

Company no: 3174842  
Charity Registration no: 1057195

**KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE**

**Trustees' Report and Financial Statements**

**for the year ended 31 March 2016**

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## REPORT OF THE TRUSTEES

1 The trustees present their report and the audited financial statements for the year ended 31 March 2016.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Trustees

2 The following persons held office as trustees and directors in the year:

Elected members:

Ms Elizabeth Hambley\* Chair

Mr Christopher David\* Treasurer

Ms Judith Schrut

Mr Keith Usher\*

Ms Shelina Thawer

Mr John De Oliveira

Representative members:

Cllr Fenella Aouane

[Royal Borough of Kensington & Chelsea]

Cllr Bevan Powell

[Royal Borough of Kensington & Chelsea]

Cllr Robert Freeman (resigned 20.05.2015)

[Royal Borough of Kensington & Chelsea]

Cllr David Nicholls (appointed 21.05.2015)

[Royal Borough of Kensington & Chelsea]

\*indicates a member of the Development/Organisational Sub-committee

### Other Company Information

**Registered Office:** 2 Acklam Road, London, W10 5QZ

**Auditors:** GMAK  
Chartered Accountants and Registered Auditors  
5/7 Vernon Yard, London W11 2DX

**Bankers:** Barclays Bank PLC  
137 Ladbroke Grove  
Notting Hill  
London W11 1PR

**Chief Executive Officer:** Mr Charles Barber

**Company Secretary:** Mr Charles Barber

**Website Address:** [www.kensingtonandchelseacab.org.uk](http://www.kensingtonandchelseacab.org.uk)

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

### STRUCTURE, GOVERNANCE AND MANAGEMENT

**3 Status** - The Kensington & Chelsea Citizens Advice Bureaux Service (Charity Registration no: 1057195) is constituted as a company limited by guarantee (Company no: 3174842 incorporated 19 March 1996), and governed during the year by trustees under its memorandum and articles of association.

**4 Trustees and Organisational Structure** - Under its Articles of Association adopted on 27 November 2003, there may be between four and twenty trustees. These are appointed either by election by members in General Meeting, or by nomination by member organisations and approval by the trustees for the time being, three of them representing the Royal Borough of Kensington & Chelsea, or by co-option by the trustees, for terms of three years in each case. Members are individuals interested in furthering the work of the charity who are not its paid or volunteer workers, or organisations interested in furthering the work of the charity admitted to membership by the trustees.

**5 Policies and procedures for the induction and training of trustees** - The trustees endeavour to identify candidates for trusteeship from various individuals and organisations representative of the community in which the charity operates, particularly those with any of the various skills desirable in a trustee board, and makes use of the specialist training courses for trustees provided by the related national charity Citizens Advice.

**6 Decision Making** - The trustees, and sub-committee thereof, oversee appointments of paid staff, grant funding applications, annual financial budgets and accounts, and quarterly financial and operational reports from staff, and issues arising there from. Day-to-day implementation of decisions and operational management are delegated to the respective managers.

**7 Related Charities and Organisations** - The service is a member of Citizens Advice (the operating name of the National Association of Citizens Advice Bureaux) (Charity registration no: 279057, of 3<sup>rd</sup> Floor North, 200 Aldersgate Street, London EC1A 4HD). As such it must conform to the requirements of the organisation's membership scheme, and it is represented within the organisation's democratic structure. The service relies on the organisation for support services such as training of trustees, staff and volunteers, and provision of an information database.

