

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

**Financial Statements
For the year ended 31 March 2014**

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

Financial Statements
For the year ended 31 March 2014

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

Company number: SC089892

Charity number: SC016637

Registered and Principal Office

1st Floor, Spectrum House, 2 Powderhall Road, Edinburgh, EH7 4GB.

Principal Advisors

Auditors:

Baker Tilly 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

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

DIRECTORS' REPORT

The Board of Directors submits its report which incorporates the Strategic Report together with the financial statements for the year ended 31 March 2014.

Legal Form of CAS

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).

Who We Are

CAS is the umbrella body for all citizens advice bureaux in Scotland. The Scottish Citizens Advice Bureau (CAB) service exists to provide a free, confidential and impartial service of information, advice, guidance, assistance and counsel for the public. The 61 member bureaux provide advice to individuals through a national network of CAB offices. Over 2,400 volunteers in some 81 offices and 204 service points deal with over 260,000 clients every year on a wide range of issues.

Objects of CAS

CAS is established for the promotion of any charitable purposes for the benefit of the community in Scotland and elsewhere by the advancement of education, the advancement of health and the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

Details of all Directors in the period

The Directors serving during the year and since the year-end are as follows:

Dominic Notarangelo (Chair)	
Jim Henderson	(re-elected 28 November 2013)
GINNY JACKSON	
Chris Keegan (Vice Chair & Honorary Treasurer)	
Mary Kinninmonth	
Stephen Marshall	
Agnes Robson	
Duncan Dennett	
Sue Peart	(re-elected 28 November 2013)
Alexander Watson	(resigned 21 August 2013)
Sue Beer	
William Mitchell	(re-elected 28 November 2013)
Jonny Miller	(re-elected 28 November 2013)
Flora Scott Martin	
John Wilkes	
Paul McGinley	(co-opted 5 June 2014)
John Dunlop	(re-elected 28 November 2013, resigned 28 April 2014)

None of the Directors had any notifiable interest in the company during the year.

There are three categories of Trustee: paid, unpaid and external. Paid Trustees are paid members of staff from a member bureau or an individual member nominated by an unincorporated bureau and unpaid Trustees are volunteers or members of the governing body of a member bureau. Paid and unpaid Trustees may offer themselves to stand for election at the Annual General Meeting. External

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Trustees are Trustees unconnected to any member bureau. The Nominations Committee makes recommendations to the Board in respect of individuals wishing to stand for election as External Trustees. External Trustees must also then be elected at the Annual General Meeting. Trustees' normal term of office is for three years following their election when they must retire but may offer themselves for re-election. Trustees who have served for 6 years must retire and can only be re-elected if eligible after a one year gap. The Trustees may fill casual vacancies from time to time by co-opting individuals to the Board. New Trustees follow a process of induction which includes meetings with key members of staff and Trustees of the Association.

Details of the Company Secretary

The Company Secretary role is fulfilled by the Chief Executive Officer, Margaret Lynch.

Strategic Report

a) Governance

CAS is governed by its Board of Directors. The Board is supported by a structure of five committees who meet regularly throughout the year: Audit and Finance, Development, Policy Forum, Membership and Nominations.

The Board of Directors meet five times a year with a focus on strategy, financial and operational performance review.

The Chief Executive Officer and heads of department comprise the senior management team which meets regularly to review progress against plan, co-ordinate day to day management of all activities and prepare proposals for the Board of Directors.

b) Operations and Performance

The Strategic Plan which sets out 5 strategic aims from 2013-17 was approved by the Board of Directors in April 2013. The Strategic Plan sets out the objectives of each aim along with outcome statements and indicators for each. Performance against the plan is reviewed at both the Board of Directors and senior management team level. The 5 strategic aims are:

- To support the Scottish Citizens Advice Service to provide multi-channel access to information, education, advice and representation for all who need it.
- To act in partnership with the citizens advice bureaux, wider advice sector and other governmental and non-governmental organisations to mitigate the harmful impacts of welfare reform on the Scottish economy, communities, families and individuals.
- 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.
- To prioritise and take action on the issues faced by the vulnerable, poor and socially excluded citizens and consumers of Scotland.
- To develop leadership at all levels of the Citizens Advice Service across Scotland and within CAS itself in order to deliver better services to citizens advice bureaux, other stakeholders and the people of Scotland.

During the year, CAS planned for the transition of Consumer Futures which officially transferred to CAS on 1 April 2014. This was a significant change involving housing a new regulated industries unit within the organisation. The new Consumer Futures team covers energy, post, water and cross-sector issues in the interests of consumers in these essential regulated markets. The transition process involved close working with colleagues in Citizens Advice in England and Wales.

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DIRECTORS' REPORT

Strategic Report (continued)

b) Operations and Performance (continued)

Planning work was also undertaken throughout the year to allow the successful transfer of the Extra Help Unit on 1 April 2014 to CAS to manage on behalf of the Citizens Advice Bureaux service. This Unit provides a service across Scotland, England and Wales assisting vulnerable consumers with their most urgent complaints in the areas of energy and post. The Unit has a statutory duty to investigate cases where consumers have been disconnected from their energy supply or threatened with disconnection. The Unit may use its statutory powers to investigate complaints on behalf of vulnerable consumers and those unable to resolve complex issues that are affecting them.

c) Policy and Public Affairs

During the year, more than 50 evidence reports and briefings were published. This included 29 consultation responses, 11 evidence reports, and 17 Parliamentary briefings. CAS staff also gave evidence at 8 Parliamentary Committees and undertook more than 100 media interviews.

Further development took place on policy and advocacy work for key consumer issues, including payday loans, scams, used cars, digital participation, rural deliveries, and energy.

Our campaign on payday loans continued through a variety of policy reports and on-the-ground actions, which resulted in a number of our recommendations being taken up by the Government and regulators.

