Charity Registration No. 1075040
Company Registration No. 3038147

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements
31 March 2015

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Financial statements for the year ended 31 March 2015

Contents | **Page**

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Reference and Administrative Information

Company Number: 3038147

Charity Number: 1075040

Trustees/Directors
James Banks
Malcolm Beane (Treasurer)
Sheila Carpenter
Andy Copper
Sally Garner
Verena Hefti
Barbara Limon
Vicky Ling
Sonny Manly-Rollings
Iain McDiarmid
Glenys Russell
Aida Shoush
Mark Simons (Chair)

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

Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Surrey
SM1 4BW

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 2015

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 2015. 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) 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, local newspapers).

The Board regularly reviews its membership to ensure there is a broad range of relevant skills and experiences sufficient to carry out its duties. This year, the Board identified IT as a target area for recruitment and was pleased to co-opt Andy Copper, who brings considerable additional knowledge and experience in this area.

New Trustees meet informally with our Chief Executives to learn about our Service and are invited to arrange bureaux visits to meet our service 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 Board aims for a transparent organisational culture, where all staff and volunteers feel empowered to shape the future of Lewisham CAB. Trustees therefore developed staff and volunteer representative roles this year to increase the richness of discussions in Trustee Board meetings and ensure the strategic direction is rooted in a deep understanding of service users, their needs and the impact this has on our service to clients.

The Trustees who served during the period and up to the date of this report are:

James Banks
Malcolm Beane (Treasurer)
Sheila Carpenter
Andy Copper (co-opted 29.1.15)
Sally Garner
Verena Hefti

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2015

The Trustee Board acting together has the responsibility for governing Lewisham CAB 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 holds quarterly meetings and an AGM. The Board oversees the strategic direction of development within the organisation.

There are two sub-committees to the Trustee Board, which promote more active involvement of all Trustees and provide extra support for the Chief Executives. The Finance Sub-committee, chaired by the Treasurer, oversees and scrutinises finance and funding streams. The Human Resources Sub-committee oversees and scrutinises all staffing matters including quality and procedures and policies of Lewisham CAB 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 Generalist and Specialist Service Managers.

Lewisham CAB 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 Lewisham CAB Gateway Assessors and advisers, paid and voluntary, undertake this training, which takes a minimum of 6 months to reach Gateway Assessor certification level and at least 18 months to become a certificated Adviser. 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 and 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.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2015

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 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'

We provide free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination.

Volunteers increase our capacity to deliver services by taking on a variety of roles including receptionists, administrators, advisers, honorary legal advisers, Trustees and research & campaign workers. In return, volunteers receive training and support and gain new skills and experience. Last year saw an increase of 23% in time spent volunteering with Lewisham CAB. Over 70 people volunteered with us, contributing 28,392 hours, which is the financial equivalent of £373,587 in terms of the time and skills they give so generously. This figure is derived using hourly rates from the Office for National Statistics for roles equivalent to those our volunteers carry out.

Achievements and Performance

This year, Lewisham CAB celebrated 75 years of providing advice and information in Lewisham. We were delighted to host a vibrant public event, opened by Sir Steve Bullock, Lewisham's Mayor, with an address by Benedict Birnberg, the eminent lawyer and a founder member of the Board of Lewisham CAB when the organisation became independent in the 1970s.

Our generalist service, funded by Lewisham Council and delivered through our outlets in Catford and Sydenham, is in high demand and continued to be very busy throughout the year. The service of general help, also known as casework internally, is accredited by the Citizens Advice logo, which assures our clients that they can expect to receive an excellent quality service.

We provide substantial amounts of assisted information to clients through our reception service. Clients needing advice use our Gateway system, where they receive an initial diagnostic interview to decide on the next best step. From Gateway, we can then offer advice appointments to clients, some of whom need in-depth casework. Last year, 11,322 people received information through our reception service, with 4,708 individuals receiving advice and 562 clients accessing our Downham Advice and Information Hub.

We offer information and advice across all areas of social welfare law. Last year, the areas of highest demand were debt (28% of issues), welfare benefits (20% of issues) and housing (18.5% of issues).