**8 Risk review** - The trustees, supported by the development sub-committee conduct reviews of the major risks to which the charity is exposed, and systems have been established to mitigate against those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure 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. But the wide range of funders, some making grants only on an annual basis, mean that the service, in common with many voluntary organisations, faces significant external risks to funding. Trustees consider, bearing in mind these risks and the position set out in para's 12 & 13 below, that there should be unrestricted funds neither committed nor invested in fixed assets of between three and six months of resources expended. That would be between £309,500 and £619,000 in general funds. At 31 March 2016 the free reserves amounted to £346,578 and the trustees are considering ways in which additional unrestricted funds will be raised. As described in Note 9, the Service is an associate employer in the defined- benefit pension scheme for staff, which was closed to new staff on 1 October 2000, and which has been closed to further accrual from 31 March 2008. In common with some other associated

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

employers, the Service has arranged for former members of the scheme, as well as any other staff, to join a defined-contribution scheme managed by Scottish Widows.

Scottish Widows is the provider for staff auto enrolled in the scheme on the staging date of 01 January 2016.

### PUBLIC BENEFIT

**9 Public Benefit** - The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'charities and public benefit'. The charity's objectives and achievements are set out below.

### OBJECTIVES AND ACTIVITIES

**10 Objectives** - The principal object of the charity is to provide centres for the supply of advice and guidance in furtherance of the advancement of education, the protection of health and the relief of poverty, sickness and distress, for the benefit of the community in Kensington and Chelsea. To this end, the service operates in accordance with the standards necessary for the service to qualify for membership of Citizens Advice (a related charity as described in para. 7 above). The service aims:

- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

The service is independent and provides free, confidential and impartial advice to everybody regardless of race, gender, sexuality or disability.

**11** The service monitors its achievement of these objectives by the numbers of advice enquiries it deals with, and the amount of support given to clients at various levels, and particularly in financial terms by the amounts of benefits or judicial or other awards achieved for clients by advice given.

**12 Activities and future strategy** - In furtherance of these objectives, the service aims to provide a regular generalist advice service within the borough, supplemented by additional projects for advice to particular groups or on particular topics identified as needed in the area, and for which funding can be obtained.

**13** The service operates two advice bureaux, one in Kensington and one in Chelsea, a Legal Service at each of these locations, and Kensington Community Service, for which the Royal Borough of Kensington & Chelsea (RBKC) has approved a grant of £683,470, for 2016-17 which is equal to 2015-16 funding.

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

In addition the service operates the following special projects:

- An advice bureau service in HM Prison, Wormwood Scrubs, which began in 1994, which has been largely funded by HM Prison Service together with various other funding partners. For 2016-17 the Prison Service is not in a position to approve a grant but negotiations continue with other funders and assistance from the prison includes £10,000 in premises' costs in kind. They are also supported by Capitalise, a programme for debt advice coming under the Money Advice Service funding stream. Target earnings for 2016-17 will be £45,609. In order to maintain services the trustees have agreed that in 2016-17 the sum of £14,485 can be used from the project's restricted reserves while other funding streams are sought.
- Income Maximisation\* project which began in December 1995, for the over 50s, funded by the local authority's Social Services Department. A contract of £121,820 has been approved for 2016-17.
- Independence Support Team – a one-off project funded by RBKC with target income of £15,304 approved for 2016-17 which is subject to further review under new tri-borough commissioning arrangements.
- Mental Health Income Maximisation\* project, which began in April 1997 at Chelsea CAB, funded by the local authority's Social Services Department with a contract of £59,649 approved for 2016-17. This is also supported in 2016-17 by an additional £49,984 from National Health Service sources in Kensington & Chelsea and Westminster.
- Money Advice project, which began in October 1998, funded under a Legal Services Commission contract, which ended 2013-14. They are now supported by Capitalise, a programme for debt advice coming under the Money Advice Service funding stream. Target earnings for 2016-17 will be £53,831.
- Income Maximisation for Black and Ethnic Minorities\* project, which began in 2001-02, funded by the local authority's Social Services Department, with a contract of £36,154 confirmed for 2016-17.
- HIV welfare benefits\* advice, which started in 2001-02, funded by the local authority's Social Services Department, with a contract of £25,094 approved for 2016-17.
- Independence Support Team – a one-off project funded by RBKC with target income of £15,004 approved for 2016-17 which is subject to further review under new tri-borough commissioning arrangements.
- BLF – A successful application to the Big Lottery Fund, for which we are the lead agency, has resulted in funding over a two year period of £338,590 and the project ended in September 2015.
- \* The above projects are funded by RBKC (Adult Social Care) and In order to maintain services the trustees have agreed that in 2016-17 the sum of £8,443 can be used from reserves while awaiting the outcome of future funding arrangements.

