

Charity Registration No. 1075040
Company Registration No. 3038147



**LEWISHAM CITIZENS ADVICE
BUREAUX SERVICE LIMITED**

**Financial statements
31 March 2016**

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Financial statements for the year ended 31 March 2016

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LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Reference and Administrative Information

Company Number: 3038147

Charity Number: 1075040

Trustees/Directors

James Banks
Malcolm Beane (Treasurer)
Sheila Carpenter
Andy Copper
Sally Garner
Pam Grieves
Verena Hefti
Barbara Limon
Sonny Manly-Rollings
Erika Moisl
Iain McDiarmid
Glenys Russell
Aida Shoush
Mark Simons (Chair)
John Wray

Co-Chief Executives: Carole Adams and Rachel Braverman

Company Secretary: Carole Adams – (Resigned 27 October 2015)
Rachel Braverman – (Appointed 27 October 2015)

Registered Office and Business Address

Duke House, 3rd Floor
84-86 Rushey Green
London
SE6 4HW

Auditor

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

Bankers

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

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

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 2016 the company had 7 members. Lewisham Citizens Advice Bureau is governed by its Memorandum and Articles of Association as amended on 7 November 2013.

Lewisham Citizens Advice Bureau Service Ltd. was incorporated as a company limited by guarantee on 27 March 1985. The charity commenced operations on 27 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)
Sheila Carpenter – (resigned 21st March 2016)
Andy Copper
Sally Garner – (resigned 24th October 2015)
Pam Grieve – (Co-opted 28th July 2016)
Verena Hefti
Barbara Limon
Sonny Manly-Rollings – (resigned 27th October 2015)
Erika Moisl (Co-opted 28th April 2016)
Iain McDiarmid
Glenys Russell – (resigned 27th October 2015)
Aida Shoush – (resigned 15th May 2015)
Mark Simons (Chair)
John Wray – (Co-opted 28th April 2016)

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.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

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 receive an induction organised by the Chair. An updated induction pack is provided, along with an opportunity for new trustees to seek clarification and ask questions, as well as a separate induction to the finances of the organisation. Trustees are invited to attend events organised by Citizens Advice (CitA) to keep abreast issues facing the Citizens Advice Service regionally and nationally.

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.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

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 research and campaigning, and services provided 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 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.

52 volunteers contributed approximately 10,500 hours of work to the local Citizens Advice during the year. We estimate the value of this help at £175,963 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 2016/17
- Developing an innovative way of working in partnership with Whitefoot & Downham Food Project Plus.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

- Successful completion of the Advice and Information Hubs Project, which we led on behalf of the Advice Lewisham Partnership. The project created three hubs across the borough, located in some of its most deprived wards, including our outlet in Downham Leisure Centre. The hubs supplied information, assisted with basic online tasks and signposted or referred clients to the appropriate agency for more complex issues. The project exceeded its target number of clients by 15%.

Lewisham Citizens Advice Bureau saw a total of 14,720 clients in 2015/16, resulting in over £909,000 raised on behalf of clients.

Fundraising Activities

Total income for the year was £1,084,634 a decrease of £175,488 on 2014/2015. The primary cause of this decrease was the withdrawal of funding from our GP Surgeries Project, as a result of cuts to local authority funding. The project ended in June 2015.

Factors Affecting the Achievement of Objectives

The charity is only too well aware of the financial pressures experienced by its major funders, and in view of this is taking active measures to seek additional sources of funding for its services. This year was one of great change and of preparing for more change in the following year. During the year, one of the joint Chief Executive's left and the other became the sole and full time Chief Executive. Following Lewisham Council's review of its buildings, the Mayor and Cabinet decided to reconfigure the Leamore Centre in central Lewisham "to provide a comprehensive hub with a particular focus around advice and information led by Lewisham Citizens Advice Bureau, who would relocate to the centre. This was in line with the charity's long held strategic aim of consolidating the organisation into one premises. This year therefore saw much work with Lewisham Council in preparation for this move, which will take place in 2016/17.

5. FINANCIAL REVIEW

Financial Position

Incoming resources in the year were £1,084,634 (2014/2015 £1,260,122), of this £919,970 (2014/2015 £1,041,422) related to restricted funds.

A deficit of £62,205 was made in the year (2014/2015 - £13,594). At 31 March 2016 total reserves were £177,148 of which £171,718 represented unrestricted funds (2014/2015 £159,854).

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.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

As in previous years the Trustee Board has agreed that a sum equivalent to three months running costs of our projected expenditure for the year would be a reasonable level of unrestricted general reserves and this means that our target for the year to 31 March 2016 was approximately £270,000.

