



THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

**Financial Statements
For the year ended 31 March 2017**

Companies House Registration Number SC089892

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

Financial Statements For the year ended 31 March 2017

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Trustees as at 31 March 2017

Chair: **Rory Mair (appointed as Chair 28 March 2017)**

Agnes Robson (appointed as acting chair 28 June 2016, resigned 28 March 2017)

Dominic Notarangelo (appointed as Chair 5 November 2009, resigned 27 June 2016)

Vice-Chair: Agnes Robson (appointed to CAS Board 11 November 2010, appointed as Vice Chair 9 December 2015 and appointed as Acting Chair on 28 June 2016)

Trustees:

S F Beer	appointed 21 March 2013 resigned 28 March 2017	M McIntyre	appointed 10 December 2014 resigned 6 September 2016
J Henderson	appointed 6 November 2008 resigned 28 March 2017	J S Miller	appointed 21 March 2013 resigned 30 August 2016
S R Marshall	appointed 5 November 2009 resigned 28 March 2017	W Mitchell	appointed 21 March 2013 resigned 27 December 2016
F S Martin	appointed 21 March 2013 re-elected 28 March 2017	S A Peart	appointed 26 January 2012 resigned 28 March 2017
K McGhee	appointed 3 December 2015 re-elected 28 March 2017	J Turner	appointed 3 December 2015 resigned 28 March 2017
M J P McGinley	appointed 5 June 2014 resigned 28 March 2017	M Kinninmonth	appointed 8 November 2007 resigned 27 April 2016
C M Thomson	appointed 28 March 2017	G Bissett	appointed 28 March 2017
M R Buckley	appointed 28 March 2017	J C Ewing	appointed 28 March 2017
S B Gault	appointed 28 March 2017	N J M Grier	appointed 28 March 2017
P L Hall	appointed 28 March 2017	D R S Rankin	appointed 28 March 2017
N Smith	appointed 28 March 2017	Z Strange	appointed 28 March 2017

Senior Management Team:

A Lavery	Acting Chief Executive Officer
S McPhee	Head of Policy and Public Affairs
D Brownlee	Head of Bureau Services
V Shelton	Head of Human Resources
I Forrester	Head of Information Technology
P Tolley	Head of Communications
D Holligan	Head of Finance, appointed 25 May 2016, resigned 10 February 2017
F Donnelly	Head of Finance, appointed 24 April 2017

Derek Mitchell was appointed Chief Executive Officer on 28 August 2017.

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Auditors:

RSM UK Audit LLP

First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG

Bankers:

Bank of Scotland PLC, 51 South Clerk Street, Edinburgh EH8 9PP

Royal Bank of Scotland PLC, 36 St. Andrews Square, Edinburgh EH2 2AD

Legal Advisors:

Lindsays, Caledonian Exchange, 19a Canning Street, Edinburgh EH3 8HE

Registered by Companies House number SC089892

Citizens Advice Scotland is a Registered Scottish Charity number SC016637

Registered and Principal Office, 1st Floor, Spectrum House, 2 Powderhall Road, Edinburgh, EH7 4GB.

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Trustees Report (incorporating the Strategic Report)

1. Overview of Organisation and Activities

The Scottish Association of Citizens Advice Bureaux is a company limited by guarantee and a registered charity and is governed by its Memorandum and Articles of Association which set out the objects and powers of the charitable company. In the event of the company being wound up the liability of the members is limited to £1.

The Association is also known as Citizens Advice Scotland (CAS).

CAS is the umbrella body for the 61 independent citizen advice bureaux in Scotland, and together with these bureaux makes up the largest single advice network in Scotland, helping more than 300,000 people solve their problems each year in communities everywhere from city centres to the Highlands and Islands covering a wide range of issues.

CAS supports the Scottish Citizens Advice Bureau (CAB) service in providing free, confidential and impartial information, advice, guidance, assistance and counsel to citizens across Scotland through the provision of essential services such as training, IT, information and a quality audit process as well as undertaking national advocacy and campaigning work on behalf of bureaux. These services ensure that the bureaux network can provide a quality advice service to citizens and can speak directly to government at a national level to influence policy on behalf of clients.

In addition to supporting the provision of face to face advice across the bureaux network, CAS also supports telephony advice to citizens through the work of the Citizens Advice Consumer Service and the Extra Help Unit.

The Citizen Advice Consumer Service is a UK advice line providing information and advice on consumer rights which assists individuals with issues relating to goods or services. CAS manages the delivery of this service to citizens in Scotland from contact centres in Stornoway and Glasgow, which helped almost 60,000 people in Scotland and more than 150,000 people across Great Britain last year.

The Extra Help Unit is not a public helpline, instead taking call referrals from the Citizens Advice Consumer Helpline, local politicians, Ofgem and the Energy Ombudsman. The service provides help to vulnerable consumers throughout Great Britain with complex energy or postal complaints, including those at risk of having their gas or electricity cut off.

2. Our Strategic objectives and achievements

CAS's strategy for 2013-2017 set out five key strategic aims for delivery throughout this period.

Strategic Aim 1	To support the Scottish Citizens Advice Service to provide multi-channel access to information, education, advice and representation to those who need it.
Strategic Aim 2	To act in partnership with the CAB, wider advice sector and other governmental and non-governmental sectors to mitigate the harmful impacts of welfare reform on the Scottish economy, communities, families and individuals.
Strategic Aim 3	To be a strong voice for consumers in Scotland and to ensure that the Scottish consumer interest is well represented in UK and European markets and policy making spaces.
Strategic Aim 4	To prioritise and take action on the issues faced by the vulnerable, poor and socially excluded citizens and consumers of Scotland.
Strategic Aim 5	To develop leadership at all levels of the Citizens Advice Service across Scotland and within CAS itself in order to deliver better services to CAB and other stakeholders and the people of Scotland.

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The organisation is currently consulting on a new strategy which will set the direction for the organisation for the next 3-5 years.

3. Our Achievements in 2016/17

The 2016/17 financial year has been a period of change for the organisation. A key focus for the CAS in 2016/17 was commissioning and implementing the recommendations of an independent governance review of the organisation. This review was undertaken by Deloitte early in 2016/17 and set out 32 recommendations for change to the governance structure of the organisation including;

- The need for an independent chair
- A reduction in existing numbers on the board
- A change to the balance of bureaux and external trustees on the board
- Tenure limits for those serving on the board

All 32 recommendations were approved by members at an AGM in January 2017 and the recommendations in relation to the structure; make up and tenure of the board were implemented at an AGM in March 2017, with the election of a new board. This new board structure brings the organisation into line with best practice recommendations from the Office of Scottish Charity Regulator (OSCR). Implementing the remaining recommendations will be a priority for the new board in 2017/18.