Our specialist debt advice team continued to meet stringent targets and to provide help at the highest level, including bankruptcy and multiple debts. All our advisers are expert Debt Relief Intermediaries. This service is funded by the Money Advice Service through our Capitalise partnership and Lewisham Council, who fund a full time money advice post.

Our other specialist services also continued, in partnership with other organisations for example:

- 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

We expanded our work with housing associations this year, nearly doubling our provision to London & Quadrant residents and continuing to offer services to Phoenix Community Housing tenants.

Our small projects typically funded on a short term or adhoc basis again enabled us to provide a wider range of provision. Examples include providing advice and training around energy issues through Citizens Advice's Big Energy Saving Network programme and a series of "Keep Warm Keep Well" roadshows, funded by the Power of Giving network. We were also able to provide advice to clients at Downham & Whitefoot Food Project Plus, a foodbank in the south of Lewisham. This was a short term project, funded through Lewisham Council's Small & Faith Fund, which we can use as the basis for seeking funding for a longer term project.

Our Partnership work with Advice Lewisham continues to consolidate and grow. Our Advice and Information Hub at our Downham site proved very popular, exceeding all targets. Clients can get information and help with completing online forms, a very necessary service as more and more applications need to be done online. This project is funded through a partnership bid to the Big Lottery Fund.

Our work on Research & Campaigns enables us to meet our aim of improving the policies and practices that affect people's lives. We participate in Citizens Advice's national research and campaigns work by submitting Electronic Bureau Evidence Forms (used to identify social policy issues raised by clients). Our Research & Campaigns group is led by a Trustee and aims to focus on three campaign issues during the year. This year, areas of focus included the effect of the social sector under-occupancy charge (commonly known as the 'bedroom tax') on our clients and in working with Lewisham Council on issues around how bailiffs collect Council Tax arrears.

We measure outcomes for our clients and ask them what they think of the service they receive, to ensure we are making a positive impact. Last year, we know we raised at least £2,343,490 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.

It is important to know whether our clients are satisfied with how we deliver our advice and information services. We therefore undertake an annual client feedback survey. We are pleased that our clients continue to think our information and advice is effective and we offer good customer service.

- 98.8% of respondents said they were very happy or happy with the information/advice they got
- 96.5% of respondents who received information said it was very easy or easy to understand
- 98.4% of respondents who got advice said it was very useful or useful.
- 96.2% of respondents said they were very clear or clear about what to do next
- 93.4% of respondents said the information/advice they got made a big or small difference to their situation.
- 97.7% of respondents were happy with the service they received overall
- 99.2% of respondents would use our service again
- 98.2% of respondents would recommend Lewisham CAB to other people

Financial Review

The reserves at 31 March 2015 totalled £239,353 which represents restricted funds of £79,499, £151,354 in unrestricted funds and designated funds of £8,500 for premises. Restricted funding is typically awarded by a funder for a specific purpose e.g. generalist advice and often targets are set regarding volumes of clients to be seen in the period covered by the grant. A surplus of restricted funds would typically represent a timing difference between funds being granted and the expenditure associated with delivering the specified services. Not for profit organisations or charities have much more flexibility in the application of unrestricted funds e.g. to invest in general training or to provide some flexibility to continue services if a funding source disappears.

For 2013/14 we held designated reserves of £57,771 of which, £49,271 related to managing the impact of potential cuts in funding and £8,500 related to premises. Since the scale of the cuts is now clear and we have dealt with the resultant impact, it would no longer be appropriate to retain this amount of designated funds. Therefore the designated reserves for 2014/15 are £8,500 for premises as mentioned above. Given the proposed move to the Leemore Centre we have retained this designation.

As in previous years the Trustee Board has agreed that a sum equivalent to three months running costs of our projected expenditure for the year would be a reasonable level of unrestricted general reserves. This means that our target for the year to 31 March 2015 should have been £317,800.

We were pleased to increase our level of Unrestricted Reserves from £110,332 in 2013/14 to £159,854 as at 31/3/2015. Restricted Reserves reduced from £142,615 as at 31/3/2015 to £79,499. The principal reason for this deficit was that we administer funds on behalf of Advice Lewisham, a consortium of advice providers in the borough. Funds were paid into our restricted reserves in 2013/14, and then paid out in 2014/15, thus reducing our restricted reserves at year end.

