Charity Registration No. 1075040
Company Registration No. 3038147

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements 31 March 2017

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Financial statements for the year ended 31 March 2017

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)
Andy Copper
Pam Grieve
Verena Hefti (Chair)
Barbara Limon
Erika Moisl
Iain McDiarmid
Mark Simons
John Wray

Chief Executives: Rachel Braverman (Resigned 28th October 2016)
David White (Interim Chief Executive till 31st January 2017)
Sukhvinder Kaur-Stubbs (Appointed 1st February 2017)

Company Secretary: Rachel Braverman (Resigned 28th October 2016)

Registered Office and Business Address

As of 14th January 2017:	Previously:
Leemore Community Hub	Duke House, 3rd Floor
Bonfield Road	84-86 Rushey Green
London	London
SE13 5EU	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 2017

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Lewisham Citizens Advice Bureau Service Ltd is a registered charity and a company limited by guarantee. Lewisham Citizens Advice Bureau Service Ltd. is also known and referred to as Lewisham Citizens Advice Bureau. The maximum liability of each member is limited to £1. At 31 March 2017 the company had 10 members. Lewisham Citizens Advice Bureau is governed by its Memorandum and Articles of Association as amended on 7th November 2013.

Lewisham Citizens Advice Bureau Service Ltd was incorporated as a company limited by guarantee on 27th March 1985. The charity commenced operations on 27th March 1985 at which date the assets and liabilities of the unincorporated Lewisham Citizens Advice Bureau were acquired.

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

James Banks
Malcolm Beane (Treasurer)
Andy Copper (Resigned 11th May 2017)
Pam Grieve
Verena Hefti (Chair as of 27th October 2016)
Barbara Limon
Erika Moisl
Iain McDiarmid
Mark Simons (Chair till 27th October 2016)
John Wray

Recruitment, Appointment of Trustees

Our trustees, who are also Directors of the Company, are elected 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.

A separate process agreed by the trustee board is followed for the election of the Chair. The Reference and Administrative Details above identify the constituencies that elected each of the current trustees. No other persons or bodies external to the charity were entitled to appoint persons to the trustee board.

Induction of Trustees

New trustees meet informally with our Chief Executive 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.

Organisational Structure

Lewisham Citizens Advice Bureau is governed by its trustee board which is responsible for setting the strategic direction of the organisation and the policy of the charity. The trustees carry the ultimate responsibility for the conduct of Lewisham Citizens Advice Bureau and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum quarterly and delegate the day-to-day operation of the organisation to senior management. The trustee board is independent from management. A register of members' interests is maintained at the registered office, and is available to the public.

Related Parties

Lewisham Citizens Advice Bureau is a member of Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux, which provides a framework for standards of advice and casework management as well as monitoring progress against these standards. Operating policies are independently determined by the trustee board of Lewisham Citizens Advice Bureau in order to fulfil its charitable objects and comply with the national membership requirements.

The charity also co-operates and liaises with a number of other advisory services, local charities and local authority departments on behalf of clients. Where one of the trustees holds the position of trustee/director of another charity or is a decision maker within the local authority, they may be involved in discussions regarding that other charity or department but not in the ultimate decision-making process.

Major risks

The trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks. To that end Lewisham Citizens Advice Bureau is continually monitoring and managing its risk, reviewing the corporate risk register and ensuring action plans are in place to mitigate its key risks. Lewisham Citizens Advice Bureau has worked on a Corporate Risk Management exercise and the trustee board agreed to move to a risk based approach to reserves target.

Included in external risks is that of the loss of funding. The effects of this have been minimised by the procedures in place, which have resulted in funding being secured from a variety of sources. The charity continues to seek to diversify its funding sources.

Internal risks are minimised by implementing procedures for authorisation of all transactions and projects and ensuring consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

3. OBJECTIVES AND ACTIVITIES

Objects

The charity's objects are to promote any charitable purpose 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."