In addition to the governance changes CAS initiated a number of new projects in 2016/17 designed to create a platform for the organisation going forward. These include;

- Commissioning work on access routes into the service to better understand the advice needs of citizens and ensure that CAS and the network continue to provide high quality advice services to clients at the point of need.
- Restructuring and reviewing our data and research team and data management processes to ensure that the organisation makes best use of the data which it holds to campaign successfully on behalf of citizens.
- Completing the delivery of a shared services I.T. framework which provides a secure environment for the network. This provides a managed IT environment so all mail, files, internet and security are delivered through this. The service has improved IT resilience in bureaux whilst also delivering collaboration tools and integration between those bureaux that have joint projects. It has reduced the operating costs for those bureaux using it.

The organisation also continued expanding and improving services throughout 2016/17 including;

- The distribution of circa £6 million in national project funding as well as distributing over £255,000 to Citizens Advice Bureaux "CAB" from the Money Advice Service for short term work supporting clients with post Christmas debt issues,
- Expansion of existing projects through the CAB network to extend services to a wider range of clients throughout Scotland.
- Campaigning on behalf of bureaux on issues such as Funeral Payments and national Transport issues
- Influencing Scottish Government on the devolved social security powers and the creation of new Social security agency, including a benefits take up campaign, raising Carers Allowance payments, the establishment of a disability benefits expert group, the design of the new Social Security Agency, and how Universal Credit will be paid to claimants.

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- Supporting vulnerable consumers with energy and post issues through the work of the Extra Help Unit (EHU), achieved the highest ever satisfaction results since the establishment of the EHU satisfaction survey.
- Delivering 6,125 courses to CAB advisers based throughout Scotland through a blended learning approach which was shortlisted for a worldwide award during the year.

4. Our vision for the future

The new CAS Board will develop a new strategic plan for the organisation which will ensure that the organisation continues to meet the needs of the network and assist in delivering essential advice services to Citizens of Scotland during 2017/18 and beyond. This work will encompass the views of key stakeholders and consider the ongoing changes to the external landscape in which CAS and the wider network operate including the Scottish Government Advice Landscape review and the increased use of digital services amongst citizens.

This work will be supported by the existing CAS senior management team and the new CEO, Derek Mitchell who will commence employment on 28th August 2017.

5. Financial Performance 2016/17

We are pleased to report a steady financial performance in 2016-17. CAS has continued to deliver positive results within an ever-changing landscape meeting the financial challenges of funding restrictions by adopting new approaches to enable value for money strategies and doing more with less.

Summarised Financial Performance	2017	2016	Movement
Total Incoming Resource	£14,110,848	£15,076,478	(£965,630)
Total Expenditure	£14,103,664	£15,220,982	(£1,117,318)
Total Net Movement in funds after pension and transfers	£7,184	(£144,504)	£151,688
Cash Held	£4,282,340	£4,821,082	(£538,742)
Unrestricted Reserves	£1,257,687	£1,016,082	£241,605

Total incoming resource has decreased overall by 6.4% however this was offset by reductions in spending of 7.3%. It should be noted that due to the ongoing changes during the year, some spend was delayed and has been allowed by our main funders the UK Government to be carried forward as reserves into 2017/2018.

Cash held remain strong with approximately 111 Days of Gross Spend available which provides sound platform for business sustainability going forward and meeting ongoing working capital requirements.

Net assets have slightly increased and the Current Ratio remains a healthy indicator with a comfortable degree of headroom, further supported by an increase during the year.

Unrestricted Funds

Unrestricted funds are made up of general funds and funds designated for specific purposes at the discretion of the Board of Trustees (see Note 19). The designated balance of £248,000 for the Castle Computer Replacement Project has been partly utilised this year, with £111,920 being carried forward

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to 2017/18 as the development is being rolled out. £234,179 has been designated to represent the amount of reserves represented by Fixed Assets expenditure funded in current and prior years, but for which the annual accounts will show the depreciation of the fully funded assets over future years.

Unrestricted incoming resources from generated funds totalled £2,916,846 (2015/16: £3,495,841) and is comprised principally of funding from the UK Government in the form of an unrestricted Grant in Aid. This grant is provided by BEIS and totalled £2,895,000 (2015/16: £3,494,975). The reason for the reduction is that funding for part of the Consumer Futures (Rest of Economy) started to come from the Scottish Government due to the devolution of this; this funding is now treated as restricted per the grant agreement. Unrestricted incoming resources from charitable activities amounted to £143,007 (2015/16: £165,504) and includes bureaux membership subscriptions, rent receivable and other income. Further details of sources of funds are provided in Notes 2 and 3.

Expenditure from unrestricted general activities totalled £2,895,574 (2015/16: £3,376,982). The key expense item under costs of charitable activities relates to salary costs of £2,123,398 (2015/16: £2,507,517).

Restricted Funds

Restricted funds are granted to CAS for particular purposes. Such reserves are accounted for separately and can only be used for the purpose specified by the donor.

CAS continues to adopt a pro-active approach in sourcing funding over and above the Grant in Aid from BEIS to support development in the services for bureaux and to diversify income streams to enable innovation and to provide support and funding for a widening service provision with the primary aim to reach more clients and meet demand.

During the year, restricted funds of £10,975,627 (2015/16: £11,393,256) were recognised. Details can be found in Notes 2 and 3.

Expenditure under Restricted Funds was £11,208,090 (2015/16: £11,844,000). A number of projects which support bureaux to provide tailored advice to specific groups such as clients in fuel poverty, veterans and kinship carers continued, whilst CAS continued to work with The Money Advice Service providing budgetary guidance to the public.

Transfers

During the year there was a net transfer of £1,958 into Unrestricted funds (2015/16 £130,000). Key items were the capitalisation of funded assets and the transfer of underspends allowed to be kept for specific carried forward spend.

Surplus/(Deficit) for the Year

The net surplus/(deficit) resulting from the above income, expenditure and transfers are as follows:

	2017	2016
	£	£
Unrestricted Fund Surplus	241,605	436,240
Restricted Funds (Deficit)/Surplus	(234,421)	(580,744)
Surplus/(Deficit) for the year	7,184	(144,504)

Reserves

The following fund reserves were held as at 31 March:

	2017	2016
	£	£
Unrestricted Funds	1,257,687	1,016,082
Restricted Funds	1,828,190	2,062,611
	3,085,877	3,078,693

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Useable reserves which are defined as unrestricted funds not tied up in fixed assets, amounted to £1,023,508. A detailed listing of designated and restricted funds is outlined in Note 19.

CAS is required to maintain a level of useable reserves primarily to meet ongoing obligations due to the timing of central grant receipt from BEIS. The Board is satisfied that the level of such useable reserves is sufficient to meet ongoing operations given the continued financial support from BEIS and guidance associated with this.

6. Governance

CAS is governed by a dedicated Board of Trustees. Board membership is drawn from a broad range of skills and experiences and is supported by five sub-committees who meet regularly throughout the year; Finance (covering Audit), Development, Policy Forum, Membership and Nominations.

The Board of Trustees meets at least five times each year with a clear focus on strategy, financial and operational performance review.

CAS has instigated a comprehensive review by Deloitte and work has continued throughout the year to progress the recommendations. All findings were accepted and the majority are now implemented. Stakeholders have been kept fully informed of the progress made.

