



THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

Financial Statements
For the year ended 31 March 2019

Companies House Registration Number SC089892

Financial Statements

For the year ended 31 March 2019

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Trustees during the year ended 31 March 2019

Rory Mair	Appointed Chair 28 March 2017
Graeme Bissett *	Appointed 28 March 2017 and Vice Chair 20 April 2018
Martyn Buckley #	Appointed 28 March 2017
David Dunn *	Appointed 6 March 2019
Shareen Gault *	Appointed 28 March 2017
Nicholas Grier #	Appointed 28 March 2017
Lindsay Hall #	Appointed 28 March 2017
Sandra Heidinger *	Appointed 6 March 2019
Sue Irving #	Co-opted 7 September 2018, appointed 6 March 2019 and resigned 7 June 2019
Martin Jones *	Appointed 6 December 2017 and terminated 4 October 2018
Gil Long#	Co-opted 16 August 2018 and appointed 6 March 2019
Flora Scott Martin *	Appointed 21 March 2013 and stood down 6 March 2019
Karen Nailen #	Appointed 3 December 2015
David Rankin *	Appointed 28 March 2017
Zara Strange #	Appointed 28 March 2017 and resigned 7 September 2018
Callum Thomson *	Appointed 28 March 2017

Trustee appointed after 31 March 2019

[Steve Rowan #] Co-opted 7 June 2019
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* denotes External Trustee

denotes Bureau Trustee

Senior Leadership Team:

Derek Mitchell	Chief Executive Officer
Anne Lavery	Chief Operating Officer, appointed Deputy Chief Executive Officer 6 July 2018
Polly Tolley	Head of Communications, appointed Director of Impact 1 August 2018
Aaliya Seyal	Director of Customer Journey, appointed 5 November 2018
David Brownlee	Head of Bureau Services
Frances Donnelly	Head of Finance
Iain Forrester	Head of Information Technology
Sam Ghibaldan	Head of Consumer Futures Unit, resigned 15 February 2019
Natasha Gilmour	Head of Extra Help Unit
Susan McPhee	Head of Policy and Public Affairs, retired 27 March 2019
Vikki Shelton	Head of Human Resources

Auditors:

RSM UK Audit LLP

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

Bankers:

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

Legal Advisors:

Burness Paull, 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ

Registered at Companies House number SC089892

Citizens Advice Scotland is a Registered Scottish Charity number SC016637

Registered and Principal Office: First Floor, Broadside, 2 Powderhall Road, Edinburgh, EH7 4GB.

Trustees ReR.Qrt

The Citizens Advice network in Scotland

The Citizens Advice network in Scotland is the largest independent advice service in the country. Citizens Advice Scotland (CAS) is a charity within this network, acting as a national organisation supporting and representing the service as a whole as well as the interests of citizens.

At the heart of the network there are 59 individual Citizens Advice Bureaux (CAB) organisations across Scotland, all operating as independent charities in their own right and generally focusing on providing support directly to clients. Each of these organisations is a member of the Scottish Association of Citizens Advice Bureaux.

In addition to supporting the provision of face-to-face advice across the network, CAS also supports telephony advice to citizens through the work of the Citizens Advice Consumer Service and Extra Help Unit. The Extra Help Unit is not a public helpline; it takes 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.

As the national component of the network, Citizens Advice Scotland provides training and information to bureaux teams, as well as a rigorous quality assurance and monitoring programme, ensuring that the same high quality of advice is available across Scotland. We work to secure national programmes and projects that provide support to individuals on specific issues (in Scotland and across Great Britain), delivered through bureaux wherever possible. We carry out research, policy work and campaigning on key issues, based on a statistical analysis of the advice sought by clients from across the network.

Our vision and purpose

The Citizens Advice network in Scotland has a footprint in every local community and our work is two-fold; advice and advocacy.

We believe that every citizen in Scotland should have access to free, impartial and confidential advice that helps them make informed decisions, whenever they need it and however they choose to access it. Whether that's face-to-face, over the phone or online, people know that wherever they see our brand, they are guaranteed the same high quality of free, impartial and confidential advice.

As a result of the advice we give across the country, we hold the largest data set on societal issues outside the public sector. As we are wholly independent from government, we can then use our insight, evidence and influence to provide a genuine voice for social change.

Our advocacy activity involves working with governments, regulators and businesses at both a UK and Scottish level to improve areas of particular detriment affecting our client base, for example, securing amendments to social security policy, improving protection for vulnerable energy consumers and influencing parliament's decision to launch an inquiry into social security's impact on rent arrears. Advocacy also spans undertaking research and delivering awareness and education campaigns.

We combine high quality research, first hand consumer case studies from across our network and industry monitoring to identify and analyse existing and potential consumer issues.

Our work allows us to engage with decision makers in government, companies and regulatory bodies and achieve changes that will benefit citizens and consumers in Scotland. This virtuous circle of advice and advocacy delivers results for communities across Scotland. This coming year marks the 80th anniversary of the Scottish Citizens Advice network. Having emerged during the Second World War, many of the original enquiries we received related to wartime issues, like tracing relatives whose homes had been bombed and lost ration books. As time goes on, the problems people come to us with have changed to reflect the pressures of modern life such as relationship breakdown and problem debt, but our responsibility to advise and then advocate on behalf of our clients has not changed, and never will.

Strategic framework

In 2017-18 Citizens Advice Scotland created a strategic framework following an extensive programme of consultation and discussion. Over the past year we have spent time embedding this framework and restructuring parts of the organisation so we can deliver this plan effectively across all areas of our work.

We aim to build a fairer society by enhancing and adding value through the Citizens Advice network in Scotland, which provides free access to quality information and advice for all, and by influencing for positive change.

From 2018 to 2023 we will continue to concentrate on four strategic focus areas:

Funding and income - appropriate funding and income is critical to the Citizens Advice network and we have a key role to play in securing it.

Enabling service delivery - high quality advice and information should be available for all who need it - and to make that a reality we must work together effectively across the network.

Building brand. The brand of Citizens Advice Scotland is a valuable asset. We believe it should be protected and that by building it we can provide greater support to the network and to citizens.

Advocacy and influence. Citizens Advice Scotland acts as a voice for the network in Scotland, influencing decision-makers in the interests of the network and citizens.

Our work in 2018-2019

The year in numbers

- £7.3 million in funding secured and passed directly to our network members to deliver services.
- Supported member bureaux to issue over 703,000 pieces of advice, helping clients access over £130 million in financial gain.
- 14,000 people given support with their energy and postal complaints via the Extra Help Unit securing £3.3 million client financial gains, 1,200 of those people were resident in Scotland and this equated to over £0.6 million in client financial gains in Scotland.
- Delivered 23,624 training and learning opportunities for advisers including face-to-face calendar sessions, direct sessions and CASLearn courses, to ensure the networks advice and support is current and high quality.
- 17 full and in-depth quality audit report checks for CABs plus 42 annual organisational audit reviews undertaken to ensure that all members are maintaining the Association's organisational standards.
- 77 bureau sites now using shared IT services to provide greater security and resilience.
- 4.05 million page views on the CAS public advice website from clients seeking help.
- 692 advice information webpages updated to allow people to access information when and where they need to.
- 3.3 million visits to pages on AdviserNet, our online adviser content management system, by team members from across the network to support clients with issues.