Clearly, even though the level of increase in unrestricted Reserves is pleasing it is still some way short of our target and represents a material risk to the organisation. We do not think this can continue. The Charity Commission recommend that not for profit organisations such as ours should set target surpluses using a risk based approach which specifically considers the various risks facing the organisation In order to develop an informed view of the required surplus rather than an arbitrary target. The Trustee Board have begun work on this approach which will inform the reserve targets we set for 2015/16. This risk based target will help us build a case for taking action to drive a suitable level of surplus, ensuring that we can help the council achieve its goals as set out in its recent funding review and that we provide the best possible service to those in need in the borough.

Future Plans

Infrastructure will be key to our activities in the coming year. We are aiming to move premises to one building, plus our satellite outlet in Downham. We are also reviewing our ICT systems and how we use ICT in general, with a view to providing a more efficient and effective service to clients.

We are very grateful to Lewisham Council, who have awarded us Main Grant funding at the current level for our generalist service until March 2018, subject to a review of all advice services in the borough. We recognise that this represents a considerable commitment to advice and information in this era of budgetary restraint. We look forward to providing a greater range of channels for our clients, including more work around digital and financial inclusion and more provision through our Downham satellite.

Sadly, funding for our popular and accessible GP Surgeries project is being withdrawn as part of the cuts programme for the Public Health budget. In particular, this project allowed us to provide in-depth casework for people with disabilities. We will be focusing on fundraising and working with Lewisham Council to preserve the good practice from this programme.

We will continue to offer a substantial amount of debt advice through Capitalise and Lewisham Council funding. Again, we are working to increase options for clients in how they receive advice and information.

We will continue the focus on partnership work, taking a lead in the Advice Lewisham Partnership and seeking to increase joint working with other statutory and Third Sector organisations. We will build on the good practice developed with our very successful small project with Mind, so that we can provide advice to vulnerable groups who currently find our services hard to reach.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors' Report) for the year ended 31 March 2015

Trustees' responsibilities statement

The Trustees (who are also directors of Lewisham Citizens Advice Bureaux Service Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 charitable 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.

Auditor

Myrus Smith, Chartered Accountants were appointed auditors during the year and 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:

M.J. Beane

Malcolm Beane, Treasurer
Date:

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 Service Limited for the year ended 31 March 2015 which comprise the 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement 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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015, 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Independent Auditor's Report to the members of Lewisham Citizens Advice Bureaux Service Limited

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 from the requirement to prepare a strategic report or in preparing the Trustees' Annual Report.

S.A. Jones *(Senior Statutory Auditor)*
For and on behalf of Myrus Smith, Statutory Auditor

Norman House,
8 Burnell Road,
Sutton, Surrey
SM1 4BW

Date: 27.10.15

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2015

	Note	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Incoming resources					
Incoming resources from charitable activities					
Provision of Advice and Information Service	2	216,482	1,041,422	1,257,904	1,192,837
Incoming resources from generated funds					
Bank interest receivable		2,178	-	2,178	1,797
Voluntary income		40	-	40	120
Total incoming resources		218,700	1,041,422	1,260,122	1,194,754
Resources expended					
Charitable activities					
Provision of Advice and Information Service	3	166,014	1,090,810	1,256,824	1,047,700
Governance costs	4	3,079	13,813	16,892	13,091
Total resources expended		169,093	1,104,623	1,273,716	1,060,791
Net incoming resources before transfers, being net income for the year	6	49,607	(63,201)	(13,594)	133,963
Transfers between funds	9	(85)	85	-	-
Net movement in funds		49,522	(63,116)	(13,594)	133,963
Balance brought forward 1 April 2014		110,332	142,615	252,947	118,984
Balances carried forward 31 March 2015	9	159,854	79,499	239,353	252,947

The notes on pages 12 to 23 form part of these financial statements.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Balance Sheet
As at 31 March 2015