We continued to support local campaigning work on consumer issues, including the development of the Community Action Team, which is dedicated to rolling out consumer education and campaigns both through and from the bureau network. In 2013/14, the Community Action Team supported bureaux with a variety of local campaigning and policy work – totalling 60 pieces of specific work as well as general support (41 local campaigns; 19 local statistical reports / briefings).

d) Training

The main focus for the year for the Training team was to ensure bureau advisers and volunteers had access to the latest up-to-date information and learning materials including the Adviser Training Programme and other learning routes for other roles in bureaux which were provided by CAS by both face-to-face training events and online. In January 2014, the CAS Membership Scheme became the first in Scotland to be accredited against the Money Advice Service's new Quality Framework.

e) Development

Support was provided to individual bureau in relation to organisational, management, governance and membership standards issues. This ranged from business planning and assistance with core funding negotiations to crisis support and staffing matters. New guidance was produced in matters as diverse as client confidentiality, digital access and human resources.

f) Plans for Future Periods

For 2014/15, we will continue to implement the elements of the Strategic Plan that we developed in 2013/14 and we will also perform a strategic review to update the plan as required. We will draw on our experience and strengths including our recognisable and highly trusted brand, our strong

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DIRECTORS' REPORT

Strategic Report (continued)

f) Plans for Future Periods (continued)

engagement with a variety of stakeholders, our dedicated staff as well as providing quality services to support bureaux in providing a robust and sustainable network of bureaux across Scotland.

We will also continue to focus on delivery of three key initiatives:

- Consumer Futures Transition – Completion of the transition of Consumer Futures and Extra Help Unit which are responsible for representing consumers of the energy, water and post regulated industries to CAS in April 2014.
- Shared Services – To ensure bureaux have access to faster and effective IT infrastructure.
- Information Technology (IT) - Development of an IT strategy to improve service to CAS and CAB. This includes identification and implementation of a replacement case management and recording system.

Principal Risks and Uncertainties

The senior management team in conjunction with the Board of Directors regularly carry out a review of risks facing CAS. A risk register is maintained to facilitate identification and ongoing monitoring and reporting of risk and is reviewed at least annually by the Board of Directors.

Core funding comes principally from the Department of Business, Innovation and Skills (BIS) and there is a potential risk this is not renewed at the same level. Changes in government policy may result in a reduction of funding. CAS maintains close dialogue with principal funders throughout the year on levels of anticipated funding commitments.

The case management and recording system is approaching its end of life, is no longer functionally stable and requires to be replaced. Plans are being developed to investigate replacement systems.

CAS is a member of a multi - employer defined benefit pension scheme which is now closed to new members. As noted in note 17 to the financial statements there is currently a significant deficit between assets of the scheme and the expected future liabilities.

Although the pension trustees have made amendments to funding contributions to cover the deficit, CAS has no certainty that its obligations will not further increase in the future. However, CAS believes it can meet its future obligations as they currently stand.

Finance Review

Unrestricted Funds

Unrestricted funds are made up of general funds and funds designated for specific purposes at the discretion of the Board of Directors as detailed in note 18 with the largest designation being for £275,752 being the net present value of past service deficit pension contributions.

Incoming resources from generated funds totalled £3,768,357 (2012/13: £3,176,011) and is comprised principally of funding from the UK Government in the form of an unrestricted Grant in Aid. This grant is provided by BIS and totalled £3,458,001 (2012/13: £2,912,000). The increase in the year related to additional recurring funding from BIS for the "Rest of the Economy" consumer work of £545,033.

Incoming resources from charitable activities amounted to £259,833 (2012/13 £208,519) and includes bureaux membership subscriptions, rent receivable and other income.

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DIRECTORS' REPORT

Unrestricted Funds (continued)

Further details of sources of funds are provided in Notes 2 and 3.

Expenditure from general activities totalled £3,764,614 (2012/13: £3,199,089). In addition to the "Rest of the Economy" other expenditure increases related to Development Committee grants to bureaux of £87,641 and an increase of £54,246 in information technology and communications which were offset by savings made in other areas.

The expenditure relating to the general funds in the year of £3,756,473 (2012/13: £3,199,089) consisted of the following:-

	2013/14	2012/13
	£000	£000
Costs of generating funds	18	45
Costs of charitable activities	3,608	3,032
Governance costs	130	122
	<u>3,756</u>	<u>3,199</u>

The key expense item under costs of charitable activities relates to salary costs of £2,681,387 (2012/13: £2,650,826).

During the year, there was expenditure of £8,141 (2012/13: £25,343) released from Designated Funds which was funded by reserves brought forward from previous years. The majority of this cost in the year was asset depreciation at Spectrum House.

Restricted Funds

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

CAS also continues to seek additional sources of funds, over and above the Grant in Aid from BIS to support developments in the services for bureaux and to finance projects. During the year, restricted funds of £6,385,487 (2012/13: £7,021,652) were received. Restricted funds were also received from BIS to finance transition costs for the transition of Consumer Futures in April 2014 £599,800 (2012/13: £835,004 for the Change Programme). This funding allowed continued work for the potential future transfer of functions and the upgrading of the organisation's infrastructure to cope with the impact of such changes. This funding also included an amount of £1,557,000 (2012/13 £1,537,986) in respect of the operation of the Consumer Direct helpline based in Stornoway which provides consumer advice to clients cross the UK.

Expenditure under Restricted Funds was £6,344,637 (2012/13: £5,505,004). A number of projects which support bureaux to provide tailored advice to specific groups such as kinship carers, veterans and clients in fuel poverty continued. Continued funding received from the Big Lottery has made training and learning opportunities available in bureaux for volunteers and staff. In addition, CAS continued to work with the Money Advice Service project providing budgetary guidance to the public. Excluding restricted funds received from BIS to fund consumer transition and helpline costs, CAS

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DIRECTORS' REPORT

Restricted Funds (continued)

received funding of £4,228,687 (2012/13 £3,038,063) in respect of specific advice projects outlined above.

Transfers

During the year, CAS designated a further £275,752 from the General Unrestricted Funds to a Designated Fund to cover the net present value of future payments confirmed for past service deficit contributions on the multi – employer defined benefit pension scheme.

Surplus for the Year

The net effect of the above income and expenditure and transfers are as follows:

	£
General Fund Deficit	(263,868)
Designated Funds Surplus	267,611
Restricted Funds Surplus	<u>40,850</u>
	<u>44,593</u>

Prior to the transfer of £275,752 to the designated fund as above, the general fund showed a surplus in the year of £11,884. The resulting deficit in the general fund of £263,868 will be covered by existing reserves brought forward from previous years.