Funding and income

We recognise that appropriate funding and income is critical to the success and impact of the whole Citizens Advice network in Scotland, and that we have a key role to play in securing it.

Activity and impact 2018-19

Secured and passed on £7.3 million in funding to member bureaux across Scotland, via national contracts, grants, services and programmes. We also provided support for funding applications made by member bureaux directly to external funders.

Provided support for Universal Credit. We secured funding from the UK Government Department of Work and Pensions to provide a comprehensive multichannel support service to people making an initial claim to Universal Credit which launched on 1 April 2019.

Delivered the Financial Health Check service. The Scottish Government funded the network to deliver a service ensuring that a financial health check is available to low income families and older people. Between November 2018 and April 2019 the service supported 3,889 clients and over £2.5 million in client financial gain was recorded for 1,323 clients. A new telephone service, delivered by 20 bureaux to cover all of Scotland, began on 1 April 2019.

Expanded the Pension Wise service. An additional 13 telephone advisers were recruited and trained to work alongside the CAB face-to-face teams to deliver the Pension Wise service, which provides guidance to people on their pension rights. Specialists carried out 11,186 appointments.

Debt Pilot. Five bureaux in North Lanarkshire initiated a collaborative project to test a 'multi-channel' debt advice service that aimed to increase the number of people who can be helped by widening access channels, reducing waiting times and ensuring an efficient, holistic service. The service was funded by the Development Committee and from existing CAS resources. Outcomes and learning will inform any future development of debt advice services across Scotland.

EU Settlement Support: The Home Office and the Scottish Government made £0.2 million available to provide support to EU citizens living in Scotland. This allowed for a grant payment of £2,000 to fund the necessary training technology and translation services to help clients with their application process.

Looking ahead

CAS will continue to seek funding opportunities for the network. Funding already secured for 19/20 includes the delivery of a range of support for EU nationals affected by Brexit and services to support those dealing with the impact of gambling. Specifically continued funding has been agreed for the following services:

The Pension Wise service will be funded to deliver a further 15 telephony-based specialists over the next 2 years to meet increasing demand.

The Scottish Government will provide a further year's funding for the welfare reform mitigation work.

The Financial Health Check project, now rebranded Money Talk Team, will be funded for a second year.

Enabling service delivery

Our network has a footprint in every community in Scotland and we work to ensure that every bureau is supported to be able to deliver the confidential, impartial and expert advice that people across the country have come to expect over the past 80 years.

We took a number of steps in 2018-19 to improve service delivery.

We launched a new webchat service in April for the Universal Credit: Help to Claim service.

We rolled out improvements to broadband fibre capabilities for member bureaux in all areas where the infrastructure allowed.

We implemented the national client search facility, which means that for the first time clients can access the network at any point and through any channel and tell their story only once even if they move across different channels or bureaux.

We introduced a new HR helpline for bureaux, to enable Managers and Board members to seek advice and guidance on HR issues in their bureau.

- The CAS Training Team provided support for the Financial Health Check and Universal Support services, producing e-learning modules illustrating different client journeys.

As part of the on-going restructuring of our Adviser Training Programme, two new courses were published to replace the previously used housing materials.

Looking ahead

We aim to continue to develop our multichannel offering ensuring people can access advice in the most appropriate medium for their needs.

We will introduce automated process improvements creating efficiencies in referral processes and smooth client journeys throughout the network, as well as build upon online booking opportunities.

We will continue to develop our training modules to ensure advisers are supported to deliver national project and multichannel developments.

We will progress the consultation on and implementation of an organisational restructure to enable us to better deliver the goals of our strategic framework.

We will create a new Business Generation and Development Team, cultivating funding opportunities for Citizens Advice Scotland and our network.

Building brand

We've been helping people for 80 years, and are recognised in communities and on high streets across Scotland. Our brand is a valuable asset. We believe it should be protected and that by building it we can provide greater support to the network and to citizens.

In 2018-19 we held large scale events and launched new services. For example:

We welcomed HRH Princess Anne to officially open our 80th anniversary celebrations at our national conference. We heard personal messages from the First Minister Nicola Sturgeon MSP, and consumer champion Martin Lewis.

We held our very first volunteer awards ceremony; recognising the huge contribution volunteers make to the network across Scotland with five major new awards.

We launched our new branded materials portal BrandBase, providing heavily subsidised, tailored, branded promotional and campaign materials for bureaux.

We worked with a creative agency to produce a brand proposition for the network and for our national campaigns.

We created and delivered branded, tailor made website templates, which were adopted by 44 bureaux to ensure a consistent and unified approach.

We undertook development work for the creation of a new network magazine called 'Voice' aimed at bringing together different parts of the network and celebrating our work.

Looking ahead

We have begun work on the creation of a new content management system to facilitate one place to house all CAS digital content, including the corporate site, the advice site and an intranet for all network staff and volunteers.

We will continue to raise our profile through network and stakeholder engagement and through recognising and facilitating use of our brand to strengthen our public messages and ensure consistency.

We will build on the pilot issue of Voice magazine to develop a useful and valued communication vehicle for the network as a whole.

Advocacy and influence

The Citizens Advice network in Scotland has two principle aims: to provide the advice people need for the problems they face and to improve the policies and practices that affect people's lives.

Citizens Advice Scotland acts as a voice for the network in Scotland, influencing decision-makers in the interests of the network as a whole and of citizens. This work takes the form of a range of activities aimed at the general public, government and industry.

Parliamentary and stakeholder engagement

We engaged with decision makers in government, companies and regulatory bodies to bring about change that benefitted the consumers and citizens of Scotland. We used our unique evidence base to influence policy and legislation at a national level in a range of ways.

- The Social Security (Scotland) Act was passed in April 2018 establishing a new Social Security agency for Scotland. CAS advocacy helped secure six key amendments and other amendments in 33 key areas to benefit our client base across Scotland. Specific measures included:

- Linking an element of the new Funeral Support Payment benefit with inflation, ending a UK Government freeze of over 15 years.

- A statutory inclusive communication standard, making Social Security Scotland the first ever UK public body with such a commitment.
 - Our recommendation for social security assessments to be undertaken by public sector was also agreed to by the Scottish Government, following our evidence of how the current system is not working.

Following a sustained period of advocacy, where we called for the regulation of district heating, we saw the Scottish Government announce plans to introduce regulation through a Heat Networks Bill.

We advocated for more targeted, financial support for the fuel poor as the Fuel Poverty Bill went through parliament, highlighting higher living costs in remote and rural areas. Our research and advocacy led to a more accurate definition of fuel poverty, informed by consumer experience.

We made a number of recommendations, which were subsequently reflected in The Transport Bill, in our **'Your Bus, Your Say'** reports, including: provision of more information to the public; increased consultation on changes to bus services; and the introduction of more consistent service standards.

Our work on rent arrears was cited as part of the rationale for the Scottish Parliament Social Security Committee launching an inquiry on social security's impact on rented housing.

Stakeholder engagement

We engaged with Scottish Power on emergency fuel credits alongside Christina McKelvie MSP, and as a result Scottish Power agreed to trial a new referral mechanism with 11 CABs where frontline advisors can refer clients in financial crisis directly to Scottish Power's hardship fund.

We called on Ofgem to protect vulnerable consumers in the RIIO 2 programme. This led to Ofgem recently announcing a £8-16 million 'use it or lose it allowance' for gas distribution companies to support consumers in vulnerable situations.

