

REGISTERED COMPANY NUMBER: 02914384 (England and Wales)
REGISTERED CHARITY NUMBER: 1046018

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR**

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
4th Floor Tuition House
27/37 St George's Road
Wimbledon
London
SW19 4EU

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10
Statement of Financial Activities	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 27
Reconciliation of Income and Expenditure	28
Reconciliation of Funds	29 to 30
Detailed Statement of Financial Activities	31 to 32

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of 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) (effective 1 January 2015).

The charity is constituted as a company limited by guarantee and the governing document is its Memorandum and Articles of Association.

INTRODUCTION

Citizens Advice Merton & Lambeth (CAML) is an independent charity dedicated to providing information, support and advice to individuals and families who live, work or study in the London boroughs of Merton and Lambeth.

The charity's objects are to promote any charitable purpose for the public benefit by the advancement of education, the protection and preservation of health and the relief of poverty, sickness and distress for the benefit of the community in the London boroughs of Merton and Lambeth and surrounding areas.

We were one of the first Citizens Advice services to open our doors after war was declared in 1939. Nearly 80 years later, our support and services are as important today as they were when our work began.

"This is to express our sincerest appreciation for the professional and excellent service." [CAML client]

We offer a range of support and advice services developed in response to community need. Often working in partnership or collaboration with other organisations, we know that together we often achieve better outcomes for local people in need.

Our information, support and advice is provided face-to-face (through our three offices or outreach within local communities), via the telephone and online. Our aim is to empower people to better help themselves. But we will always be here with further support as and when needed. We are here for everyone. Having a problem can affect people's lives in so many ways. People often come to us when they're facing barriers to solving a problem, don't know what to do next or don't have the confidence to take action. We support our clients to find a way forward.

This is only possible through the enormous commitment of our small staff team, our amazing volunteers, our partners and our fantastic funders/supporters.

ACHIEVEMENTS AND PERFORMANCE

The demand for our services and support continues to accelerate across the two London boroughs we serve. Although the demographics of each borough is very different and this, in turn, brings specific challenges for individuals and families living, working or studying in Merton and Lambeth – the highest level of requests for support were:

- Benefits
- Debt
- Housing
- Employment

During the year we took the opportunity to develop and implement new partnerships to help us better support our clients. We also worked towards and adopted the new Quality of Advice Assessment Framework by national Citizens Advice. The system relies on self-scoring quality of advice against set criteria and then a sample of scores checked by national Citizens Advice. Both quality and consistency of scoring between local and national Citizens Advice assessors is judged and the process involves a very significantly larger sample of work than previously the case under the old system. The highest score possible is a green rating for quality and for consistency. We're delighted to report CAML maintains a double green status at the time of writing.

In Merton, our service delivery targets were overall exceeded. During the year we received over 30,000 enquiries. This was achieved by further developing our support and engagement, including face-to-face, specialist casework, telephone assessment and information and online. In October 2016, the West and South West London Advice Line partnership was launched. This innovative partnership comprises six London Citizens Advice offices working together to better support Londoners in need over the phone. The partnership demonstrates the benefits of collaborative working and within a relatively short period of time has significantly increased capacity through joint working for the benefit of those who contact us by phone.

In Lambeth, we continue to provide telephone support for clients through the One Lambeth Advice partnership. In addition, nearly 22,000 enquires in Lambeth were assisted with information and advice up to specialist casework level. We also developed and delivered innovative outreach support services including Children's Centres and GP surgeries. With on-going reductions and cuts in overall funding, CAML trustees took the decision to part-support service provision in the next financial year to ensure core advice service demand continues to be met within Lambeth.

The Pound Advice contract with London & Quadrant Housing, covering both Lambeth and Merton, again exceeded targets. Owing to higher than envisaged demand, the quality of advice support and the resultant benefits to residents and the housing association, the agreement with funding was increased supporting higher level of advice service to meet demand. The Board is delighted CAML continues to deliver excellent advice to tenants in social housing that, in turn, enables them to sustain their tenancies.

The contract with Clarion Housing Group is designed to support tenants of Merton Priory Homes, which represents the former bulk of London Borough of Merton's housing stock. CAML delivered the contract successfully during the year and we are pleased the relationship with Clarion Housing Group and CAML has been extended by a further 12 months.

Our Specialist Disability Caseworker delivers expert advice to disabled people living in Merton. The service is part-funded by London Borough of Merton and CAML following the decision of Trustees to invest in this much needed programme focusing on supporting some of the most vulnerable people in Merton to access/receive the disability benefits to which they are entitled. This has been particularly important to claimants of Disability Living Allowance who have transitioned to Personal Independence Payment. To date 676 people have used the service and have benefited from additional benefit support of over £3,500,000. This service not only helps relieve tremendous financial hardship and challenges for individuals/families, but also positively benefits the local economy.

In addition to the above targeted services, CAML's website features a range of useful fact sheets and guidance. During the year over 12,000 unique users used the website.

**"We were anxious coming for our first appointment today as we feel humiliated and hopeless about our current predicament. Your [CAML's] professional approach brought hope back into our life."
[CAML client]**

STRATEGIC PLAN

Following a comprehensive review the Board approved the new 2016-19 Strategy and Business Plan in May 2016.