Principal Funding Sources

The Directors 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 for specialist money advice
- London & Quadrant and Phoenix Community Housing for specialist money advice and generalist advice to their tenants
- Big Lottery Fund for the Information and Advice Hub at Downham
- Lewisham Social Services for our project for Young People Leaving Care
- 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

Lewisham Council provides premises to Lewisham Citizens Advice Bureau at Catford and Sydenham at no financial cost to the charity.

The charity did not have any borrowings from either providers of funding or other sources 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 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 Bureau aims to continually improve access to its service, and intends to extend its service to an even wider number of the community through increased provision of telephone advice and by developing a broader range of services.

The bureau is facing many challenges as we enter the new financial year. We need to adapt to the reduction in funding which occurred in 2015/16 and as Lewisham Council tackle their own financial position they have launched a further review of their funding of the voluntary and advice services in the borough. The results of this review will take effect from 1 April 2017. Due to the overall financial position of the Council, Mayor and Cabinet have determined to reduce the funding to the grants programme by £1m from 1 April 2017. The exact level of cut the bureau will suffer is not clear as yet but is likely to be material.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

We have always benefited from the support of the borough and are determined to work in a positive manner with the council to achieve their objectives which are to maximise the value which can be delivered by the advice sector while also dealing with a material reduction in funding.

Our response to this will comprise four elements:

- Operational Efficiencies - moving into the Leamore Centre does offer some opportunities for greater efficiencies since we will consolidate from two centres in Sydenham and Catford to one. The fact that other advice agencies, as well as our own projects and outreach work, will be co-located in the Centre will also offer the potential of an even more integrated service for our clients.
- Service redesign - in line with the councils drive to maximise the value delivered from the advice agencies we will aim to redesign our services. The goals being to improve the effectiveness of our phone service and triage capabilities to leverage our resources, providing maximum support for self-help while ensuring that face to face advice is available where the nature of the issues demand it.
- Funding diversity - we aim to focus resources on accessing a wider diversity of funding sources and building our funding capabilities, recognising that long term funding stability will be increasingly challenging.
- Organisational Flexibility - It is also unlikely that this will be the end of our funding challenges and we recognise we have to build an organisation that is flexible and resilient in dealing with the new realities in our sector.

Of course this needs to be achieved in careful and thoughtful consultation with our staff and volunteers.

The council will finalise its approach to funding by early December.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Report of the Trustees (incorporating the Directors Report) for the year ended 31 March 2016

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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:



Malcolm Beane, Treasurer

Date: 27/10/2016

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 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Opinion on other matter prescribed by the Companies Act 2006

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

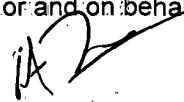
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees' Annual Report.

S.A. Jones (Senior Statutory Auditor)

For and on behalf of Myrus Smith, Statutory Auditor


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

Date: 27.10.16

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Statement of financial activities for the year ended 31 March 2016
Incorporating the Income and Expenditure Account

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	30,175	-	30,175	40
Charitable activities	3	131,637	919,970	1,051,607	1,257,904
Other	4	2,852	-	2,852	2,178
Total		164,664	919,970	1,084,634	1,260,122
Expenditure on:					
Charitable activities	5	152,800	994,039	1,146,839	1,273,716
Total Expenditure		152,800	994,039	1,146,839	1,273,716
Net income/(expenditure) before transfers	9	11,864	(74,069)	(62,205)	(13,594)
Transfers between funds		-	-	-	-
Net movement in funds for the year		11,864	(74,069)	(62,205)	(13,594)
Reconciliation of funds:					
Balance brought forward 1 April 2015	15	159,854	79,499	239,353	252,947
Balance carried forward 31 March 2016	15	171,718	5,430	177,148	239,353

The notes on Pages 13 to 23 form part of these financial statements

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Balance Sheet

As at 31 March 2016

	Note	Total 2016 £	Total 2015 £
Fixed Assets			
Tangible Fixed Assets	11	<u>7,260</u>	<u>9,757</u>
Current Assets			
Debtors	12	47,270	30,804
Cash at bank and in hand		<u>317,951</u>	<u>273,290</u>
		365,221	304,094
Creditors - amounts falling due within one year	13	186,455	62,693
		<u>178,766</u>	<u>241,401</u>
Net Current Assets	14	<u>186,026</u>	<u>251,158</u>
Creditors - amounts falling due after one year	13	8,878	11,805
Net assets	14	<u>177,148</u>	<u>239,353</u>
Represented by:			
Funds of the Charity			
Unrestricted funds:			
General funds	15	163,218	151,354
Designated funds	15	8,500	8,500
Restricted Funds	15	5,430	79,499
		<u>177,148</u>	<u>239,353</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees and authorised for issue on 27th October 2016 and signed on their behalf by:


Mark Simons

Chair


Malcolm Beane

Treasurer

Company number: 3038147

The notes on pages 13 to 23 form part of these financial statements.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements for the year ended 31 March 2016

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015), the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

b) Tangible fixed assets and depreciation

The costs of minor additions costing below £1,000 are not capitalised. This policy is reviewed periodically by the Trustees.

