Charity Registration No. 1075040
Company Registration No. 3038147

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Financial statements 31 March 2018

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Financial statements for the year ended 31 March 2018

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LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Reference and Administrative Information

Company Number: 3038147

Charity Number: 1075040

Chief Executive/Company Secretary: Sukhvinder Kaur-Stubbs

Registered Office and Business Address
Leemore Community Hub
Bonfield Road
London
SE13 5EU

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

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling
ME19 4JQ

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2018

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
Lewisham Citizens Advice Bureaux Ltd. is a registered charity and a company limited by guarantee. Lewisham Citizens Advice Bureaux Ltd. is also known and referred to as Citizens Advice Lewisham. The maximum liability of each member is limited to £1. At 31 March 2018 the company had 10 members. Citizens Advice Lewisham is governed by its Memorandum and Articles of Association as amended on 7th November 2013.

Citizens Advice Lewisham 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 Citizens Advice Lewisham (CAL) were acquired.

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

Barbara Limon (until 31st July 2018)
Christine Mosedale (co-opted 8th August 2018)
Erika Moisl
Heather Taylor (co-opted 8th August 2018)
Iain McDiarmid
James Banks
John Wray (until 16th May 2018)
Malcolm Beane (Treasurer until 2nd November 2017)
Mark Simons
Nigel Prout (Treasurer as of 2nd November 2017)
Pam Angell (previously Grieve) (until 16th May 2018)
Shawn Scott (co-opted 8th August 2018)
Sophie Park (as of 2nd November 2017)
Verena Hefti (Chair)

Recruitment, Appointment of Trustees
Our Trustees, who are also directors of the charity, 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, where applicable. No other persons or bodies external to the charity were entitled to appoint persons to the Trustee Board.

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2018

Training of Trustees
All new Trustees are buddied with established Board members and are invited to attend an induction training session at Citizens Advice London office, to find out more about the Citizens Advice service nationally and the role of Trustees. They participate in a planned induction which includes:

- Access to key governance documents such as the governance manual, financial procedures and annual report.
- Good governance guidance – relevant Charity Commission guides and references to high performing boards including Harvard and ICSA reports.
- Service tour introducing the different aspects of the service and identifying key team members.
- Introduction to stakeholders and client profile with the CEO.
- Bi-annual review with the Chair to establish objectives and progress.
- Workshop with Citizens Advice nationally to understand the member relationship.

All new Trustees receive an email address, access to the Citizens Advice portal BMIS and complete their confidentiality and declaration of interests forms. Where required, the Trustees are DBS checked. All Trustees are able to arrange bureaux visits to meet our Service Manager and find out more about our work. An insight day is held annually, organised by volunteers to enable Trustees to observe the service delivery and understand the nature of the enquiries presented by clients.

Organisational Structure
CAL is governed by its Trustee Board which is responsible for setting the strategic direction and policy of the charity. The Trustees carry the ultimate responsibility for the conduct of CAL 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
CAL 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 CAL 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 CAL is continually monitoring and managing its risk, reviewing the corporate risk register and ensuring action plans are in place to mitigate its key risks. CAL has worked on a Corporate Risk Management exercise and the Trustee Board agreed to a risk based approach to the reserves policy.

The top three risks for the organisation relate to:

1. Managing and leading the Advice Lewisham Consortium to adapt to resident demand and deliver a high performing, value for money service that includes handling 90% of close to 5,000 telephone calls per quarter with 80% of these answered within a few minutes.
2. Maintaining and improving morale and performance among a dedicated team of staff and volunteers that have come through considerable change in the last few years including the merger of three offices and relocation, the integration of advice services and introduction of triaging to ensure that intensive support is prioritised for the most vulnerable residents.
3. Diversifying the income base at a time when competition for funding from trusts and foundations has increased significantly and opportunities for smaller organisations to bid for tenders are limited.

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 charity. 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.

CAL 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.

Objectives, Strategies and Activities for the Year
CAL's vision is of a Lewisham where everyone can access help to deal with the issues they face, and where decision makers respond to people affected by their decisions.

- We exist to serve the needs of people who live or work within or near the London Borough of Lewisham.
- We provide the information and advice people need to address the problems they face and campaign for positive change, for all the people of Lewisham.