**14 Volunteers** - The service benefits from time and expertise voluntarily given; but no attempt is made to attribute any financial value to that in the financial statements. It includes the work of the trustees, who are unremunerated, and of volunteer administrative and advice workers. During the year, the infrastructure of the Bureaux facilitated the services of an average of twelve full time staff at no cost to the service apart from travel and other expenses of £5,346 in 2015-16.

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

### ACHIEVEMENTS AND PERFORMANCE

15 Qualitative and quantitative indicators of the numbers and nature of enquiries, and of progress with casework, and numbers of appointments, home visits, representations at panels and tribunals, and of complaints are collated in the form of Service Information which is reported quarterly to the principal funder under the current funding agreement.

### FINANCIAL REVIEW

16 **Funders** - The service is grateful for the financial support it receives from its various funders, notably the **Royal Borough of Kensington & Chelsea**, Corporate Services and Social Services Departments, **HM Prison Service**, **NHS**, **Capitalise** and **The Big Lottery Fund**. A one off grant of £1400 was received from **CitA** towards the extra costs incurred of reprinting stationery and ordering new signage due to their rebranding exercise.

17 **Financial Position** - The statement of financial activities for the year ended 31 March 2016 shows total revenue income of £1,236,001 (2015: £1,431,903) and expenditure of £1,237,740 (2015: £1,443,876), giving net outgoing resources for the year of £1,739 (2015: £11,973).

18 **Reserves Policy** - Details of fund balances are given in Note 10 to the accounts. Of the total balances, those of restricted funds will be required for ongoing expenditure or adjustment against future grants for restricted projects. The trustees regard the remaining balances of unrestricted funds as free reserves, which amount to £346,578 (2015: £289,964) representing 28% of revenue expenditure in the year (2015: 20%). These reserves are held, simply as a working balance to smooth day to day fluctuations in income and expenditure, including those for separately funded projects, which may have different financial accounting periods, and different timetables for grant instalments, sometimes in advance, sometimes in arrears. Apart from its working balance, the charity holds no financial assets or investments, and relies entirely on current funding of its activities. With the exception of funding for the special projects listed in para's 12 & 13 above, and income from legal service work, donations and bank interest, the service is wholly dependent on funding by the local authority.

### PLANS FOR FUTURE PERIODS

19 The charity plans to continue the activities as outlined above in the forthcoming years subject to satisfactory funding arrangements.

### RESPONSIBILITIES OF THE TRUSTEES

20 The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company and Charity law in England and Wales requires 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 at the end of the year and of its incoming resources and application of resources, including income and expenditure for the financial year then ended. In preparing those financial statements the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

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- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

21 The trustees are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ascertain the financial position of the charity and which will enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### TRUSTEES

22 Trustees, who are directors for the purposes of company law and trustees for the purposes of charity law, who served during the year up to the date of this report are set out in para.2 above. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2016 was 9 (2015: 9).

### STATEMENT OF INFORMATION DISCLOSURE TO AUDITORS

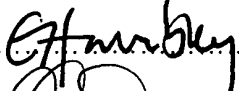
23 So far as the Directors are aware, there is no relevant audit information, as defined by section 499 of the Companies Act 2006, of which the charitable Company's Auditors are unaware, and each Director has taken all the steps they ought to have taken as a Director in order to make them aware of any relevant audit information and to establish that the charitable Company's Auditors are aware of that information.