Reserves

The following fund reserves were held as at 31 March:

	2014	2013
	£	£
General Funds	351,622	615,490
Designated Funds	530,992	263,381
Restricted Funds	2,390,488	2,349,638
	<u>3,273,102</u>	<u>3,228,509</u>

Useable reserves, that are reserves not tied up in fixed assets, were £340,724. A detailed composition of the designated and restricted funds and the reasons for holding these reserves are outlined in note 18 to the annual accounts.

CAS is required to maintain a level of useable reserves principally to meet ongoing obligations at the beginning of each financial quarter before the central grant is received from BIS. The Board of Directors is satisfied that the level of such useable reserves at 31 March 2014 is sufficient to meet ongoing operations given the continued financial support from BIS and guidance associated with this.

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Auditor

During the year, BDO LLP resigned as auditors of CAS and, after tender, Baker Tilly UK Audit LLP were appointed as auditor and have expressed their willingness to continue in office.

By order of the board



Dominic Notarangelo, Chair

Date 31/10/16

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of The Scottish Association of Citizens Advice Bureaux for the purposes of company law are responsible for preparing the Director's and Strategic Annual Reports and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the directors are aware:

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

The directors 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.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

We have audited the financial statements of The Scottish Association of Citizens Advice Bureaux for the year ended 31 March 2014 on pages 13 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' responsibilities set out on page 10, the trustees' (who are also 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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).

Opinion on other matter prescribed by the Companies Act 2006

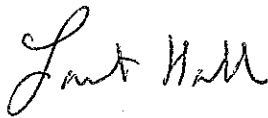
In our opinion the information given in the Directors' Report and the Incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

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 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 proper and 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.



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

Date 31 October 2016

Baker Tilly UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income & Expenditure Account)
For the year ended 31 March 2014

	Note	General Funds £	Designated Funds £	Total Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
Incoming resources							
Incoming resources from generated funds							
Voluntary Income	2	3,487,589	-	3,487,589	6,341,451	9,829,040	9,972,527
Investment Income - Interest receivable		20,935	-	20,935	-	20,935	8,792
		<u>3,508,524</u>	<u>-</u>	<u>3,508,524</u>	<u>6,341,451</u>	<u>9,849,975</u>	<u>9,981,319</u>
Incoming resources from charitable activities	3	259,833	-	259,833	44,036	303,869	216,344
		<u>259,833</u>	<u>-</u>	<u>259,833</u>	<u>44,036</u>	<u>303,869</u>	<u>216,344</u>
Total Incoming Resources		<u>3,768,357</u>	<u>-</u>	<u>3,768,357</u>	<u>6,385,487</u>	<u>10,153,844</u>	<u>10,197,663</u>
Resources Expended							
Costs of generating funds							
Costs of generating voluntary income	4	17,689	-	17,689	-	17,689	44,947
Charitable activities							
Costs of charitable activities	5	3,607,932	8,141	3,616,073	6,344,637	9,960,710	8,561,845
Governance costs	6	130,852	-	130,852	-	130,852	122,644
		<u>3,756,473</u>	<u>8,141</u>	<u>3,764,614</u>	<u>6,344,637</u>	<u>10,109,251</u>	<u>8,729,436</u>
Total Resources Expended		<u>3,756,473</u>	<u>8,141</u>	<u>3,764,614</u>	<u>6,344,637</u>	<u>10,109,251</u>	<u>8,729,436</u>
Net incoming/outgoing resources before transfers		11,884	(8,141)	3,743	40,850	44,593	1,468,227
Gross transfers between funds	18	(275,752)	275,752	-	-	-	-
Net incoming/(outgoing) Resources after transfers for the year		<u>(263,868)</u>	<u>267,611</u>	<u>3,743</u>	<u>40,850</u>	<u>44,593</u>	<u>1,468,227</u>
Fund balances 31 March 2013		<u>615,490</u>	<u>263,381</u>	<u>878,871</u>	<u>2,349,638</u>	<u>3,228,509</u>	<u>1,760,282</u>
Fund balances 31 March 2014		<u>351,622</u>	<u>530,992</u>	<u>882,614</u>	<u>2,390,488</u>	<u>3,273,102</u>	<u>3,228,509</u>

All the results of the company relate to continuing operations

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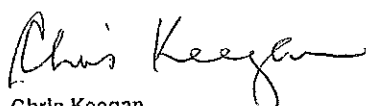
BALANCE SHEET
As at 31 March 2014

COMPANY NUMBER SC089892

	Notes	2014 £	2013 £
Fixed Assets			
Tangible Assets	11	422,726	301,035
Non Current Investment	12	100	100
Current Assets			
Stock		-	5,469
Debtors	13	2,038,800	859,601
Cash at bank and in hand		<u>3,655,288</u>	<u>4,556,046</u>
		5,694,088	5,421,216
Creditors: Amounts falling due within 1 year	14	<u>(2,843,812)</u>	<u>(2,493,742)</u>
Net current assets		<u>2,850,276</u>	<u>2,927,474</u>
Net assets		<u>3,273,102</u>	<u>3,228,509</u>
Funds			
Unrestricted funds			
General funds		351,622	615,490
Designated Funds	18	<u>530,992</u>	<u>263,381</u>
		882,614	878,871
Restricted Funds	18	<u>2,390,488</u>	<u>2,349,638</u>
		<u>3,273,102</u>	<u>3,228,509</u>

These financial statements were authorised and approved for issue by the Board of Directors on 24 September 2014

Signed on behalf of the Board of Directors



Chris Keegan
Hon Treasurer

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CASH FLOW STATEMENT

For the year ended 31 March 2014

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	19	(532,980)	1,889,552
Returns on investments			
Cash inflow from interest received (gross)		20,935	8,792
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		<u>(388,713)</u>	<u>(13,631)</u>
Net cash outflow from fixed assets and financial instruments		<u>(388,713)</u>	<u>(13,631)</u>
(Decrease)/increase in cash		<u>(900,758)</u>	<u>1,884,713</u>
Reconciliation of net cash flow to movement in net funds		2014 £	2013 £
(Decrease)/increase in cash in the year		(900,758)	1,884,713
Net funds at 31 March 2013		<u>4,556,046</u>	<u>2,671,333</u>
Net funds at 31 March 2014		<u>3,655,288</u>	<u>4,556,046</u>

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NOTES TO THE ACCOUNTS

For the year ended 31 March 2014

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice – Accounting and Reporting By Charities (revised 2005), the Companies Act 2006, and the Charities Accounts (Scotland) Regulations 2006.