We worked with Scottish and Southern Electricity Networks to secure funding for four part-time equivalent energy advisor roles in bureaux from April 2019. The advisers will deliver bespoke support to people experiencing fuel poverty.

Working as part of the Consumer Protection Partnership project on parcel surcharging, we've been involved in coordinated action to improve the transparency and accuracy of delivery information and explore solutions to address the level and fairness of these surcharges.

Public awareness campaigns

We champion the voice of consumers and aim to change perceptions and empower people to take action. We delivered a number of campaigns including:

- The **'Food on the Table' campaign**, which aimed to give the Scottish public a voice on the affordability, choice and access to food through a public survey. The campaign report reflected data from over 2,650 participants in the campaign survey.

Scams Awareness Month, involved 30 CABs campaigning at a local level and a range of partner-working with organisations such as Police Scotland, Young Scot, Age Scotland and the Young Women's Movement. The campaign featured 117 times on national TV, radio and in print media and had a Facebook reach of 61.3K people.

- The **'Big Energy Savings Week' campaign**, which saw 14 bureaux take part and host 25 events across Scotland supporting consumers to switch and save on the energy costs.

The 'It's Not Fine' campaign, which led to Scottish Government committing to the adoption of the relevant parts of a UK Government Act mandating a Code of Practice for all private parking operators. This followed years of campaigning by CAS on the overcharging of private parking fines.

Policy and research

Our **'Bad company'** report proposed solutions for consumers mis-sold by the company Home Energy and Lifestyle Management Ltd (Helms).

Our research into **the affordability of water and sewerage charges** prompted a commitment from Scottish Government that they will work with industry to keep customer charges as low as practicable and provide support for those members of society who are least able to afford those payments.

We worked with the Commission for Customers in Vulnerable Circumstances to deliver recommendations for vulnerable energy consumers.

Off the back of our report '**Hard Wired Problems**', the Scottish Government funded Home Energy Scotland advice service is developing content around electric heating to be tested with consumers during 2019.

Our report, '**Making it Easy**', which reviewed the registration process for consumers in vulnerable situations made a number of recommendations which have been taken forward by the Commission for Customers in Vulnerable Circumstances.

Following our campaigning on **funeral poverty**, the Treasury is currently consulting on our recommendations for prepaid funeral plans to be regulated and the Competition and Markets Authority is carrying out a market investigation review. The Scottish Government is consulting on the recommendations from the Inspector of Funerals and has funded the development of specific training with CAS on 'Paying for a Funeral' and 'Planning a Funeral'.

- The Financial Conduct Authority acted on our recommendation to introduce a **rent-to-own** cap in March, coming into force on 1 April 2019.

Looking ahead

Our advocacy and influencing work will reflect our new Impact structure, with four key policy themes; Fair and Simple Markets, Social Justice, Financial Health, and Strong Communities.

Data improvement programme

We developed a data hub that brought together data provided by different parts of the organisation to allow us to develop a more rounded picture of issues. In the next year we will develop and enhance this programme to drive our advisory work. We will also look at developing a front-facing, interactive search tool to assist policy-makers in ensuring consumers have a voice.

Strategic Report

Statement of Finance Activities (SOFA)

The Statement of Financial Activities shows a 28% increase in Total Income, from £12.8M in 2017/18 to £16.4M this year, reversing last year's reduction. Of this total, 86% (2018: 85%) is received directly from the UK and Scottish Governments. Total Expenditure rose as well, by 20%, from £13.1M in 2017/18 to £15.7M. Net Movement in Funds for the year was a positive £763K, compared last year's negative movement of (£296K).

Overall, CAS distributed £7.3M to bureaux, up 26% from £5.8M in 2017/18. The largest increases in existing funding were for **Kinship Care** and **Pension Wise**, whilst the largest sources of new funding were for **Debt Advice**, **Financial Health Check** and **Universal Credit - Help to Claim** projects.

The development committee made 10 (2018: 13) awards to CAB throughout Scotland totalling £344,942 (2018: £421,642) to develop services.

Balance sheet as at 31 March 2019

Our cash balances at 31 March 2019 were £4.0M, showing an increase from last year's position of £3.1M.

Our overall Reserves position at 31 March 2019 is £3.55M, which is an increase compared to last year's total of £2.79M. Within this year's total, Unrestricted Reserves are £1.97M, of which £1.0M is designated leaving £964K of free reserves. These free reserves provide 4.4 months' working capital which is in excess of our reserves policy which states we should have enough to cover 3 months' Unrestricted Charitable activities of £2.6M p.a., i.e. £650K. This year's increase in both Unrestricted and Restricted Reserves arises from underspends on planned activity.

Reserves	At 1st April 2018	Movements during Year	At 31st March 2019
	£	£	£
Unrestricted	1,522,760	449,473	1,972,233
Restricted	1,267,251	313,329	1,580,580
Total	2,790,011	762,802	3,552,813

Governance

The CAS Chair is an independent appointment and all other Trustees are appointed as follows:

- 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.

Candidates for the Chair, Bureaux and External Trustees vacancies go through a formal recruitment exercise with an external agency and the CAS Nominations Committee. The CAS Nominations Committee comprises the Chair of the Association, one Bureau and one External Trustee and a maximum of two representatives from the CAB network.

The initial phase of Trustee recruitment is for the Nominations Committee to analyse the current composition of the CAS Board to identify any skills gaps. The Committee can then determine the skills and experience required of any potential Trustees to ensure the requisite expertise on the Board.

The Nominations Committee reviews all Trustee applications and interviews a shortlist of candidates. Details of successful interview candidates are then submitted to the CAS Board for agreement and the agreed potential Trustees are presented to the SACAB members for election at the Annual General Meeting. Part of the business of the Annual General Meeting is to elect CAS Trustees and also members of the various Standing Committees of the Association.

To ensure stability and continuity of the CAS Board, Trustees including Honorary Officers are elected for 3 years renewable once, so the maximum term allowable is 6 years.

In the case of a vacancy arising on the CAS Board between one Annual General Meeting and the next, depending on the category of Trustee vacancy that arises, then an appropriate process to recruit a co-opted Trustee is undertaken. If the vacancy is for an External Trustee then an external agency will be used for the recruitment exercise. For a Bureau Trustee vacancy an internal recruitment process is undertaken whereby the vacancy is advertised on the CAS website. For both categories of Trustees, the Nominations Committee selection and interview process previously described will apply.

Any newly elected Trustees undertake an Induction Programme which includes meeting with the CAS executive for an overview of the organisation and meeting relevant CAS Teams. Trustees are also provided with an Induction Pack which includes organisational documentation, e.g. Annual Accounts, Strategic Plan and previous CAS Board Minutes. To ensure the Board are kept up-to-date on latest developments and to consider strategic matters, Board awaydays can also be scheduled.

Trustees do not receive remuneration, although they are entitled to claim reimbursement of reasonable travel expenses incurred in attending Board and Committee meetings.

Citizens Advice Scotland is committed to operating the highest standards of governance.

During 2018-19 we have continued to deliver the recommendations that were made as part of an independent governance review of our organisation, carried out by Deloitte to ensure we deliver best practice in governance in the interests of our members, our staff team, and for citizens.