- We are proud to work with a large number of volunteers to deliver our services, alongside our paid staff.
- We are a lead member of Advice Lewisham, a partnership of the main free advice providers in Lewisham and a strategic partner to Lewisham Council.
- We are a member of Citizens Advice, our national membership body and actively promote the principles underpinning the whole Citizens Advice service.
- We are independent and impartial
- Our services are free and confidential
- We value diversity, promote equality and challenge discrimination

In addition to the continuing provision of high quality advisory services to the local community the Trustees' primary objective for the year was to establish the Leemore Centre as the new operating base for the team and to set up the 10 line call centre Advice Line on behalf of the Advice Lewisham Partnership.

Public Benefit
The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken by CAL 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 CAL 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 Leemore Community Hub and the Advice Lewisham Advice Line. 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.

4. ACHIEVEMENTS AND PERFORMANCE

Charitable Activities
The key achievements in the year were:

- Being the lead agency for the 8 Advice Lewisham partners serving 14,861 clients through the Advice Line and 7,080 in centres across the borough including the Leemore Hub.
- Helping 2,775 residents to manage their debt and money matters.
- Continuing to be the highest performing providers for the L&Q Pound Advice debt management service discharging debts and generating income of £5.56M over the last 5 years.
- Winning the tender for Phoenix debt management services worth £90K over 3 years.
- Serving almost 2,000 clients for the Money Advice Service and generated £92K in outcomes.
- Securing funding of £80K over 2 years from Trust for London to host the Lewisham Law Service in partnership with Southwark Law Centre.
- Recruiting, training and managing a team of 66 talented volunteers contributing nearly £400,000 to the organisation.

Fundraising Activities

Total income for the year was £992,111 a decrease of £40,848 on 2016-17. The primary cause of this decrease was a 15% reduction in local authority funding which was applied to all grantees providing advice services.

A programme of fundraising has begun which has already seen success in support from trusts and foundations and through competitive tender. In addition, new grants were received for partnership work with DWP and the Government's Business, Energy and Industrial Strategy Department.

Achievements and Performance

Progress is assessed against agreed annual objectives delivered by the CEO and the skilled team of staff and volunteers.

Promoting Equality and Diversity continues to be a key objective for the organisation. During 2017-18, around 54% of our Clients are BAME and 43% are disabled or have long term conditions. One of the objectives was to establish sign language support at Leemore for people with impaired hearing. We will continue to explore funding for this and digital innovations to support people who are disabled and/or vulnerable people.

Citizens Advice introduced the new Performance Quality Framework (PQF) this year and CAL was among the first London Citizens Advice bureau to be inspected against it. CAL was rated Excellent/Good with top marks secured for governance and for financial management.

The Trustee Board has approved a new information assurance strategy, having identified the risk presented by the significant amounts of client data held in the bureau. An information assurance management team exists to ensure the confidentiality, integrity and availability of all our sensitive data assets is maintained to a level which is consistent with the requirements of our clients, our funders and our strategic partners. The bureau aims to achieve an appropriate level of compliance to the Data Protection Act, the Cabinet Office's Security Policy Framework and to industry best practice, as defined by the ISO 27000 series of standards.

Research and campaigns to influence policy is a core objective for CAL. Our focus has been on the full roll-out of Universal Credit planned for July 2018. We have worked with Clients to understand the pressures they face and used our practical knowledge to help the Council minimise potential detriment.

One of the ambitions of the Advice Lewisham Partnership has been to provide a joined up and seamless service for local residents. The Freephone number is used on average by about 100 people per day and establishes a single first point of contact for Clients. Most can be helped straight away but those requiring casework are triaged for appointments. In addition, CAL has maintained a Hub where Clients can drop in for information and assistance in on-line forms and services.

At the same time as Citizens Advice nationally was moving from the Petra database, CAL set-up Advice Pro with Advice Lewisham partners and customised it to establish a deep mine of information and knowledge about the needs and priorities across the borough.

Plans to establish a new Law Centre in Lewisham were forged during the year with the Southwark Law Centre. We were delighted that the Trust for London agreed to pay for the costs of hosting and administering the service which will begin in September 2018.

5. FINANCIAL REVIEW

Financial Position
Following the one off costs incurred in the previous year, which had a significant impact on the charity's reserves, the financial position has stabilised, with a surplus being made in the year.

Following the change in accounting treatment in 2016/17 the charity's share of the liabilities associated with a National CAB Pension Plan is reflected in the CAL accounts. It is worth noting, though, that any crystallisation of this liability would be managed at a national level. Please see note 19 for more information.

