



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

### Contents

|   |    |
|---|----|
| Trustees Report   | 4  |
| Strategic Report  | 13 |
| Independent Auditors Report to the Trustees and Members ..... | 19 |
| Statement of Financial Activities .....                       | 23 |
| Balance Sheet .....   | 24 |
| Cash Flow Statement .....                                     | 25 |
| Notes to the Accounts .....                                   | 26 |

### 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 |
|-----------------|------------------------|

\* denotes External Trustee

# denotes Bureau Trustee

**Senior Leadership Team:**

|                  |  |
|------------------|--|
| Derek Mitchell   | Chief Executive Officer  |
| Anne Lavery      | Chief Operating Officer, appointed Deputy Chief Executive Officer<br>6 July 2018 |
| Polly Tolley     | Head of Communications, appointed Director of Impact<br>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 80<sup>th</sup> 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               | <b>1,972,233</b>   |
| Restricted   | 1,267,251         | 313,329               | <b>1,580,580</b>   |
| Total        | 2,790,011         | 762,802               | <b>3,552,813</b>   |

## 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.

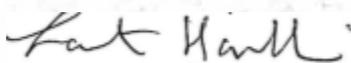
### **Auditor's responsibilities for the audit of the financial statements**

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        |
|------------------------------------|------|------------------|------------------|--------------------------|------------------------|-------------------|--------------------------|------------------------|-------------------|
|                                    |      | £                | £                | £                        | £                      | £                 | £                        | £                      | £                 |
| <b>Income and Endowments from:</b> |      |                  |                  |                          |                        |                   |                          |                        |                   |
| 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             |
| <b>Total Income</b>                |      | <b>3,000,957</b> |                  | <b>3,000,957</b>         | <b>13,414,733</b>      | <b>16,415,690</b> | <b>3,031,065</b>         | <b>9,741,704</b>       | <b>12,772,769</b> |
| <b>Expenditure on:</b>             |      |                  |                  |                          |                        |                   |                          |                        |                   |
| 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        |
| <b>Total Expenditure</b>           |      | <b>2,475,270</b> | <b>134,731</b>   | <b>2,610,001</b>         | <b>13,042,887</b>      | <b>15,652,888</b> | <b>2,942,387</b>         | <b>10,126,248</b>      | <b>13,068,635</b> |
| <b>Net income/(expenditure)</b>    | 7    | <b>525,687</b>   | <b>(134,731)</b> | <b>390,956</b>           | <b>371,846</b>         | <b>762,802</b>    | <b>88,678</b>            | <b>(384,544)</b>       | <b>(295,866)</b>  |
| <b>Transfers between funds</b>     | 19   | <b>(530,693)</b> | <b>589,210</b>   | <b>58,517</b>            | <b>(58,517)</b>        |                   | <b>176,395</b>           | <b>(176,395)</b>       |                   |
| <b>Net Movement in Funds</b>       |      | <b>(5,006)</b>   | <b>454,479</b>   | <b>449,473</b>           | <b>313,329</b>         | <b>762,802</b>    | <b>265,073</b>           | <b>(560,939)</b>       | <b>(295,866)</b>  |
| <b>Reconciliation of funds:</b>    |      |                  |                  |                          |                        |                   |                          |                        |                   |
| <b>Total funds brought forward</b> | 19   | <b>969,457</b>   | <b>553,303</b>   | <b>1,522,760</b>         | <b>1,267,251</b>       | <b>2,790,011</b>  | <b>1,257,687</b>         | <b>1,828,190</b>       | <b>3,085,877</b>  |
| <b>Total funds carried forward</b> | 19   | <b>964,451</b>   | <b>1,007,782</b> | <b>1,972,233</b>         | <b>1,580,580</b>       | <b>3,552,813</b>  | <b>1,522,760</b>         | <b>1,267,251</b>       | <b>2,790,011</b>  |