This Plan comprises a full review CAML's structure and services and includes the following strategic aims:

1. To provide leadership to ensure that the needs of our communities are met

CAML are more able to meet the needs of our clients if we are working in partnership because often our clients have more than the issue they present with. CAML will lead the advice and wider voluntary sector in maximising our resources and positioning ourselves to ensure we are recognised as the vital support that we are.

2. To strengthen governance and infrastructure

CAML will be our own critical friend, making the necessary changes where we need to provide quality advice and be a voice for our clients our own house needs to be in order.

3. To invest in our committed team of people to achieve excellence in all we do

CAML's clients are our priority and to ensure we are there for them we need to have a supported team of staff and volunteers being given the best experience they can as they work for us or give their time. We will create a culture whereby we have staff and volunteers who continue to give their all in a supported framework, know they are recognised in all that they do and feel proud to be a part of CAML.

4. To develop and deliver effective advice services that adapt to respond to client's needs

CAML exists to provide a service to clients - offering advice when they need it, usually at a moment of crisis. We will meet client's needs through face-to-face, telephone and online services. We will be visible across Merton and Lambeth and have the resources to deliver the quantity and quality of support needed.

5. To develop and deliver services to promote equality and be inclusive of those facing social exclusion and discrimination

CAML is a service for everyone and we will build connections with those networks which will broaden our reach and with those networks, identify how we can become more accessible.

6. To expertly use our evidence to inform and influence change for local people

CAML has prioritised improving our campaigns and research work by investing in dedicated staff time and aiming to implement dedicated volunteer roles. We will continue to support national campaigns and give more voice to local issues and communicate regularly with local councillors about their constituents.

7. To ensure financial sustainability during a challenging financial landscape

We will get better at demonstrating the positive impact we have on our client's lives. This will support endeavours to protect statutory funding, increase trusts and foundations funding, explore alternative funding models and work with partners to identify joint-funding opportunities.

Our Team

Staff

As of 31st March 2017 CAML employed 16 full time staff and 13 part time staff.

Our aim is to employ the best and highest quality staff we can. Although this can be a challenge, especially in London, where the cost of travel and housing makes it very difficult to attract the right people for the available remuneration, we are delighted to report that we have maintained full or near full staffing levels to ensure the charity continues to provide best service provision possible and deliver on agreed targets.

We continue to outsource our payroll and financial book-keeping to Beck Office. This arrangement provides professional accounting and finance resources at a reduced cost compared with having our own finance team. With plans to further develop the charity in line with our strategic plan, trustees will monitor and review the arrangement with the Chief Executive.

Volunteers

The CAML service volunteer team is 95 strong and undertakes a variety of different roles, including Advice Guide, Gateway and Adviser. Our volunteers are truly the life blood of CAML and provide a significant proportion of front line services with comprehensive support and supervision from dedicated staff members. National CA calculates that CAML's volunteers gave an estimated £436,000 worth of time during this financial year.

In addition, CAML's Trustees are also volunteers and their work provides the governance oversight required to meet Charity Commission and Companies House requirements, for which we are thankful.

We would like to thank every member of the CAML family. Their professionalism, commitment and dedication ensure tens of thousands of individuals and families through Merton and Lambeth receives the right support when they need it most.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. The company's objects are to promote any charitable purpose for the public and preservation of health and the relief of poverty, sickness and distress but without limitation, for the benefit of the community in London Boroughs of Merton and Lambeth and surrounding areas specifically, to provide free, independent, confidential, impartial advice, advocacy and information to the public on civil, financial, legal and other matters.

The Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the company and in planning its future activities. The Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity believes its strategy should be a living document, engaging with all our stakeholders and being actively reviewed and enhanced in response to the rapidly changing social, political and economic external environment. To ensure that we remain relevant and effective in responding to the needs that our local communities have we are committed to building on what we know works, involving the ideas of our staff and volunteers and ensuring we reflect the needs of the communities we serve

Property and Infrastructure

Our Mitcham and Morden offices were significantly refurbished in 2016/17 and, as part of this exercise, CAML moved the main part of its operation and service provision in Merton from the Morden to Mitcham office. This allows us to locate a majority of our face-to-face work in Merton within or close to areas of higher need and deprivation than previously the case.

We are grateful for the support of Merton Council in this undertaking and we were also pleased to sign two new ten-year leases in respect of these offices.

At the time of writing, the ground floor of our Streatham premises was being refurbished following an incident with drains on Streatham High Road.

FINANCIAL REVIEW

The Charity is funded by the London Borough of Merton and London Borough of Lambeth to support our core service/support provision. We understand both Councils are facing severe financial pressure themselves and were very pleased that the value of our work was recognised through our funding from Merton again being sustained at current levels and from Lambeth at close to current levels. We have excellent relations with both Councils, and we believe this is at the heart of their respective decisions to recommission our excellent services for local residents.

We also were delighted that our contracts with Clarion Housing Group (formerly Merton Priory Homes), and London and Quadrant Housing were extended by a further 12 months (the latter with an increase in funding owing to service demand). Our collaborative work and funding from another local community organisation, Wimbledon Guild, also continued for a further year.

In early 2017 we commenced new projects funded by the Money Advice Service, Martin Lewis Fund, and Lambeth Council (HIV Transition Project).

Unfortunately, funding cuts or non-renewal of grants means that our advice in GP surgery project and Pension Wise came to a close. We are seeking new partnership or funding to explore potential of resuming outreach advice services in GP surgeries.

We also benefit from other kinds of assistance such as pro bono support from local solicitors, who provide advice to our clients free of charge, and from companies such as BT plc who provided us with a venue for a Trustee away day, for which we are very grateful.