Recognising the challenges faced both with the absence of a CEO, and more recently the resignation of the Chair, the Board of Trustees with the support from the Senior Management Team within CAS are committed to adopting Model Governing Rules, to enable excellent corporate governance which will be embedded throughout the organisation. The Vice Chair, Agnes Robson was undertaking the role of Acting Chair up until the appointment of the new Chair Rory Mair on 28 March 2017 and Anne Lavery, Chief Operating Officer is acting CEO during the transitional period, until the appointment of the new Chief Executive Officer.

In the interim period the Chief Operating Officer and heads of department comprise the Senior Management Team which meets regularly to review progress against the Strategic Plan, co-ordinate the day to day management of all activities and continue to prepare proposals for the Board of Trustees.

Despite these challenges, the Senior Management Team remains a strong, knowledgeable and stable team.

The key responsibilities of the Trustees:

- Responsibility for the overall leadership of CAS
- Approval of CAS's strategic plan and annual budget
- Support the Management Team to achieve CAS's objectives
- Establishing effective systems of good governance, monitoring internal control and reviewing their effectiveness annually
- Embedding strong integrity and sound business practices and ensuring CAS follows both legal and ethical standards

CAS Trustee Recruitment, Induction and Training

Recruitment

There are 2 categories of Trustee:

- Bureau Trustee (maximum 6) – this can be a volunteer in a CAB e.g. a volunteer advisor or a member of the CAB's Board or a CAB Manager.
- External Trustee (maximum 6) – external to the CAB service.

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The CAS Chair is an independent candidate.

All Trustees including the CAS Chair are sought using an external recruitment agency whereby suitable candidates are sifted by the recruitment agency and a short list interviewed by the CAS Nominations Committee. Prior to engaging a recruitment agency, the Nominations Committee identify any skills and experience gaps within the current CAS Board and look to fill these gaps accordingly. The details of the most suitable candidates following interview are presented to the CAS Board for agreement and then elected by the members at the AGM.

The Honorary Officers, i.e. CAS Chair, CAS Vice Chair and CAS Treasurer cannot be a Trustee who is a paid employee of a Member Bureau.

Induction

The induction of CAS Trustees is an opportunity for:

- a new Trustee to learn about their duties and about different aspects of their new organisation and
- existing Trustees to identify the needs of a new trustee and find ways to support them.

Over the years, Trustees have received induction programmes that have varied in format from:

- An Induction at the first CAS Board Meeting following an AGM which included an introduction to good governance and their legal requirements delivered by the CAS solicitors, Lindsays. Trustees were also sent a pack which included the Articles of Association, OSCR regulations, good governance guidance and minutes of previous CAS Board Meetings.
- An Induction Day whereby Trustees were invited to visit CAS Spectrum House to meet with the Senior Management Team and be introduced to CAS staff who delivered a short presentation on the work of their team.

As some Trustees had been on the CAS Board for a number of years, some did not feel the need to attend these induction days but they were more appropriate for newer CAS Trustees.

An Induction Pack was circulated to all of the Trustees appointed on 28 March 2017 for discussion at their first Board Meeting on 8 June 2017 and comprised of:

- an overview of CAS's governance documents including Articles of Association, Operational Handbook, Code of Conduct and Conflict of Interest
- an overview of CAS's operational information including Annual Plans
- an overview of CAS's financial position including annual accounts and details of financial reviews undertaken

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Scottish Association of Citizens Advice Bureaux for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

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- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Managing Risk

We have a risk management policy and procedure in place and risks are actively managed through the Strategic Management Team, Finance Committee and Board.

All strategic decisions are made at board level with review of the risk register and financial matters delegated to the finance committee. Operational decisions are delegated to the Senior Management Team who report to the board.

Our Strategic Risk Register shows key risks and includes reduction to funding, changing landscape for service provision and diverse funding streams, loss of external national project funding, reduction in bureau membership and policy changes within government, in particular devolved powers within Scotland.

These risks are mitigated by proactive interventions, including regular engagement with BEIS and Scottish Government, successful contract negotiation to maintain existing projects, financial modelling and scrutiny of value for money.

8. Key Management Personnel

Remuneration of all staff at CAS, including the senior management team, is managed under the CAS pay framework in accordance with the CAS Reward Policy. All posts have a set salary range, and an individual's starting remuneration level within the salary range for their post is determined according to skills and experience. Annual salary increases are agreed through a collective bargaining process with the union and normally take the form of standard % uplift to all salaries.

9. Going Concern

The Board of Trustees is confident that CAS has met the requirements of the Governance Review and BEIS has provided a grant letter with projected 3 year funding levels.

The Board has reviewed its cash flow forecast for the next 12 months and based on discussion with its funders believe they can continue to meet their liabilities as they fall due for the foreseeable future. As a result the Board are confident that CAS is a going concern.

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10. Disclosure of Information to the Auditor

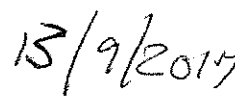
Each person who is a Trustee of the Board at the date of approval of this report confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which CAS's auditors are unaware; and
- Each Trustee has taken all the steps he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that CAS's auditors are aware of that information.

By order of the Board of Trustees



Rory Mair
Chair



Date

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS

Opinion on financial statements

We have audited the financial statements of The Scottish Association of Citizens Advice Bureaux (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities incorporating the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, 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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on pages 9-10, 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.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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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.

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



JANET HAMBLIN CA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

18 September 2017

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income & Expenditure Account)
For the year ended 31 March 2017

	Note	Total Unrestricted Funds £	Total Restricted Funds £	2017 Total £	Total Unrestricted Funds £	Total Restricted Funds £	2016 Total £
Income and Endowments from:							
Donations & Legacies	2	2,916,846	10,968,127	13,884,973	3,495,841	11,381,989	14,877,830
Charitable Activities	3	143,007	7,500	150,507	165,504	9,638	175,142
Investments		11,076	-	11,076	17,977	1,629	19,606
Other	4	64,292	-	64,292	3,900	-	3,900
Total Income		<u>3,135,221</u>	<u>10,975,627</u>	<u>14,110,848</u>	<u>3,683,222</u>	<u>11,393,256</u>	<u>15,076,478</u>
Expenditure on:							
Charitable activities	5	2,895,574	11,208,090	14,103,664	3,376,982	11,844,000	15,220,982
Total Expenditure		<u>2,895,574</u>	<u>11,208,090</u>	<u>14,103,664</u>	<u>3,376,982</u>	<u>11,844,000</u>	<u>15,220,982</u>
Net income/(expenditure)	7	239,647	(232,463)	7,184	306,240	(450,744)	(144,504)
Transfers between funds	19	1,958	(1,958)	-	130,000	(130,000)	-
		<u>241,605</u>	<u>(234,421)</u>	<u>7,184</u>	<u>436,240</u>	<u>(580,744)</u>	<u>(144,504)</u>
Net Movement in Funds		<u>241,605</u>	<u>(234,421)</u>	<u>7,184</u>	<u>436,240</u>	<u>(580,744)</u>	<u>(144,504)</u>
Reconciliation of funds:							
Total funds brought forward	19	<u>1,016,082</u>	<u>2,062,611</u>	<u>3,078,693</u>	<u>579,842</u>	<u>2,643,355</u>	<u>3,223,197</u>
Total funds carried forward	19	<u>1,257,687</u>	<u>1,828,190</u>	<u>3,085,877</u>	<u>1,016,082</u>	<u>2,062,611</u>	<u>3,078,693</u>