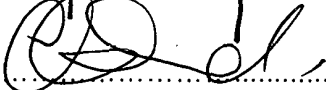
### AUDITOR

24 GMAK, Chartered Accountants and Registered Auditors were re-appointed the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

25 This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities, and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. The trustees confirm that the accounts comply with statutory requirements and with the constitution of the service.

26 Approved by the trustees on 08/09/2016.... and signed on their behalf by:

.......... Trustee (E. Hambley, Chair)

.......... Trustee (C. David, Treasurer)

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## Independent Auditor's Report to the Members for the year ended 31 March 2016

We have audited the financial statements for the year ended 31 March 2016 on pages 8 to 20. 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 the Trustees and Auditor

As described in the Statement of Trustees Responsibilities, the trustees, who are also directors of Kensington and Chelsea Citizens Advice Bureaux Service for the purposes of company law, are responsible for the preparation of 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 at 31<sup>st</sup> 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 the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

### 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;
- The financial statements are not in agreement with the accounting records or returns;
- Certain disclosures of trustees' remuneration specified by law are not made;
- 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.

*A. Ktistakis*

Angela Ktistakis, Senior Statutory Auditor

For and on behalf of

GMAK, Chartered Accountants, Statutory Auditors  
5/7 Vernon Yard, Portobello Road, London W11 2DX

*15 Sept. 2016*



# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## Statement of Financial Activities for the year ending 31 March 2016

	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Total £	2015 Total £
<b>Incoming Resources</b>				
<b>Voluntary income to further the charity's objects:</b>				
<b>Grants and contracts for advice and information</b>				
Royal Borough of Kensington & Chelsea - general grant	683,470	-	683,470	823,724
RBKC - Social Services Income Maximisation	-	121,820	121,820	121,820
RBKC - Mental Health project	-	59,649	59,649	59,649
NHS Kensington & Chelsea PCT-Mental Health	-	49,391	49,391	48,328
RBKC - Income Maximisation BME outreach	-	36,154	36,154	36,154
CitA - Voter Reg. Grant BME Outreach	-	1,500	1,500	-
RBKC - Health & Welfare HIV project	-	25,094	25,094	25,094
RBKC - Independence Support Team Income Maximisation	-	15,004	15,004	14,680
Wormwood Scrubs - HM Prison Service - grant	-	30,443	30,443	30,443
- donations in kind	-	10,000	10,000	10,000
Big Lottery Fund (Advice Now Plus)	-	84,141	84,141	168,319
Capitalise	-	99,440	99,440	82,298
Donations and other income	19,675	-	19,675	11,155
<b>Investment income - Interest received</b>	<u>221</u>	-	<u>221</u>	<u>239</u>
<b>Total incoming resources</b>	<u>703,366</u>	<u>532,636</u>	<u>1,236,001</u>	<u>1,431,903</u>
<b>Resources Expended</b>				
Charitable activities	531,014	589,683	1,120,697	1,322,453
Management and administration	110,542	-	110,542	115,103
Governance costs	<u>6,500</u>	-	<u>6,500</u>	<u>6,320</u>
<b>Total resources expended</b>	<u>648,056</u>	<u>589,683</u>	<u>1,237,739</u>	<u>1,443,876</u>
Note 4				
<b>Net incoming/(outgoing) resources</b>	55,309	(57,047)	(1,738)	(11,973)
Transfer of restricted funds during year	-	-	-	-
<b>Fund balances b/f</b>	<u>292,212</u>	<u>134,609</u>	<u>426,822</u>	<u>438,794</u>
<b>Fund balances c/f</b>				
Note 10	<u>347,521</u>	<u>77,562</u>	<u>425,083</u>	<u>426,822</u>

The statement of financial activities includes all gains and losses for the year and all incoming resources and resources expended derive from continuing operations. It also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Notes on pages 11 to 20 form part of these accounts.