The fall in overall income (to £1.32M from £1.66M) was primarily due to the ending of the Pension Wise and Lambeth GP projects. As a result, average staff numbers fell as explained in Note 10 to the accounts. The closure of these programmes also explains the corresponding fall in total expenditure (£1.2M compared with £1.6M the previous year).

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

Although turnover and operations have changed during the year, through prudent monitoring of expenditure the balance sheet shows little movement with creditors falling slightly from £100,915 to £96,906. As a result the charity had unrestricted net current assets of £308,662 at 31 March 2017 and trustees consider this was sufficient to ensure it would be in a position to maintain activities for the foreseeable future.

Investment policy

Similar to many charities of our size, CAML currently has no investment funds. Surplus funds of CAML are placed in deposit accounts with CAF Bank and NatWest Bank. Within our overall policy review we will be reviewing our approach in this area.

Reserves policy

In setting the reserves policy, the Board of Trustees considers the need to provide against any future income shortfall, fulfil working capital requirements and allow funds to be available to support service developments. This is balanced against a need to spend funds now to deliver services to meet demand. In this context, the Board approved in August 2017 a target for free reserves of four months unrestricted expenditure.

As of 31st March 2017, unrestricted funds were £292,833 in line with reserves policy at that time and consistent with approved budget set for the next financial year.

The £7,000 carry forward of restricted was explained by planned redundancy costs to be paid within one of the recently closed programmes.

PLANS FOR 2017 - 2018 AND FUTURE PERIODS

Governance and Management

The Board is undertaking a review of its governance. Following open recruitment, two experienced Trustees have been identified to join the Board in the coming year. We also wish to extend our grateful thanks to Terry McGregor, a long-serving trustee, who has taken the decision to resign (to coincide with the formal appointments of new trustees at the 2017 AGM). Terry has serviced the charity tirelessly for many years including honorary roles as Chair and Treasurer through out is tenure. Although remaining a friend of the charity, his knowledge and experience will be missed by the Board and the executive team.

Within the charity's on-going policy review, the Board is also developing a new Delegated Authority policy, which aims to:

- Clarify the roles and responsibilities of the Trustees and the Chief Executive;
- Make the best use of the skills, knowledge and experience of the Chief Executive, and the Trustees;
- Enable the Chief Executive to provide operational leadership;
- Enable the Chief Executive to optimise effective use of human and physical resources for the work of the charity;
- Ensure appropriate accountability for actions and decisions taken;
- Ensure that the Trustees and staff are enabled to work to best practice and in a way that builds the confidence amongst all stakeholders of the charity.

We will also continue to strengthen the Board through identifying gaps in skills/knowledge/experience and successfully recruiting to these roles. During the year we recruited a permanent chief executive who joined us in September 2017.

Strengthening Access

A key aspect of meeting increasing demand for our services and support with static (at best) levels of resources (both financial and otherwise) is to ensure we have the correct balance of service provision between face-to-face, telephone, online and outreach), and between information, triage and advice.

This is an ongoing process as patterns of demand can change quickly and a successful service must be flexible in order to respond appropriately.

CITIZENS ADVICE MERTON AND LAMBETH LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

In this context we intend to continue the process of investing in our phone service as an effective way of enabling access to the service within limited resources. We'll continue to review our face-to-face services across our three offices and outreach.

These are also important conversations to have with our two core funders, the London Boroughs of Merton and Lambeth. Both to ensure that our respective directions of travel are closely aligned and also to seek to influence their future priorities through our expertise.

Sustainability, financial viability and risks

In the current unpredictable political and financial environment, it is important to ensure that the charity is properly resourced with strong reserves, a stable business plan and a strong and loyal management team. This requirement is made even more important as Local Authorities and other funders are under increasing and unavoidable pressure to cut their budgets.

We are therefore working to sustain all current funding and with our new Chief Executive are hoping to open up new funding opportunities over the coming years. In achieving this, being able to demonstrate the impact of our work and communicate this effectively to our key stakeholders will be of primary importance.

We are also looking to increase our services to the community by engaging in new partnerships with neighbouring local Citizens Advice offices and other community based organisations to make efficiencies and sustain or grow service delivery. The successful West & South West London Adviceline group is an example of where such a partnership is allowing us to broaden access to services for local people.

At the same time as we look to evolve and develop our services, notwithstanding any changes, we look forward to continuing, as usual, to deliver the same high quality advice and information to local people in need of help.

Organisational Structure

The Board of Trustees meets quarterly and is responsible for the strategic direction and policy of the Charity. There are also two sub-committees of the Board covering Finance and People. These have delegated powers, terms of reference and meet quarterly and as required.

The Chief Executive is responsible for ensuring that the Charity delivers the services specified, that key performance indicators are met and to propose and support strategic change. The Chief Executive is supported by two senior managers who lead and manage their own teams. The CEO and the Board are also supported by an outsourced, well-established payroll and book-keeping company.

Induction and Training of Trustees

All new Trustees have an induction pack containing the Articles of Association, the current Strategic and Business Plan and the most recent Annual Report and Audited Accounts. Additionally, new Trustees are invited to meet with CAML's senior managers and spend a session in a local office to observe service delivery and familiarise themselves with the Charity's activities. New Trustees are also encouraged to attend training sessions for new Trustees provided by Citizens Advice.

