3,952	330
Corporate Bonds	**12,353**	10,890	14,579
Cash	**9,857**	8,064	7,060
Property	**1,032**	2,148	2,276
Total assets	**69,123**	65,073	65,866

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

	31/03/13 % per annum	31/03/12 % per annum	31/03/11 % per annum
Rate of discount	**4 5**	4 6	5 5
Inflation (RPI)	**3 4**	3 3	3 6
Inflation (CPI)	**2 5**	2 4	3 1
Allowance for revaluation of deferred pensions of RPI or 5% p a if less		n/a	n/a
Allowance for revaluation of deferred pensions of CPI or 5% p a if less	**2 5**	2 4	3 1
Allowance for pension in payment increases of RPI or 5% p a if less	**5**	3 3	3 6
Allowance for commutation of pension for cash at retirement	**None**	None	None

The mortality assumptions adopted at 31 March 2013 imply the following life expectancies

Male retiring at age 65 in 2013	23 43 years
Female retiring at age 65 in 2013	25 89 years
Male retiring at age 65 in 2032	25 42 years
Female retiring at age 65 in 2032	27 77 years

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Expected long term rates of return

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

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

	Period commencing 01/04/2012 % per annum	Period commencing 01/04 2011 % per annum
Equities	**7 1**	8 00
Gilts	**2 7**	4 20
Corporate Bonds	**4 6**	5 50
Cash	**2 7**	4 20
Property	**6 6**	7 50
Overall for scheme	**5 9**	7 00

Amounts for the current and previous four periods

	31/03/13 £'000s	31/03/12 £'000s	31/03/11 £'000s	31/03/10 £'000s	31/03/09 £'000s
Fair value of assets	**69,123**	65,073	65,866	61,518	47,971
Present value of scheme liabilities	**122,142**	115,205	98,104	97,993	82,123
Deficit in scheme	**(53,019)**	(50,132)	(32,238)	(36,475)	(34,152)
Experience adjustment on scheme assets	**1,094**	(4,470)	965	12,371	(15,462)
Experience adjustment on scheme liabilities	**286**	(1,443)	96	5,377	(972)

13 The Pensions Trust

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

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

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

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

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

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

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

Lewisham CAB paid contributions at the rate of 7 5% during the accounting period Members paid contributions at the rate of 6% during the accounting period

As at the balance sheet date there were 3 active members of the Plan employed by Lewisham CAB Lewisham CAB has closed the Plan to new entrants

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

The valuation results at 30 September 2011 were completed in 2012 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 £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%

The financial assumptions underlying the valuation as at 30 September 2011 were as follows

	% p.a.
Rate of return pre retirement	4 9
Rate of return post retirement Active/Deferred Pensioners	 4 2 4 2
Bonuses on accrued benefits	0 0
Inflation Retail Prices Index (RPI)	2 9
Inflation Consumer Prices Index (CPI)	2 4

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

The Scheme Actuary has prepared a funding position update as at 30 September 2012 The market value of the Plan's assets at that date was £790 million and the Plan's Technical Provisions (i e past service liabilities) was £984 million The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%

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

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 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation

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 The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up

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

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

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis)

The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal

Owing to this situation, we have included 2 figures/calculations, namely

- The cost of withdrawal if we include Series 3 liabilities in the calculation is £52,661 32
- The cost of withdrawal if we exclude Series 3 liabilities from the calculation is NIL

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and we would request payment of the higher amount with any adjustment being made when the regulations are implemented