All the results of the company relate to continuing operations

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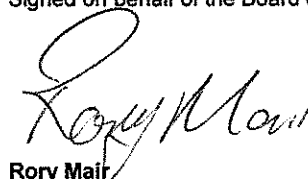
COMPANY NUMBER SC089892

BALANCE SHEET
As at 31 March 2017

	Notes	2017 £	2016 £
Fixed Assets			
Intangible Assets	11	168,789	-
Tangible Assets	12	65,390	73,502
Investments	13	<u>1</u>	<u>1</u>
Total Fixed Assets		<u>234,180</u>	<u>73,503</u>
Current Assets			
Debtors	14	1,095,887	1,440,161
Cash at bank and in hand		<u>4,282,340</u>	<u>4,821,082</u>
		5,378,227	6,261,243
Liabilities			
Creditors: Amounts falling due within one year	15	<u>(1,978,082)</u>	<u>(2,676,390)</u>
Net current assets		<u>3,400,145</u>	<u>3,584,853</u>
Total assets less current liabilities		<u>3,634,325</u>	<u>3,658,356</u>
Provision for Liabilities	16	<u>(548,448)</u>	<u>(579,663)</u>
Total net assets		<u>3,085,877</u>	<u>3,078,693</u>
The funds of the charity:			
Unrestricted funds	19	1,257,687	1,016,082
Restricted Funds	19	<u>1,828,190</u>	<u>2,062,611</u>
		<u>3,085,877</u>	<u>3,078,693</u>

These financial statements were authorised and approved for issue by the Board of Directors on *6 SEPTEMBER 2017*

Signed on behalf of the Board of Directors


Rory Mair
Chair

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

CASH FLOW STATEMENT
For the year ended 31 March 2017

	Notes	2017 £	2016 £
Net cash (outflow) used in operating activities	20	<u>(365,364)</u>	<u>(632,076)</u>
Cash flows from investing activities			
Cash inflow from interest received (gross)		11,076	19,606
Proceeds from disposal of fixed assets		9,292	3,900
Payments to acquire intangible assets		(170,531)	-
Payments to acquire tangible fixed assets		<u>(23,215)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(173,378)</u>	<u>23,506</u>
(Decrease) in cash		<u>(538,742)</u>	<u>(608,570)</u>
Reconciliation of net cash flow to movement in net funds		£	£
Cash and cash equivalents at 31 March 2016		4,821,082	5,429,652
(Decrease) in cash in the year		(538,742)	(608,570)
Cash and cash equivalents at 31 March 2017		<u><u>4,282,340</u></u>	<u><u>4,821,082</u></u>

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

1. Accounting policies

The Scottish Association of Citizens Advice Bureaux is a Company Limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association. The Principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The accounts are prepared in accordance with the 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) – (Charities SORP (FRS 102), the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006.

The accounts are prepared in £ sterling.

Citizens Advice Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts do not include the consolidation of the charity's subsidiary, Citizens Advice Scotland (Trading) Limited which is dormant and immaterial in respect of the results and net assets of The Scottish Association of Citizens Advice Bureaux. These accounts are those of The Scottish Association of Citizens Advice Bureaux and not its group.

Going concern

The Board of Trustees is confident that CAS has met the requirements of the Governance Review and BEIS has provided a grant letter with projected 3 year funding levels.

The Board has reviewed its cash flow forecast for the next 12 months and based on discussion with its funders believe they can continue to meet their liabilities as they fall due for the foreseeable future. As a result the Board are confident that CAS is a going concern.

Incoming resources

Voluntary income includes donations and grants that provide core funding or that are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. If any grant has been provided for a stated purpose (i.e. purchase of fixed assets), it is treated as a restricted reserves.

Income from charitable activities includes membership fees and the sale of information products to Bureaux and is recognised as earned (as the related goods and services are provided). Income from charitable activities includes rental income which is included in the year in which it is receivable.

Government grants

Government Grants are paid directly to the organisation to meet ongoing expenditure and is recognised when the formal offer of funding is communicated in writing to CAS.

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

Accounting policies (continued)

Deferred income

Deferred income is included in the balance sheet where related expenditure can only take place in a future accounting period.

Resources expended

Expenditure is recognised when a liability is incurred. Expenditure incurred under contractual arrangements is recognised once the supplier of the goods or services has performed their part of the contract for example the delivery of goods or the provision of services.

Grants are made to support individual bureaux. Grants are awarded on successful completion of a rigorous application and committee review process. Payments are provided to bureaux for each individual project based on a tailored financial plan to fit the project critical path. Grant payments are recognised and paid upon acceptance by a bureau of the offer of a grant and in accordance with a tailored financial plan.

Expenditure has been classified with reference to the activities performed during the year as follows:

- The costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable activities includes expenditure associated with providing services and grants to bureaux, the cost of quality and social policy activities and the costs of sales to non-member organisations. Costs include both direct costs and support costs.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include the cost of central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs.

Fund accounting

Funds held by the Association are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.
- Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these funds arise when money is granted to the Association for a particular purpose or project. Such reserves can only be used for the purpose specified by the donor

Tangible Fixed assets and depreciation

Tangible fixed assets are included at historical cost. Assets costing less than £500 are not capitalised. Depreciation is allocated at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Motor vehicles	25% straight line basis
Furniture and equipment	10-33% straight line basis

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

Accounting policies (continued)

Intangible Fixed Assets other than Goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and impairment losses. Intangible assets comprise software and the Castle computer system replacement. The assets are defined as having finite useful lives of between 3 and 5 years.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.3%
Castle software	20%

Castle is the case recording system used by bureaux and has been significantly redesigned from the previous version which has been operational for over 10 years. Therefore it is deemed appropriate to amortise this asset over 5 years.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities over the lease term on a straight line basis. The aggregate benefit of any lease incentives is recognised as a reduction in rental expense and allocated over the lease term.

Pension

Two pension schemes were in operation during the period.

The first scheme is with Pensions Trust and is a multi-employer defined benefit scheme administered independently of the Association. It is not possible to identify on a consistent basis the share of underlying assets and liabilities belonging to individual participating employers.

Under FRS 102 the liability in respect of the funding shortfall has been recognised in the accounts and the ongoing charge in the Statement of Financial Activities and the Income and Expenditure Account relates to the contributions payable and any unwinding of the discount rates used in calculating the present value. The disclosure under FRS 102 is shown in note 22.

The second scheme with Standard Life operates as a defined contribution scheme. The assets of this scheme are also administered independently of the Association. Pension costs charged in the Statement of Financial Activities and the Income and Expenditure Account under this scheme also represent the employer contributions payable.

VAT

The charity is partially exempt and cannot recover all VAT incurred.