Incoming resources in the year were £992,111 (2016-17 - £1,032,959), of this £821,043 (2016-17 - £880,639) related to project restricted activities.

A surplus of £101,127 was made in the year (2016-17 £91,967). At 31 March 2018 unrestricted reserves were £167,795 (2016-17 £90,306).

Reserves Policy
The Trustees of CAL are 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 adopted a risk based approach to the reserves target. This policy takes account of two 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 required to deliver these services, then of course Transfer of Undertakings (Protection of Employment Rights) would apply which would reduce our financial exposure due to lower redundancy costs.

With all this in mind the Trustees have set a minimum reserve target of £50,000 (excluding the pension liability) based on analysis of the risks CAL faces. While this is the Trustees view, as CAL is part of a national structure, we are continuing to work with the Citizens Advice at national level to keep this policy under review. CAL is also working to increase its reserves above the minimum level.

Further detail about the reserves held is given 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:

- 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 and directly from Business, Enterprise and Industrial Strategy Department.
- Housing Department and DWP for Universal Support.

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

Funds in Deficit
No funds were in deficit at the balance sheet date.

Investment Policy
As required in its Memorandum paragraph 3.19, in furtherance of its objects, and for no other purposes, the charity has the power to invest the monies of the charity 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

CAL aims to continually improve access to its service, and intends to reach even more local residents, especially the most vulnerable. Our three year business plan identifies the following objectives for 2018-19:

- Co-ordinate and support the Advice Lewisham partnership so that it demonstrates a value-for-money service in the borough.
- Develop our approach to casework that integrates generalist advice, money advice, the new legal team and other opportunities, so that intensive support is available to at least 500 vulnerable people during the year.
- Work to maintain all current contracts by demonstrating cost-effective delivery mechanisms that optimise staff/volunteer skills and continue to build capacity among clients.
- Produce evidence about the client journey and their advice needs in order to influence the roll-out of Universal Credit.
- Establish the agreed new staffing structure so that team work becomes stronger and morale improves.
- Raise new funds to fill critical gaps in service provision and improve support for the most vulnerable residents.
- Position the service to build CAL's reputation among clients, residents and decision makers, as a strong, capable and effective organisation.
- Utilise one-off funding to develop an enterprise plan to diversify income and build longer term financial sustainability.

Staff Development is a particularly important feature of the forward plan. Having introduced a new training and development plan for staff and volunteers along with a new organisational structure, the priority is to help staff settle into their new roles, maintain their strong commitment to meeting client needs quality while delivering a high volume of provision. Volunteers are intrinsic to the delivery. Our plan is to increase from 52 volunteers to 85 who are all supported by paid supervisors. We draw on the wealth of talent and interest from students, retired professionals, part-timers and those looking to return to paid employment. Our structured training programme provides a robust introduction to the legislative framework around advice and information services and allows people to improve their skills in listening to clients and helping them in their journey. The staff and volunteer team are highly dedicated and they will be supported to deliver a strong, consistent and reliable service that supports as many people as possible who need information and advice but in particular the most disadvantaged.

Statement of Trustees' Responsibilities

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' 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 year. 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 2015 (FRS 102);
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2018

Auditors
The Auditors, Myrus Smith, Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Small Company Provision
This Trustees' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approval
Approved and signed on behalf of the Board.

Nigel Prout
Treasurer

8 November 2018

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 (the 'company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018, and of its incoming resources and application of resources, including its income and expenditure for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our Report

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.

Stephen Jones FCA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House, 8 Burnell Road,
Sutton, Surrey
SM1 4BW

8 November 2018

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of financial activities for the year ended 31 March 2018
Incorporating the Income and Expenditure Account

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	2,127	-	2,127	25,432
Charitable activities	3	167,028	821,043	988,071	1,005,180
Investment income	4	1,913	-	1,913	2,347
Total		171,068	821,043	992,111	1,032,959
Expenditure on:					
Raising funds	5	-	-	-	-
Charitable activities	5	87,240	803,744	890,984	1,124,926
Total Expenditure		87,240	803,744	890,984	1,124,926
Net income/(expenditure) before transfers	9	83,828	17,299	101,127	(91,967)
Transfers between funds		-	-	-	-
Net movement in funds for the year		83,828	17,299	101,127	(91,967)
Reconciliation of funds:					
Balances brought forward 2017	15	**(25,515)**	**(2,805)**	**(28,320)**	**63,647**
Balances carried forward 2018		58,313	14,494	72,807	(28,320)

The Statement of Financial Activities includes all recognised gains and losses.