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

Computer and office equipment	- 33% straight line or over whole term of the lease
Fixtures and fittings	- 33% straight line or over whole term of the lease

c) Incoming resources

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

d) Resources expended

Charitable expenditure comprises services supplied and activities undertaken which are identifiable as wholly or mainly in support of the charity's objectives.

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

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

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

e) Fund accounting

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

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

f) Operating leases

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

g) Finance Leases

Assets held under 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 2015/16.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements for the year ended 31 March 2016

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	2016 Total	2015 Total
	£	£	£	£
Donations	625	-	625	40
Donated Facilities	29,550	-	29,550	-
	<u>30,175</u>	<u>-</u>	<u>30,175</u>	<u>40</u>

All of the £40 received in 2015 was unrestricted funds.

3 Income from Charitable Activities

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
London Borough of Lewisham	-	500,925	500,925	500,927
Advice Lewisham	-	53,252	53,252	119,439
Capitalise	-	283,927	283,927	250,830
CitA	-	35,250	35,250	5,893
Lewisham Public Health	37,169	-	37,169	148,677
Big Lottery	-	40,296	40,296	150,643
DECC	-	-	-	5,000
UK Power Giving	-	-	-	8,690
Other Income	94,468	6,320	100,788	67,805
	<u>131,637</u>	<u>919,970</u>	<u>1,051,607</u>	<u>1,257,904</u>

Of the £1,257,904 received in 2015, £216,482 was unrestricted funds and £1,041,422 was restricted funds.

4 Other Income

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Activities for generating funds				
Investment income				
Bank interest received	<u>2,852</u>	<u>-</u>	<u>2,852</u>	<u>2,178</u>

All of the £2,178 received in 2015 was unrestricted funds.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2016

5 Expenditure on Charitable Activities

	Direct Costs (note 6) £	Support Costs (note 7) £	Total 2016 £	Total 2015 £
Information and advice services	<u>984,187</u>	<u>162,652</u>	<u>1,146,839</u>	<u>1,273,716</u>

Of the £1,273,716 in 2015, £169,093 was charged to unrestricted funds and £1,104,623 was charged to restricted funds.

6 Analysis of Direct Costs

	Total 2016 £	Total 2015 £
Staff Costs	846,145	867,814
Other direct costs	<u>138,042</u>	<u>266,446</u>
	<u>984,187</u>	<u>1,134,260</u>

7 Analysis of Support Costs

	Total 2016 £	Total 2015 £
Office costs	56,475	61,280
Premises costs	83,806	58,229
Other costs	9,157	6,099
Governance Costs	<u>13,214</u>	<u>16,892</u>
	<u>162,652</u>	<u>142,500</u>

8 Governance Costs

	Total 2016 £	Total 2015 £
Legal, Professional and finance	5,835	7,366
Audit	4,928	3,400
Accountancy	-	2,520
Trustee Board	1,303	298
AGM/Development Day	<u>1,148</u>	<u>3,308</u>
	<u>13,214</u>	<u>16,892</u>

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2016

9 Net income/(expenditure) for the year

	2016 £	2015 £
This is stated after charging:		
Depreciation	2,497	2,497
Operating lease costs	22,844	20,178
Auditors' remuneration -audit	4,928	3,400
Interest payable on finance leases	644	644

10 Information regarding Trustees, Directors and Employees

	2016 £	2015 £
Wages and salaries	750,643	754,884
Social security costs	69,588	68,258
Pension costs	31,968	28,466
Staff Training and travel costs	5,499	6,089
	<u>857,698</u>	<u>857,697</u>

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

	2016	2015
Direct charitable work	25	25
Administrative	5	5
	<u>30</u>	<u>30</u>

No staff members earned more than £60,000 (2015: £60,000). No remuneration was paid to Trustees in the year (2015: £nil). £159.79 expenses were paid to 2 Trustees for travel expenses in the year (2015: £169.15).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2016