The cost of non-recoverable Value Added Tax is expensed in the Statement of Financial Activities.

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

Accounting policies (continued)

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Finance Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provision of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

A financial asset represents financial resources available to the charity and examples include financial investments in shares or bonds, debtors and cash.

Debtors

Trade and other debtors which are receivable within one year are initially measured at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of any impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Prepayments are valued at the amount prepaid. Accrued income is measured at the amount recoverable.

Financial liabilities

A financial liability is a financial claim on the charity's resources and examples include loans, creditors and legal or constructive obligations, including provisions for grants payable.

Creditors

Trade and other creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Investments

CAS has a £1 investment in Citizens Advice Scotland (Trading) Limited which is dormant.

Significant judgements and estimates

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

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

Accounting policies (continued)

Significant judgements and estimates (continued)

- Recharges to restricted funds – The methodology for the calculation of recharges is predominantly based on a headcount full time equivalent allocation and has been agreed with funders prior to budgets being approved and funding being made available.

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

2 Incoming resources from donations & legacies

	2017	2016
	£	£
Unrestricted funds		
BEIS Grant in Aid	2,895,000	3,494,975
Other grants	20,082	-
Donations	1,764	866
	<u>2,916,846</u>	<u>3,495,841</u>
Restricted Funds		
Scottish Government	4,423,460	3,032,321
BEIS	2,463,317	3,837,124
HM Treasury (DWP - Pensionwise)	1,649,089	3,086,564
Money Advice Trust	7,500	18,750
Accountant in Bankruptcy	87,318	65,050
Poppy Scotland	462,932	436,116
The Money Advice Service	597,919	716,616
Money Advise Scotland	23,445	-
Citizens Advice England and Wales	580,063	-
Big Lottery	187,474	-
Martin Lewis	-	81,000
SEPA	-	20,000
Energy companies	170,000	210,928
Water Industry Commission for Scotland	-	(122,480)
Scottish Water	315,610	-
	<u>10,968,127</u>	<u>11,381,989</u>
Total	<u>13,884,973</u>	<u>14,877,830</u>

3 Incoming resources from charitable activities

	2017	2016
	£	£
Unrestricted funds		
Bureaux membership subscriptions	129,091	126,461
Sales of ancillary products	50	109
Rent receivable	4,255	12,510
Other income	9,611	26,424
	<u>143,007</u>	<u>165,504</u>
Restricted funds		
Other Income	7,500	9,638
	<u>7,500</u>	<u>9,638</u>
Total	<u>150,507</u>	<u>175,142</u>

4 Other incoming resources

	2017	2016
	£	£
Unrestricted funds		
Gain on sale of fixed assets	9,292	3,900
Other income	55,000	-
	<u>64,292</u>	<u>3,900</u>

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
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NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

5 Cost of charitable activities

	Staff Costs £	Grants to Bureaux £	Other costs £	Support costs £	Restricted Recharges £	Total 2017 £	Total 2016 £
Unrestricted							
Services to member bureaux							
Provision of information system	179,270	-	148,639	235,682	(150,427)	413,164	323,699
Training & Quality	379,216	-	53,975	398,847	(254,563)	577,475	554,535
Information technology and communication	417,397	-	150,235	435,106	(277,705)	725,033	658,304
Direct field services	251,730	-	57,490	326,329	(208,279)	427,270	352,220
Development Committee grants	-	429,143	-	-	-	429,143	388,770
	1,227,613	429,143	410,339	1,395,964	(890,974)	2,572,085	2,277,528
Social policy and public affairs	135,282	10,500	18,752	108,776	-	273,310	1,099,223
	1,362,895	439,643	429,091	1,504,740	(890,974)	2,845,395	3,376,751
Designated							
Premises costs	-	-	-	-	-	-	231
Designated fixed asset fund	-	-	9,479	-	-	9,479	-
Castle Replacement	35,955	-	4,745	-	-	40,700	-
	35,955	-	14,224	-	-	50,179	231
Total	1,398,850	439,643	443,315	1,504,740	(890,974)	2,895,574	3,376,982

Support costs

	£ 2017	£ 2016
Unrestricted Support Costs are analysed as follows:	£	£
Staff Costs	724,548	778,970
Premises Costs	416,405	426,544
Admin/Office Costs	57,137	53,624
Finance & Professional	304,562	427,703
Depreciation	2,088	3,791
	<u>1,504,740</u>	<u>1,690,632</u>

Support costs are allocated on the basis of staff numbers

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

5 Cost of charitable activities (continued)

	Staff Costs £	Grants to Bureaux £	Other costs £	Restricted Recharges £	Total 2017 £	Total 2016 £
Restricted						
Money Advice Trust	-	-	-	15,000	15,000	15,000
Money Advice (MATRICS)	60,506	325	7,314	2,039	70,184	66,660
DTI Mid term review	-	-	5,289	-	5,289	5,409
Patient Advice and Support Service	62,484	965,392	101,909	11,271	1,141,056	1,148,813
Castle	-	-	477	-	477	477
Kinship (Grants to bureaux)	13,416	75,500	1,901	8,957	99,774	154,270
Armed Services Advice Project	25,325	422,470	8,257	9,621	465,673	448,881
The Money Advice Service	36,713	232,454	2,698	6,179	278,044	656,765
Castle Case Management	-	-	-	-	-	113
Year end BIS (1)	-	-	204	-	204	8,341
Financial inclusion prudential	32,476	-	391	(35,007)	(2,140)	49,719
Energy Best Deal	-	162,050	1,154	8,500	171,704	233,437
Change Programme	-	-	1,008	-	1,008	7,614
CAD Consumer	46,338	1,011,389	314,378	24,681	1,396,786	1,479,959
Petra	-	-	-	-	-	163
Big Energy Savings Week	-	15,000	-	1,928	16,928	12,000
SPARK Energy & EON	6,924	-	1,090	5,708	13,722	-
Welfare Reform	10,466	1,397,452	24,217	54,042	1,486,177	1,417,894
Matrics Extra	9,490	-	-	-	9,490	-
Post Xmas debt advice	-	229,448	267	7,500	237,215	-
Matrics Extra	-	-	268	2,585	2,853	-
Advice in Mind	-	88,311	-	10,464	98,775	-
What works capacity building forum	-	-	-	7,000	7,000	-
Martin Lewis	-	63,809	-	6,506	70,315	-
LEAP Project	-	399,614	-	28,615	428,229	-
Channel Strategy	-	-	26,288	-	26,288	-
Money Advice research	-	-	22,965	-	22,965	-
Consumer Futures Transition	-	-	12,536	-	12,536	13,271
Sales Guarantee	-	-	-	2,654	2,654	177,379
Shared Services	6,093	-	206,623	-	212,716	389,358
Pensionwise	214,307	1,183,627	142,973	108,183	1,649,090	3,088,193
Water Forum	-	-	-	-	-	(4,218)
Consumer Futures Work Programme	-	-	-	-	-	378,037
Rest of the Economy	399,397	34,179	103,422	-	536,998	-
Extra Help Unit	825,652	-	321,831	425,286	1,572,769	1,556,565
Consumer Futures	364,465	-	544,584	179,262	1,088,311	526,514
Funeral Poverty	-	-	-	-	-	13,386
Governance costs	-	-	70,000	-	70,000	-
	2,114,052	6,281,020	1,922,044	890,974	11,208,090	11,844,000