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 including the incorporated Strategic Report and contains all information required in a Directors' Report by the Companies Act 2006 and financial statements in accordance with applicable law and UK Accounting Standards (UK 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;
- 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.

Managing risk

CAS and the charity sector in general continue to be challenged by a myriad of risks; including reduced funding, increased competition, cyber-crime and fraud, as well as issues around safeguarding. The nature both of our organisation and our strategy means that we face a number of inherent risks and uncertainties.

The Board has carefully considered the type and extent of the principal risks to the organisation achieving its strategic objectives and delivering appropriate outcomes for citizens, members and stakeholders. A number of these are summarised below, categorised according to the strategic objective to which they relate most closely.

Strategic Priority	Objective	Risk
Building Brand	"Reaching as many people as possible"	Lack of clarity around what Brand represents among members, funders and public leads to dissatisfaction and disengagement
		Insufficient control over brand reduces our ability to prevent reputational damage to the service
		Insufficient safeguarding processes for volunteers and staff lead to inappropriate individuals working for the network and gaining access to vulnerable individuals
Advocacy and Influence	"Delivering positive change"	Poor quality and incomplete data reduces the network's ability to influence on behalf of citizens and consumers
		Failure to effectively influence development of debt advice, pension guidance and financial capability changes leads to below optimum outcomes for citizens and CAB network in Scotland
Funding and income	"Keeping the doors open"	Short term funding detrimentally impacts on service delivery quality
		Reduction in localised funding reduces footprint of service across Scotland
Enabling Service Delivery	"Clear advice, where and when it is needed"	Funding available for face to face advice provision reduces
		Disjointed service provision model results in a detrimental client experience

At the same time, CAS recognises that adopting an overly risk averse approach may stifle the organisation's ability to identify and benefit from new opportunities. Every action involves a degree of risk and it is the role of the executive and trustees to meet the challenges of those risks and manage them appropriately in a way that delivers optimum outcomes for our beneficiaries. Set out below is the approach to management of risk within the organisation.

How we manage risk

CAS has a three levels approach through which it manages significant risks. At senior management level the SLT are responsible for maintaining an effective risk and control environment as part of day-to-day operations under the direction of the Chief Executive and the Executive Team. The SLT review the Risk Register on a regular basis and consider the robustness and effectiveness of processes and controls to ensure compliance with the Board's appetite for risk, policies and delegated authority levels. The Risk Register includes specific measures taken to mitigate the effect of identified risks.

At a governance level, sub-committees of the Board, most notably the Risk, Audit and Finance (RAF) Committee, monitor the strategic risks. This committee considers the risks and, where appropriate, commissions reviews of specific risks, for example Pension Fund positions, to ensure that the SLT are taking the necessary steps to manage the risks within the organisation. The chair of the RAF Committee reports these findings to the Board, highlighting areas of concern or proposals for improvement.

The Board provide oversight and direction of risk management in accordance with their respective responsibilities. The Board review the risk register at each board meeting together with the ongoing monitoring of progress against planned improvement actions.

The Board ensure the risk response is based on the assessment of potential risk exposure and an acceptable level of tolerance.

Key management personnel

Remuneration of all staff at CAS, including the Senior Leadership 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.

Going concern

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. Having examined different scenarios and based on maintaining a minimum of 3 months working capital the Board are confident that CAS is a going concern.

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 29/11/2019

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 2019 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2019 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).

Basis for opinion

We have been appointed auditor 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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in so doing, consider whether the other information is materially inconsistent with the financial statements or to our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit: the information given in the trustees report and the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report, included within the trustees' annual 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 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:

adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
the financial statements are not in agreement with the accounting records and returns;
or
certain disclosures of trustees' remuneration specified by law are not made; or
we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities set out on page 15, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

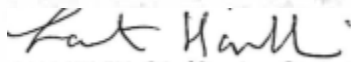
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at [http:// www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

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 audit work, for this report, or for the opinions we have formed.



4 Dec 2019

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

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

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 2019

	Note	General Funds	Designated Funds	Total Unrestricted Funds	Total Restricted Funds	2019 Total	Total Unrestricted Funds	Total Restricted Funds	2018 Total
		£	£	£	£	£	£	£	£
Income and Endowments from:									
Donations & Legacies	2/19	2,896,494		2,896,494	13,394,597	16,291,091	2,895,981	9,741,704	12,637,685
Charitable Activities	3	100,183		100,183	20,136	120,319	131,335		131,335
Investments		4,280		4,280		4,280	1,457		1,457
Other	4						2,292		2,292
Total Income		3,000,957		3,000,957	13,414,733	16,415,690	3,031,065	9,741,704	12,772,769
Expenditure on:									
Charitable activities	5/6	2,475,270	134,731	2,610,001	13,042,887	15,652,888	2,942,387	10,126,248	13,068,635
Total Expenditure		2,475,270	134,731	2,610,001	13,042,887	15,652,888	2,942,387	10,126,248	13,068,635
Net income/(expenditure)	7	525,687	(134,731)	390,956	371,846	762,802	88,678	(384,544)	(295,866)
Transfers between funds	19	(530,693)	589,210	58,517	(58,517)		176,395	(176,395)	
Net Movement in Funds		(5,006)	454,479	449,473	313,329	762,802	265,073	(560,939)	(295,866)
Reconciliation of funds:									
Total funds brought forward	19	969,457	553,303	1,522,760	1,267,251	2,790,011	1,257,687	1,828,190	3,085,877
Total funds carried forward	19	964,451	1,007,782	1,972,233	1,580,580	3,552,813	1,522,760	1,267,251	2,790,011

All the results of the company relate to continuing operations

COMPANY NUMBER SC089892

BALANCE SHEET
As at 31 March 2019

	Notes	2019 £	2018 £
Fixed Assets			
Intangible Assets	11	534,029	398,794
Tangible Assets	12	74,807	84,522
Investments	13	<u>1</u>	<u>1</u>
Total Fixed Assets		<u>608,837</u>	<u>483,317</u>
Current Assets			
Debtors	14	1,421,009	1,319,083
Cash at bank and in hand		<u>4,038,296</u>	<u>3,106,529</u>
		5,459,305	4,425,612
Creditors: Amounts falling due within one year	15	<u>(2,149,692)</u>	<u>(1,632,461)</u>
Net current assets		<u>3,309,613</u>	<u>2,793,151</u>
Total assets less current liabilities		<u>3,918,450</u>	<u>3,276,468</u>
Provision for Liabilities	16	<u>(365,637)</u>	<u>(486,457)</u>
Total net assets		<u>3,552,813</u>	<u>2,790,011</u>
The funds of the charity:			
Unrestricted funds	19	1,972,233	1,522,760
Restricted Funds	19	<u>1,580,580</u>	<u>1,267,251</u>
		<u>3,552,813</u>	<u>2,790,011</u>

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

29 NOVEMBER 2019

Signed on behalf of the Board of Directors

Rory Mair
Chair



CASH FLOW STATEMENT

For the year ended 31 March 2019

	Notes	2019	2018
		£	£
Net cash inflow/(outflow) from operating activities	20	<u>1,226,626</u>	<u>(867,667)</u>
Cash flows from investing activities			
Cash inflow from interest received			
Proceeds from disposal of fixed assets		4,280	1,457
Payments to acquire intangible fixed assets			2,292
Payments to acquire tangible fixed assets		(271,242)	(262,875)
		<u>(27,897)</u>	<u>(49,018)</u>
Net cash used in investing activities		(294,859)	(308,144)
Increase/(Decrease) in cash		931,767	(1,175,811)
Reconciliation of net cash flow to movement in net funds			
			£
Cash and cash equivalents at 31 March 2018		3,106,529	4,282,340
Increase/(Decrease) in cash in the year		931,767	(1,175,811)
Cash and cash equivalents at 31 March 2019		<u>4,038,296</u>	<u>3,106,529</u>

Notes to the Accounts

1. Accounting policies

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).