Going Concern

The Financial Statements have been prepared on the Going Concern basis. Financial budgets are set to ensure that the organisation can continue to operate as a going concern for at least a year from the date these financial statements are signed. Furthermore, management accounts for the charity are presented at regular intervals to the Audit and Finance Committee throughout the financial year on progress against budget. Any changes in funding within the year are reflected as soon as practicable and action taken by management to ensure that the charity spends within its available resources.

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 carried forward as restricted funds.

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.

Deferred income

Deferred income relating to restricted funding grants received in advance is included in the balance sheet but where the 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.

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NOTES TO THE ACCOUNTS

For the year ended 31 March 2014

Accounting policies (continued)

- 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 which include administration, directorate, finance and HR 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 directors.
- Designated funds – these are funds set aside by the directors 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.

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

Stock

Stock is valued at the lower of cost and net realisable value.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities and the Income and Expenditure Account 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 shorter of the lease term and a period ending on a date from which it is expected the prevailing rental will be payable.

Pension

Two pension schemes were in existence 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.

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Accounting policies (continued)

Accordingly the accounting charge for the period in the Statement of Financial Activities and the Income and Expenditure Account under FRS17 represents the employer contributions payable. The disclosure under FRS 17 is shown in note 17.

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

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2 Incoming resources from generated funds- voluntary income

	2014 £	2013 £
Unrestricted funds		
BIS Grant in Aid	3,458,001	2,912,000
Returns of grant to Development Committee	25,211	44,847
Donations	4,377	1,853
	<u>3,487,589</u>	<u>2,958,700</u>
Restricted Funds		
Scottish Government	2,362,427	1,560,285
BIS	2,156,800	3,975,500
Highland Council	-	13,377
Money Advice Trust	7,744	14,670
Big Lottery - Volunteer Support Team -URN SI/1/010290800	200,491	205,231
Scottish & Southern Energy	-	37,500
Accountant in Bankruptcy	65,050	65,050
Barclays Bank	11,300	4,991
Poppy Scotland	314,323	218,310
The Money Advice Service	670,886	610,520
Consumer Focus	-	8,087
Prudential	33,333	43,719
SCVO	-	4,019
Energy companies	519,097	167,568
Martin Lewis	-	85,000
	<u>6,341,451</u>	<u>7,013,827</u>
Total	<u>9,829,040</u>	<u>9,972,527</u>

3 Incoming resources from charitable activities

	2014 £	2013 £
Unrestricted funds		
Bureaux membership subscriptions	116,333	119,031
Sales of ancillary products	28,047	11,070
Rent receivable	12,530	12,510
Other income	102,923	65,908
	<u>259,833</u>	<u>208,519</u>
Restricted funds		
Sale of ancillary products	-	7,825
Other Income	44,036	-
	<u>44,036</u>	<u>7,825</u>
	<u>303,869</u>	<u>216,344</u>

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4 Costs of generating voluntary income	2014	2013
Costs relate to generating grants and donations	£	£
Staff costs	10,236	22,190
External printing	675	5,560
Sundry expenses	-	195
Support costs	6,778	17,002
	<u>17,689</u>	<u>44,947</u>

5 Cost of activities in furtherance of charitable objectives

	Staff Costs £	Grants to Bureaux £	Other costs £	Support costs £	Total 2014 £	Total 2013 £
Unrestricted						
Services to member bureaux						
Provision of Information system	171,411	-	124,550	81,080	377,041	391,250
Training & Quality	362,241	-	32,594	156,753	551,588	624,982
Information technology and communication	328,633	-	202,819	147,081	678,533	622,805
Direct field services	249,287	-	95,540	93,170	437,997	457,872
Development Committee grants	-	531,658	-	-	531,658	444,017
	<u>1,111,572</u>	<u>531,658</u>	<u>453,503</u>	<u>478,084</u>	<u>2,576,817</u>	<u>2,540,926</u>
Social policy and public affairs	559,137	21,644	142,151	308,183	1,031,115	484,959
AGM	-	-	-	-	-	5,614
	<u>1,670,709</u>	<u>553,302</u>	<u>597,654</u>	<u>786,267</u>	<u>3,607,932</u>	<u>3,031,499</u>
Designated						
Information technology	-	-	-	-	-	13,914
Premises costs	-	-	8,141	-	8,141	7,634
AGM	-	-	-	-	-	3,795
	<u>-</u>	<u>-</u>	<u>8,141</u>	<u>-</u>	<u>8,141</u>	<u>25,343</u>

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For the year ended 31 March 2014