All the results of the company relate to continuing operations

COMPANY NUMBER SC089892

**BALANCE SHEET**  
**As at 31 March 2019**

|   | Notes | 2019<br>£          | 2018<br>£          |
|---|-------|--------------------|--------------------|
| <b>Fixed Assets</b>                                   |       |                    |                    |
| Intangible Assets                                     | 11    | 534,029            | 398,794            |
| Tangible Assets                                       | 12    | 74,807             | 84,522             |
| Investments   | 13    | <u>1</u>           | <u>1</u>           |
| <b>Total Fixed Assets</b>                             |       | <u>608,837</u>     | <u>483,317</u>     |
| <b>Current Assets</b>                                 |       |                    |                    |
| 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          |
| <b>Creditors: Amounts falling due within one year</b> | 15    | <u>(2,149,692)</u> | <u>(1,632,461)</u> |
| <b>Net current assets</b>                             |       | <u>3,309,613</u>   | <u>2,793,151</u>   |
| <b>Total assets less current liabilities</b>          |       | <u>3,918,450</u>   | <u>3,276,468</u>   |
| <b>Provision for Liabilities</b>                      | 16    | <u>(365,637)</u>   | <u>(486,457)</u>   |
| <b>Total net assets</b>                               |       | <u>3,552,813</u>   | <u>2,790,011</u>   |
| <b>The funds of the charity:</b>                      |       |                    |                    |
| <b>Unrestricted funds</b>                             | 19    | 1,972,233          | 1,522,760          |
| <b>Restricted Funds</b>                               | 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**

|   | <b>Notes</b> | <b>2019</b>      | <b>2018</b>      |
|---|--------------|------------------|------------------|
|   |              | £                | £                |
| Net cash inflow/(outflow) from operating activities             | 20           | <u>1,226,626</u> | <u>(867,667)</u> |
| <b>Cash flows from investing activities</b>                     |              |                  |                  |
| 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)      |
| <b>Reconciliation of net cash flow to movement in net funds</b> |              |                  |                  |
|   |              |                  | £                |
| <b>Cash and cash equivalents at 31 March 2018</b>               |              | 3,106,529        | 4,282,340        |
| Increase/(Decrease) in cash in the year                         |              | 931,767          | (1,175,811)      |
| <b>Cash and cash equivalents at 31 March 2019</b>               |              | <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**

|           |   |                   |                  |
|-----------|---|-------------------|------------------|
| <b>2.</b> | <b>Incoming resources from donations &amp; legacies</b>   | <b>2019</b>       | <b>2018</b>      |
|           |   | £                 | £                |
|           | <b>Unrestricted funds</b>   |                   |                  |
|           | BEIS Grant in Aid   | 2,895,000         | 2,895,000        |
|           | Donations   | 1,494             | <u>981</u>       |
|           |   | <u>2,896,494</u>  | 2,895,981        |
|           | <b>Restricted Funds</b>   |                   |                  |
|           | 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> |
|           | <b>Total</b>  | <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. |                   |                  |
| <b>3.</b> | <b>Incoming resources from charitable activities</b>  | <b>2019</b>       | <b>2018</b>      |
|           |   | £                 | £                |
|           | <b>Unrestricted funds</b>   |                   |                  |
|           | Bureaux membership subscriptions  | 91,631            | 124,143          |
|           | Other income  | 8,552             | <u>7,192</u>     |
|           |   | <u>100,183</u>    | 131,335          |
|           | <b>Restricted funds</b>   |                   |                  |
|           | Other Income  | <u>20,136</u>     |                  |
|           |   | 20,136            |                  |
|           | <b>Total</b>  | <u>120,319</u>    | 131,335          |
| <b>4.</b> | <b>Other incoming resources</b>   | <b>2019</b>       | <b>2018</b>      |
|           |   | £                 | £                |
|           | <b>Unrestricted funds</b>   |                   |                  |
|           | 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<br>Costs<br>£ | Grants<br>to Bureaux<br>£ | Other<br>costs<br>£ | Support<br>costs<br>£ | Restricted<br>Recharges<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--|---------------------|---------------------------|---------------------|-----------------------|------------------------------|--------------------|--------------------|
| <b>Unrestricted</b>                      |                     |                           |                     |                       |                              |                    |                    |
| 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>   |
| <b>Designated</b>                        |                     |                           |                     |                       |                              |                    |                    |
| 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<br>£        | 2018<br>£        |
|---|------------------|------------------|
| 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<br>Costs   | Grants<br>to Bureaux | Other<br>costs   | Restricted<br>Recharges | Total<br>2019     | Total<br>2018     |
|------------------------------------|------------------|----------------------|------------------|-------------------------|-------------------|-------------------|
|                                    | £                | £                    | £                | £                       | £                 | £                 |
| <b>Restricted</b>                  |                  |                      |                  |                         |                   |                   |
| 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             |
| <b>Total Restricted</b>            | <b>2,442,469</b> | <b>6,955,487</b>     | <b>2,463,860</b> | <b>1,181,071</b>        | <b>13,042,887</b> | <b>10,126,248</b> |
| <b>Unrestricted</b>                | <b>1,418,906</b> | <b>344,942</b>       | <b>2,027,224</b> | <b>(1,181,071)</b>      | <b>2,610,001</b>  | <b>2,942,387</b>  |
| <b>Total Charitable Activities</b> | <b>3,861,375</b> | <b>7,300,429</b>     | <b>4,491,084</b> |                         | <b>15,652,888</b> | <b>13,068,635</b> |

