



**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**

**Financial Statements  
For the year ended 31 March 2018**

**Companies House Registration Number SC089892**

# THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SC016637 and company limited by guarantee SC089892

## Financial Statements For the year ended 31 March 2018

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**Trustees as at 31 March 2018**

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

**R Mair**



Rory Mair CBE was appointed as Chair of Citizens Advice Scotland in March 2017. Before that he was Chief Executive of COSLA from 2002-15, and prior to this appointment, Rory had spent five years as Director of Aviemore Projects for Highlands & Islands Enterprise.

Previous to this, but following local government re-organisation in 1996, Rory spent a short time as Strategic Director for Social Strategy with Fife Council.

Before local government re-organisation, Rory was appointed Chief Executive of Ross & Cromarty District Council and was, at the time, the youngest ever Chief Executive in British local government.

In his early career, Rory spent 10 years in a variety of less senior local government posts.

2012 was a year of ups and downs for Rory, as he had a liver transplant in July and received a CBE in New Year's Honours List

**Vice-Chair:** There was no Vice Chair during this year, however Graeme Bissett was appointed at the Board meeting held on 20 April 2018

**Trustees:** All the Trustees were appointed on 28 March 2017, along with the Chair.

**G Bissett**



Graeme is a Chartered Accountant and has held senior management roles in professional services, automotive retail and telecoms, as well as non-executive positions in distribution & logistics, e-commerce, public infrastructure, charities and higher education. His commercial roles currently include smart meters, legal services, housebuilding and investment management. Graeme is a member of Court at Glasgow University, a non-executive Trustee of Entrepreneurial Scotland and an independent non-executive member of the Board of the Scotland Office. Graeme was Chair of Children 1st from 2009-16.

**M R Buckley**



Martyn worked in public sector finance for 39 years, serving in a number of Local Authorities across Scotland, including the Western Isles, Perth & Kinross and Scottish Borders. Following this he did some financial training and project consultancy work for a number of public sector bodies. He has been a Trustee of the Borders CAB consortium since 2011. He has also served on the CAS Development Committee.

**S B Gault**



Having worked in private practice as a solicitor for several years, Shareen became Legal and Compliance Manager for the Student Loans Company in Scotland. She is currently General Counsel to an offshore renewable energy company based in Glasgow. In addition to her role on the CAS Board she is also a non-Executive Director and Company Secretary of the Govan Community Project.

**N J M Grier**



Nicholas worked as a solicitor in Edinburgh before moving to teach law at Napier University, where he developed close links with the Penicuik CAB – of which he is currently Chair. He is also currently Professor of Commercial Law at Abertay University. He has written a number of books on Scots law, as well as having been legal adviser to the Scottish Parliament for two bills on the law relating to bankruptcy and diligence.

**P L Hall**



Lindsay's working life has included a period off-shore with North Sea Oil; several years as a Lighthouse Keeper; five years as a civilian employee of the British Army in Berlin; and a position as Custodian of a War Museum. He currently works part-time for the Criminal Justice Section in Orkney. He has also been a member of a number of voluntary sector Boards, including SCVO, and has a long voluntary association with Orkney CAB, of which he is currently chair.

**K Nailen**



Karen has 17 years' experience working in the Scottish CAB service, first at Motherwell & Wishaw CAB and then as Manager of West Lothian CAB since 2010. She has been a member of the CAS board since 2015, and holds a degree in Business Management.

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### M Jones

No image available

Martin holds undergraduate and postgraduate degrees in law (with a specialism in computers and law). For the past 20 years, he has worked as an academic in universities in England and Germany and also for a time as an information technology consultant. For the past thirteen years, Martin has worked at Glasgow Caledonian University where he currently leads the law team. At GCU, he has held a variety of senior management roles which has placed him at the centre of strategy development and implementation. Martin is committed to public service and has held roles on a Parent Council and as a Community Councillor. For the past five years, he has held a non-executive role on the Board of Argyll College and has worked to set up a sub-committee of the Board which he now chairs.

Martin is also a member of the Law Society of Scotland's Rules & Waivers Sub-Committee.

### D R S Rankin



David has 25 years' experience in running and transforming Finance functions and has worked for some of the UK's largest companies, including Unilever, Burtons, Barclays Bank, the Royal Bank of Scotland, Ernst & Young and IBM. He is a member of the Chartered Institute of Management Accountants.