	Notes	2015 £	2014 £
Tangible fixed assets	7	**9,757**	12,254
Current assets			
Other debtors		**6,021**	9,705
Prepayments and accrued income		**24,783**	36,553
Cash at bank and in hand		**273,290**	372,330
		304,094	418,588
Creditors: amounts falling due within one year			
VAT and payroll taxes		**26,284**	33,566
Other creditors		**11,592**	42,080
Accruals		**24,817**	13,697
Deferred income	8	**-**	73,820
Obligations under hire purchase agreements		**-**	4,488
		62,693	167,651
Net current assets		**251,158**	263,191
Creditors: amounts falling due after one year			
Obligations under hire purchase agreements		**11,805**	10,244
Net assets	10	**239,353**	252,947
Funds			
Unrestricted funds			
General funds		**151,354**	52,561
Designated funds		**8,500**	57,771
Restricted funds		**79,499**	142,615
Total funds	9	**239,353**	252,947

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees and authorised for issue on.................................. and signed on their behalf by:

.... Mark Simons
Chair

M. J. Beane
.... Malcolm Beane
Treasurer

Company number: 3038147

The notes on pages 12 to 23 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 the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective April 2008) 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 or over whole term of the lease
Fixtures and fittings - 33% straight line or over whole term of the lease

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) Finance Leases

Assets held under finance lease 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 SOFA 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 13. The pension contributions charged in these accounts represent the amounts payable by the company for this scheme in respect of the year 2014/15.

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 12.

2. **Incoming resources from charitable activities**

		2015 £	2014 £
Grants	- London Borough of Lewisham	500,927	501,083
Grants	- Advice Lewisham	119,439	108,866
Grants	- Capitalise	250,830	283,862
Grants	- CitA	5,893	9,507
Contracts	- Lewisham Public Health	148,677	148,677
Grants	- Big Lottery	150,643	82,454
Grants	- DECC	5,000	-
Grants	- UK Power Giving	8,690	-
Other Income		67,805	58,388
		1,257,904	1,192,837

3. **Charitable expenditure**

	Staff costs £	Other direct costs £	Central support costs £	2015 £	2014 £
London Borough of Lewisham	389,749	45,634	57,125	492,508	512,237
Advice Lewisham	31,899	120,595	4,200	156,694	43,970
Capitalise	223,163	1,699	34,305	259,167	261,397
CitA	4,841	1,051	-	5,892	9,180
Lewisham Public Health	95,593	1,079	16,153	112,825	123,860
Big Lottery	57,716	96,388	8,742	162,846	43,257
DECC	5,000	-	-	5,000	-
UK Power Giving	8,690	-	-	8,690	-
Friends of CitA	14	-	-	14	-
Other Expenditure	48,777	-	4,411	53,188	53,799
	865,442	266,446	124,936	1,256,824	1,047,700

	2015 £	2014 £
Central support costs	124,936	124,159

4. Governance costs

	2015	2014
	£	£
Legal / professional and finance	7,366	4,579
Auditor's remuneration: audit	3,400	3,400
Accountancy	2,520	3,200
Trustee Board costs	298	377
AGM	3,308	1,535
	16,892	13,091

5. Staff costs

	2015	2014
	£	£
Wages and salaries	754,884	732,020
Social security costs	68,258	69,400
	823,142	801,420
Pension costs	28,466	25,278
	851,608	826,698
Staff training and travel costs	6,089	8,448
	857,697	835,146

The average number of staff employed by the charity (full-time equivalent) was:	2015	2014
	No.	No.
Direct charitable work	25	25
Administrative	5	5
	30	30

No staff members earned more than £60,000 (2014: £nil). No remuneration was paid to Trustees in the year (2014: £nil). £169.15 expenses were paid to Trustees in the year (2014: £143.94).