5 Cost of activities in furtherance of charitable objectives (continued)

	Staff Costs £	Grants to Bureaux £	Other costs £	Support costs £	Total 2014 £	Total 2013 £
Restricted						
Money Advice Trust	-	-	9,363	2,370	11,733	10,682
Money Advice (MATRICS)	58,472	-	7,544	5,332	71,348	68,708
DTI Mid term review	-	-	6,627	-	6,627	6,627
Patient Advice and Support Service	57,768	940,852	80,232	15,532	1,094,384	1,135,433
Castle	-	-	477	-	477	477
Kinship (Grants to bureaux)	34,919	91,000	3,145	18,500	147,564	159,082
National Case Roll Out	-	-	-	-	-	1,407
Scottish Government Equipment	-	-	-	-	-	14,722
SSE	-	30,000	1,500	-	31,500	37,500
Big Lottery - Investing in communities	124,671	-	45,734	45,441	215,846	202,011
Armed Services Advice Project	24,146	295,860	14,325	2,451	336,782	206,518
Volunteer Development Officer	-	-	153	-	153	13,722
Otto Thoreson	-	-	-	-	-	-
Mid Term 2009	-	-	-	-	-	7,763
The Money Advice Service	93,044	486,733	47,164	12,383	639,324	756,615
Macmillan Cancer Support	-	-	-	-	-	1,081
North West Sutherland	-	-	-	-	-	10,000
Castle Case Management	-	-	1,650	-	1,650	12,102
Year end BIS (1)	-	-	95,926	-	95,926	112,178
EHU	-	-	-	-	-	8,148
Social policy Assistant	-	-	-	-	-	5,048
Financial Inclusion prudential	42,407	-	7,412	1,463	51,282	44,786
Prudential Parliamentary	-	-	-	-	-	10,704
Energy Best Deal	-	49,400	7,253	-	56,653	48,178
Change Programme	6,539	-	86,596	-	93,135	841,072
CAD Consumer	33,729	1,082,000	390,557	10,000	1,516,286	1,509,852
Admin Bis	-	-	2,815	-	2,815	32,032
Petra	-	-	(939)	-	(939)	13,227
Energy Best Deal Extra	-	18,100	1,050	-	19,150	26,400
Barclay Skills	-	6,500	4,500	300	11,300	4,991
Big Energy Savings Week	-	23,100	-	-	23,100	11,440
Energy Best Deal Plus	-	-	-	-	-	40,838
Welfare Reform	-	973,208	23,697	35,920	1,032,825	151,870
Martin Lewis	-	81,993	3,000	7	85,000	-
Consumer Futures	104,062	-	355,687	4,000	463,749	-
Welfare Sanctions	-	-	9,636	9,978	19,614	-
Shared Services	-	-	317,353	-	317,353	-
	579,757	4,078,746	1,522,457	163,677	6,344,637	5,505,004
Total	2,250,466	4,632,048	2,128,252	949,944	9,960,710	8,561,846

Support Costs are analysed as follows:

	2014 £	2013 £
Staff Costs	387,992	333,130
Premises Costs	294,946	299,094
Admin/Office Costs	55,345	57,999
Finance & Professional	207,602	334,840
Depreciation	33,750	40,408
	979,635	1,065,471

Support costs are allocated on the basis of staff numbers

6 Governance costs	2014 £	2013 £
Staff costs	66,541	61,333
Board and committee costs	21,198	7,313
Internal and external audit	13,463	11,920
Legal fees	3,369	3,369
Other costs	3,368	4,704
Support costs	22,913	34,005
	130,852	122,644

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7	Net Resources Incoming/(Expended) for the year before transfers from reserves.	2014 £	2013 £
	This is stated after charging:		
	Irrecoverable VAT	28,902	277,442
	Depreciation	267,022	196,234
	Auditors' remuneration	10,500	8,750
	External audit	96,876	1,585
	Other Services: Tax Advisory Services from related parties		
	Operating lease rentals - land and buildings	191,197	198,935

8	Staff costs	2014 £	2013 £
	Wages and salaries	2,179,360	2,136,719
	Social security costs	206,414	203,510
	Other pensions costs	295,613	310,597
		<u>2,681,387</u>	<u>2,650,826</u>

The average monthly number of full-time equivalent employees during the year was 79 (2013:78) made up as follows:

	2014 Number	2013 Number
Administration	24	23
Professional staff	55	55
	<u>79</u>	<u>78</u>

Directors are not remunerated. 12 Directors (2013:13) received reimbursement of expenses for attending meetings amounting to £9399 (2013: £4419)

	2014 Number	2013 Number
Employees' emoluments (excluding employers pension contributions) falling within the band: £60,000 - £70,000	<u>1</u>	<u>0</u>

- 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.

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10 Related Party Transactions.

Citizens Advice Scotland is sponsored by BIS. BIS is regarded as a related party. During the year CAS received grants of £5,614,801 (2013: £6,887,500). There are no amounts outstanding at the year end. CAS had a number of bureaux subscription transactions during the year with CiA amounting to £82,049 (2013: £84,762) which is also sponsored by BIS. Citizens Advice Scotland (Trading) Limited is a fully owned subsidiary of CAS. During the year to 31 March 2014 it did not trade but received a loan of £500 from CAS and remains outstanding at the year end. During the year none of the Board Members, members of key management staff or other related parties have undertaken any material transactions with BIS. One Board member received fees for delivering training on behalf of CAS amounting to £460 (2013: Nil). Amounts paid during the year to Bureau which are connected to Board Members amounted to £837,132 (2013: £515,599). Amounts outstanding from bureaux at the year end which are connected to Board Members amounted to £134.98 (2012/13: £4,214.80)

11 Fixed assets

Tangible Fixed Assets

	Furniture & equip. £	Motor vehicles £	Total £
Cost			
At 1 April 2013	2,552,580	127,955	2,680,535
Additions	388,713	-	388,713
Disposals	(533,152)	-	(533,152)
At 31 March 2014	<u>2,408,141</u>	<u>127,955</u>	<u>2,536,096</u>
Depreciation			
At 1 April 2013	2,251,546	127,954	2,379,500
Charge for year	267,021	1	267,022
Disposals	(533,152)	-	(533,152)
At 31 March 2014	<u>1,985,415</u>	<u>127,955</u>	<u>2,113,370</u>
Net book value			
At 31 March 2014	<u>422,726</u>	<u>-</u>	<u>422,726</u>
At 31 March 2013	<u>301,034</u>	<u>1</u>	<u>301,035</u>

All Tangible Fixed Assets are held for charity use

12 Investments

Citizens Advice Scotland (Trading) Limited is a wholly owned subsidiary of CAS but has not been consolidated as, in the opinion of the Directors, the figures would be of no value to the members. At 31 March 2014 the Company had capital and reserves of £100 and had not traded during the year.

13 Debtors	2014 £	2013 £
Trade debtors	7,876	95,512
Prepayments and accrued income	1,885,837	721,951
Due from bureaux	5,514	18,100
Other debtors	139,573	24,038
	<u>2,038,800</u>	<u>859,601</u>

Within Prepayments and accrued income of £1,885,837 is a prepayment of £725,071 relating to a payment to British telecom in respect of a contract to provide network infrastructure to CAS and the Scottish CAB service over the next 5 years on a phased rollout.