All income and expenditure derives from continuing activities.

The notes on pages 16 to 25 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Balance Sheet
As at 31 March 2018

	Note	2018		2017	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	11		4,553		4,333
Current Assets					
Debtors	12	45,050		30,898	
Cash at bank and in hand		287,630		223,730	
		332,680		254,628	
Creditors - amounts falling due within one year	13	154,944		164,777	
			177,736		89,851
Net Current Assets			182,289		94,184
Creditors - amounts falling due after one year			-		(6,683)
Pension Scheme Liability	15		(109,482)		(115,821)
Net (liabilities)/assets			72,807		(28,320)
Represented by:					
Funds of the Charity					
Unrestricted funds					
General funds	15		167,795		90,306
Pension Liability	15		(109,482)		(115,821)
Restricted Funds	15		14,494		(2,805)
			72,807		(28,320)

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 8 November 2018 and signed on their behalf by:

Verena Hefti — Chair

Nigel Prout — Treasurer

Company number: 3038147

The notes on pages 16 to 25 form part of these financial statements.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of Cash flow
As at 31 March 2018

	Note	2018 £	2017 £
Cash flow from operating activities	17	61,987	(96,568)
Cash flow from investing activities			
Interest received		1,913	2,347
Net (increase) / decrease in cash and cash equivalents		63,900	(94,221)
Cash and cash equivalents at start of period		223,730	317,951
Cash and cash equivalents at end of period		287,630	223,730
Cash and cash equivalents consists of:			
Cash at bank and in hand		287,630	223,730

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.

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, receipt is probable and amounts can be measured with reasonable certainty. Income received which relates to a future accounting period is recognised 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.

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) **Financial instruments**
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised a transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1. **Accounting policies**/cont'd...

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

h) **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.

i) **Pension costs**
Lewisham CAB participates in 2 pension schemes;

Contributions payable under the schemes are charged to the Statement of Financial Activities in the year to which they refer:

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 18. The pension contributions charged in these accounts represent the amounts payable by the company for this scheme in respect of the year 2017/18.

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 102 : Retirement Benefits. This scheme was closed to future accrual with effect from 31 March 2008. Further details are provided in note 19.

2 Donations and legacies

	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
Voluntary income				
Donations	2,127	-	2,127	807
Donated Facilities	-	-	-	24,625
	2,127	-	2,127	25,432

All of the £25,432 recognised in 2017 related to unrestricted funds.

3 Income from Charitable Activities

	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
London Borough of Lewisham	-	424,488	424,488	500,927
Advice Lewisham	-	76,732	76,732	52,200
Capitalise	-	288,185	288,185	284,197
CitA	-	15,518	15,518	29,700
Other Income	167,028	16,120	183,148	138,156
	167,028	821,043	988,071	1,005,180

Of the £1,005,180 recognised in 2017, £124,541 related to unrestricted funds and £880,639 related to restricted funds.

4 Investment Income	Unrestricted	Restricted	2018 Total	2017 Total
	£	£	£	£
Bank Interest received	1,913	-	1,913	2,347

All of the £2,347 recognised in 2017 related to unrestricted funds.

5 Expenditure on Charitable Activities

	Direct Costs (note 6)	Support Costs (note 7)	Total 2018	Total 2017
	£	£	£	£
Information and advice services	814,495	76,489	890,984	1,124,926

£87,240 (2017: £230,357) of the above costs was charged to unrestricted funds and £803,744 (2017: £894,569) of the above costs was charged to restricted funds.