Remuneration Policy

Staff salaries are set in accordance with funding available and to be competitive with other local charities. CAML is currently reviewing its remuneration policy with a view to setting salary ranges based on comparator organisations for all positions. CAML pays the London Living Wage as a minimum.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related Organisations

The Charity is a member of Citizens Advice, a national network of over 300 local charities that deliver advice across the country, overseen by a national framework provided by Citizens Advice. Please see <https://www.citizensadvice.org.uk/> for further information.

We have excellent relationships with the London Borough of Lambeth and the London Borough of Merton who provide us with core funding through an annual contract and grant respectively to support our vital work with their communities.

We continue to work closely with a number of other organisations, including national Citizens Advice, other local Citizens Advice offices, Shelter, local Housing Associations such as L&Q and Merton Priory Homes and organisations relevant to our clients needs.

On behalf of our community and the Trustees, we would like to extend our gratitude for the support and co-operation we receive from all our funders, partners and other organisations.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02914384 (England and Wales)

Registered Charity number

1046018

Registered office

7 Crown Parade
Morden
Surrey
SM4 5DA

Trustees

Ms J P Nunns	Chair	Appointed 16/11/2016
Mr S Thorp	Vice Chair	
Mr T T McGregor	Treasurer	Resigned 22/11/2017
Ms S Ashby	Treasurer	Appointed 22/11/2017
Ms E Cross		
Mr A A Webster		Appointed 16/11/2016
Mr M Wisgard		
Ms C M Taylor		Appointed 16/11/2016
Ms G Brown		Resigned 16/11/2016
Ms N Gordon		Resigned 16/11/2016
Mr D Mccallum		Resigned 26/10/16
Mr A Nicholas		Resigned 13/4/16
Ms C Todd		Appointed 22/11/2017

Senior management Team

Following Hayley James resignation, we appointed an interim CEO, Tim Clarke, from 7 March 2017. We then commenced a national recruitment for an experienced, permanent Chief Executive and Suzanne Hudson joined us in September 2017. Suzanne is supported by Peter Bradley (Head of People) and Karen Brunger (Head of Advice Services).

Chief Executive

Suzanne Hudson (from 25 September 2017)
Tim Clark (Interim CEO) from 7 March to 25 September 2017
Hayley James (to 7 March 2017)

Company Secretary

Suzanne Hudson (from 22 November 2017)
Terence McGregor (from 7 March to 22 November 2017)
Hayley James (to 7 March 2017)

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
4th Floor Tuition House
27/37 St George's Road
Wimbledon
London
SW19 4EU

Bankers

NatWest Bank Plc, 98 High Street, Wimbledon, London SW19 5ZH
CafCash Ltd, PO Box 289, West Malling, Kent ME19 4TA.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Citizens Advice Merton and Lambeth Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Hartley Fowler LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 November 2017 and signed on its behalf by:

Ms J P Nunns (Chair of trustees)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CITIZENS ADVICE MERTON AND LAMBETH LIMITED

We have audited the financial statements of Citizens Advice Merton and Lambeth Limited for the year ended 31 March 2017 on pages eleven to thirty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Jonathan Askew FCA (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
4th Floor Tuition House
27/37 St George's Road
Wimbledon
London
SW19 4EU

Date:

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

	Not es	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
INCOME FROM					
Donations and gifts in kind	3	60,268	-	60,268	64,491
Charitable activities					
Generalist advice	5	341,898	-	341,898	341,898
Other services		575,606	248,284	823,890	1,250,498
Investment income	4	113	-	113	253
Other income		<u>5,927</u>	<u>-</u>	<u>5,927</u>	<u>6,057</u>
Total		983,812	248,284	1,232,096	1,663,197
EXPENDITURE ON					
Charitable activities					
Generalist advice	6	489,473	-	489,473	354,473
Other projects		<u>499,209</u>	<u>242,903</u>	<u>742,112</u>	<u>1,262,344</u>
Total		988,682	242,903	1,231,585	1,616,817
NET INCOME/(EXPENDITURE)		(4,870)	5,381	511	46,380
RECONCILIATION OF FUNDS					
Total funds brought forward		297,703	7,000	304,703	258,323
TOTAL FUNDS CARRIED FORWARD		<u>292,833</u>	<u>12,381</u>	<u>305,214</u>	<u>304,703</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017**

	Not es	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
FIXED ASSETS					
Tangible assets	12	2,096	-	2,096	3,493
CURRENT ASSETS					
Debtors	13	61,222	-	61,222	173,065
Cash at bank		<u>344,346</u>	<u>12,381</u>	<u>356,727</u>	<u>247,991</u>
		405,568	12,381	417,949	421,056
CREDITORS					
Amounts falling due within one year	14	(96,906)	-	(96,906)	(100,915)
NET CURRENT ASSETS		<u>308,662</u>	<u>12,381</u>	<u>321,043</u>	<u>320,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		310,758	12,381	323,139	323,634
PENSION LIABILITY	17	(17,925)	-	(17,925)	(18,931)
NET ASSETS		<u>292,833</u>	<u>12,381</u>	<u>305,214</u>	<u>304,703</u>
FUNDS	16				
Unrestricted funds				292,833	297,703
Restricted funds				<u>12,381</u>	<u>7,000</u>
TOTAL FUNDS				<u>305,214</u>	<u>304,703</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 22 November 2017 and were signed on its behalf by:

Ms J P Nunns (Chair of trustees)