Note 6 - Page 32

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

| 6. | Grants to Bureaux             | 2019<br>£        | 2018<br>£        |
|----|-------------------------------|------------------|------------------|
|    | 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           |
|    | <b>Citizens Advice Direct</b> | <b>1,144,791</b> | <b>1,114,391</b> |
|    | 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          | <b>136,122</b>   |
|    | 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          | <b>82,982</b>    |
|    | 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           | <b>8,880</b>     |
|    | 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           | <b>39,582</b>    |
|    | 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           | <b>67,886</b>    |
|    | Westhill & District CAB       | <u>68,694</u>    | 60,393           |
|    | <b>Note 5 • Page 31</b>       | <b>7,300,429</b> | <b>5,809,0Q1</b> |

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

|           |   |                |                |
|-----------|---|----------------|----------------|
| <b>7.</b> | <b>Net Income/(expenditure) for the year before transfers</b> | <b>2019</b>    | <b>2018</b>    |
|           |   | £              | £              |
|           | <b>This is stated after charging:</b>                         |                |                |
|           | 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        |

|           |                       |                  |                  |
|-----------|-----------------------|------------------|------------------|
| <b>8.</b> | <b>Staff costs</b>    | <b>2019</b>      | <b>2018</b>      |
|           |                       | £                | £                |
|           | 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 | <b>2019</b>   | <b>2018</b>   |
|   | <b>Number</b> | <b>Number</b> |
| Number of staff   | <u>148</u>    | <u>140</u>    |

|   |               |               |
|---|---------------|---------------|
| Employees' emoluments (excluding employer's pension contributions) falling within the band: | <b>2019</b>   | <b>2018</b>   |
|   | <b>Number</b> | <b>Number</b> |
| £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.

|                 | <b>Grant</b>   | <b>Outstanding</b> |
|-----------------|----------------|--------------------|
| <b>Bureau</b>   | £              | £                  |
| 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**

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

|                         | <b>Furniture &amp;<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>         |
|-------------------------|--------------------------------------|---------------------------|----------------------|
| <b>Cost</b>             | £                                    | £                         | £                    |
| 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>       |
| <b>Depreciation</b>     |                                      |                           |                      |
| 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>       |
| <b>Net book value</b>   |                                      |                           |                      |
| <b>At 31 March 2019</b> | <b>74,807</b>                        | <u>          </u>         | <u><b>74,807</b></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.

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

|                                       | <b>2019</b>      | <b>2018</b>      |
|---------------------------------------|------------------|------------------|
|                                       | £                | £                |
| 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**

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | £              | £              |
| 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.