Objectives, Strategies and Activities for the Year

Lewisham Citizens Advice Bureau aims to provide free, confidential, impartial and independent advice and information for the benefit of the local community, to exercise a responsible influence on the development of social policies and services and to ensure individuals do not suffer through a lack of knowledge or an inability to express their needs effectively.

In addition to the continuing provision of high quality advisory services to the local community the trustees' primary objective for the year was to develop a robust strategic plan and to improve the charity's infrastructure to ensure the charity can meet the challenges ahead.

Public Benefit Required

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken by the local Citizens Advice during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

The principal activity of Lewisham Citizens Advice Bureau remained the provision of free, confidential, independent and impartial advice, information and counsel for members of the public through face-to-face consultations and by telephone. This was provided through our outlets in Catford, Sydenham and Downham, Leemore Community Hub and a number of outreach venues. In addition to generalist advice, specialist welfare benefit and debt advice was also provided.

Contribution of Volunteers

The charity receives help and support in the form of voluntary assistance in advising the public and administering the charity.

66 volunteers contributed approximately 26,780 hours of work to the local Citizens Advice during the year. We estimate the value of this help at £391,347 in respect of the current year.

4. ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

The key achievements in the year were:

- Over performing on targets set for work with London & Quadrant tenants, resulting in an increased grant for 2017/18.

- Successful completion of the Advice And Information Hubs Project, which we led on behalf of the Advice Lewisham Partnership.

Lewisham Citizens Advice Bureau saw a total of 10,500 clients in 2016/17, resulting in over almost £2 million in benefits and income.

Fundraising Activities

Total income for the year was £1,032,959 a decrease of £51,675 on 2015/2016. The primary cause of this increase was the withdrawal of funding from Lewisham Public Health and Leaving Care Project, as a result of cuts to local authority funding.

Factors Affecting the Achievement of Objectives

During 2016 as part of its overall review of services Lewisham Borough Council carried out a fundamental review of its Main Grants Programme for 2017-18. The Mayor and cabinet determined that due to the overall financial position of the council a reduction of £1m would be required from the 2016-17 budget of £4m to the third sector. After considerable consultation LCAB were informed that their share of this cut would be circa £80,000 or 15% .in 2017-18. In order to maximise the value that could be delivered for this reduced spend with LCAB and the other third sector advisory groups a new delivery model was also agreed.

The key elements of this new model are to centralise resources to the extent feasible in the Leemore Community Hub and a central phone service which would operate as single point of contact and triage function to ensure clients are quickly able to access the service they need. This will reduce duplication, maximise the use of capability and create a better more focused client journey. As the largest organisation LCAB was asked to play the lead role in achieving this significant transition. The implications for LCAB have been material. All the necessary changes had to be made during 2016-17 so that we could operate to the council's expectations and within our funding from the beginning of 2017. The most material changes which had both a financial and operational impact are noted below:

- Impact on our staff – we needed to reduce our staffing levels to reflect the new funding realities and there needed to be a fundamental redesign of many those remaining roles in order to operate the new delivery model. It is worth noting that as a result we are even more dependent on the volunteer work force. Finally, we must acknowledge and thank our permanent staff and representatives for the very constructive approach taken in helping find a solution to these challenges.

- Relocation - considerable planning was required and expenditure incurred by the bureau to deal with the cost of moving e.g. dilapidations and building the new environment including technology.
- Leadership - as noted our CEO left us in October of 2016 and in order to manage through this very turbulent period we hired an experience CEO on an interim basis.

Staff have responded well to the culture change involved in consolidating delivery from three locations to one. In line with the Council's drive to maximise the value delivered from the advice agencies, we are committed to leading the Advice Lewisham partnership.

5. FINANCIAL REVIEW

Financial Position

It should be noted that as well as the one off costs referred to above, which of course impacted our reserve position, there has been a change in accounting policies which impacts the treatment of our share of the liabilities associated with a National CAB Pension Plan. The new treatment requires that this actuarial liability is reflected in our accounts and requires restatement of prior year results too.