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14	Creditors: Amounts falling due within one year	2014 £	2013 £
	Trade creditors	804,036	678,286
	Sundry creditors and accruals	1,467,250	1,347,531
	Other taxes and social security costs	486,631	397,882
	Pension	85,895	70,043
		<u>2,843,812</u>	<u>2,493,742</u>

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

Balance at start of year	983,333	650,000
Released in year	(983,333)	(650,000)
Deferred in year	1,078,795	983,333
Balance at end of year	<u>1,078,795</u>	<u>983,333</u>

15 Commitments

The Company has the following commitments in respect of annual rentals for land and buildings under existing operating leases.

	2014 £	2013 £
On leases expiring within one year	<u>3,600</u>	<u>3,600</u>
On leases expiring between two and five years	<u>-</u>	<u>2,917</u>
On leases expiring after 5 years	<u>214,127</u>	<u>174,221</u>

The Development Committee approved and committed grants to Bureaux which were outstanding at the year end of £352,199 for 2014/15 (2012/13 £280,090) and nil for 2015/16 (2013/14 £107,917)

16 Share capital

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

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NOTES TO THE ACCOUNTS
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17 Pension obligations regarding participation in multi-employer defined benefit plan

Background

As per note 1 the Association participates in 2 pension schemes. One of these, the Pensions Trust's Growth Plan (the Plan), is a multi-employer defined benefit scheme. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual employers participating in the Plan. The Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 and SORP 2005 represents the employer contribution payable. The last actuarial valuation of the Plan revealed a deficit further information in relation to which is given below.

Deficit on plan

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Scheme Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% per annum
- Rate of return pre-retirement	4.9
- Rate of return post-retirement	
Actives/deferred	4.2
Pensioners	4.2
- Bonuses on accrued benefits	0.0
- Inflation: Retail Prices Index (RPI)	2.9
- Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall by eliminating the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension

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17 Pension obligations regarding participation in multi-employer defined benefit plan (cont'd)

scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. The proposed recovery plan aims to eliminate the deficit through a combination of additional contributions from employers and investment returns over a period of 10 years commencing on 1 April 2013. Under the recovery plan the Association made, as required, additional contributions of £58,759 during the year to 31 March 2014. This will rise to £60,522 for the year to 31 March 2015, the additional contributions increase on 1 April each year by 3% per annum compound.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Future position regarding accounting for deficit contributions to the plan

The company is likely in due course, certainly for accounting periods commencing on or after 1 January 2015, to be obliged to adopt the accounting standards: FRS 102 and the Charities SORP (FRS 102). These require an alternative accounting policy to be followed in relation to multi-employer defined benefit schemes relative to that per SORP 2005 in the following circumstances: where contributions to such a scheme are accounted for as if it were a defined benefit scheme, there is a deficit on the scheme and an agreement has been entered into to make payments to fund any deficit in relation to past service. Under FRS 102 in these circumstances a liability must be recognised corresponding to the present value of these "deficit contributions" payable under the agreement with the multi-employer plan.

Under FRS102 therefore the Association would need to account for a liability of £515,752 based on the deficit contributions it is required to make to the Plan over the 9 year period to 31 March 2023 using a discount factor of 3.519%. As the accounts have been prepared using SORP 2005 this liability has not been recognised however due to the magnitude of the amount and the impending implementation of FRS 102 the Board considers it necessary to bring it to the attention of the reader of the accounts and has designated an amount equal to the net present value of these payments in note 18.

Contingent liability on withdrawal from plan

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. The leaving employer's share of the buy-out debt is the proportion of Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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17 Pension obligations regarding participation in multi-employer defined benefit plan (cont'd)

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011. The calculation basis that applies to the Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal. The Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit on the Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

The Association has been notified by The Pensions Trust that its estimated employer debt on withdrawal from the Plan, based on the financial position of the Plan as at 30 September 2013, would be £740,802. The Scheme Actuary has indicated that the figure quoted as at 30 September 2013 is likely to have reduced by approximately 6 % as at 31 March 2014.

As the Association has no plans to withdraw from the Plan in the foreseeable future, continues to have active members within the Plan and has not been advised or become aware of any intentions for the Plan to be wound up it is not appropriate to include the aforementioned amounts as a liability in the accounts.

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18 Restricted & Designated Funds

	Balance at 31.03.13	Income 2013/14	Other Transfers	Spend 2013/14	Closing Balance 31.03.14
	£	£	£	£	£
Designated					
AGM/Annual Conference	6,889	-	-	-	6,889
East Wing Fil Out	16,512	-	-	(8,141)	8,371
Pensions Trust	240,000	-	275,752	-	515,752
	283,381	-	275,752	(8,141)	530,992
Restricted					
Money Advice Trust	3,989	7,744	-	(11,733)	-
Money Advice (MATRICS)	(4,185)	76,770	-	(71,348)	1,237
DTI Mid term review	34,627	-	-	(6,627)	27,900
Patent Advice and Support Service	58,960	1,119,591	-	(1,094,384)	84,167
Scottish Housing Advisory Service	7,248	-	-	-	7,248
Castle	1,908	-	-	(477)	1,431
Kinship	68,774	95,700	-	(147,564)	16,910
Scottish & Southern Energy - Fuel Poverty	-	31,500	-	(31,500)	-
Big Lottery - Volunteer Support Team	15,752	200,491	-	(215,846)	397
Armed Services Advice (previously Veterans)	39,041	314,323	-	(336,782)	16,582
Volunteer Development Officer	10,047	-	-	(153)	9,894
Otto Thoresen	13,182	-	-	-	13,182
The Money Advice Service	-	670,886	-	(639,324)	31,562
Castle Case Management	13,525	-	-	(1,850)	11,675
Year end BIS (1)	170,968	-	-	(95,926)	75,042
Energy Best Deal E-Learning	2,600	-	-	-	2,600
Financial Inclusion Prudential	5,380	65,814	-	(51,282)	19,712
Energy Best Deal	30,303	74,500	-	(56,653)	48,150
Change Programme 2014	158,222	-	-	(93,135)	65,087
CAD Consumer	28,344	1,557,000	-	(1,516,286)	89,058
Disability & Human Rights	28,000	-	-	-	28,000
Energy Best Deal Plus	-	4,655	-	-	4,655
Energy Best Deal Extra	4,700	31,135	-	(19,150)	16,685
Big Energy Savings Week	10,650	25,342	-	(23,100)	12,792
Barclay Money Skills	-	11,300	-	(11,300)	-
Welfare Reform	5,662	1,100,000	-	(1,032,826)	72,837
Martin Lewis	85,000	-	-	(85,000)	-
Admin Help	45,468	-	-	(2,815)	42,653
Petra	11,773	-	-	939	12,712
Shared Services	1,500,000	-	-	(317,353)	1,182,647
Welfare - Sanctions	-	47,138	-	(19,614)	27,522
Consumer Futures	-	599,800	-	(463,749)	136,051
Sales Guarantee	-	352,000	-	-	352,000
	2,349,638	6,385,467	-	(5,344,637)	2,390,468