### F Scott Martin



Flora has thirty years' experience in communications, running her own business as well as working in senior positions for plc-level companies. She has won several awards including the Outstanding

Achievement Award from the Chartered Institute of Public Relations Practitioners. She has been on the CAS Board since 2013, served two terms on the board of Glasgow Life and is currently also a board member of Action for Children (Scotland).

### Z Strange



Since 2008 Zara has been manager of Aberdeen CAB – one of the largest CABs in Scotland. Prior to that she was a self-employed accountant, before becoming Witness Service Co-ordinator for Victim Support Scotland (2001-2005) and then Vulnerable Witness Officer for the Scottish Government (2005-2008). In addition to being a CAS trustee she has also held a number of other voluntary positions, including membership of the Aberdeenshire Children's Panel.

### C M Thomson



Callum is a senior manager at the Scottish Parliament, currently head of the research, communications and public engagement group. He is a member of the Association of Project Management and the

Chartered Institute of Personnel and Development. He has previously been a Director for a housing association for people with learning difficulties, and a Member of the BBC Audience Council for Scotland.

In addition, two Trustees resigned during the year:

J C Ewing (resigned 28 September 2017)

N Smith (resigned 7 March 2018)

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### Senior Leadership Team:

D Mitchell	Chief Executive Officer, appointed 28 August 2017
A Lavery	Chief Operating Officer (Acting CEO until 28 August 2017)
D Brownlee	Head of Bureau Services
F Donnelly	Head of Finance, appointed 24 April 2017
I Forrester	Head of Information Technology
S Ghibaldan	Head of Consumer Futures Unit
N Gilmour	Head of Extra Help Unit
S McPhee	Head of Policy and Public Affairs
V Shelton	Head of Human Resources
P Tolley	Head of Communications



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**Auditors:**

RSM UK Audit LLP

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

**Bankers:**

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

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

**Legal Advisors:**

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

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

Registered at Companies House number SC089892

Citizens Advice Scotland is a Registered Scottish Charity number SC016637

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

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**Trustees Report**

**1. Overview of Organisation and Activities**

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

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

Together, Citizens Advice Scotland, our 61 Member Bureaux and our consumer helplines form Scotland's largest independent advice network. We help more than 300,000 people solve their problems each year in communities everywhere from city centres to the Highlands and Islands. And we look at the problems people bring to our advice services and campaign for change where it's needed most. We work for a fairer Scotland where people are empowered and their rights respected.

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

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

The Citizen Advice Consumer Service is an advice line for Great Britain providing information and advice on consumer rights which assists individuals with issues relating to goods or services. CAS oversees the delivery of this service to citizens in Scotland from contact centres in Stornoway and Glasgow, which helped almost 40,000 people in Scotland and more than 100,000 people across Great Britain last year.

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

**2. Our Strategic objectives and achievements**

This year has been a transitional one for CAS, with the new Board appointed at the very end of 2016/17. The main focus has been on developing the Strategic Plan for 2018-23 which was approved at the Board on 2 November 2017. The Board and CAS Senior Management had extensive consultation with the Bureaux during the early part of this financial year to ensure the strategic direction reflects their needs going forward. The four key elements of the Strategic Plan agreed are noted here:

- 1) 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.
- 2) 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.
- 3) Building brand - The brand of the Citizens Advice network in 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.
- 4) Advocacy and influence - CAS acts as a voice for the network in Scotland, influencing decision-makers in the interests of the network as a whole and of the citizens we serve.

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In the latter part of 2017/18 the CAS Senior Management has been developing the operational plan to deliver these outcomes and the performance management framework to measure the outcomes and enable the Board to monitor progress along the way.

### 3. Our Achievements in 2017/18

Following the election of a new board of trustees, with an independent chair in March 2017, a key focus for 2017/18 was working with the wider Scottish network to develop a new strategic framework.

This consisted of 12 events with 145 people:

- Nine initial regional sessions with member boards in May/June 2017
- Two sessions with 90 CAS staff in August 2017
- One session with CAB managers in August 2017

The result was a strategic framework with the four following themes:

- Funding and income
- Enabling service delivery
- Building brand
- Advocacy and influence

#### **Funding and Income**

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The Statement of Financial Activities shows a 9.5% reduction in Total Income, from £14.1M in 2016/17 to £12.8M this year. Of this total, 85% is received directly from the UK and Scottish Governments. Total Expenditure dropped as well, by 7.3%, from £14.1M in 2016/17 to £13.1M. As a result, Net Movement in Funds for the year was negative, at £(296K), compared with a small surplus of £7K generated last year. However, it is important to recognise that total expenditure includes amounts from Restricted Funds that were carried forward from the previous year.