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

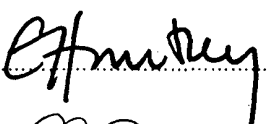
## Balance Sheet as at 31 March 2016

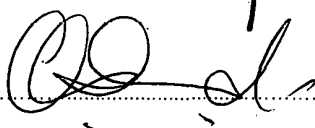
		2016	2016	2015	2015
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	5		942		2,248
<b>Current Assets</b>					
Debtors	6	16,404		128,432	
Cash at bank and in hand		<u>451,767</u>		<u>522,284</u>	
		468,171		650,716	
<b>Creditors</b>					
Amounts falling due within one year	7	<u>(44,030)</u>		<u>(226,142)</u>	
Net Current Assets			<u>424,141</u>		<u>424,574</u>
Net Assets			<u>425,083</u>		<u>426,822</u>
<b>Financed by:</b>					
Restricted Funds	10	77,562		134,609	
Unrestricted Funds	10	<u>347,521</u>	<u>425,083</u>	<u>292,212</u>	<u>426,822</u>
			<u>425,083</u>		<u>426,822</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes on pages 11 to 20 form part of these accounts.

These accounts were approved by the Trustees on 08/09/2016 And signed on their behalf by:

.....Trustee (E. Hambley, Chair)

.....Trustee (C. David, Treasurer)

Company No. 3174842

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## Cash flow Statement for the year ended 31 March 2016

	Note	2016 £	2015 £
Operating surplus / (deficit)		(1,959)	(12,213)
Reconciliation of Cash Generated from Operations:			
Depreciation of Tangible Assets		1,306	3,386
Loss on disposal of Assets	5	-	-
Decrease/ (Increase) in debtors	6	112,028	(117,449)
(Decrease)/ Increase in creditors	7	<u>(182,112)</u>	<u>144,237</u>
Cash Generated from Operations		(70,737)	17,962
Cash from other sources:			
Interest Received		221	239
Application of Cash:			
Payments to acquire tangible assets		-	<u>(2,826)</u>
Net Increase/ (Decrease) in cash		(70,517)	15,376
Cash at bank and in hand at beginning of year		522,284	506,908
Cash at bank and in hand at end of year		<u>451,767</u>	<u>522,284</u>
Consisting of:			
Cash at bank and in hand		<u>451,767</u>	<u>522,284</u>
		<u>451,767</u>	<u>522,284</u>

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

### NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016

#### 1 ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the charity.

- (a) **Accounting Convention** – The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Statement of Recommended Practice – Accounting and Reporting by Charities and the special provisions relating to Small Companies within Part 15 of the Companies Act 2006.
- (b) **Depreciation** - Tangible fixed assets consist of items costing over £500 which comprise office equipment which is depreciated on the straight line method over its estimated useful life of three years.
- (c) **Volunteers** – The service benefits from time and expertise voluntarily given; no attempt is made to attribute any financial value to that in these accounts.
- (d) **Incoming Resources** - Grants: in most cases funders specify what amounts are to be granted for which financial year and they are so recognised in these accounts. Some funders relate grants to specific expenditure or outputs and these accounts reflect that. Legal service income is only recognised as and when receivable.
- (e) **Valuation of donated assets and facilities** – Assets donated to the charity are included in income when received and valued at the cost to the donor. Donated facilities are included at the value to the charity.
- (f) **Resources expended** are recognised in the period in which they are incurred and include VAT that cannot be recovered. Resources expended are allocated to the particular activity where the cost relates directly to that project. The cost of direction and administration consisting of the salaries and overhead costs of those people is apportioned on the following basis estimated according to the staff time attributable to each activity.