It is worth noting that LCAB's economic position has not changed as this liability has been noted in the accounts for a number of years. Any crystallisation of this liability would be managed at a national level.

Overall, some £96,666 in one off costs covering redundancy, premises and technology costs was incurred by LCAB to position us for 2017/18. If these one off matters are allowed for, the underlying position would have been a £4,699 surplus.

Incoming resources in the year were £1,032,959 (2015/2016 - £1,084,634), of this £880,639 (2015/2016 £919,970) related to project restricted activities.

A deficit of £91,967 was made in the year (2015/2016 : £175,706 after restatement for FRS102). At 31 March 2017 total reserves were £28,320 in deficit, of which £25,515 represented unrestricted funds and £2,805 represented restricted funds.

Reserves Policy

Lewisham Citizens Advice Bureau is required to ensure that free monies are available in each financial year to meet any reasonable foreseeable contingency. They will work to ensure that funding is derived from as wide a variety of sources as possible. They will take all necessary steps to ensure that at no time within this period would it be possible for the cessation of one or more funding streams to present so serious a challenge to the future of the organisation that it could not be managed so as to continue to provide a best value advice service.

In reviewing the potential costs that could arise should a significant reduction in income be incurred the trustees have moved from the previous policy of maintaining 3 months normal operating expenditure to a risk based approach to reserves target. This new policy takes account of three realities:

- Were there to be material further cuts to existing funding sources our staffing model with its dependency on volunteers and so on represents a lower financial risk to the bureau. Our key funders London Borough of Lewisham and Capitalise have been sensitive to the impact of any cuts and provided good lead times and practical solutions to any potential redundancy costs i.e. such costs allowed against their funding.

- If funding were continued but a different organisation were required to deliver these services then, of course, the Transfer of Undertakings (Protection of Employment Rights) Act would apply which would reduce our financial exposure due to lower redundancy costs.

- Liquidity – our key funders are very sound financially and very prompt payers. In addition, we have strong relationships with them which ensure good communication is in place.

With all this in mind the trustees have set a reserve target of £50,000 based on analysis of the risks it faces. While this is the trustees view as LCAB is part of a national structure we are working with the CAB at national level to finalise this policy.

The reasons for holding particular reserves are outlined in note 15.

Principal Funding Sources

The trustees extend their gratitude to Lewisham Council who continued to support the core operating capacity of the charity. Additionally project-specific funding was received from:
- Money Advice Service (Capitalise) for specialist money advice.
- London & Quadrant and Phoenix Community Housing for specialist money advice and generalist advice to their tenants.
- Citizens Advice for our Energy Best Deal project, helping clients with issues around fuel
- Downham Assembly to provide advice to visitors to Whitefoot & Downham Food Project Plus.

The charity did not have any borrowings from either providers of funding or other sources at the balance sheet date.

Funds in Deficit

As noted elsewhere, the Company's restricted and unrestricted funds were in deficit at the balance sheet date, but are both expected to return to surplus during the year ending 31 March 2018.

Investment Policy

As required in its Memorandum paragraph 3.19, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

6. FUTURE PLANS

Lewisham Citizens Advice Bureaux aims to continually improve access to its service, and intends to extend its service to an even wider number of the community. The Hub regularly receives over 100 people per week. They can access computers with volunteer Information Assistants available to help clients complete on-line benefit claims and find out where they can get specialist advice and support.

Around 170 clients a week are seen for face to face advice on a wide range of issues including welfare benefits, debt, housing support, employment and relationships.

We have three clear priorities as highlighted below.

1. Advice Lewisham Partnership - continue to support the development and growth of this network of advice agencies. This involves:
   - Establishing the free phone service so that it is capable of responding to up to 30,000 enquiries per annum.
   - Servicing the Steering Group and Project Board to establish standard protocols and data sharing arrangements.
   - Organising the Advice Lewisham Forum to ensure more effective liaison between statutory agencies and the advice services.
   - Fundraising to ensure that the most disadvantaged and those at risk of vulnerability are able to access advice services.