6. Net incoming resources

	2015	2014
Net incoming resources are stated after charging:	£	£
Auditor's remuneration: audit	3,400	3,400
Depreciation	2,497	2,380
Operating lease rentals - land & buildings	20,178	20,280
Interest payable on finance leases	644	247

7. **Tangible fixed assets**

	Fixtures & fittings £	Computer & office equipment £	Total £
Cost			
At 1 April 2014	2,540	32,529	35,069
Additions	-	-	-
Disposals	-	-	-
At 31 March 2015	**2,540**	**32,529**	**35,069**
Accumulated depreciation			
At 1 April 2014	2,540	20,275	22,815
Charge for the year	-	2,497	2,497
Disposal	-	-	-
At 31 March 2015	**2,540**	**22,772**	**25,312**
Net book value			
At 31 March 2015	-	9,757	9,757
At 31 March 2014	-	12,254	12,254

8. **Deferred income**

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

	£
Balance at 1 April 2014	73,820
Amount released to incoming resources	(73,820)
Balance as at 31 March 2015	**-**

9. Movement in accumulated funds

	Balance b/fwd at 01/04/14	Incoming resources	Resources expended	Transfers	Balance c/fwd at 31/03/15
	£	£	£	£	£
Unrestricted funds:					
General funds	52,561	218,700	(169,093)	49,186	151,354
Designated funds:	57,771	-	-	(49,271)	8,500
	110,332	218,700	(169,093)	(85)	159,854
Restricted funds:					
London Borough of Lewisham	-	500,927	(501,012)	85	-
Friends of the Citizens Advice	1,249	-	(14)	-	1,235
FIF Capitalise Project	23,296	250,830	(264,079)	-	10,047
Advice Lewisham	78,798	119,439	(157,090)	-	41,147
CitA	75	5,893	(5,892)	-	76
Big Lottery	39,197	150,643	(162,846)	-	26,994
DECC	-	5,000	(5,000)	-	-
UK Power Giving	-	8,690	(8,690)	-	-
	142,615	**1,041,422**	**(1,104,623)**	**85**	**79,499**
Total funds	**252,947**	**1,260,122**	**(1,273,716)**	**-**	**239,353**

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 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.
Advice Lewisham – Lewisham CAB is the lead partner for this partnership and thus administer funds on behalf of the other partner organisations.
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 project is a consortium bid that will be setting up 3 Advice and Information hubs, and providing home visits and outreach sessions. These hubs will focus on early intervention and education work and support in accessing self-help.
DECC/UK Power Giving-These projects assist clients to make energy savings
Designated funds –we have designated funds for contractual expenditure on premises (£8,500).

10. Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fixed and current assets	**234,352**	**79,499**	**313,851**
Current and long term liabilities	**(74,498)**	**-**	**(74,498)**
Net assets	**159,854**	**79,499**	**239,353**

11. Obligations under operating lease agreements

The company has annual commitments under operating lease expiring as follows:

	Land and buildings 2015	Land and buildings 2014
	£	£
In less than one year	-	5,750
Between two and five years	9,757	12,254

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 2014, the employer debt on withdrawal liability for Lewisham CAB is £40,687.

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 2014/15 this amounted to £8,400 (2014: £8,400). The Charitable Company is obliged to make this annual payment until 31st March 2028.

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

The employers operate a defined benefit scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long-term pension liabilities. A full actuarial valuation was carried out at 31 March 2013 and updated to 31 March 2015 by a qualified actuary, independent of the scheme's sponsoring employer. 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 on or after 1 April 2015 is as follows:

a) Contributions in respect of expenses
The principal employer will pay amounts into the scheme in respect of management and administrative 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 31 March 2013 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000 of which Citizens Advice contributes £1,062,000.

PRESENT VALUES OF SCHEME LIABILITIES, FAIR VALUE OF ASSETS AND SURPLUS (DEFICIT)

	31 March 2015 (£000s)	31 March 2014 (£000s)	31 March 2013 (£000s)
Fair value of scheme assets	72,635	68,832	69,123
Present value of scheme liabilities	129,110	107,734	122,142
Surplus (deficit) in scheme	(56,475)	(38,902)	(53,019)
Unrecognised surplus	-	-	-
Asset (liability) to be recognised	(56,475)	(38,902)	(53,019)
Deferred tax	*	*	*
Net asset (liability) to be recognised	*	*	*

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements
For the year ended 31 March 2015