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

	2017 £	2016 £
6 Grants to Bureau		
Aberdeen CAB	121,926	122,298
Airdrie CAB	259,408	365,519
Angus CAB	95,012	114,497
Argyle & Bute CAB	100,108	144,245
Banff & Buchan CAB	17,910	20,518
Bellshill CAB	15,425	36,357
CAB West Lothian	96,819	138,187
Caithness CAB	25,219	34,419
CARF	294,882	342,210
Central Borders CAB	22,948	16,146
Citizens Advice Direct	1,107,151	1,126,709
Citizens Advice Edinburgh	287,869	326,643
Clackmannan CAB	164,079	128,720
Clydesdale CAB	47,577	52,966
Coatbridge CAB	74,038	68,576
Cumbernauld CAB	30,584	28,777
DAGCAS	166,094	208,017
Dalkeith & District CAB	16,644	15,172
Denny & Dunipace CAB	31,694	42,344
Dundee CAB	219,720	212,760
East Ayrshire CAB	117,865	103,550
East Dunbartonshire CAB	253,630	262,799
East Kilbride CAB	41,828	70,454
East Renfrewshire CAB	97,654	116,051
East Sutherland CAB	59,604	112,014
Falkirk CAB	19,037	69,103
Glasgow Bridgeton CAB	52,564	37,863
Glasgow Castlemilk CAB	32,616	39,329
Glasgow Central CAB	125,297	85,531
Glasgow Drumchapel CAB	105,174	120,491
Glasgow Easterhouse CAB	137,561	90,670
Glasgow Greater Pollok CAB	53,171	50,242
Glasgow Maryhill CAB	67,166	48,056
Glasgow Parkhead CAB	104,653	140,806
Grangemouth CAB	65,559	68,881
Haddington CAB	63,983	72,865
Hamilton CAB	45,218	21,304
Inverness CAB	347,493	269,615
Kincardine & Mearns CAB	11,478	11,817
Lochaber CAB	12,623	14,287
Moray CAB	64,320	66,807
Motherwell & Wishaw CAB	284,222	224,632
Musselburgh CAB	81,128	84,048
NACAS	160,404	223,427
Nairn CAB	133,529	168,791
North West Sutherland CAB	9,265	11,975
Orkney CAB	26,687	29,546
Peebles CAB	40,681	45,429
Penicuik CAB	33,366	39,779
Perth CAB	60,728	110,229
Renfrewshire CAB	90,978	161,751
Ross & Cromarty CAB	59,451	7,600
Roxburgh CAB	69,934	90,103
Rutherglen CAB	34,402	55,331
Shetland Islands CAB	101,262	89,125
Skye & Lochalsh CAB	37,930	55,654
Stirling CAB	115,890	136,202
Turriff & District CAB	17,311	56,622
West Dunbartonshire CAB	58,744	80,224
Western Isles CAB	123,447	141,138
Westhill & District CAB	107,703	112,269
	<u>6,720,663</u>	<u>7,341,490</u>

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

7 Net Incoming/(expenditure) for the year before transfers	2017	2016
	£	£
This is stated after charging:		
Irrecoverable VAT	517,188	565,842
Depreciation	31,097	131,759
Auditors' remuneration		
External audit	16,625	26,265
Other Services: Tax Advisory Services from related parties	11,055	27,654
Other Services: Other Services from related parties	29,850	-
Operating lease rentals	303,316	292,611

8 Staff costs	2017	2016
	£	£
Wages and salaries	3,469,951	3,250,303
Social security costs	310,380	293,509
Other pensions costs	422,887	531,306
Temporary staff costs	34,232	134,921
	<u>4,237,450</u>	<u>4,210,039</u>

Included in the above are termination costs of £58,589 including National Insurance Contributions (2016: £2,500)

The average monthly number of employees during the year	2017	2016
	Number	Number
Number of staff	136	130

	2017	2016
	Number	Number
Employees' emoluments (excluding employer's pension contributions) falling within the band: £60,000 - £70,000	1	2

Trustees are not remunerated. 12 Trustees (2016:14) received reimbursement of expenses for attending meetings amounting to £12,635 (2016: £12,559).

The key management personnel comprise the Acting Chief Executive Officer, Chief Operating Officer and the Heads of Finance, Information Technology, Human Resources, Communications, Policy and Development.

The total employee costs (including salary, NIC, pension and termination costs) of the key management personnel were £460,703 (2016: £455,954). Included within this were termination costs of £55,000 (2016: £2,500).

The costs borne in 16/17 were fully covered by our insurance.

9 Corporation tax

The Association is a registered charity and is exempt from taxation on income and gains where they are applied for charitable purposes.

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

10 Related party transactions

Citizens Advice Scotland (Trading) Limited is a fully owned subsidiary of CAS. During the year to 31 March 2017 it did not trade.

During the year the CAS Trading bank account was closed and the balance was repaid to CAS.

During 2016/17 a Trustee received tutor fees of £250 and another Trustee received £160 for verification panel fees (2015/16: one trustee received £500 and £220 respectively).

Amounts paid during the year to Bureau which are connected to Trustees amounted to £886,259 (2015/16: £1,716,492). Amounts outstanding from bureaux at the year end which are connected to Trustees amounted to £2,207 (2015/16: £6,689). All debts have been repaid within normal business terms.

	Grant	Outstanding
Bureau	£	£
Maryhill CAB	10,553	-
Shetland	101,262	-
Aberdeen	121,926	2,207
Dundee	40,772	-
Penicuik	33,366	-
Lochaber	12,623	-
Airdrie	94,088	-
Edinburgh Central	287,869	-
Roxburgh CAB	17,047	-
West Lothian	96,819	-
Greater Pollock	69,934	-
	<u>886,259</u>	<u>2,207</u>

11 Fixed assets

Intangibles

	Software
Cost	£
At 1 April 2016	-
Transfers in from tangible fixed assets	968,403
Additions	170,531
Disposals	-
At 31 March 2017	<u>1,138,934</u>

Amortisation

At 1 April 2016	-
Transfers in from tangible fixed assets	968,172
Charge for year	1,973
Disposals	-
At 31 March 2017	<u>970,145</u>

Net book value

At 31 March 2017	<u>168,789</u>
At 31 March 2016	<u>-</u>

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
(a company limited by guarantee)

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

12 Fixed assets

Tangible Fixed Assets

	Furniture & equip. £	Motor vehicles £	Total £
Cost			
At 1 April 2016	2,437,013	101,556	2,538,569
Transfers to Intangible fixed assets	(968,403)	-	(968,403)
Additions	23,215	-	23,215
Disposals	-	(56,275)	(56,275)
At 31 March 2017	<u>1,491,825</u>	<u>45,281</u>	<u>1,537,106</u>
Depreciation			
At 1 April 2016	2,363,510	101,556	2,465,066
Transfers to Intangible fixed assets	(968,172)	-	(968,172)
Charge for year	31,097	-	31,097
Disposals	-	(56,275)	(56,275)
At 31 March 2017	<u>1,426,435</u>	<u>45,281</u>	<u>1,471,716</u>
Net book value			
At 31 March 2017	<u>65,390</u>	<u>-</u>	<u>65,390</u>
At 31 March 2016	<u>73,503</u>	<u>-</u>	<u>73,503</u>

All Tangible Fixed Assets are held for charity use by the charitable company.