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 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. Having examined different scenarios and based on maintaining a minimum of 3 months working capital the Board are confident that CAS is a going concern.

Accounting policies (continued)

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 it is treated as a restricted reserve.

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 are recognised in the financial period the ongoing expenditure relates to.

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.

Development 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.

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.
- 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 which support the network and have been allocated to activity cost categories on a basis consistent with the use of resources such as 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.
- Unrestricted 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 CAS 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 £10,000 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

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.

Accounting policies (continued)

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 had 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.

Pensions

Two pension schemes were in operation during the period.

The first scheme is with The 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.

Accounting policies (continued)

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.

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.

Accounting policies (continued)

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 and not consolidated.

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 judgements and estimates have been made are:

- 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.

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

2.	Incoming resources from donations & legacies	2019	2018
		£	£
	Unrestricted funds		
	BEIS Grant in Aid	2,895,000	2,895,000
	Donations	1,494	<u>981</u>
		<u>2,896,494</u>	2,895,981
	Restricted Funds		
	Scottish Government	6,017,343	4,714,324
	BEIS	2,368,113	2,247,160
	HM Treasury (DWP - Pension Wise)	2,779,254	1,018,466
	Money Advice Trust	13,750	11,250
	Accountant in Bankruptcy	22,818	87,318
	PoppyScotland	697,733	633,135
	The Money Advice Service		(6,018)
	Money Advice Scotland	30,138	30,946
	Citizens Advice England and Wales	283,935	164,562
	Energy companies	532,260	339,608
	Water Industry Commission for Scotland		(8,659)
	Scottish Water	305,349	328,719
	Big Lottery	193,904	180,893
	Scottish Enterprise	150,000	
		<u>13,394,597</u>	<u>9,741,704</u>
	Total	<u>16,291,091</u>	12,637,685
	The Credit balances for The Money Advice Service and Water Industry Commission related to monies returned to the Funders on prior year completed projects which had small underspend s.		
3.	Incoming resources from charitable activities	2019	2018
		£	£
	Unrestricted funds		
	Bureaux membership subscriptions	91,631	124,143
	Other income	8,552	<u>7,192</u>
		<u>100,183</u>	131,335
	Restricted funds		
	Other Income	<u>20,136</u>	
		20,136	
	Total	<u>120,319</u>	131,335
4.	Other incoming resources	2019	2018
		£	£
	Unrestricted funds		
	Gain on sale of fixed assets		2,292
			<u>2,292</u>

NOTES TO THE ACCOUNTS- continued
For the year ended 31 March 2019

S. Charitable activities

	Staff Costs £	Grants to Bureaux £	Other costs £	Support costs £	Restricted Recharges £	Total 2019 £	Total 2018 £
Unrestricted							
Services to member bureaux							
Provision of information system	153,709		103,525	242,589	{202,684}	297,139	409,159
Training & Quality	395,154		63,212	415,866	{347,458}	526,774	597,615
Information technology and communication	481,338		164,608	450,522	(376,413)	720,055	717,909
Direct field services	223,167		44,482	277,244	{231,639}	313,254	396,539
Development Committee grants		344,942				344,942	421,642
	1,253,368	344,942	375,827	1,386,221	{1,158,194}	2,202,164	2,542,864
Social policy and public affairs	153,656		15,483	103,967		273,106	294,834
	<u>1,407,024</u>	<u>344,942</u>	<u>391,310</u>	<u>1,490,188</u>	<u>{1,158,194}</u>	<u>2,475,270</u>	<u>2,837,698</u>
Designated							
Development Grant returns			(32,870)			(32,870)	
Debt Advice Pilot	11,882		9,377		(22,877)	(1,618)	
Fixed Assets			169,442			169,442	
Designated fixed asset fund							62,756
Castle Replacement			(223)			(223)	41,933
	<u>11,882</u>		<u>145,726</u>		<u>{22,877}</u>	<u>134,731</u>	<u>104,689</u>
Total Unrestricted	<u>1,418,906</u>	<u>344,942</u>	<u>537,036</u>	<u>1,490,188</u>	<u>{1,181,071}</u>	<u>1,610,001</u>	<u>2,942,387</u>

Support costs

	2019 £	2018 £
Unrestricted Support Costs are analysed as follows:		
Staff Costs	679,818	670,611
Premises Costs	381,958	401,733
Admin/Office Costs	62,597	62,460
Finance & Professional	283,161	284,523
Strategic Spend	<u>82,654</u>	
	<u>1,490,188</u>	<u>1,419,327</u>

Core Support costs are allocated on the basis of staffing costs within the restricted funded activities.

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

5. Cost of charitable activities (continued)

	Staff Costs	Grants to Bureaux	Other costs	Restricted Recharges	Total 2019	Total 2018
	£	£	£	£	£	£
Restricted						
Advice in Mind	2,191	184,895		2,252	189,338	267,591
Aged Veterans	28,042	112,052	11,402	23,611	175,107	107,154
Armed Services Advice Project	13,566	1,379,236	4,682	39,373	1,436,857	1,986,152
Big Energy Savings Week		13,000			13,000	
Big Energy Savings Network BESN		38,118	33,890	5,000	77,008	
Brexit Readiness			155,400	20,000	175,400	
BT carry forward			90,000		90,000	
CAD Consumer Direct	41,892	1,011,385	453,896	24,850	1,532,023	1,529,000
Channel Strategy			1,607		1,607	62,893
Consumer Futures	397,397		347,466	198,092	942,955	947,778
Debt Advice SG 18/19	1,970	197,419		610	199,999	
Energy Best Deal	23,750	202,250	25,432	17,849	269,281	417,087
EU Settlement SG Funding	5,449	114,000	44,940	2,732	167,121	
External Liaison			4,947		4,947	710
Extra Help Unit	955,907		328,442	454,368	1,738,717	1,577,629
Finance System			6,216	(1)	6,215	745
Financial Health Check	30,469	680,742	59,139	36,512	806,862	
Financial inclusion prudential						4,399
Just Giving Otto Thoresen			2,620		2,620	
Kinship Care	23,832	148,437	59,479	12,404	244,152	157,196
LEAP Project	15,251			1,576	16,827	210,382
Martin Lewis			(3,085)		(3,085)	
Matrics Extra	20,643		1,490	11,719	33,852	42,050
Money Advice (MATRICS)	54,750		3,544	31,421	89,715	96,234
Money Advice Trust				10,000	10,000	15,000
Patient Advice and Support Service	68,061	746,606	7,373	19,160	841,200	850,527
Pension Wise	186,176	988,437	104,260	96,893	1,375,766	1,018,466
Post Xmas debt advice						2,138
Prudential	10,876		17	(1,990)	8,903	
Recruitment Chief Executive						8,800
Rest of the Economy	343,029	29,311	198,829		571,169	564,929
Shared Services	2,080		146,737		148,817	198,357
SPARK Energy & EON	23,804		3,533	9,033	36,370	46,696
Staff Benefits						4,734
Staff Training						4,356
Stats HUB			72,616		72,616	
Universal Credit	172,372	626,352	291,698	139,464	1,229,886	
Veterans	20,962	483,247	7,290	9,995	521,494	
What works capacity building forum						2,333
PPI Project				16,148	16,148	
Money Advice Research						2,912
Total Restricted	2,442,469	6,955,487	2,463,860	1,181,071	13,042,887	10,126,248
Unrestricted	1,418,906	344,942	2,027,224	(1,181,071)	2,610,001	2,942,387
Total Charitable Activities	3,861,375	7,300,429	4,491,084		15,652,888	13,068,635