Overall, CAS distributed £5.8m to bureaux, retaining all the existing national contracts for specialist advice:

- We increased the funding distributed for energy advice, funded by both SSE and EDF under the Energy Best Deal from £162k to £367K and widened coverage in Scotland for clients in fuel debt
- In partnership with Mentor UK, we won the tender for and launched Scotland's National Kinship Care Advice Service, which will more than double the funding for kinship care advice in 2018/19 delivered by Scotland's CAB to £250k per annum.
- Launched an improved service for veterans delivering in new areas such as Ayrshire and providing additional support for older veterans as part of the Unforgotten Forces consortium
- Provided £1.4 million in funding for more than 400 local CAB partnerships delivering advice to 30,000 vulnerable people

The development committee made 13 awards to CAB throughout Scotland totalling more than £400,000 to develop services, including the development of several innovative pilots, for example, developing new volunteering opportunities to support ESA claimants, and working with employers to prevent poor employment practice before disputes arise.

#### **Enabling service delivery**

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This year saw CAS undertake a project to map client journeys through the Scottish Citizens Advice network. This twelve week in-depth research programme looked at all service points and channels to understand points of friction and areas for improvement. The findings of this research have been



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shared with CAB and a network wide digital roadmap developed. This has subsequently been developed into the enabling service delivery section of the strategic framework.

The upgraded Castle case recording system, used by most of the Bureaux, was released in October 2017 which has provided significant improvements in user friendliness of the case recording functionality for Bureaux advisors and also incorporated a new Debt Advice Module.

In order to ready the network for improvements to digital infrastructure in 2018/19, work started in the latter part of the year with BT to improve broadband infrastructure to 53 locations.

In addition, the following tactical changes were made to service delivery:

- Expanded advice for people approaching retirement through the PensionWise service, which now offers online booking for appointments in CAB throughout Scotland
- Launched the new Patient Advice Service (PASS), incorporating a new national distributed multichannel approach, staffed by local CAB which has dealt with nearly 2,000 calls, emails and webchats in its first year.

The **Extra Help Unit** continued to support vulnerable consumers throughout the UK referred by Bureaux, the Citizens Advice Consumer Service (helpline), Energy Ombudsman and Ofgem. The number of complaints handled has grown by 12% from the previous year to 7,771 – of which 26% were emergencies. The financial redress achieved for these vulnerable consumers grew from £1,978,063 last year to £2,377,365 during 2017/18. Our funding for 18/19 has now been increased to reflect this increase in calls, plus the extra complexity in the market due to the higher number of new suppliers in this market.

Our **training** team delivered online e-learning, face to face and webinar training programmes to CAB staff and volunteers, and developed 10 new sets of training materials and updated 72, dealing with new topics of advice. 21,243 courses were completed and 1,253 new users registered. We also enhanced our e-learning offering to include new mobile responsive bite-sized modules. To address the growing need for support on Universal Credit, the team worked with CAB trainers, provided face-to-face training on Universal Credit rollout for areas about to become full service, incorporating updates and lessons learned from the network.

The **Quality Assurance** team piloted a new membership scheme audit model which was unanimously adopted by members at the annual general meeting in December 2017. 43 member bureaux participated in the pilot. The model introduced a more rigorous and robust quarterly quality of advice assessment process and an annual organisational self-assessment. The team also facilitated 12 Quality of Advice Checkers Forum meetings which were attended by representative from 52 member bureaux. The forum meetings support bureaux quality of advice checkers to achieve consistency in quality checking and promote the sharing of good practice.

The **Digital Advice Content** Team developed a new user-focussed approach to understanding the needs of advisers and public audiences. Towards the end of the year a digital publishing guide was completed capturing the insights gleaned from the research and incorporated good practice for writing authoritative and accessible digital advice. There were nearly 500 (2017: 494) updates made to the Scottish pages of advice websites on devolved matters and the team responded to over 800 (2017: 893) queries and comments from advisers and the public.

### Building brand

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For the first time the Scottish Citizens Advice network featured in a **national TV advertising** campaign for a financial health check for older people throughout Scotland.