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For the year ended 31 March 2014

18 Restricted & Designated Funds

Fund balances at 31 March 2014 are represented by

	Tangible Fixed assets £	Net Current Assets £	Total Assets £
Designated funds			
AGM/Annual Conference	-	6,869	6,869
East Wing Fit Out	8,371	-	8,371
Pensions Trust	-	515,752	515,752
	<u>8,371</u>	<u>522,621</u>	<u>530,992</u>
Restricted Funds			
Money Advice Trust	-	-	-
Money Advice (MATRICS)	-	1,237	1,237
DTI Mid term review	27,902	(2)	27,900
Patient Advice and Support Service	-	84,167	84,167
Scottish Housing Advisory Service	-	7,248	7,248
Castle	1,431	-	1,431
Kinship Care	-	16,910	16,910
SSE - Fuel Poverty	-	-	-
Big Lottery - Investing in Communities	397	-	397
Armed Services Advice (previously Veterans)	-	16,582	16,582
Volunteer Development Officer	-	9,894	9,894
Otto Thoresen	-	13,182	13,182
The Money Advice Service	-	31,662	31,662
Castle Case Management	-	11,875	11,875
Year end BIS (1)	75,042	-	75,042
Energy Best Deal E-Learning	-	2,500	2,500
Financial Inclusion Prudential	-	19,712	19,712
Energy Best Deal	-	48,150	48,150
Change Programme 2014	65,088	(1)	65,087
CAD Consumer	-	69,058	69,058
Disability & Human Rights	-	28,000	28,000
Energy Best Deal Plus	-	4,655	4,655
Energy Best Deal Extra	-	16,685	16,685
Big Energy Savings Week	-	12,792	12,792
Barclay Money Skills	-	-	-
Welfare Reform	-	72,837	72,837
Martin Lewis	-	-	-
Admin Help	-	42,653	42,653
Petra	-	12,712	12,712
Shared Services	181,734	1,000,913	1,182,647
Welfare - Sanctions	-	27,522	27,522
Consumer Futures	51,863	84,188	136,051
Sales Guarantee	-	352,000	352,000
	<u>403,457</u>	<u>1,987,031</u>	<u>2,390,488</u>
Unrestricted general funds	<u>10,898</u>	<u>340,724</u>	<u>351,622</u>
Total	<u>422,726</u>	<u>2,850,376</u>	<u>3,273,102</u>

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NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

18. Restricted and designated funds

Designated funds

Annual Conference/Annual General Meeting

This money represents the accumulated surplus from previous Citizens Advice Scotland annual conferences. It is set aside to fund future Annual General Meetings and Conferences.

East Wing Fit Out

This money was set aside to complete the fit out of the east wing office area of Spectrum House. The balance in this fund represents the net book value of the assets purchased at that time.

Pensions Trust

This money was set aside from general funds to build up a reserve to cover potential liabilities arising under the Pensions Trust Growth plan. Further details of the potential liability are provided in note 16 – Pension obligations.

Restricted funds

Money Advice Trust

Money received from Money Advice Trust for the delivery of generalist level money advice training and materials to support in-house delivery of training. Additional funds have been received to maintain the wiseradviser.org website and to produce e-learning materials.

Money Advice

Money received from the Scottish Government to implement jointly with Money Advice Scotland the Money Advice Training, Resources, Information and Consultancy Service (MATRICS) project. The objectives of the project is to provide the free-to-client money advice sector with training, consultancy support and resources to help ensure quality services for people with unmanageable debt throughout Scotland.

DTI Mid term review

Money received from BIS as part of a mid term review to fund a number of one off projects and capital items which could not be funded from the core grant in aid. Three projects were funded; a management training program, a research project and the installation of a secondary generator at Spectrum House in order to ensure that bureaux have uninterrupted access to the CASTLE case recording system in the event of a power cut. The balance represents the net book value of the assets purchased at the time.

Patient Advice & Support Service

Money received from the Scottish Government to develop a model for a service to help people to complain under the new NHS complaints procedure. The unit has provided support to bureaux, including establishing steering group and an advisory group and has facilitated agreement between bureaux and local Health Boards.

Scottish Housing Advisory Service

The Association is a member of the Scottish Housing Advisory Service: a consortium which provides a linked set of services to advisers in order to deliver quality housing advice. The consortium delivers an advice line, information and training to approximately 150 agencies. Money was received by the Association to provide free training to these agencies. Funding for the project came to an end on 31 March 2010.

Castle

Money received from a repayment of VAT which has funded further development of the CASTLE case recording software and a pilot project to implement the software in five bureaux. The project was completed successfully in the year ended 31 March 2010.

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18. Restricted and designated funds

Kinship Care

Funding received from the Scottish Government and Highland Council to support the Scottish Government's consultation on a national fostering and kinship care strategy and in particular to improve kinship care services for children and young people.

Scottish & Southern Energy Fuel Poverty

Funding received from Scottish and Southern Energy for the provision of delivering energy advice to CAB clients in England, Scotland and Wales by embedding energy advice into the ethos of the advice service.

Big Lottery – Investing In Communities – URN SI/1/010290800

Funding has been received from the Big Lottery-Investing in Communities fund in order to fund a volunteer support project to increase the training and learning opportunities available to bureaux staff and volunteers. CAS will receive funds over the five years ending 2014.