	<u>2016</u>	<u>2015</u>
	%	%
Bureaux, Community, and Legal Services	50.5	49.6
Wormwood Scrubs project	7.4	7.2
Income Maximisation – General project	12.6	12.9
Income Maximisation – Mental health project	8.1	7.9
Income Maximisation – HIV project	2.2	2.2
Big Lottery Fund (Advice Now Plus)	8.1	9.4
Governance costs - management and administration	<u>11.1</u>	<u>10.8</u>
	<u>100.0</u>	<u>100.0</u>

- (g) **Fund Accounting** – funds held by the charity comprise:  
Unrestricted funds which can be used in accordance with the charitable objects at the discretion of the trustees. Restricted funds are to be used for specific purposes laid down by the funder. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs (see above).

- (h) **Pensions** – the pension cost charged in the accounts represents the contributions payable by the charity during the year in accordance with FRS17. Full details of the pension arrangement are set in notes 2 and 9. The defined benefit scheme is accounted for as if it is a defined contribution scheme as it is a multi – employer scheme, in accordance with FRS17. The assets of the pension funds are kept separate from those of the charity.

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

### 2 STAFF COSTS

The service took over employment of its staff from NACAB, and became an associate employer in the NACAB Pension & Assurance Plan, with effect from 1 April 1999, although membership of this defined benefit scheme became closed to new staff with effect from 1 October 2000 and to future accrual from 1 April 2008 (see also Note 9). The service offers access to defined contribution personal pension plans for new staff through Scottish Widows. The average number of staff employed, with part-time posts aggregated and expressed in terms of full-time posts was as follows:

	<u>2016</u>	<u>2015</u>
Chelsea Bureau	4.00	5.60
Kensington Bureau	7.10	5.40
Chelsea Legal Service	0.70	1.00
Kensington Legal Service	1.00	1.00
Community Service	0.80	0.80
Wormwood Scrubs project	2.00	2.00
Income Maximisation - General project/BME	3.40	3.60
- Mental health project	2.20	2.20
- HIV project	0.60	0.60
Big Lottery Fund (Advice Now Plus)	2.20	2.60
Governance costs – management and administration	<u>3.00</u>	<u>3.00</u>
	<u>27.00</u>	<u>27.80</u>

The total staff costs were as follows:

	<u>2016</u>	<u>2015</u>
	£	£
Salaries	830,531	895,184
Employer's NIC	80,402	86,301
Employer's pension contributions	43,855	44,283
Employer's Life Insurance	6,650	7,372
Payroll costs	<u>4,685</u>	<u>4,407</u>
	966,123	1,037,548
Recruitment and other costs	<u>16,670</u>	<u>13,960</u>
	<u>982,793</u>	<u>1,051,508</u>

No employee received emoluments of more than £60,000. No payments of any kind or reimbursement of expenses were made to any of the Trustees.

### 3 TAXATION

The charity is registered with the Charity Commission No: 1057195 and as such is normally exempt from Income Tax. The charity deregistered for VAT on 30.09.2013.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ending 31 March 2016 (continued)

**4 TOTAL RESOURCES EXPENDED**

Total resources expended on the various projects and on administration of the charity were as follows:

Projects	Staff Costs (Note 2)	Relief & Other Staff Costs (Note 2)	BLF Project costs	Premises Costs	Stationery & Reference	Post, Phone, VAT & Misc	AGM, Annual Reports	Audit Fees & Bank Costs etc.	Depreciation	Total 2016	Total 2015
	£	£		£	£	£	£	£	£	£	£
Bureaux, Community and Legal Services	423,780	412	-	80,559	15,391	28,575	-	-	681	549,398	586,011
Wormwood Scrubs	86,899	-	-	10,299	1,242	1,649	-	-	49	100,138	101,364
Income Max – general/BME	145,511	113	-	19,528	2,957	5,112	-	-	89	173,310	167,633
- mental health	88,972	35	-	8,336	1,484	2,076	-	-	54	100,956	95,423
- HIV project	23,491	-	-	90	67	225	-	-	15	23,887	24,063
Money Advice project	45,720	-	-	4,993	1,455	1,299	-	-	15	53,482	34,313
Relocation costs	-	-	-	2,643	-	-	-	-	-	2,643	137,611
Big Lottery Fund (Advice Now Plus)	58,601	60	34,173	15,908	3,418	4,320	-	-	403	116,883	176,036
Management & Administration	109,199	-	-	-	-	-	1,235	108	-	110,542	115,103
Governance costs	-	-	-	-	-	-	-	6,500	-	6,500	6,320
Total resources expended	982,173	620	34,173	142,356	26,012	43,256	1,235	6,608	1,306	1,237,740	1,443,876