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In addition a refresh of the CAS and CAB brands was undertaken, with a view to developing a more contemporary set of **brand guidelines**. These have been implemented for CAS publications and materials and will be rolled out to the wider network in the BrandBase online catalogue in 2018/19. The guidance and materials were developed in order to increase consistency and maintain trust in the quality of information our organization and network provide, as well as to save costs and time by providing standard templates and guidance that will ensure effective, professional presentation of key resources.

Digital brand guidelines have been developed for the first time, and have been applied to the new CAB template websites.

### Advocacy and Influence

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Working across policy issues in social justice and consumer issues, some highlights of the year included:

#### Social Security

CAS worked closely with the Scottish Government, MSPs and third sector organisations to support improvements to the Social Security Bill. In total, 24 CAS supported amendments were made to the Bill, with 11 of these being initiated by CAS. Our most significant successes were securing improvements to ensure a formal recognition in the system of the role of independent advice, a restriction on face-to-face assessments for benefits, a duty to make all information and communications inclusive and accessible, an improved reconsideration and appeals system, and that benefits will be updated in line with inflation.

#### Universal Credit ("U.C.")

CAS has been at the forefront of achieving policy and administrative changes in Universal Credit across the UK. Based on feedback from bureaux in early roll out areas, we were able to coordinate with Citizens Advice England and Wales to call for a pause in the roll out of UC until significant changes were made. This call led to the UK Government making a number of important changes to UC, including slowing the roll out, reducing the waiting time for payments, making hardship payments more accessible, and a number of other practical changes.

#### Local bus services

CAS undertook an innovative campaign through local bureaux to survey more than 4,600 members of the public about their experiences of local bus services. The *Creating Better Journeys* report provided key insights into consumer priorities and has been influential in the development of the updated National Transport Strategy Review and the upcoming Transport Bill.

#### Nuisance Calls week of action

Working in partnership with Which? CAS ran a consumer education campaign on nuisance calls. The awareness campaign ran for one week, a public event was held that outlined clear action for people to take to help cut down nuisance calls. The Team provided resources and support to 33 bureaux to carry out local activity promoting the key messages to communities across Scotland. Key highlights include an increase from 63 to 5000 on our online advice page during the campaign.

#### Energy

Our research on district heating in 2016-17 led the Competition and Markets Authority (CMA) to establish a preliminary investigation into the district heating market in 2017-18. The CMA has since echoed our recommendation for regulation in this area, including the consideration of a licensing scheme. This considerably increases the likelihood of licensing and regulation being introduced by government, offering better protection for consumers.

Our recommendations on household energy efficiency have strongly influenced the route map for Energy Efficient Scotland, the Scottish Government's new long-term programme to improve energy efficiency. The route map sets out a phased approach to regulating minimum energy efficiency



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standards for private rental and owner-occupied housing, and consumer protection and quality assurance will underpin the programme. Our broader proposals, including on effective new incentives for homeowners to install energy efficiency measures and a one-stop shop approach, have garnered cross-party interest and debate in the Scottish Parliament.

Our Facing Fuel Poverty report was published in June 2017 and recommended that the Scottish Government should fund a pilot project delivering face-to-face fuel poverty advice. The Scottish

Government has since announced that they will fund the "Home Care" energy advice pilot, delivering energy advice in two areas of Scotland, which has similar aims to those proposed in our report.

### Post:

The issue of surcharges being applied for parcel deliveries to some parts of Scotland has been a long-standing area of concern for the Consumer Futures Unit with work in this area happening over a number of years. 2017-18 saw enforcement action from the Committee for Advertising Practice directed at companies with misleading online delivery claims, and the chair of the Scottish Affairs committee including our recommendation in their letter to the UK Consumer Minister.

### Water:

The Customer Forum was jointly established by the CFU, the Water Industry Commission for Scotland (WICS) and Scottish Water in 2017-18. It was tasked to directly represent the interests of consumers in the development of Scottish Water's business plan for 2021-2027, and is now working effectively towards that aim.

## 4. Financial Performance 2017/18

CAS continues to maintain a healthy financial position with cash balances at year end of £3.1M. Overall the CAS reserves position remains healthy with a closing balance of £2.79M in March 2018, of which £1.5M is unrestricted. This is sufficient to cover 3 months working capital on unrestricted activities (£736K).