2. A Volunteer-Led Service - increase the number of volunteers recruited and trained from 45 to 85. Increasingly, our front-line service is delivered by volunteers supported by qualified Supervisors. We draw upon the wealth of talent and interest from across the borough including students, retired professionals, part-time workers and those looking to return to employment. Our structured training programme provides a robust introduction to the legislative framework around advice services allows individuals to improve their skills in listening and helping people and also boosts their confidence and well-being. Many of our volunteers go on to full time careers in the sector.

3. Sustainable Service - Nationally, Citizens Advice has introduced a new Performance Quality Framework to raise the standards of advice, financial management and governance across the federation. We will adopt this framework and expect to be inspected before the year end. It includes a robust approach to healthy financial management and this requires us to diversify our funding even further.

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).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2017

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.

Auditors

Myrus Smith, Chartered Accountants 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: 2/11/17

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 2017 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland.

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 2017, 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: 2.11.2017

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of financial activities for the year ended 31 March 2017
Incorporating the Income and Expenditure Account

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income from:	1b				
Donations and legacies	2	25,432	-	25,432	30,175
Charitable activities	3	124,541	880,639	1,005,180	1,051,607
Other	4	2,347	-	2,347	2,852
Total		152,320	880,639	1,032,959	1,084,634
Expenditure on:					
Raising funds	5	-	-	-	-
Charitable activities	5	230,357	894,569	1,124,926	1,260,340
Total Expenditure		230,357	894,569	1,124,926	1,260,340
Net income/(expenditure) before transfers	9	(78,037)	(13,930)	(91,967)	(175,706)
Transfers between funds		(5,695)	5,695	-	-
Net movement in funds for the year		(83,732)	(8,235)	(91,967)	(175,706)
Reconciliation of funds:					
Balances brought forward 2016	15	**58,217**	**5,430**	**63,647**	**239,353**
Balances carried forward 2017		(25,515)	(2,805)	(28,320)	63,647

The notes on Pages 15 to 24 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Balance Sheet
As at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed Assets					
Tangible Fixed Assets	11		4,333		7,260
Current Assets					
Debtors	12	30,898		47,270	
Cash at bank and in hand		223,730		317,951	
		254,628		365,221	
Creditors - amounts falling due within one year	13	164,777		186,455	
			89,851		178,766
Net Current Assets			94,184		186,026
Creditors - amounts falling due after one year			(6,683)		(8,878)
Pension Scheme Liability	15		(115,821)		(113,501)
Net (liabilities)/assets			£(28,320)		£63,647
Represented by:					
Funds of the Charity					
Unrestricted funds					
General funds	15		90,306		163,218
Designated funds	15		-		8,500
Pension Liability	15		(115,821)		(113,501)
Restricted Funds	15		(2,805)		5,430
			£(28,320)		£63,647

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the trustees and authorised for issue on 2nd November 2017 and signed on their behalf by:

V. Hefti ....

Verena Hefti

Chair

M S. Beane ....

Malcolm Beane

Treasurer

Company number: 3038147

The notes on pages 15 to 24 form part of these financial statements.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of Cashflow
As at 31 March 2017

	Note	2017 £	2016 £
Cash flow from operating activities	17	(96,568)	41,809
Cash flow from investing activities			
Interest received		2,347	2,852
Net (decrease) / increase in cash and cash equivalents		(94,221)	44,661
Cash and cash equivalents at start of period		317,951	273,290
Cash and cash equivalents at end of period		£223,730	£317,951
Cash and cash equivalents consists of:			
Cash at bank and in hand		£223,730	£317,951

1. **Accounting policies**

a) **Basis of preparation**
The charity constitutes a public benefit entity as defined by FRS 102

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 22.

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 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.

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 as 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 17. The pension contributions charged in these accounts represent the amounts payable by the company for this scheme in respect of the year 2016/17.