13 Investments

Citizens Advice Scotland (Trading) Limited is a wholly owned subsidiary of CAS but has not been consolidated as, in the opinion of the Trustees, the figures would be of no value to the members.

At 31 March 2017 the Company had capital and reserves of £1 and had not traded during the year.

14 Debtors

	2017 £	2016 £
Trade debtors	42,375	310,214
Prepayments & Accrued Income	954,144	1,076,772
Due from bureaux	53,585	47,193
Other debtors	45,783	5,982
	<u>1,095,887</u>	<u>1,440,161</u>

Within Prepayments and accrued income of £954,144 is a prepayment of £299,288 (2015: £417,237) relating to a payment to British Telecom in respect of a contract to provide network infrastructure to CAS and the Scottish CAB service over a five year period on a phased rollout until 2018/19.

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
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NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

15 Creditors: Amounts falling due within one year	2017	2016
	£	£
Trade creditors	779,619	570,935
Sundry creditors and accruals	1,085,994	1,956,431
Other taxes and social security costs	77,759	104,568
Pension	34,710	44,456
	<u>1,978,082</u>	<u>2,676,390</u>

Included in sundry creditors and accruals above are amounts of deferred income as follows:

Balance at start of year	1,118,947	111,420
Released in year	(1,118,947)	(111,420)
Deferred in year	636,848	1,118,947
Balance at end of year	<u>636,848</u>	<u>1,118,947</u>

Income has been deferred at the year end as income was received in advance of the time period to which it relates as per the terms of the contract.

16 Provisions for liabilities and charges	2017	2016
	£	£
Liability for Pension Past Service Deficit Contributions	<u>548,448</u>	<u>579,663</u>

Refer to Note 22 for a reconciliation of the opening and closing provision.

17 Commitments

The Company has the following commitments in respect of total future rentals for land and buildings, photocopiers and a vehicle under existing operating leases.

	2017	2016
	£	£
Due within one year	<u>294,029</u>	<u>264,499</u>
Due between two and five years	<u>1,137,826</u>	<u>1,058,611</u>
Due after 5 years	<u>171,911</u>	<u>436,410</u>

The Development Committee approved and committed grants to Bureaux which were outstanding at the year end of £71,328 for 2016/17 (2015/16 £28,025) and £71,178 for 2017/18 (2016/17 £259,473)

18 Share capital

The company is limited by guarantee and has no share capital.

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NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

19 Restricted, Unrestricted & Designated Funds

	Balance at 31.03.16 £	Income 2016/17 £	Transfers £	Spend 2017 £	Closing Balance 31.03.17 £
Restricted					
Money Advice Trust	3,750	15,000	-	(15,000)	3,750
Money Advice (MATRICS)	6,474	87,318	-	(70,184)	23,608
DTI Mid term review	15,865	-	(10,576)	(5,289)	-
Patient Advice and Support Service	27,151	1,166,112	-	(1,141,056)	52,207
Castle	477	-	-	(477)	-
Kinship	30,698	69,457	-	(99,774)	381
SPARK Energy & EON	125,000	-	-	(13,722)	111,278
Armed Services Advice (previously Veterans)	7,657	462,932	(667)	(465,673)	4,249
Volunteer Development Officer	9,894	-	-	-	9,894
Otto Thoresen	13,182	-	-	-	13,182
The Money Advice Service	74,722	313,215	(109,893)	(278,044)	-
Castle Case Management	2,247	-	(2,247)	-	-
Year end BIS (1)	204	-	-	(204)	-
Energy Best Deal E-Learning	2,500	-	-	-	2,500
Financial Inclusion Prudential	12,529	-	-	2,140	14,669
Energy Best Deal	139,737	242,000	-	(171,704)	210,033
Change Programme 2014	5,912	-	(4,904)	(1,008)	-
CAD Consumer	256,231	1,407,802	(267,200)	(1,396,786)	47
Disability & Human Rights	28,000	-	-	-	28,000
Big Energy Savings Week	14,720	14,000	-	(16,928)	11,792
Barclay Money Skills	500	-	-	-	500
Welfare Reform	27,765	1,465,000	-	(1,486,177)	6,588
Admin Help	40,701	-	-	-	40,701
Petra	12,549	-	(12,549)	-	-
Shared Services	791,987	-	(9,303)	(212,716)	569,968
Consumer Futures Transition	87,317	-	(31,457)	(12,536)	43,324
Sales Guarantee	2,654	-	-	(2,654)	-
Pension Wise	-	1,649,089	-	(1,649,089)	-
Martyn Lewis	81,000	-	-	(70,315)	10,685
Customer Forum	8,659	-	-	-	8,659
Development Returns	2,000	-	-	-	2,000
Extra Help Unit	65,036	1,536,803	(29,069)	(1,572,770)	-
Consumer Futures	143,426	948,787	(3,902)	(1,088,311)	-
Funeral Poverty	2,067	-	-	-	2,067
SEPA Training	20,000	-	(10,000)	-	10,000
Rest of Economy	-	538,426	(1,428)	(536,998)	-
Channel Strategy	-	-	97,200	(26,288)	70,912
Channel Extra	-	-	150,000	-	150,000
Data Hub	-	-	150,000	-	150,000
A Dispute Resolution	-	-	20,000	-	20,000
Post Xmas debt advice	-	245,371	-	(237,215)	8,156
Money Advice research	-	30,000	-	(22,965)	7,035
Advice In Mind	-	187,474	-	(98,775)	88,699
Matrics Extra	-	23,445	-	(12,342)	11,103
What works capacity building forum	-	9,333	-	(7,000)	2,333
Governance Costs	-	70,000	-	(70,000)	-
LEAP	-	494,063	-	(428,230)	65,833
Staff benefits	-	-	4,734	-	4,734
EHU Windows	-	-	1,147	-	1,147
Staff Training	-	-	4,356	-	4,356
Finance System	-	-	45,000	-	45,000
External liaison	-	-	10,000	-	10,000
CEO recruitment	-	-	8,800	-	8,800
	<u>2,062,611</u>	<u>10,975,627</u>	<u>(1,958)</u>	<u>(11,208,090)</u>	<u>1,828,190</u>
Unrestricted	<u>1,016,082</u>	<u>3,135,221</u>	<u>1,958</u>	<u>(2,895,574)</u>	<u>1,257,687</u>
Net transfers to unrestricted related to agreed overhead allocations					
Designated included within Unrestricted					
AGM/Annual Conference	6,868	-	-	-	6,868
Castle Computer Replacement Project	248,000	-	(95,380)	(40,700)	111,920
Designated fixed asset & intangible asset fund	-	-	243,658	(9,479)	234,179
	<u>254,868</u>	<u>-</u>	<u>148,278</u>	<u>(50,179)</u>	<u>352,967</u>

A designated fund has now been established to represent the amount held in tangible and intangible fixed assets. The funder SOFA has been charged the full cost of the asset with an offsetting balance in the Designated fixed asset fund to which all depreciation and amortisation will be charged over the remaining life of the asset.