11 Fixed assets

	Computer Equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2015	32,529	2,540	35,069
Additions	-	-	-
Disposals	-	-	-
At 31 March 2016	<u>32,529</u>	<u>2,540</u>	<u>35,069</u>
Depreciation			
At 1 April 2015	22,772	2,540	25,312
Charge for the year	2,497	-	2,497
Disposals	-	-	-
At 31 March 2016	<u>25,269</u>	<u>2,540</u>	<u>27,809</u>
Net book value 2016	<u>7,260</u>	<u>-</u>	<u>7,260</u>
Net book value 2015	<u>9,757</u>	<u>-</u>	<u>9,757</u>

12 Debtors

	2016 £	2015 £
Trade debtors	19,361	6,021
Prepayments	17,015	14,998
Accrued Income	<u>10,894</u>	<u>9,785</u>
	<u>47,270</u>	<u>30,804</u>

13 Creditors - amounts falling due within one year

	2016 £	2015 £
Trade creditors	11,860	11,592
Other creditors including tax and social security	22,793	26,284
Accruals	3,844	24,817
Deferred income (e.g. grants in advance)	<u>147,958</u>	<u>-</u>
	<u>186,455</u>	<u>62,693</u>

Creditors - amounts falling due after one year

	2016 £	2015 £
Finance Lease	<u>8,878</u>	<u>11,805</u>

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2016

14 Analysis of net assets between funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible Fixed Assets	7,260	-	7,260
Current Assets	221,508	5,430	226,938
Current Liabilities	(57,050)	-	(57,050)
Net Assets	<u>171,718</u>	<u>5,430</u>	<u>177,148</u>

15 Movement in funds

	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Restricted Funds					
London Borough of Lewisham	-	500,925	(500,925)	-	-
Friends of CitA	1,235	-	-	-	1,235
Capitalise	10,047	283,927	(287,990)	-	5,984
Advice Lewisham	41,147	53,252	(96,264)	-	(1,865)
CitA	76	35,250	(35,250)	-	76
Big Lottery	26,994	40,296	(67,290)	-	-
Other Income	-	6,320	(6,320)	-	-
Total Restricted Funds	<u>79,499</u>	<u>919,970</u>	<u>(994,039)</u>	<u>-</u>	<u>5,430</u>
Unrestricted Funds					
Designated fund	8,500	-	-	-	8,500
General funds	151,354	164,664	(152,800)	-	163,218
Total Unrestricted funds	<u>159,854</u>	<u>164,664</u>	<u>(152,800)</u>	<u>-</u>	<u>171,718</u>
Total funds	<u>239,353</u>	<u>1,084,634</u>	<u>(1,146,839)</u>	<u>-</u>	<u>177,148</u>

Restricted funds:

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

Friends of the Citizens Advice – these funds are for interpretation. However, they have not been spent, as interpretation is paid for in funding for other projects. We plan to explore how best to use this money in the coming months.

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

Advice Lewisham – Lewisham CAB is the lead partner for this partnership and thus administer funds on behalf of the other partner organisations.

CitA – these funds were to develop the Energy Best Deal Project to assist client confidence to shop around for better energy suppliers and to assist clients in taking action to reduce fuel bills by offering one to one advice and casework support.

Big Lottery – This project is a consortium bid that will be setting up 3 Advice and Information hubs, and providing home visits and outreach sessions. These hubs will focus on early intervention and education work and support in accessing self-help.

Other Income – these are for small projects with Whitefoot and Downham Assembly and Universal Credit.

Designated funds – we have designated funds for contractual expenditure on premises (£8,500).

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED **Notes to the financial statements for the year ended 31 March 2016**

16 Financial commitments

Operating lease commitments

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

	2016	2015
	£	£
Expiring within two to five years	7,260	9,757

17 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 2015, the employer debt on withdrawal liability for Lewisham CAB is £35,537.

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 2015/16 this amounted to £8,400 (2015: £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.

18 NACAB Pension Scheme

FOR THE PERIOD ENDED 31 MARCH 2016

The employer operates a defined benefit scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long-term pension liabilities. A full actuarial valuation was carried out at 31 March 2013 and updated to 31 March 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The best estimate of contributions to be paid by the employers to the scheme for the period beginning on or after 1 April 2016 is as follows:

a) Contributions in respect of expenses

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

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

In accordance with the recovery plan following the 31 March 2013 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000 of which Citizens Advice contributes £1,062,000.