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NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

6.	Grants to Bureaux	2019 £	2018 £
	Aberdeen CAB	140,806	123,303
	Airdrie CAB	170,214	165,154
	Angus CAB	61,865	49,749
	Argyle & Bute CAB	161,116	127,213
	Sanft & Buchan CAB	32,779	17,806
	Bellshill CAB	25,967	19,075
	CAB West Lothian	151,969	90,975
	Caithness CAB	31,328	22,846
	CARF	302,142	289,152
	Central Borders CAB	23,998	16,667
	Citizens Advice Direct	1,144,791	1,114,391
	Citizens Advice Edinburgh	327,689	258,868
	Clackmannan CAB	97,577	163,904
	Clydesdale CAB	45,495	33,535
	Coatbridge CAB	37,678	44,379
	Cumbernauld CAB	34,662	37,576
	DAGCAS	279,362	136,122
	Dalkeith & District CAB	28,061	15,655
	Denny & Dunipace CAB	40,998	29,799
	Dundee CAB	267,391	173,555
	East Ayrshire CAB	216,380	11,547
	East Dunbartonshire CAB	217,185	191,439
	East Kilbride CAB	57,090	36,286
	East Renfrewshire CAB	107,098	
	East Sutherland CAB	78,373	20,761
	Falkirk CAB	117,453	15,852
	Glasgow Bridgeton CAB	145,463	113,939
	Glasgow Castlemilk CAB	70,406	34,261
	Glasgow Central CAB	76,779	37,474
	Glasgow Drumchapel CAB	135,159	97,319
	Glasgow Easterhouse CAB	70,133	42,672
	Glasgow Greater Pollok CAB	77,781	48,057
	Glasgow Maryhill CAB	99,272	54,271
	Glasgow Parkhead CAB	138,294	82,982
	Grangemouth CAB	74,753	60,932
	Haddington CAB	85,878	72,859
	Hamilton CAB	47,490	35,951
	Inverness CAB	335,273	216,331
	Kincardine & Mearns CAB	44,611	8,880
	Lochaber CAB	19,790	12,467
	Moray CAB	60,192	54,561
	Motherwell & Wishaw CAB	478,740	405,986
	Musselburgh CAB	28,281	20,996
	NACAS	833	190,450
	Nairn CAB	100,663	144,231
	North West Sutherland CAB	14,270	9,865
	Orkney CAB	28,399	27,047
	Peebles CAB	43,561	39,582
	Penicuik CAB	53,818	35,106
	Perth CAB	105,822	63,967
	Renfrewshire CAB	92,634	151,426
	Ross & Cromarty CAB	28,387	84,896
	Roxburgh CAB	66,756	50,998
	Rutherglen CAB	42,941	28,479
	Shetland Islands CAB	81,747	46,162
	Skye & Lochalsh CAB	26,024	14,721
	Stirling CAB	132,288	129,229
	Turriff & District CAB	25,303	9,165
	West Dunbartonshire CAB	109,994	49,857
	Western Isles CAB	90,533	67,886
	Westhill & District CAB	<u>68,694</u>	60,393
		Note 5 • Page 31	5,809,0Q1
		7,300,429	5,809,0Q1

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

7.	Net Income/(expenditure) for the year before transfers	2019	2018
		£	£
	This is stated after charging:		
	Irrecoverable VAT	<u>576,619</u>	<u>464,373</u>
	Depreciation	<u>173,619</u>	<u>29,886</u>
	Auditors' remuneration		
	External audit	<u>21,576</u>	<u>17,290</u>
	Other Services: Tax Advisory Services from related parties	<u>6,750</u>	<u>2,000</u>
	Other Services: Other Services from related parties	<u>4,500</u>	
	Operating lease rentals	<u>296,567</u>	298,013

8.	Staff costs	2019	2018
		£	£
	Wages and salaries	3,821,710	3,552,210
	Social security costs	348,507	326,611
	Other pensions costs	356,503	398,014
	Temporary staff costs	<u>14,475</u>	<u>21,617</u>
		<u>4,541,195</u>	<u>4,298,452</u>

Included in the above are termination costs of £21,517 including Employer's National Insurance Contributions (2018: £NIL)

The average monthly number of employees during the year	2019	2018
	Number	Number
Number of staff	<u>148</u>	<u>140</u>

Employees' emoluments (excluding employer's pension contributions) falling within the band:	2019	2018
	Number	Number
£60,000 - £70,000	1	1
£70,000 - £80,000	<u>2</u>	<u>1</u>

Trustees are not remunerated. 10 Trustees (2018: 8) received reimbursement of expenses for attending meetings amounting to £8,106 (2018: £8,918) .

The key management personnel comprise the Chief Executive Officer, Deputy Chief Executive Officer, the Director of Impact, the Director of Customer Journey, and the Heads of Bureau Services, Finance, Information Technology, Consumer Futures Unit, the Extra Help Unit, Policy & Public Affairs and Human Resources.

The total employee costs (including salary, NIC, pension and termination costs) of the key management personnel were £657,926 (2018: £544,824).

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.

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

10. Related party transactions

Citizens Advice Scotland (Trading) Limited is a fully owned subsidiary of CAS. During the year to 31 March 2019, it did not trade .

During 2018/19 there were no fee payments to any Trustee (2017/18 : £NIL).

Amounts paid during the year to Bureaux which are connected to Trustees amounted to £816,646 (2017/18 £483,548). Amounts outstanding from bureaux at the year end which are connected to Trustees amounted to £Nil (2017/18 £1,420). All debts have been repaid within normal business terms.

	Grant	Outstanding
	£	£
Bureau		
Aberdeen	140,806	
Central Borders	23,998	
Penicuik	53,818	
DAGCAS	279,362	
Parkhead	138,294	
Orkney	28,399	
West Lothian	<u>151,969</u>	
	816,646	

11. Fixed assets

Intangibles

	Software
Cost	£
At 1 April 2018	648,123
Additions	271,242
Disposals	
At 31 March 2019	919,365
Amortisation	
At 1 April 2018	249,329
Charge for year	136,007
Disposals	
At 31 March 2019	385,336
Net book value	
At 31 March 2019	534,029
At 31 March 2018	<u>398,792</u>

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

12. Fixed assets

Tangible Fixed Assets

	Furniture & equipment	Motor vehicles	Total
Cost	£	£	£
At 1 April 2018	907,517	26,679	934,196
Additions	27,897		27,897
Disposals			
At 31 March 2019	935,414	<u>26,679</u>	<u>962,093</u>
Depreciation			
At 1 April 2018	822,995	26,679	849,674
Charge for year	37,612		37,612
Disposals			
At 31 March 2019	860,607	<u>26,679</u>	<u>887,286</u>
Net book value			
At 31 March 2019	74,807	<u> </u>	<u>74,807</u>
At 31 March 2018	<u>84,523</u>	<u> </u>	<u>84,523</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. As at 31 March 2019 the Company had capital and Reserves of £1 and had not traded during the year.