Mr S Thorp (Vice Chair of trustees)

The notes form part of these financial statements

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	108,993	21,960
Interest paid		<u>(370)</u>	<u>(225)</u>
Net cash provided by (used in) operating activities		<u>108,623</u>	<u>21,735</u>
Cash flows from investing activities:			
Interest received		<u>113</u>	<u>253</u>
Net cash provided by (used in) investing activities		<u>113</u>	<u>253</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		108,736	21,988
Cash and cash equivalents at the beginning of the reporting period		<u>247,991</u>	<u>226,003</u>
Cash and cash equivalents at the end of the reporting period		<u>356,727</u>	<u>247,991</u>

The notes form part of these financial statements

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	511	46,380
Adjustments for:		
Depreciation charges	1,397	19,660
Interest received	(113)	(253)
Interest paid	370	225
Decrease/(increase) in debtors	111,843	(123,052)
(Decrease)/increase in creditors	(4,009)	73,811
Difference between pension charge and cash contributions	<u>(1,006)</u>	<u>5,189</u>
Net cash provided by (used in) operating activities	<u><u>108,993</u></u>	<u><u>21,960</u></u>

2. MAJOR NON-CASH TRANSACTIONS

Donated facilities

In accordance with the Charities SORP FRS 102 the charitable company has included in income the notional rent of £59,870 (2016 £59,870) for occupying serviced accommodation at 7 Crown Parade, Crown Lane, Morden, Surrey SM4 5DA.

The valuation of the notional rent was provided by the London Borough of Merton. The notional rent expenditure charge is included within support costs.

1. GENERAL INFORMATION AND LEGAL STATUS

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is 7 Crown Parade, Crown Lane, Morden, Surrey SM4 5DA. The registered number of the company is 02914384. The registered number of the charity is 1046018.

The financial information presented is for the year ended 31 March 2017 and 31 March 2016. The financial information is presented in sterling which is also the charitable company's functional currency. Monetary amounts are rounded to the nearest pound.

The charitable company has no share capital. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of the company being wound up while he is a member, or within one year after he ceases to be a member, for payments of the debts and liabilities contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

(a) reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required.

A restatement of the comparative items was required for the following items:

1) Donated facilities.

In accordance with the Charities SORP FRS 102 the charitable company has included in income the notional rent for occupying serviced accommodation at 7 Crown Parade, Crown Lane, Morden, Surrey SM4 5DA. The valuation of the notional rent was provided by the London Borough of Merton. There has been no effect to the surplus or deficit in the prior year.

2) Defined benefit pension scheme.

From 1 April 2015 in accordance with FRS 102 where the pension scheme is in deficit the company recognises a liability for this obligation. Refer to the notes to the financial statements on the accounting of the employee benefit obligations.

(b) preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees' review of the financial position, reserves levels and future plans give the trustees confidence that the charitable company remains a going concern for the foreseeable future.

2. ACCOUNTING POLICIES – continued

(c) significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- (i) Tangible fixed assets. Fixtures and fittings and office equipment are depreciated over their useful lives taking into account residual values, where appropriate.
- (ii) Allocation of costs. The allocation of support and governance costs between charitable and expenditure categories.
- (iii) Deferred income. This represents contractual income and grant income that relates to future accounting periods.
- (iv) Defined benefit pension scheme. Actuarial assumptions used in the calculation of the defined benefit pension liability.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the charity is contracts for services and grants with the London Borough of Merton and the London Borough of Lambeth.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to the consideration by its performance. Grant income relating to a later period is therefore deferred to that period and treated as deferred income in the balance sheet.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

These are the costs associated with the governance arrangements of the charity. These include audit costs, the cost of legal advice for trustees and costs associated with trustee meetings and preparing statutory accounts. Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These support costs have been allocated to the activities undertaken by the charity on the basis of the usage of those costs by the activities.

2. ACCOUNTING POLICIES – continued

Tangible fixed assets

Tangible fixed assets are depreciated at the following rates:

Computer servers	20% straight line
Desktop computers	25% straight line
Laptop computers	33% straight line

Where project funding has been used for the purchase of tangible fixed assets they are depreciated over the lifetime of the project or as above, whichever is the shorter.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Defined benefit pension scheme

The company participates into the The Pension Trust Retirement Solution scheme - The Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Donated facilities

In accordance with the Charities SORP FRS 102 the charitable company has included in income the notional rent for occupying serviced accommodation at 7 Crown Parade, Crown Lane, Morden, Surrey SM4 5DA. The valuation of the notional rent was provided by the London Borough of Merton.

2. ACCOUNTING POLICIES – continued

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the invoice amount prepaid.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement value.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Leasing commitments

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial activities on a straight-line basis over the lifetime of the lease.

Voluntary help

A certain amount of time is expended on the charitable company's activities which is donated free of charge. It is not possible to quantify the value of the time given and accordingly it is neither recorded as donated income nor as an expense in the statement of financial activities.