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 19.

i) **Donated Facilities**
Donated facilities are recognised as income when the charity becomes entitled to the facility, the use of which is probable and the value can be measured reliably. During the year, Lewisham CAB received free use of premises in Catford and Sydenham. Donated facilities have been measured at the estimated cost of the premises to the donor.

2 Donations and legacies

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
a Voluntary income				
Donations	807	-	807	625
Donated Facilities	24,625	-	24,625	29,550
	25,432	-	25,432	30,175

3 Income from Charitable Activities

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
London Borough of Lewisham	-	500,927	500,927	500,925
Advice Lewisham	-	52,200	52,200	53,252
Capitalise	-	284,197	284,197	283,927
Lewisham Public Health	-	-	-	37,169
Big Lottery	-	-	-	40,296
CitA	-	29,700	29,700	35,250
Other Income	124,541	13,615	138,156	100,788
	124,541	880,639	1,005,180	1,051,607

4 Other Income

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Activities for generating funds				
Investment income				
Bank Interest received	2,347	-	2,347	2,852

5 Expenditure on Charitable Activities

	Direct Costs (note 6)	Support Costs (note 7)	Total 2017	Total 2016
	£	£	£	£
Information and advice services	923,944	200,982	1,124,926	1,260,340

£203,412 (2016 : £152,800) of the above costs was charged to unrestricted funds and £894,570 (2016 : £994,039) of the above costs was charged to restricted funds.

6 Analysis of Direct Costs

	Total 2017	Total 2016
	£	£
Staff Costs	829,416	846,145
Other direct costs	94,528	138,042
	923,944	984,187

7 Analysis of Support Costs

	Total 2017	Total 2016
	£	£
Office costs	64,374	56,475
Premises costs	72,437	83,806
Other costs	46,349	9,157
Governance Costs	15,502	13,214
Pension liability movement	2,320	113,501
	200,982	276,153

8 Governance Costs

	Total 2017	Total 2016
	£	£
Legal, Professional and finance	10,760	5,835
Audit	4,490	4,928
Trustee Board	252	1,303
AGM/Development Day	-	1,148
	15,502	13,214

9 Net income/ (expenditure) for the year

	2017	2016
	£	£
This is stated after charging:		
Depreciation	2,927	2,497
Operating lease costs	23,028	22,844
Auditors' remuneration - audit	4,490	4,928
Interest payable on finance leases	482	644

10 Information regarding Trustees, Directors and Employees

	2017	2016
	£	£
Wages and salaries	696,198	750,643
Redundancy payments	40,657	-
Social security costs	66,291	69,588
Pension costs	32,758	31,968
Staff Training and travel costs	2,810	5,499
	838,714	857,698

The average number of staff employed by the charity (full time equivalent) was:

	2017	2016
Direct charitable work	14	25
Administrative	5	5
	19	30

No employee earned in excess of or more than £60,000 per annum

Note: Pension Costs include Pension Deficit Contributions of £8,400 (2016: £8,400).

Trustees and key management personnel remuneration and expenses

No trustee received any remuneration in respect of services as a trustee during the year (2016 : £nil). Travel expenses totalling £186.47 (2016 : £159) were reimbursed to 2 (2016 : 2) trustees during the year.

The total amount of employee benefits received by key management personnel was £70,121 (2016 : £51,941).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2017

11 Fixed assets

	Computer Equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2016	32,529	2,540	35,069
Additions	-	-	-
Disposals	-	-	-
At 31 March 2017	**32,529**	**2,540**	**35,069**
Depreciation			
At 1 April 2016	25,269	2,540	27,809
Charge for the year	2,927	-	2,927
Disposals	-	-	-
At 31 March 2017	28,196	2,540	30,736
Net book value 2017	4,333	-	4,333
Net book value 2016	7,260	-	7,260

12 Debtors

	2017	2016
	£	£
Trade debtors	7,163	19,361
Prepayments	17,801	17,015
Accrued Income	5,934	10,894
	30,898	47,270