14. Debtors	2019	2018
	£	£
Trade debtors	238,997	786,684
Prepayments	108,370	313,563
Accrued income	1,025,194	109,656
Due from bureaux	4,029	14,549
Other debtors	<u>44,419</u>	<u>94,631</u>
	<u>1,421,009</u>	<u>1,319,083</u>

Within Prepayments and accrued income in 2018 there was a balance of £150,908 which related 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. This amount has now been fully released.

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	820,990	954,516
Sundry creditors and accruals	1,175,879	677,470
Other taxes and social security costs	100,221	
Pension	<u>52,602</u>	<u>475</u>
	<u>2,149,692</u>	<u>1,632,461</u>

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

Balance at start of year	138,734	636,848
Released in year	(138,734)	(636,848)
Deferred in year	<u>134,635</u>	<u>138,734</u>
Balance at end of year	<u>134,635</u>	<u>138,734</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

	2019	2018
	£	£
Liability for Pension Past Service Deficit Contributions	<u>365,637</u>	<u>486,457</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.

	2019	2018
	£	£
Due within one year	<u>294,328</u>	<u>294,029</u>
Due between two and five years	<u>728,578</u>	<u>987,600</u>
Due after five years	<u></u>	<u>31,707</u>

The Development Committee approved and committed grants to Bureaux which were outstanding at the year end, of £108,843 for 2018/19 (2017/18: £88,260) and committed development grants for both 2019/20 and 2020/21 totalling £221,287 (2017/18 £259,423).

18. Share capital

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

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX
A registered Scottish Charity SC016637 and company limited by guarantee SC089892

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

19. Restricted, Unrestricted & Designated Funds

	Balance at 31 March 2017	Income 2017/18	Transfers 2017/18	Expenditure 2017/18	Balance at 31 March 2018	Income 2018/19	Transfers 2018/19	Expenditure 2018/19	Closing Balance 31 March 2019
	£	£	£	£	£	£	£	£	£
Restricted Funds									
A Dispute Resolution	20,000				20,000				20,000
Admin Help	40,701				40,701				40,701
Advice In Mind	88,699	180,893		(267,591)	2,001	193,904		(189,339)	6,566
Aged Veterans		125,340		(107,154)	18,186	164,941		(175,107)	8,020
Armed Services Advice (previously Veterans)	4,249	507,795		(487,585)	24,459	532,792		(521,494)	35,757
Barclay Money Skills	500				500				500
Big Energy Savings Week	11,792		(11,792)			15,000		(13,000)	2,000
Big Energy Savings Network BESN						72,000	5,008	(77,008)	
Brexit Readiness						175,400		(175,400)	
British Telecom carry forward			90,000		90,000			(90,000)	
CAD Consumer	47	1,544,000	(15,000)	(1,529,000)	47	1,538,171	(6,195)	(1,532,023)	
Can Do ScotEnt project						150,000			150,000
CEO Recruitment	8,800			(8,800)					
Channel Extra	150,000				150,000				150,000
Channel Strategy	70,912			(62,893)	8,019			(1,607)	6,412
Consumer Futures		959,319	(11,541)	(947,778)		956,233	(3,460)	(942,954)	9,819
Consumer Futures Transition	43,324				43,324				43,324
Customer Forum	8,659	(8,659)							
Data Hub	150,000				150,000		(36,907)	(72,614)	40,479
Debt Advice SG 18/19						200,000	(1)	(199,999)	
Development Returns	2,000		(2,000)						
Disability & Human Rights	28,000		(28,000)						
Energy Best Deal	210,033	339,608		(417,087)	132,554	532,260		(269,281)	395,533
Energy Best Deal E-learning	2,500		(2,500)						
EHU Windows	1,147		(1,147)						
EU Settlement SG Funding						200,000		(167,121)	32,879
External liaison	10,000			(710)	9,290			(4,947)	4,343
Extra Help Unit		1,634,486	(56,857)	(1,577,629)		1,750,681	(11,963)	(1,738,718)	
Finance System	45,000		(38,040)	(745)	6,215			(6,215)	
Financial Health Check						900,000		(806,862)	93,138
Financial Inclusion Prudential	14,669			(4,398)	10,271			(8,903)	1,368
Funeral Poverty	2,067		(2,067)						
Just Giving Otto Thoresen	13,182				13,182			(2,620)	10,562
Kinship	381	192,095		(157,196)	35,280	228,675		(244,152)	19,803
LEAP	65,833	164,562	18,169	(210,383)	38,181			(16,827)	21,354
Matrics Extra	11,103	30,946		(42,049)		33,853		(33,852)	1
Martyn Lewis	10,685				10,685		(5,000)	3,085	8,770
Money Advice (MATRICS)	23,608	87,318		(96,235)	14,691	83,822	(2,000)	(89,715)	6,798
Money Advice research	7,035		(4,123)	(2,912)					
Money Advice Trust	3,750	11,250		(15,000)		13,750		(10,000)	3,750
Patient Advice and Support Service	52,207	854,732	(34,962)	(850,527)	21,450	841,295		(841,200)	21,545
Payment Protection Support						21,535		(16,148)	5,387
Pension Wise/Guidance		1,018,466		(1,018,466)		1,455,842		(1,375,766)	80,076
Post Xmas debt advice	8,156	(6,018)		(2,138)					
Rest of Economy		603,401	(38,472)	(564,929)		571,168		(571,168)	
SEPA Training	10,000		(10,000)						
Shared Services	569,968			(198,358)	371,610			(148,818)	222,792
SLAB Funding 18/19 for 19/20							29,001		29,001
SPARK Energy & EON	111,278		(18,169)	(46,696)	46,413			(36,371)	10,042
Staff benefits	4,734			(4,734)					
Staff training	4,356			(4,356)					
Universal Credit						1,323,411		(1,229,885)	93,526
Volunteer Development Officer	9,894		(9,894)						
Welfare Reform	6,588	1,502,170		(1,498,566)	10,192	1,460,000	(27,000)	(1,436,858)	6,334
What works capacity building forum	2,333			(2,333)					
Total Restricted Funds	1,828,190	9,741,704	(176,395)	(10,126,248)	1,267,251	13,414,733	(58,517)	(13,042,887)	1,580,580
Total Unrestricted Funds	1,257,687	3,031,065	176,395	(2,942,387)	1,522,760	3,100,957	58,517	(2,610,001)	1,972,233
Total Funds	3,085,877	12,772,769	(13,068,635)	2,790,011	16,415,690	(15,652,888)			3,552,813
Designated included within Unrestricted Funds									
AGM/Annual Conference	6,868		(6,868)						
Castle Computer Replacement Project	111,920			(41,933)	69,989		(61,318)	223	8,894
Debt Advice Pilot								1,618	1,618
Development Returns								32,870	32,870
AdvisorNet replacement						471,873			471,873
Designated fixed asset & intangible asset fund	234,179		311,893	(62,756)	483,314	178,655		(169,442)	492,527
	352,967		305,025	(104,689)	553,303	589,210		(134,731)	1,007,782

The Castle project was for the major upgrade including extra functionality which went live in October 2017, the funding being carried forward towards further developments in line with our Strategic Plans, legislative changes and ongoing user requirement.