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF THE SCHEME LIABILITIES

	Period ended 31 March 2015 (£000s)	Period ended 31 March 2014 (£000s)
Scheme liabilities at start of period	107,734	122,142
Current service cost	-	-
Expenses	243	264
Interest cost	4,684	5,440
Contributions by scheme participants	-	-
Actuarial losses (gains)	19,257	(17,320)
Benefits paid & expenses	(2,808)	(2,792)
Past service costs	-	-
Liabilities assumed in a business combination	-	-
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Scheme liabilities at end of period	129,110	107,734

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF SCHEME ASSETS

	Period ended 31 March 2015 (£000s)	Period ended 31 March 2014 (£000s)
Fair value of scheme assets at start of period	68,832	69,123
Expected return on scheme assets	3,693	3,496
Actuarial gains (losses)	1,416	(2,520)
Contributions by the employer	1,502	1,525
Contributions by scheme participants	-	-
Benefits paid & expenses	(2,808)	(2,792)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Fair value of scheme assets at end of period	72,635	68,832

The actual return on the scheme assets over the period ended 31 March 2015 was 5,109,000.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements
For the year ended 31 March 2015

TOTAL EXPENSE RECOGNISED IN PROFIT AND LOSS ACCOUNT

	Period ended 31 March 2015 (£000s)	Period ended 31 March 2014 (£000s)
Current service cost	-	-
Expenses	243	264
Interest cost	4,684	5,440
Expected return on scheme assets	(3,693)	(3,496)
Past service cost	-	-
Losses (gains) on curtailments	-	-
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Total expense recognised in profit and loss account	1,234	2,208

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Period ended 31 March 2015 (£000s)	Period ended 31 March 2014 (£000s)
Difference between expected and actual return on scheme assets - gain (loss)	1,416	(2,520)
Experience gains and losses arising on the scheme liabilities - gain (loss)	-	4,325
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - gain (loss)	(19,257)	12,995
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(17,841)	14,800
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable - gain (loss)	-	-
Total amount recognised in statement of total recognised gains and losses - gain (loss)	(17,841)	14,800

ASSETS

	31 March 2015 (£000s)	31 March 2014 (£000s)	31 March 2013 (£000s)
Equity	36,318	38,076	38,353
Gilts	7,439	9,166	7,528
Bonds	13,825	10,212	12,353

Cash and other assets	12,850	10,006	9,857
Property	2,203	1,372	1,032
Total assets	72,635	68,832	69,123

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

ASSUMPTIONS

	31 March 2015	31 March 2014	31 March 2013
	% per annum	% per annum	% per annum
Discount Rate	3.20	4.40	4.50
Inflation (RPI)	3.10	3.40	3.40
Inflation (CPI)	2.20	2.50	2.50
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.20	2.50	2.50
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.40	3.40
Allowance for commutation of pension for cash at retirement	75% of Post A Day	75% of Post A Day	No allowance

The mortality assumptions adopted at 31 March 2015 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2015	21.5
Female retiring in 2015	23.8
Male retiring in 2035	23.2
Female retiring in 2035	25.7

EXPECTED LONG-TERM RATES OF RETURN

The long-term expected rate of return on cash and other assets is determined by reference to gilt yields at the balance sheet dates. The long-term expected return on gilts and bonds are 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 and property are 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	Period Commencing
	1 April 2014	1 April 2013
	% per annum	% per annum
Equity	6.80	6.60
Gilts	3.20	2.30

Bonds	4.30	4.10
Cash and other assets	3.20	2.30
Property	6.30	6.10
Overall for scheme	5.42	5.10

AMOUNTS FOR THE CURRENT AND PREVIOUS FOUR YEARS

	2015 (£000s)	2014 (£000s)	2013 (£000s)	2012 (£000s)	2011 (£000s)
Fair value of scheme assets	72,635	68,832	69,123	65,073	65,866
Present value of scheme liabilities	129,110	107,734	122,142	115,205	98,104
Surplus (deficit) in scheme	(56,475)	(38,902)	(53,019)	(50,132)	(32,238)
Experience adjustment on scheme assets	1,416	(2,520)	1,094	(4,470)	965
Experience adjustment on scheme liabilities	-	4,325	286	(1,443)	96

14. 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 £40,687.
- 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.