There has been an additional contribution of £1m paid by Citizen Advice during the year following some discussions with the Pensions Regulator.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements for the year ended 31 March 2016

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

	31 March 2016	31 March 2015	31 March 2014
	(£000s)	(£000s)	(£000s)
Fair value of scheme assets	72,319	72,635	68,832
Present value of scheme liabilities	121,350	129,110	107,734
Surplus (deficit) in scheme	(49,031)	(56,475)	(38,902)
Unrecognised surplus	-	-	-
Asset (liability) to be recognised	(49,031)	(56,475)	(38,902)

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

	Period ended 31 March 2016	Period ended 31 March 2015
	(£000s)	(£000s)
Scheme liabilities at start of period	129,110	107,734
Current service cost	-	-
Expenses	370	243
Interest cost	4,084	4,684
Contributions by scheme participants	-	-
Actuarial losses (gains)	(8,880)	19,257
Benefits paid & expenses	(3,334)	(2,808)
Scheme liabilities at end of period	121,350	129,110

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

	Period ended 31 March 2016	Period ended 31 March 2015
	(£000s)	(£000s)
Fair value of scheme assets at start of period	72,635	68,832
Expected return on scheme assets	2,963	3,693
Actuarial gains (losses)	(2,443)	1,416
Contributions by the employer	2,498	1,502
Contributions by scheme participants	-	-
Benefits paid & expenses	(3,334)	(2,808)
Fair value of scheme assets at end of period	72,319	72,635

The actual return on the scheme assets over the period ended 31 March 2016 was £520,000.

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements for the year ended 31 March 2016

TOTAL EXPENSE RECOGNISED IN PROFIT AND LOSS ACCOUNT

	Period ended 31 March 2016 (£000s)	Period ended 31 March 2015 (£000s)
Current service cost	-	-
Expenses	370	243
Interest cost	4,084	4,684
Expected return on scheme assets	(2,963)	(3,693)
Total expense recognised in profit and loss account	1,491	1,234

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Period ended 31 March 2016 (£000s)	Period ended 31 March 2015 (£000s)
Difference between expected and actual return on scheme assets - gain (loss)	(2,443)	1,416
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - gain (loss)	8,880	(19,257)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	6,437	(17,841)
Total amount recognised in statement of total recognised gains and losses - gain (loss)	6,437	(17,841)

ASSETS

	31 March 2016 (£000s)	31 March 2015 (£000s)	31 March 2014 (£000s)
Equity	37,003	36,318	38,076
Gilts	9,179	7,439	9,166
Bonds	4,950	13,825	10,212
Cash and other assets	12,585	12,850	10,006
Property	8,602	2,203	1,372
Total assets	72,319	72,635	68,832

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

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED

Notes to the financial statements for the year ended 31 March 2016

ASSUMPTIONS

	31 March 2016	31 March 2015	31 March 2014
	% per annum	% per annum	% per annum
Discount Rate	3.50	3.20	4.40
Inflation (RPI)	3.10	3.10	3.40
Inflation (CPI)	2.10	2.20	2.50
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.10	2.20	2.50
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.10	3.40
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.10	2.20	2.50
Allowance for commutation of pension for cash at retirement	75% of Post A Day	75% of Post A Day	75% of Post A Day

The mortality assumptions adopted at 31 March 2016 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2016	21.4
Female retiring in 2016	23.4
Male retiring in 2036	23.1
Female retiring in 2036	25.3

EXPECTED LONG TERM RATES OF RETURN

The long-term expected rate of return on cash and other assets is determined by reference to gilt yields at the balance sheet dates. The long-term expected return on gilts and bonds are determined by reference to UK long-dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities and property are based on the rate of return on bonds with an allowance for out-performance.

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

	Period Commencing 1 April 2015 % per annum	Period Commencing 1 April 2014 % per annum
Equity	5.60	6.80
Gilts	2.00	3.20
Bonds	3.10	4.30
Cash and other assets	2.00	3.20
Property	5.10	6.30
Overall for scheme	4.10	5.42

LEWISHAM CITIZENS ADVICE BUREAUX SERVICE LIMITED
Notes to the financial statements for the year ended 31 March 2016

AMOUNTS FOR THE CURRENT AND PREVIOUS FOUR YEARS

	2016	2015	2014	2013	2012
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)
Fair value of scheme assets	72,319	72,635	68,832	69,123	65,073
Present value of scheme liabilities	121,350	129,110	107,734	122,142	115,205
Surplus (deficit) in scheme	(49,031)	(56,475)	(38,902)	(53,019)	(50,132)
Experience adjustment on scheme assets	(2,443)	1,416	(2,520)	1,094	(4,470)
Experience adjustment on scheme liabilities	-	-	4,325	286	(1,443)