6 Analysis of Direct Costs

	Total 2018	Total 2017
	£	£
Staff Costs	717,211	829,416
Other direct costs	97,284	94,528
	814,495	923,944

7 Analysis of Support Costs

	Total 2018	Total 2017
	£	£
Office costs	50,820	64,374
Premises costs	357	72,437
Other costs	6,093	46,349
Governance Costs (Note 8)	25,558	15,502
Pension liability movement	(6,339)	2,320
	76,489	200,982

8 Governance Costs

	Total 2018	Total 2017
	£	£
Legal, Professional and finance	20,806	10,760
Audit	4,335	4,490
Trustee Board	417	252
	25,558	15,502

9 Net income/ (expenditure) for the year

	2018	2017
	£	£
This is stated after charging:		
Depreciation	976	2,927
Operating lease costs	-	23,028
Auditors' remuneration - audit	4,335	4,490
Interest payable on finance leases	-	482

10 Information regarding Trustees, Directors and Employees

	2018	2017
	£	£
Wages and salaries	630,888	696,198
Redundancy payments	11,661	40,657
Social security costs	61,234	66,291
Pension costs	28,540	32,758
Staff Training and travel costs	3,078	2,810
	735,401	838,714

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

	2018	2017
Direct charitable work	14	14
Administrative	5	5
	19	19

No employee received total employee benefits (excluding employer pension costs) in excess of or more than £60,000 per annum

Trustees and key management personnel remuneration and expenses

No trustee received any remuneration in respect of services as a trustee during the year (2017: £NIL). Travel expenses totalling £NIL (2017: £186) were reimbursed to NIL (2017: 2) trustees during the year.

The total amount of employee benefits received by key management personnel was £52,253 (2017: £70,121).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2018

11 Fixed assets

	Computer Equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2017	32,529	2,540	35,069
Additions	-	-	-
Disposals	(27,651)	(2,540)	(30,191)
At 31 March 2018	**4,878**	**-**	**4,878**
Depreciation			
At 1 April 2017	28,196	2,540	30,736
Charge for the year	976	-	976
Disposals	(28,847)	(2,540)	(31,387)
At 31 March 2018	325	-	325
Net book value 2018	4,553	-	4,553
Net book value 2017	4,333	-	4,333

12 Debtors

	2018 £	2017 £
Trade debtors	2,164	7,163
Prepayments	19,914	17,801
Accrued Income	22,972	5,934
	45,050	30,898

13 Creditors - amounts falling due within one year

	2018 £	2017 £
Trade creditors	13,952	2,284
Other creditors including tax and social security	13,301	13,570
Accruals	9,017	31,743
Deferred income (e.g. grants in advance)	118,674	117,180
	154,944	164,777

Grant payments received towards grants for future specified accounting periods are accounted for as deferred income.

14 Analysis of net assets between funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible Fixed Assets	4,553	-	4,553
Current Assets	163,242	14,494	177,736
Other Liabilities	(109,482)	-	(109,482)
Net Assets at 31 March 2018	58,313	14,494	72,807

Comparative information for the previous financial year is as follows:

	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 Liabilities at 31 March 2017	(25,515)	(2,805)	(28,320)

15 Movement in funds

	At 1 April 2017	Income	Expenditure	Transfers	At 31 March 2018
	£	£	£	£	£
Restricted Funds					
London Borough of Lewisham	-	424,488	(424,488)	-	-
Friends of CitA	791	-	(791)	-	-
Capitalise	34	288,185	(286,925)	-	1,294
Advice Lewisham	(3,707)	76,732	(59,902)	-	13,123
CitA	77	15,518	(15,518)	-	77
Other Income	-	16,120	(16,120)	-	-
Total Restricted Funds	(2,805)	821,043	(803,744)	-	14,494
Unrestricted Funds					
General funds	90,306	171,068	(93,579)	-	167,795
Pension Liability	(115,821)	-	6,339	-	(109,482)
Total Unrestricted funds	(25,515)	171,068	(87,240)	-	58,313
Total funds	(28,320)	992,111	(890,984)	-	72,807

15 Movement in funds/cont'd...

Comparative information for the previous financial year is as follows:

	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 were used for communication projects.
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 – CAL 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 Universal Credit and BEIS-Big Energy Network.

16 Financial commitments

Operating lease commitments
Total minimum lease payments due under non-cancellable operating leases as follows:

	2018 £	2017 £
Expiring within two to five years		
Due within one year	4,470	4,322
Due within one to five years	13,410	-

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

	2018	2017
	£	£
Net expenditure for the year	101,127	(91,967)
Interest receivable	(1,913)	(2,347)
Depreciation	976	2,927
Movement in multi-employer benefit liability	(6,339)	2,320
Decrease in debtors	(14,152)	16,372
Decrease in creditors	(17,712)	(23,873)
	£61,987	£(96,568)

18 Contingent liabilities

CAL 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 2017, the employer debt on withdrawal liability for CAL is £38,331.