The Debt Advice Pilot is for CAS support for a pilot multi-channel debt advice project being developed through to July/August 19 with North Lanarkshire Bureaux, their costs being covered by a Development grant.

Development returns is a late repayment of development grant from a Bureau; during 19/20 it will either be released towards the ongoing Strategic developments or development grants depending on need.

The AdvisorNet replacement fund is towards the replacement of AdvisorNet which is necessary because of changes being made by our sister charity in England & Wales (CITA). A designated fund was established in 2016/17 to represent the amount held in tangible and intangible fixed assets. The SOFA has been charged the full cost of the assets 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 assets.

The net value at year-end of assets relating to Restricted Fund projects is included within their balances carried forward where the grant agreement stipulated that assets be retained.

NOTES TO THE ACCOUNTS- continued
For the year ended 31 March 2019

19. Restricted, Unrestricted & Designated Funds (continued)

Fund balances at 31 March 2019 are represented by

	Fixed Assets 2019	Net Current Assets 2019	Total Assets 2019	Fixed Assets 2018	Net Current Assets 2018	Total Assets 2018
	£	£	£	£	£	£
Restricted Funds						
A Dispute Resolution		20,000	20,000		20,000	20,000
Admin Help		40,701	40,701		40,701	40,701
Advice In Mind		6,566	6,566		2,001	2,001
Aged Veterans		8,020	8,020		18,186	18,186
Armed Services Advice (previously Veterans)		35,757	35,757		24,459	24,459
Barclay Money Skills		500	500		500	500
Big Energy Savings Week		2,000	2,000			
British Telecom carry forward					90,000	90,000
CAD Consumer					47	47
Can Do ScotEnt project		150,000	150,000			
Channel Extra		150,000	150,000		150,000	150,000
Channel Strategy		6,412	6,412		8,019	8,019
Consumer Futures	9,819		9,819			
Consumer Futures Transition		43,324	43,324		43,324	43,324
Data Hub		40,479	40,479		150,000	150,000
Energy Best Deal		395,533	395,533		132,554	132,554
EU Settlement SG Funding		32,879	32,879			
External liaison		4,343	4,343		9,290	9,290
Finance System					6,215	6,215
Financial Health Check	24,801	68,337	93,138			
Financial Inclusion Prudential		1,368	1,368		10,271	10,271
Just Giving Otto Thoresen		10,562	10,562		13,182	13,182
Kinship		19,803	19,803		35,280	35,280
LEAP		21,354	21,354		38,181	38,181
Matrics Extra		1	1			
Martyn Lewis		8,770	8,770		10,685	10,685
Money Advice (MATRICS)		6,798	6,798		14,691	14,691
Money Advice Trust		3,750	3,750			
Patient Advice and Support Service		21,545	21,545		21,450	21,450
Payment Protection Support		5,387	5,387			
Pension Wise/Guidance		80,076	80,076			
Shared Services		222,792	222,792		371,610	371,610
SLAB Funding 18/19 for 19/20		29,001	29,001			
SPARK Energy & EON		10,042	10,042		46,413	46,413
Universal Credit	81,685	11,841	93,526			
Welfare Reform		6,334	6,334		10,192	10,192
Restricted Funds	116,305	1,464,275	1,580,580		1,267,251	1,267,251
Unrestricted designated funds						
Castle Computer Replacement Project		8,894	8,894		69,989	69,989
Debt Advice Pilot		1,618	1,618			
Development Returns		32,870	32,870			
AdvisorNet replacement		471,873	471,873			
Designated fixed asset & intangible asset fund	492,527		492,527	483,314		483,314
Unrestricted designated funds	492,527	515,255	1,007,782	483,314	69,989	553,303
Unrestricted general funds		964,451	964,451		969,457	969,457
Total unrestricted funds	492,527	1,479,706	1,972,233	483,314	1,039,446	1,522,760
Total funds	608,832	2,943,981	3,552,813	483,314	2,306,697	2,790,211

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

20. Net cash (outflow) from operating activities

Reconciliation of net incoming/ (outgoing) resources to net cash (outflow) from operating activities	2019	2018
	£	£
Net incoming/(outgoing) Resources	762,802	(295,866)
Interest receivable during year	(4,280)	(1,457)
Proceeds from sale of fixed assets		(2,292)
		<hr/>
Operating surplus/(deficit)	758,522	(299,615)
Depreciation and amortisation	173,619	62,756
(Increase) / Decrease in debtors	(101,926)	(223,196)
Increase/(Decrease) in creditors	396,411	(40 7,612)
		<hr/>
Net cash inflow/(outflow) from operating activities	<u>26,626</u>	<u>(86 7,667)</u>

21. Financial instruments

Financial instruments measured at amortised cost include the following :

	2019	2018
	£	£
Financial assets		
Trade Debtors and amounts due from Bur eau s	243,026	801,233
Accrued Income	1,025,194	109,656
Other Debtors	22,275	94,631
		<hr/>
	1,290,495	1,005 ,520
		<hr/>
Financial liab ilities		
Trade Creditors	(820,990)	(954,516)
Accruals	(848,152)	(423,898)
Sundry Creditor s	(91,977)	(114,839)
		<hr/>
	<u>(1,761,119)</u>	<u>(1,493,253)</u>

No financial instruments are held at fair value.

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

The Company participates in a multi-employer scheme which provides benefits to som e 1,300 non-associated participating employer s. 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 sch eme. Therefore , it accounts for the scheme as a defined contribut ion 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 Actuar ial 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 arran gement'. Therefore, the Company is potentially liable for other participating employers' liabilities 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 sch eme.

A full actuarial valuation for the scheme was carr ied out at 30 September 2017. This valuation showed assets of £794 .9M, liabilities of £926.4M and a Deficit of £131.SM.

NOTES TO THE ACCOUNTS - continued
For the year ended 31 March 2019

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 2019 to 31 January 2025 **£11,243,000 per annum**
(payable monthly and increasing by 3% each on 1st Apr il)

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

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

FRS102 DISCLOSURE REPORT

	2019	2018	2017
	£	£	£
Present value of provision	<u>365,637</u>	<u>486,457</u>	<u>548,448</u>
Reconciliation of opening and closing provisions			
Provision at start of period	486,457	548,448	579,663
Unwinding of the discount factor (interest expense)	8,000	6,009	10,785
Deficit contribution paid	(62,820)	(61,000)	(59,000)
Remeasurements - impact of any changes in assumptions	3,000	(7,000)	17,000
Remeasurements - amendments to the contribution schedule	<u>(69,000)</u>		
Provision at end of period	365,637	<u>486,457</u>	<u>548,448</u>
	2019	2018	2017
	£	£	£
Income and Expenditure impact			
Interest expense	8,000	6,009	10,785
Remeasurements - impact of any changes in assumptions	3,000	(7,000)	17,000
Remeasurements - amendments to the contribution schedule	<u>(69,000)</u>		
	<u>(58,000)</u>	<u>(991)</u>	<u>27,785</u>
	2019	2018	2017
	% per annum	% per annum	% per annum
Assumptions			
Rate of discount	1.39	1.71	1.32

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