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For the year ended 31 March 2017

19 Restricted, Unrestricted & Designated Funds (continued)

Fund balances at 31 March 2017 are represented by

	2017	2017	2017		2016	2016	2016
	Fixed	Net	Total		Fixed	Net	Total
	Assets	Current	Assets		Assets	Current	Assets
	£	Assets	£		£	Assets	£
Restricted Funds							
Money Advice Trust		3,750	3,750	-		3,750	3,750
Money Advice (MATRICS)		23,608	23,608	-		6,474	6,474
Patient Advice and Support Service		52,207	52,207	-		27,151	27,151
Kinship Care		381	381	-		30,698	30,698
SPARK Energy & EON		111,278	111,278	-		125,000	125,000
Armed Services Advice (previously Veterans)		4,249	4,249	180		7,477	7,657
Volunteer Development Officer		9,894	9,894	-		9,894	9,894
Otto Thoresen		13,182	13,182	-		13,182	13,182
Energy Best Deal E-Learning		2,500	2,500	-		2,500	2,500
Financial Inclusion Prudential		14,669	14,669	-		12,529	12,529
Energy Best Deal		210,033	210,033	-		139,737	139,737
CAD Consumer		47	47	-		256,231	256,231
Disability & Human Rights		28,000	28,000	-		28,000	28,000
Big Energy Savings Week		11,792	11,792	-		14,720	14,720
Barclay Money Skills		500	500	-		500	500
Welfare Reform		6,588	6,588	-		27,765	27,765
Admin Help		40,701	40,701	-		40,701	40,701
Shared Services		569,968	569,968	-		791,987	791,987
Consumer Futures Transition		43,324	43,324	43,993		43,324	87,317
Martyn Lewis		10,685	10,685	-		81,000	81,000
Customer Forum		8,659	8,659	-		8,659	8,659
Development Returns		2,000	2,000	-		2,000	2,000
Funeral Poverty		2,067	2,067	-		2,067	2,067
SEPA Training		10,000	10,000	-		20,000	20,000
Channel Strategy		70,912	70,912	-		-	-
Channel Extra		150,000	150,000	-		-	-
Data Hub		150,000	150,000	-		-	-
A Dispute Resolution		20,000	20,000	-		-	-
Post Xmas debt advice		8,156	8,156	-		-	-
Money Advice research		7,035	7,035	-		-	-
Advice In Mind		88,699	88,699	-		-	-
Matrics Extra		11,103	11,103	-		-	-
What works capacity building forum		2,333	2,333	-		-	-
LEAP		65,833	65,833	-		-	-
Staff benefits		4,734	4,734	-		-	-
EHU Windows		1,147	1,147	-		-	-
Staff Training		4,356	4,356	-		-	-
Finance System		45,000	45,000	-		-	-
External liaison		10,000	10,000	-		-	-
CEO recruitment		8,800	8,800	-		-	-
The Money Advice Service		-	-	-		74,722	74,722
Castle Case Management		-	-	-		2,247	2,247
Petra		-	-	-		12,549	12,549
Sales Guarantee		-	-	-		2,654	2,654
Castle		-	-	477		0	477
DTI Mid term review		-	-	15,866		(1)	15,865
Year end BIS (1)		-	-	204		0	204
Change Programme 2014		-	-	5,947		(35)	5,912
Extra Help Unit		-	-	1,352		63,684	65,036
Consumer Futures		-	-	1,409		142,017	143,426
		1,828,190	1,828,190		69,428	1,993,183	2,062,611
Unrestricted designated funds							
	Fixed	Net	Total		Fixed	Net	Total
	Assets	Current	Assets		Assets	Current	Assets
	£	Assets	£		£	Assets	£
AGM/Annual Conference	-	6,868	6,868	-		6,868	6,868
Castle Computer Replacement Project	-	111,920	111,920	-		248,000	248,000
Designated Fixed Assets	234,179	-	234,179				
	234,179	118,788	352,967		-	254,868	254,868
Unrestricted general funds	-	904,720	904,720		4,073	757,141	761,214
Total unrestricted funds	234,179	1,023,508	1,257,687		4,073	1,012,009	1,016,082
Total funds	234,179	2,851,698	3,085,877		73,501	3,005,192	3,078,693

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

20 Net cash (outflow) from operating activities

Reconciliation of net incoming (outgoing) resources to net cash (outflow) from operating activities	2017 £	2016 £
Net Incoming/(outgoing) Resources	7,184	(144,504)
Interest receivable during year	(11,076)	(19,606)
Proceeds from sale of fixed assets	(9,292)	(3,900)
Operating (deficit)	(13,184)	(168,010)
Depreciation and amortisation	33,070	131,759
Decrease in debtors	344,273	93,267
(Decrease) in creditors	(729,523)	(689,092)
Net cash (outflow) from operating activities	<u>(365,364)</u>	<u>(632,076)</u>

21 Financial instruments

Financial instruments measured at amortised cost include the following:

	2017 £	2016 £
Financial assets		
Trade Debtors and amounts due from Bureaux	95,960	357,406
Accrued Income	387,564	7,000
	<u>483,524</u>	<u>364,406</u>
Financial liabilities		
Trade Creditors	(779,619)	(570,935)
Accruals	(437,059)	(672,496)
	<u>(1,216,678)</u>	<u>(1,243,432)</u>

No financial instruments are held at fair value.

22 Pension obligation regarding participation in multi-employer defined benefit plan

The company participates in the scheme, 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 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m.

NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

22 Pension obligation regarding participation in multi-employer defined benefit plan (continued)

To eliminate this funding shortfall, the Trustees have 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 1 st April)
From 1 April 2016 to 30 th September 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1 st April)

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.

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	2017	2016
	£	£
Present value of provision	548,448	579,663
Reconciliation of opening and closing provisions		
Provision at start of period	579,663	517,000
Unwinding of the discount factor (interest expense)	10,785	7,663
Deficit contribution paid	(59,000)	(62,000)
Remeasurements - impact of any changes in assumptions	17,000	(9,000)
Remeasurements - amendments to the contribution schedule	-	126,000
Provision at end of period	548,448	579,663
	2017	2016
	£	£
Income and Expenditure impact		
Interest expense	10,785	7,663
Remeasurements - impact of any changes in assumptions	17,000	(9,000)
Remeasurements - amendments to the contribution schedule	-	126,000
	2017	2016
	% per annum	% per annum
Assumptions		
Rate of discount	1.32	2.07