3. DONATIONS AND GIFTS IN KIND

	2017	2016
	£	£
Gifts in kind	59,870	59,870
Donations	<u>398</u>	<u>4,621</u>
	<u>60,268</u>	<u>64,491</u>

4. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>113</u>	<u>253</u>

CITIZENS ADVICE MERTON AND LAMBETH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

5. INCOME FROM CHARITABLE ACTIVITIES

Income from grants and contracts:

	2017 £	2016 £
Income from Generalist advice:		
Unrestricted		
London Borough of Merton - Generalist advice services	<u>341,898</u>	<u>341,898</u>
Income from other projects:		
Unrestricted		
London Borough of Lambeth - Casework	48,347	48,000
London Borough of Lambeth - Children's Centre	108,000	108,000
London Borough of Merton - Disability Benefit	18,000	18,000
Lambeth Face Project (Big Lottery Fund)	39,284	61,842
London and Quadrant	56,475	35,000
Merton Priory Homes	38,000	44,500
Martin Lewis Fund	1,000	-
London Borough of Lambeth - One Lambeth	122,000	221,900
London Borough of Lambeth - One Lambeth GP	120,000	-
Personal Budgeting Support / Merton	16,500	-
Wimbledon Guild	8,000	5,231
Citizens Advice - PBS Project	-	1,375
Citizens Advice - Democratic Engagement (CitAdv)	-	4,000
London Borough of Lambeth - LSSF Pilot	-	14,604
St Mark's	-	4,100
	<u>575,606</u>	<u>566,552</u>
Restricted		
Citizens Advice - Pension Wise	238,524	299,633
Money Advice Service	9,760	-
Caerphilly Citizens Advice Bureau - Debt Advice	-	174,403
Caerphilly Citizens Advice Bureau - POC	-	168,523
Advice Services Transition Fund - Merton	-	18,602
Citizens Advice - Front Line Pensions	-	9,500
London Borough of Lambeth - Casework	-	7,000
Advice Services Transition Fund - Lambeth	-	6,285
	<u>248,284</u>	<u>683,946</u>
Total income from other projects	<u>823,890</u>	<u>1,250,498</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Generalist advice	214,200	275,273	489,473
Other services	<u>543,998</u>	<u>198,114</u>	<u>742,112</u>
	<u>758,198</u>	<u>473,387</u>	<u>1,231,585</u>

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

7. SUPPORT COSTS

	Service support costs £	Governance costs £	Totals £
Generalist advice	269,071	6,202	275,273
Other services	<u>198,114</u>	<u>-</u>	<u>198,114</u>
	<u>467,185</u>	<u>6,202</u>	<u>473,387</u>

Support costs, included in the above, are as follows:

Service support costs

	2017		2016	
	Generalist advice £	Other projects £	Total activities £	Total activities £
Wages	128,956	40,936	169,892	199,616
Social security	13,443	3,754	17,197	27,547
Premises costs	68,105	40,278	108,383	122,932
Finance and HR costs	10,315	24,858	35,173	17,520
Office support costs	13,063	71,200	84,263	118,270
Other support costs	<u>35,189</u>	<u>17,088</u>	<u>52,277</u>	<u>30,336</u>
	<u>269,071</u>	<u>198,114</u>	<u>467,185</u>	<u>516,221</u>

Governance costs

	2017		2016	
	Generalist advice £	Total activities £	Generalist advice £	Total activities £
Auditors' remuneration	3,750	3,750	3,750	3,750
Auditors' remuneration for non audit work	1,250	700	1,250	700
AGM and annual report	<u>1,202</u>	<u>2,815</u>	<u>1,202</u>	<u>2,815</u>
	<u>6,202</u>	<u>7,265</u>	<u>6,202</u>	<u>7,265</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Audit fees	3,750	3,750
Other non-audit services	1,250	700
Depreciation - owned assets	<u>1,397</u>	<u>19,660</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

10. STAFF COSTS

	2017	2016
	£	£
Salaries and wages	831,379	1,182,977
Social security costs	78,301	105,335
Pension costs	9,166	14,684
Other staff related costs	<u>8,627</u>	<u>10,883</u>
	<u>927,473</u>	<u>1,313,879</u>

The average monthly number of employees during the year was as follows:

	2017	2016
CAB services in Merton	10	11
POC (Caerphilly CAB)	-	12
Pensions Wise (CitAdv)	7	9
Debt Advice (MASDAP)	-	4
One Lambeth Advice	8	6
other CAB projects	<u>12</u>	<u>12</u>
	<u>37</u>	<u>54</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charitable company are the senior management team, which includes:

- (i) Chief Executive Officer
- (ii) Head of Advice Services
- (iii) Head of People

The key management personnel received earnings during the year of £122,320 (2016: £125,000).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and gifts in kind	64,491	-	64,491
Charitable activities			
Generalist advice	341,898	-	341,898
Other projects	566,552	683,946	1,250,498
Investment income	253	-	253
Other income	<u>6,057</u>	<u>-</u>	<u>6,057</u>
Total	979,251	683,946	1,663,197
EXPENDITURE ON			
Charitable activities			
Generalist advice	354,473	-	354,473
Other projects	<u>578,198</u>	<u>684,146</u>	<u>1,262,344</u>
Total	932,671	684,146	1,616,817

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	46,580	(200)	46,380
RECONCILIATION OF FUNDS			
Total funds brought forward	251,123	7,200	258,323
TOTAL FUNDS CARRIED FORWARD	<u>297,703</u>	<u>7,000</u>	<u>304,703</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2016 and 31 March 2017	<u>103,631</u>
DEPRECIATION	
At 1 April 2016	100,138
Charge for year	<u>1,397</u>
At 31 March 2017	<u>101,535</u>
NET BOOK VALUE	
At 31 March 2017	<u>2,096</u>
At 31 March 2016	<u>3,493</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	21,716	160,582
Accrued income	32,250	8,526
Prepayments	<u>7,256</u>	<u>3,957</u>
	<u>61,222</u>	<u>173,065</u>