13 Creditors - amounts falling due within one year

	2017	2016
	£	£
Trade creditors	2,284	11,860
Other creditors including tax and social security	13,570	22,793
Accruals	31,743	3,844
Deferred income (e.g. grants in advance)	117,180	147,958
	164,777	186,455

14 Analysis of net assets between funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible Fixed Assets	4,333	-	4,333
Current Assets	92,656	(2,805)	89,851
Other Liabilities	(122,504)	-	(122,504)
Net Assets	(25,515)	(2,805)	(28,320)

15 Movement in funds

	At 1 April 2016	Income	Expenditure	Transfers	At 31 March 2017
	£	£	£	£	£
Restricted Funds					
London Borough of Lewisham	-	500,927	(506,622)	5,695	-
Friends of CitA	1,235	-	(444)	-	791
Capitalise	5,984	284,197	(290,147)		34
Advice Lewisham	(1,865)	52,200	(54,042)	-	(3,707)
CitA	76	29,700	(29,699)	-	77
Other Income	-	13,615	(13,615)	-	-
Total Restricted Funds	5,430	880,639	(894,569)	5,695	(2,805)
Unrestricted Funds					
Designated fund	8,500	-	-	(8,500)	-
General funds	163,218	152,320	(230,357)	5,125	90,306
Pension Liability	(113,501)	-	-	(2,320)	(115,821)
Total Unrestricted funds	58,217	152,320	(230,357)	(5,695)	(25,515)
Total funds	63,647	1,032,959	(1,124,926)	Nil	(28,320)

Restricted funds:

London Borough of Lewisham – our core activity is funded by the Local Authority.
Friends of the CitA – these funds are for communication 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.
Other Income- these are for small projects with Whitefoot and Downham Assembly and Universal Credit.
Designated funds – The designation of funds for contractual expenditure on premises has been removed following the move to new premises.

16 Financial commitments

Operating lease commitments
The company has annual commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Expiring within two to five years	4,322	7,260

17 Reconciliation of net income/expenditure to net cash flow from operating activity

	2017 £	2016 £
Net expenditure for the year	(91,967)	(62,205)
Interest receivable	(2,347)	(2,852)
Depreciation	2,927	2,497
Movement in multi-employer benefit liability	2,320	-
Decrease in debtors	16,372	(16,466)
Decrease in creditors	(23,873)	120,835
	£(96,568)	£41,809

18 Contingent liabilities
Lewisham CAB 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 2016, the employer debt on withdrawal liability for Lewisham CAB is £39,278.

In the case of the NACAB scheme, liability arises should the National (1991) Plan (see note 18 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 Lewisham CAB is paying an annual contribution, as calculated annually by the actuary, in order to meet its estimated share of the deficit. In 2016/17 this amounted to £8,400 (2016: £8,400). Lewisham CAB is obliged to make this annual payment until 31 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.

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

The Plan is closed to future accrual. In accordance with the Schedule of Contributions in force at the accounting date, contributions to the Plan for the year ending 31 March 2018 are expected to be £1,500,000, which includes £1,200,000 towards the deficit and £300,000 as an allowance for administration expenses and all scheme levies.

The Plan is a registered scheme under UK legislation. The Plan is subject to the scheme funding requirements outlined in UK legislation. The Plan is governed by the Plan's Trust Deed and Rules dated 4 April 2011. The trustee is responsible for the operation and the governance of the Plan, including making decisions regarding the Plan's funding investment strategy (although they are required to consult the Principal Employer).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2017

A full actuarial valuation of the Plan was carried out as at 31 March 2017 by a qualified independent actuary, based upon membership data as at 31 March 2016.

The most recent formal actuarial valuation of the Plan was as at 31 March 2013 and revealed a funding deficit of £39,492,000. In the recovery plan dated 28 April 2014, the Principal Employer and other participating employers agreed to pay deficit reduction contributions of £1,200,000 per quarter with the view to eliminating the deficit by 31 December 2033.

The liabilities of the Plan are based on the current value of expected benefit payment cashflows to members of the Plan over the next 60 or more years. The average duration of the liabilities is approximately 18 years.