The auditors received remuneration of £6,500 (inc. VAT) in 2015/16 (2014/15: £6,320)

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

5 FIXED ASSETS	Computers	Furniture	Total	Total
	2016	2016	2016	2015
	£	£	£	£
Cost as at 01.04.15	93,284	1,564	94,848	92,023
Additions in year	-	-	-	2,826
Disposals in year	(63,656)	(1,564)	(65,220)	-
	<u>29,628</u>	<u>-</u>	<u>29,628</u>	<u>94,849</u>
Accumulated Depreciation	(91,037)	(1,564)	(92,601)	(89,215)
Depreciation charge for the year	(1,306)	-	(1,306)	(3,386)
Disposals in year	<u>63,656</u>	<u>1,564</u>	<u>65,220</u>	<u>-</u>
	<u>(28,686)</u>	<u>-</u>	<u>(28,686)</u>	<u>(92,601)</u>
	<u>942</u>	<u>-</u>	<u>942</u>	<u>2,248</u>
Net Book Value as at 31.03.16				

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

### 6 DEBTORS & PREPAYMENTS

	2016	2015
	£	£
Prepayments	1,355	1,305
Other debtors	15,049	17,500
Grants receivable	-	109,628
	<u>16,404</u>	<u>128,432</u>

### 7 CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Accrual - Audit fee	6,880	6,800
Deferred income – RBK&C	-	170,868
Taxation and social security	19,976	23,076
Pension contributions	4,771	3,015
Other creditors	11,704	21,434
Amounts held on behalf of clients	700	950
	<u>44,030</u>	<u>226,142</u>

### 8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
	£	£	£
Tangible fixed assets	942	-	942
Current assets	390,609	77,562	468,171
Current liabilities	<u>(44,030)</u>	<u>-</u>	<u>(44,030)</u>
Net assets at 31 March 2016	<u>347,521</u>	<u>77,562</u>	<u>425,082</u>



# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

### 9 RETIREMENT BENEFITS

These figures relate to the whole defined benefit pension plan and in 2015/16 Kensington and Chelsea Citizens Advice Bureau Service contributed £21,600 which represents 1.8% of the total contributions to the scheme. Confirmation has been received that this figure will remain the same in 2016/17.

9.1 As stated in Note 2, the Service is an associated employer in the National Association of Citizens Advice Bureaux Pension and Assurance Plan (1991), which is a multi-employer scheme sponsored by Citizens Advice Bureaux as the principal employer, and which is a funded 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.

9.2 The best estimate of contributions to be paid by the employers to the scheme for the period beginning on or after 1 April 2015 is as follows :

(a) Contributions in respect of expenses

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

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

In accordance with the recovery plan following the 31 March 2013 actuarial valuation, the sponsoring employers will pay total annual contributions of £1,200,000 of which Kensington and Chelsea Citizens Advice contributes £21,600.

### Present values of scheme liabilities, fair value of assets and surplus (deficit)

	31 March 2016 (£000s)	31 March 2015 (£000s)	31 March 2014 (£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 Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£00s)
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

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

### Reconciliation of opening and closing balances of the fair value of scheme assets

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£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)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Fair value of scheme assets at end of period	72,319	72,635

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

### Total expense recognised in profit and loss account

	Period Ending 31 March 2016 (£000s)	Period Ending 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 Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Difference between expected and actual return on scheme assets – gain (loss)	(2,443)	1,416
Experience gains and losses arising on the scheme liabilities – gain (loss)	-	-
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)
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable – gain (loss)	-	-
Total amount recognised in statement of total recognised gains and losses – gain (loss)	6,437	(17,841)

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

### 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 of the Employer's own financial instruments or any property occupied by, or other assets used by, the Employer.