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	31,393	21,732
Social security and other taxes	18,094	22,813
VAT	2,171	5,870
Other creditors	8,459	2,075
Deferred income	21,000	35,404
Accrued expenses	<u>15,789</u>	<u>13,021</u>
	<u>96,906</u>	<u>100,915</u>

Deferred income

	£	£
Balance at 1 April 2016	35,404	-
Amounts release to income during the year	(35,404)	-
Amounts deferred in the year	<u>21,000</u>	<u>35,404</u>
Balance at 31 March 2017	<u>21,000</u>	<u>35,404</u>

Deferred income comprises grants received during the year which the grantor has specified must be used in future accounting periods.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	16,535	5,160
Between one and five years	<u>9,030</u>	<u>14,190</u>
	<u>25,565</u>	<u>19,350</u>

Operating lease expenditure incurred during the year was £5,160 (2016 £5,160).

16. MOVEMENT IN FUNDS

	At 1/4/16	Net movement in funds	At 31/3/17
	£	£	£
Unrestricted funds			
General fund	316,634	(5,876)	310,758
Pension reserve	<u>(18,931)</u>	<u>1,006</u>	<u>(17,925)</u>
	297,703	(4,870)	292,833
Restricted funds			
London Borough of Lambeth TUPE costs	7,000	-	7,000
Money Advice Service	<u>-</u>	<u>5,381</u>	<u>5,381</u>
	7,000	5,381	12,381
	<u>304,703</u>	<u>511</u>	<u>305,214</u>

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	983,812	(989,688)	(5,876)
Pension reserve	-	1,006	1,006
	<u>983,812</u>	<u>(988,682)</u>	<u>(4,870)</u>
Restricted funds			
Pensions Wise (CitAdv)	238,524	(238,524)	-
Money Advice Service	9,760	(4,379)	5,381
	<u>248,284</u>	<u>(242,903)</u>	<u>5,381</u>
TOTAL FUNDS	<u>1,232,096</u>	<u>(1,231,585)</u>	<u>511</u>

Unrestricted Funds

The Pension reserve is a designated reserve set aside to cover the liability for the obligation on the defined benefit scheme.

Restricted Funds

1) Pensions Wise (CitAdv)

The purpose of the project is to deliver face-to-face Pensions Guidance sessions for customers across 8 London Boroughs.

2) Money Advice Service Funded Debt Advice Project (MASDAP)

This project provides face to face debt advice sessions to members of the public requiring help with their debt problems.

3) LB Lambeth TUPE Costs

This relates to funding provided by the London Borough of Lambeth in respect of TUPE costs.

17. EMPLOYEE BENEFIT OBLIGATIONS

The company participates into the The Pension Trust Retirement Solution scheme - The Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

**17. EMPLOYEE BENEFIT OBLIGATIONS
- continued**

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present value of provision

	31.3.2017	31.3.2016	31.3.2015
Present value of provision	£17,925	£18,931	£13,742

Reconciliation of opening and closing provisions

	31.3.2017	31.3.2016
	£	£
Provision at start of period	18,931	13,742
Unwinding of the discount factor (interest expense)	370	225
Deficit contribution paid	(1,934)	(1,658)
Remeasurements - impact of any change in assumptions	558	(296)
Remeasurements - amendments to the contribution schedule	-	6,918
	<u>17,925</u>	<u>18,931</u>

Income and expenditure impact

	31.3.2017	31.3.2016
	£	£
Interest expense	370	225
Remeasurements - impact of any change in assumptions	558	(296)
Remeasurements - amendments to the contribution schedule	-	6,918

Assumptions

	31.3.2017	31.3.2016	31.3.2015
Rate of discount	1.32%	2.07%	1.74%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**17. EMPLOYEE BENEFIT OBLIGATIONS
- continued**

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit Contributions Schedule

Year ending	31.3.2017	31.3.2016	31.3.2015
	£	£	£
Year 1	1,992	1,934	1,658
Year 2	2,052	1,992	1,707
Year 3	2,113	2,052	1,759
Year 4	2,177	2,113	1,811
Year 5	2,242	2,177	1,866
Year 6	2,309	2,242	1,922
Year 7	2,379	2,309	1,979
Year 8	2,450	2,379	2,039
Year 9	1,262	2,450	-
Year 10	-	1,262	-
Year 11	-	-	-
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

18. CONTINGENT LIABILITIES

(i) Employment Tribunal.

A claim will be heard in October 2017. The claim is being disputed and as such there is no future obligation on the charity. No reliable measurement of any potential obligation can be made. This claim is being disclosed in the financial statements as a contingent liability rather than a provision since at this stage it is not practicable to estimate the financial impact.

(ii) Dilapidations on Streatham Hill Premises.

The London Borough of Lambeth leases the Streatham Hill Premises to national Citizens Advice. National Citizens Advice sub-lease these premises to CAML. This arrangement is due to be re-negotiated. There is an estimated £180,000 of dilapidations costs on the premises. This obligation is possible but uncertain and it is therefore being disclosed as a contingent liability rather than a provision.

(iii) Debt on withdrawal from the multi-employer defined benefit pension scheme

The estimated cost of withdrawal from the multi-employer defined pension scheme has been calculated to be £90,421. This figure has an effective date of 30 September 2016. The charitable company currently has six employees enrolled in the Growth Plan Series 4.