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

The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 31/03/2017	As at 31/03/2016
Discount rate	2.60%	3.50%
Inflation (RPI)	3.40%	3.10%
Inflation (CPI)	2.40%	2.10%
Revaluation of deferred pensions in excess of GMP	2.40%	2.10%
Pension in payment increases of RPI or 5% p.a. if less	3.30%	3.10%
Pension in payment increases of CPI or 3% p.a. if less	2.25%	2.10%
Commutation of pension for cash at retirement	75% of HMRC maximum	75% of HMRC maximum

	As at 31/03/2017	As at 31/03/2016
Assumed life expectancies on retirement at age 65 are:		
Retiring today - Males	21.5	21.4
Retiring today - Females	24.2	23.4
Retiring in 20 years time - Males	22.9	23.1
Retiring in 20 years time - Females	25.7	25.3

	Value at 31/03/2017 £000s	Value at 31/03/2016 £000s
The assets in the Plan were:		
Multi asset funds	80,510	72,046
Cash	390	273
Fair value of Plan assets	80,900	72,319
The actual return on assets over the period was:	**10,084**	**520**
Present value of funded obligations	140,553	121,350
Fair value of Plan assets	80,900	72,319
Surplus/(deficit) in funded scheme	(59,653)	(49,031)
Present value of unfunded obligations	0	0
Unrecognised actuarial gains (losses)	0	0
Adjustment in respect of asset ceiling and minimum funding requirement	0	0
Net liability in balance sheet	59,653	49,031

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2017

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	31/03/2017 £000s	31/03/2016 £000s
Benefit obligation at beginning of year	121,350	129,110
Current service cost	455	370
Interest cost	4,195	4,084
Contributions by Plan participants	0	0
Actuarial (gains)/losses	18,005	(8,880)
Benefits paid and expenses	(3,452)	(3,334)
Past service cost	0	0
Settlements	0	0
Business combinations	0	0
Exchange rate	0	0
Benefit obligation at end of year	**140,553**	**121,350**

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

	31/03/2017 £000s	31/03/2016 £000s
Fair value of Plan assets at beginning of year	72,319	72,635
Interest income on Plan assets	2,505	2,311
Return on assets, excluding interest income	7,579	(1,791)
Contributions by employers	1,949	2,498
Contributions by Plan participants	0	0
Benefits paid and expenses	(3,452)	(3,334)
Business combinations	0	0
Settlements	0	0
Exchange rate	0	0
Fair value of Plan assets at end of year	**80,900**	**72,319**

The amounts recognised in profit or loss:

	31/03/2017 £000s	31/03/2016 £000s
Service cost - including current and past service costs, and settlements	0	0
Service cost - administrative cost	455	370
Net interest on the net defined benefit liability	1,690	1,773
Total expense	**2,145**	**2,143**

Remeasurements of the net defined benefit liability (asset) to be shown in OCI:

	31/03/2017 £000s	31/03/2016 £000s
Actuarial (gains)/losses on the liabilities	18,005	(8,880)
Return on assets, excluding interest income	(7,579)	1,791
Changes in the effect of the asset ceiling excluding interest income	0	0
Total remeasurement of the net defined benefit liability (asset) to be shown in OCI	**10,426**	**(7,089)**

20. First time adoption of SORP (FRS 102)

The charitable company has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2017.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Reconciliation of total funds

Adjustments to previously reported total funds at the date of transition to SORP (FRS 102) were as follows:

	£
Total charity funds at 1 April 2015 under SORP (2005)	177,148
Pension liability adjustment	(113,501)
Total charity funds at 1 April 2015 under SORP (FRS 102)	£63,647

b) Reconciliation of comparative period net income

Adjustments to previously reported net income in the comparative period were as follows:

	£
Net expenditure for the year ended 31 March 2016 under SORP (2005)	(62,205)
Movement on pension liability	(113,501)
Net expenditure for the year ended 31 March 2016 under SORP (FRS 102)	£(175,706)