### Assumptions

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % 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.

# KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

## NOTES TO THE FINANCIAL STATEMENTS for the year ending 31 March 2016 (continued)

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

### Amounts for the current and previous four years

	2016 (£000s)	2015 (£000s)	2014 (£000s)	2013 (£000s)	2012 (£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)

### Future Provision

A new Financial Reporting Standard (FRS) 102 requires the inclusion for smaller entities to make provision in the annual accounts for the contribution towards the shortfall in funding referred to in note 9.2 (b) above for the first time at 31 March 2017. The discounted computation is estimated at £235,000 as at 31 March 2016.

## KENSINGTON AND CHELSEA CITIZENS ADVICE BUREAUX SERVICE

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

### 10 FUND BALANCES AND RESERVES

The total fund balances are broken down over the various restricted and unrestricted purposes for which they are held as follows:

	Restricted Funds								Unrestricted Funds			
	1	2	3	4	5	6	7	8	9	10	11	12
Funder	HM Prison Service	RBKC ASC + IST	RBKC Social Services	RBKC Social Services	Big Lottery Fund	Relocation Costs	Capitalise + LSE	= 1 : 7 Total restricted funds	RBKC General Grant	Other Income	= 9 + 10 Total unrestricted funds	= 8 + 11 Total funds
Purpose for which funds were granted	Wormwood Scrubs	Income Max + BME	Mental Health	Income Max H&W HIV	Advice Now Plus		Money Advice		Bureaux Services	Other Services		
	£	£	£	£	£	£	£	£	£	£	£	£
Balance of funds at 1.4.15	28,945	14,157	37,049	16,408	33,491	2,643	1,915	134,609	39,795	252,415	292,212	426,821
Basic grant 2015-16	30,443	159,474	59,649	25,094	-	-	51,907	326,567	702,705	661	703,366	1,029,932
LSC, NHS, IST, Capitalise, BLF	47,533	15,004	49,391	-	84,141	-	-	196,069	-	-	-	196,069
Rent in kind 2015-16	10,000	-	-	-	-	-	-	10,000	-	-	-	10,000
Total grant & other income	87,976	174,478	109,040	25,094	84,141	-	51,907	532,636	702,705	661	703,366	1,236,001
Expenditure 2015-16	(100,720)	(189,334)	(101,636)	(24,050)	(117,632)	(2,643)	(53,668)	(589,683)	(647,949)	(108)	(648,057)	(1,237,740)
Surplus/(deficit) 2015-16	(12,744)	(14,856)	7,404	1,044	(33,491)	(2,643)	(1,761)	(57,047)	54,756	553	55,309	(1,739)
Transfer from unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
	(12,744)	(14,856)	7,404	1,044	(33,491)	(2,643)	(1,761)	(57,047)	54,756	553	55,309	(1,739)
Total balance 31.3.16	16,199	(700)	44,454	17,452	0	0	155	77,562	94,551	252,968	347,520	425,083

We treat as reserves, balances accumulated on other services generated from our own resources £252,968 plus any surplus (or minus any deficit) on the local authority general grant, a net total of £94,551. This resulting balance on unrestricted funds of £347,520 is treated as reserves at 31 March 2016 (or 28 % of expenditure) (2015: or 23%). These reserves are held, within the limits permitted by the service's principal funder, simply as a working balance to smooth day to day fluctuations in income and expenditure, including those for separately funded projects. The latter may have different financial accounting periods, and different timetables for issue of grant instalments sometimes in advance, sometimes in arrears, and the purpose and adequacy of such reserves is set out more fully in paragraphs 13 & 18 of the Trustees' Report.