The funding deficit has increased from £138.6m at 30 September 2015 to £150.9m at 30 September 2016, an increase of approximately 8.9%. The technical provisions basis is the basis for calculating an employer's ongoing funding of the Plan.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

20. FIRST YEAR ADOPTION

This is the first year that the Charity has presented its results under Charities SORP (FRS 102). The last financial statements under FRSSE SORP, were for the year ended 31 March 2016. The date of transition to Charities SORP (FRS 102) was 1 April 2015.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME FROM				
Donations and gifts in kind		64,491	-	64,491
Charitable activities	1	1,532,526	59,870	1,592,396
Investment income		253	-	253
Other income		<u>6,057</u>	<u>-</u>	<u>6,057</u>
Total		1,603,327	59,870	1,663,197
EXPENDITURE ON				
Charitable activities	1	<u>1,551,758</u>	<u>65,059</u>	<u>1,616,817</u>
NET INCOME/(EXPENDITURE)		<u>51,569</u>	<u>(5,189)</u>	<u>46,380</u>

Notes to the reconciliation of income and expenditure

1 In accordance with the Charities SORP FRS 102 the charitable company has included in income the notional rent of £59,870 for occupying serviced accommodation.

2 Notional rent expense and pension scheme charges:

Notional rent expenditure £59,870

Pension scheme adjustment £5,189

Total transitional adjustment £65,059

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**RECONCILIATION OF FUNDS
AT 1 APRIL 2015
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>23,153</u>	-	<u>23,153</u>
		23,153	-	23,153
CURRENT ASSETS				
Debtors		50,013	-	50,013
Cash at bank		<u>226,003</u>	-	<u>226,003</u>
		276,016	-	276,016
CREDITORS				
Amounts falling due within one year		(27,104)	-	(27,104)
NET CURRENT ASSETS				
		<u>248,912</u>	-	<u>248,912</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		272,065	-	272,065
PENSION LIABILITY				
	1	-	(13,742)	(13,742)
		<u>272,065</u>	<u>(13,742)</u>	<u>258,323</u>
FUNDS				
Unrestricted funds		264,865	(13,742)	251,123
Restricted funds		<u>7,200</u>	-	<u>7,200</u>
TOTAL FUNDS		<u>272,065</u>	<u>(13,742)</u>	<u>258,323</u>

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**RECONCILIATION OF FUNDS
AT 31 MARCH 2016**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		3,493	-	3,493
CURRENT ASSETS				
Debtors		173,065	-	173,065
Cash at bank		<u>247,991</u>	<u>-</u>	<u>247,991</u>
		421,056	-	421,056
CREDITORS				
Amounts falling due within one year		(100,915)	-	(100,915)
		<u>320,141</u>	<u>-</u>	<u>320,141</u>
NET CURRENT ASSETS				
		323,634	-	323,634
TOTAL ASSETS LESS CURRENT LIABILITIES				
PENSION LIABILITY	1	-	(18,931)	(18,931)
		<u>323,634</u>	<u>(18,931)</u>	<u>304,703</u>
NET ASSETS				
FUNDS				
Unrestricted funds		316,634	(18,931)	297,703
Restricted funds		<u>7,000</u>	<u>-</u>	<u>7,000</u>
TOTAL FUNDS		<u>323,634</u>	<u>(18,931)</u>	<u>304,703</u>

Notes to the reconciliation of funds

1 A liability has been recognised for agreed pension deficit recovery payments.

**CITIZENS ADVICE MERTON AND LAMBETH
LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
INCOME		
Donations and gifts in kind		
Gifts in kind	59,870	59,870
Donations	<u>398</u>	<u>4,621</u>
	60,268	64,491
Investment income		
Deposit account interest	113	253
Charitable activities		
Grants and contracts	1,165,788	1,592,396
Other income		
Premises charge	3,600	3,600
Miscellaneous income	<u>2,327</u>	<u>2,457</u>
	<u>5,927</u>	<u>6,057</u>
Total incoming resources	1,232,096	1,663,197
EXPENDITURE		
Charitable activities		
Wages	661,487	983,361
Social security	61,104	77,788
Pensions	9,166	14,684
Other staff costs	8,627	10,883
Volunteer expenses	13,546	6,390
Operations	3,898	-
Pension interest	<u>370</u>	<u>225</u>
	758,198	1,093,331
Service support costs		
Service support costs		
Wages	169,892	199,616
Social security	17,197	27,547
Premises costs	108,383	122,932
Finance and HR costs	35,173	17,520
Service support costs	84,263	118,270
Other support costs	<u>52,277</u>	<u>30,336</u>
	467,185	516,221
Governance costs		
Auditors' remuneration	3,750	3,750
Auditors' remuneration for non audit work	1,250	700
AGM and annual report	<u>1,202</u>	<u>2,815</u>
	<u>6,202</u>	<u>7,265</u>
Total resources expended	1,231,585	1,616,817
	2017 £	2016 £
Net income	<u><u>511</u></u>	<u><u>46,380</u></u>

This page does not form part of the statutory financial statements

THANK YOU

As a charity we are entirely dependent on commissioned income, grants and donations to fund our services.

We thank our commissioners, service partners and funders with whom we ensure access and support to social justice is available to everyone within the London Boroughs of Merton and Lambeth.

However, we simply would not be able to do what we do without our amazing staff and volunteer team. Thank You.