In the case of the NACAB scheme, liability arises should the National (1991) Plan (see note 19 below), for any reason, including non-continuance of contribution by the present members of the Scheme within CAL, 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 CAL is paying an annual contribution, as calculated annually by the actuary, in order to meet its estimated share of the deficit. In 2017/18 this amounted to £8,400 (2017: £8,400). CAL is obliged to make this annual payment until 31 December 2033.

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 at the date they retired or left pensionable service. The Plan closed to future accrual on 31 March 2008. The Plan also contains some money purchase AVCs and protected rights funds, which are not included in these disclosures.

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

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

A full actuarial valuation of the Plan was carried out as at 31 March 2018 by a qualified independent actuary, based upon membership data as at 31 March 2016 allowing for assumed membership movements over the period from this date.

The most recent formal actuarial valuation of the Plan was as at 31 March 2016 and revealed a funding deficit of £52,374,000. In the recovery plan agreed following the valuation, the Principal Employer and other participating employers agreed to pay deficit reduction contributions of £1,749,000 per annum with the view to eliminating the deficit by 31 December 2033.

Notes to the financial statements for the year ended 31 March 2018

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 17 years.

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

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

	As at 31/03/2018	As at 31/03/2017
Discount rate	2.70%	2.60%
Inflation (RPI)	3.30%	3.40%
Inflation (CPI)	2.30%	2.40%
Revaluation of deferred pensions in excess of GMP	2.30%	2.40%
Pension in payment increases of:		
- RPI or 5% p.a. if less	n/a	3.30%
- CPI or 5% p.a. if less	2.30%	n/a
- CPI inflation since retirement or 5% p.a. compound if less	2.30%	n/a
- CPI or 3% p.a. if less	2.15%	2.25%
Commutation of pension for cash at retirement	75% of HMRC maximum	75% of HMRC maximum

	As at 31/03/2018	As at 31/03/2017
Assumed life expectancies on retirement at age 65 are:		
Retiring today - Males	21.3	21.5
Retiring today - Females	24.1	24.2
Retiring in 20 years time - Males	22.7	22.9
Retiring in 20 years time - Females	25.7	25.7

	Value at 31/03/2018 £000s	Value at 31/03/2017 £000s
The assets in the Plan were:		
Multi asset funds	64,166	80,510
Structured Equity	17,434	-
Cash	1,072	390
Fair value of Plan assets	**82,672**	**80,900**
The actual return on assets over the period was:	**3,481**	**10,084**

	2018	2018	2017
Present value of funded obligations	(125,822)		(140,553)
Fair value of Plan assets	82,672		80,900
Surplus/(deficit) in funded scheme	**(43,150)**		**(59,653)**
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		**43,150**	**59,653**

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2018

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

	31/03/2018 £000s	31/03/2017 £000s
Benefit obligation at beginning of year	140,553	121,350
Current service cost	669	455
Interest cost	3,606	4,195
Contributions by Plan participants	-	-
Actuarial (gains)/losses	(14,635)	18,005
Benefits paid and expenses	(4,371)	(3,452)
Past service cost	-	-
Settlements	-	-
Business combinations	-	-
Exchange rate	-	-
Benefit obligation at end of year	125,822	140,553

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

	31/03/2018 £000s	31/03/2017 £000s
Fair value of Plan assets at beginning of year	80,900	72,319
Interest income on Plan assets	2,081	2,505
Return on assets, excluding interest income	1,400	7,579
Contributions by employers	2,662	1,949
Contributions by Plan participants	-	-
Benefits paid and expenses	(4,371)	(3,452)
Business combinations	-	-
Settlements	-	-
Exchange rate	-	-
Fair value of Plan assets at end of year	82,672	80,900

The amounts recognised in profit or loss:

	31/03/2018 £000s	31/03/2017 £000s
Service cost - including current and past service costs, and settlements	-	-
Service cost - administrative cost	669	455
Net interest on the net defined benefit liability	1,525	1,690
Total expense	2,194	2,145

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

	31/03/2018 £000s	31/03/2017 £000s
Actuarial (gains)/losses on the liabilities	(14,635)	18,005
Return on assets, excluding interest income	(1,400)	(7,579)
Changes in the effect of the asset ceiling excluding interest income	-	-
Total remeasurement of the net defined benefit liability (asset) to be shown in OCI	(16,035)	10,426