|                                | <b>2019</b>    | <b>2018</b>    |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| 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 |
|--|--------------------------|-------------------|---------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|-------------------------------|
|  | £                        | £                 | £                   | £                   | £                        | £                 | £                   | £                   | £                             |
| <b>Restricted Funds</b>                              |                          |                   |                     |                     |                          |                   |                     |                     |                               |
| 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)             |                          |                   |                     |                     |                               |
| <b>Total Restricted Funds</b>                        | <b>1,828,190</b>         | <b>9,741,704</b>  | <b>(176,395)</b>    | <b>(10,126,248)</b> | <b>1,267,251</b>         | <b>13,414,733</b> | <b>(58,517)</b>     | <b>(13,042,887)</b> | <b>1,580,580</b>              |
| <b>Total Unrestricted Funds</b>                      | <b>1,257,687</b>         | <b>3,031,065</b>  | <b>176,395</b>      | <b>(2,942,387)</b>  | <b>1,522,760</b>         | <b>3,100,957</b>  | <b>58,517</b>       | <b>(2,610,001)</b>  | <b>1,972,233</b>              |
| <b>Total Funds</b>                                   | <b>3,085,877</b>         | <b>12,772,769</b> | <b>(13,068,635)</b> | <b>(2,790,011)</b>  | <b>2,790,011</b>         | <b>16,415,690</b> | <b>(15,652,888)</b> | <b>(15,652,888)</b> | <b>3,552,813</b>              |
| <b>Designated included within Unrestricted Funds</b> |                          |                   |                     |                     |                          |                   |                     |                     |                               |
| 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                       |
|  | <b>352,967</b>           |                   | <b>305,025</b>      | <b>(104,689)</b>    | <b>553,303</b>           |                   | <b>589,210</b>      | <b>(134,731)</b>    | <b>1,007,782</b>              |

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<br>Assets<br>2019 | Net Current<br>Assets<br>2019 | Total<br>Assets<br>2019 | Fixed<br>Assets<br>2018 | Net Current<br>Assets<br>2018 | Total<br>Assets<br>2018 |
|--|-------------------------|-------------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|
|  | £                       | £                             | £                       | £                       | £                             | £                       |
| <b>Restricted Funds</b>                        |                         |                               |                         |                         |                               |                         |
| 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                  |
| <b>Restricted Funds</b>                        | <b>116,305</b>          | <b>1,464,275</b>              | <b>1,580,580</b>        |                         | <b>1,267,251</b>              | <b>1,267,251</b>        |
| <b>Unrestricted designated funds</b>           |                         |                               |                         |                         |                               |                         |
| 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                 |
| <b>Unrestricted designated funds</b>           | <b>492,527</b>          | <b>515,255</b>                | <b>1,007,782</b>        | <b>483,314</b>          | <b>69,989</b>                 | <b>553,303</b>          |
| <b>Unrestricted general funds</b>              |                         | <b>964,451</b>                | <b>964,451</b>          |                         | <b>969,457</b>                | <b>969,457</b>          |
| <b>Total unrestricted funds</b>                | <b>492,527</b>          | <b>1,479,706</b>              | <b>1,972,233</b>        | <b>483,314</b>          | <b>1,039,446</b>              | <b>1,522,760</b>        |
| <b>Total funds</b>                             | <b>608,832</b>          | <b>2,943,981</b>              | <b>3,552,813</b>        | <b>483,314</b>          | <b>2,306,697</b>              | <b>2,790,211</b>        |

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

**20. Net cash (outflow) from operating activities**

| <b>Reconciliation of net incoming/ (outgoing) resources to net cash (outflow) from operating activities</b> | <b>2019</b>   | <b>2018</b>       |
|---|---------------|-------------------|
|   | £             | £                 |
| 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 :

|   | <b>2019</b>        | <b>2018</b>        |
|---|--------------------|--------------------|
|   | £                  | £                  |
| <b>Financial assets</b>                     |                    |                    |
| Trade Debtors and amounts due from Bur eaux | 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/>              |
| <b>Financial liabilities</b>                |                    |                    |
| 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 some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last man standing arrangement'. Therefore, the Company is potentially liable for other participating employers' 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 scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9M, liabilities of £926.4M and a Deficit of £131.5M.

**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 1<sup>st</sup> Apr il)

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

|  | <b>2019</b>     | <b>2018</b> | <b>2017</b> |
|--|-----------------|-------------|-------------|
|  | £               | £           | £           |
| <b>Present value of provision</b>                        | <u>365,637</u>  | 486,457     | 548,448     |
| <b>Reconciliation of opening and closing provisions</b>  |                 |             |             |
| 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 change s 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         | 486,457     | 548,448     |
|  | <b>2019</b>     | <b>2018</b> | <b>2017</b> |
|  | £               | £           | £           |
| <b>Income and Expenditure impact</b>                     |                 |             |             |
| 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> | (991)       | 27,785      |
|  | <b>2019</b>     | <b>2018</b> | <b>2017</b> |
|  | % per annum     | % per annum | % per annum |
| <b>Assumptions</b>                                       |                 |             |             |
| 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 .