Armed Services Advice Project

Funding received from Poppy Scotland for the purpose of the provision of advice to members of the Armed Forces Community (AFC). The long-term goal of the project will be to have in place support so that any member of the AFC should be able to approach a CAB or a national telephone line and be certain that the bureau network can: provide general advice relevant to the AFC and act as a signpost to more specific support, advice and information as appropriate for the AFC.

Volunteer Development Officer

Funding provided by Highland Council to fund a Volunteer Development Officer for Highland bureaux. The objectives of the project are to assist Highland bureaux with training of new and existing advisers and the recruitment of volunteers.

Otto Thoresen

Otto Thoresen, former Chief Executive of life and pensions company AEGON UK, embarked on a 10 day cycling trip from Lands End to John o'Groats in September 2009 in order to raise funds for Scottish bureaux.

The Money Advice Service (formerly Money Made Clear)

Funding received from The Money Advice Service (formerly CFEB) for a three year project with an option to extend for a further 2 years to provide face to face money guidance to the public. Funding is based upon delivery of money guidance sessions and is paid 50% in advance and 50% in arrears.

Castle Case Management

Funding of £50,000 received from BIS in order to make improvements to the CASTLE software - specifically to improve the case management functionality of the software.

Year End BIS (1)

Funding of £184,031 received from BIS to fund the work undertaken to take forward proposed reforms to the institutional consumer landscape and to facilitate a number of internal reviews initiated by the Chief Executive Officer in November 2010. Further funding of £730,000 was received from BIS to primarily finance investment in IT hardware, related software, installation and training for Bureaux across Scotland. It also allowed investment to upgrade communications, training and meeting facilities.

Energy Best Deal E-Learning

Funding received from Consumer Focus Scotland to develop an interactive e-learning module to accompany the Energy Best Deal Scotland Campaign.

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For the year ended 31 March 2014

18. Restricted and designated funds

Financial Inclusion Prudential

Funding made available by Prudential to CITA and CAS for the provision of the Financial Skills for Life programme, including the recruitment of additional financial capability staff resource by Citizens Advice Scotland.

Energy Best Deal

Funding has been made available by six Energy Suppliers to both CITA and CAS to provide advice sessions to vulnerable groups to get the best deals on energy.

Change Programme 2014

This is funding received from BIS for the transitional phase of the Scottish element of the Consumer Programme. This relates to the pre implementation planning relating to the possible future functioning of Consumer related activities in Scotland. It also covers the transition costs for the Consumer Direct contract based in Stornoway that started successfully on 2 April 2012. This funding also facilitated investment in modernising the Web Site and on upgrading out of date financial systems to improve financial planning and management capabilities.

CAD Consumer

This is funding received from BIS towards the on-going costs of the Consumer Direct contract based in Stornoway which started on 2 April 2012.

Disability & Human Rights

Funding received from CITA to carry out enhancements to Advisernet information

Energy Best Deal Plus

Funding received from the six Energy Suppliers for a pilot project among CABs to develop a referrals scheme whereby eligible customers can be referred to the Warm Homes Discount Scheme.

Energy Best Deal Extra

Funding received from the six Energy Suppliers. Following on from the Energy Best Deal sessions, a significant number of people have found it difficult to take the follow up actions needed on their own. This funding will help Bureaux to provide access to further support needed.

Big Energy Savings Week

In October 2012, Citizens Advice in Scotland, England & Wales co-ordinated Big Energy Savings Week in partnership with a diverse range of organisations, including Government, charities, advice agencies and energy suppliers. This initiative was designed to raise consumers' awareness of the help available to them regarding energy bills. The main six energy suppliers have contributed funding to provide bureaux with small grants to support their planned activities throughout the week.

Barclay Money Skills

Funding received from Barclays Bank as part of the management arrangements of the Barclays Money Skills 'champions' project. This is an innovative peer education project designed to build the money management skills of young people aged 16-25, particularly those who are not currently in education, employment or training.

Welfare Reform

Funding received from the Scottish Government to provide additional training and resources for front-line advice and support services in relation to welfare benefits.

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For the year ended 31 March 2014

18. Restricted and designated funds

Martin Lewis

Funding of £85,000 received from Martin Lewis, Money Savings Expert to enable Bureaux to undertake work until April 2014 around the integration of debt advice, money advice and increased financial capability of clients.

Admin Help

Additional funding of £77,500 received from BIS to provide an appropriate support function to ensure that the Consumer Programme team is well managed and able to undertake all required project management tasks.

Petra

Funding of £25,000 from BIS to complete a gap analysis and thus be able to put a CAS mark on the Petra software procurement.

Shared Services

Funding of £1,500,000 received from BIS in early 2013 which is being spent on making improvements to the IT infrastructure and data storage facilities for both CAS and Bureaux.

Welfare – Sanctions

Funding received from the Scottish Government to mitigate the impact of sanctions on individuals who may be in crisis.

Consumer Futures

This funding received from BIS to continue the collaborative work of Citizens Advice, Consumer Focus and BIS towards the seamless transition of Consumer Futures in April 2014.

Sales Guarantee

Funding of £352,000 received from SSE for the delivery of fuel poverty projects.

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NOTES TO THE ACCOUNTS
For the year ended 31 March 2014

19 Net cash (outflow)/inflow from operating activities

Reconciliation of operating surplus to net cash inflow from operating activities	2014 £	2013 £
Net Incoming Resources	44,593	1,468,227
Interest receivable during year	(20,935)	(8,792)
Operating (deficit)/surplus	23,658	1,459,435
Depreciation	267,022	198,235
Decrease in stocks	5,469	15,977
(Increase)/Decrease in debtors	(1,179,199)	282,497
Increase/(Decrease) in creditors	350,070	(64,592)
Net cash (outflow)/inflow from operating activities	(532,980)	1,889,552

20 Post Balance Sheet Events

On 1 April 2014 both the Consumer Futures and Extra Help Unit transferred into CAS.

The new Consumer Futures team covers energy, post, water and cross-sector issues in the interests of consumers in these essential regulated markets.