Reserves	At Start of Year	Movement during Year	As at 31 March 2018
Unrestricted	1,257,687	265,073	1,522,760
Restricted	1,828,190	(560,939)	1,267,251
Total	3,085,877	(295,866)	2,790,011

Reserves decreased this year by £296K from the 2017 end of year position; however, this was a result of anticipated spend against restricted and designated projects from prior year income including

- Pre-planned spend on Shared Services platform of £198k
- Pre-planned spend on the Case Recording System used by the majority of the Bureaux (CASTLE) of £42k to complete the upgrade and additional functionality
- Mapping client journeys research project £63k

In addition to this a number of bureaux projects spent from their carry forward reserves in addition to the 17/18 income ; SPARK Energy & Eon used £66K of the £111K carry forward; Energy Best Deal had a carry forward of £210K, income in 17/18 of £340K and spent £417K leaving a reduced £133K carry forward.

There was also a direct transfer of £60K from restricted reserves into unrestricted reserves following a review of static fund balances against grant agreements and allowable expenditure.

Overall balance sheet position remains healthy although the cash position has fallen from £4.3M to

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£3.1M. The main factor in this relates to more grant payments being in arrears which previously had been received in advance.

The level of grants paid out to bureaux governed by the Board's Development Committee remained stable at £422K (prior year was £429K).

The level of grants from the restricted funds projects being delivered through the Bureaux did fall by £881K this year overall from £6.28M in 16/17 to £5.4M. The significant decreases were Patient Advice and Support Service which fell from £965K to £741K, Pensionwise which fell from £1,183K to £732K,

LEAP which fell from £399K to £195K and Post Xmas Debt Advice which had been £229K in 16/17 but was not delivered in 17/18. These reductions were partially offset by the new project Aged Veterans £65K in 17/18, plus increases for Advice In Mind which grew from £88K to £264K and Energy Best Deal which grew from £162K to £367K and Kinship Care from £76K to £123K.

In line with our Strategic Plan, CAS is working with key partners to develop new national projects which will extend the services which our bureaux can provide to citizens supported by proper funding levels.

### **5. Governance**

The new Board was appointed on 28 March 2017 and is being run in accordance with best practice.

Under our new governance arrangements there are two categories of Trustee:

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

The CAS Chair is an independent candidate.

In relation to Governance CAS has made good progress in implementing the Deloitte Report recommendations from the 2016 governance review. Since the election of the new board, considerable work has been undertaken to foster an interactive relationship between CAS and CAB. This has focused on relationship building through informal as well as formal communications and updates to members, including visits to Bureaux, and CAS CEO attendance at Bureaux manager meetings. There has also been a greater focus on the benefits of a networked organisation and the importance of the network working together. The Board is on target to meet all of the Deloitte Report recommendations within their first term.

### **Trustees' responsibilities in relation to the financial statements**

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



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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.

### 6. 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
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
Finance	"Keeping the doors open"	Short term funding detrimentally impacts on service delivery quality
		Reduction in localised funding reduces footprint of service across Scotland
Service Delivery	"Great 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.

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At a governance level, sub-committees of the Board, most notably the Finance 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 Finance 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.

### 7. Key Management Personnel

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

### 8. 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. As a result the Board are confident that CAS is a going concern.

### 9. 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 17/9/2018



## **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 2018 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 2018 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 trustees are responsible for other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

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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 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 Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on pages 11-12, 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>. This description forms part of our auditor's report.



## THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

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



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

25 September 2018

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  
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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income & Expenditure Account)  
For the year ended 31 March 2018

	Note	General Funds £	Designated Funds £	Total Unrestricted Funds £	Total Restricted Funds £	2018 Total £	Total Unrestricted Funds £	Total Restricted Funds £	2017 Total £
<b>Income and Endowments from:</b>									
Donations & Legacies	2/19	2,895,981	-	2,895,981	9,741,704	12,637,685	2,916,846	10,968,127	13,884,973
Charitable Activities	3	131,335	-	131,335	-	131,335	143,007	7,500	150,507
Investments		1,457	-	1,457	-	1,457	11,076	-	11,076
Other	4	2,292	-	2,292	-	2,292	64,292	-	64,292
<b>Total Income</b>		<u>3,031,065</u>	<u>-</u>	<u>3,031,065</u>	<u>9,741,704</u>	<u>12,772,769</u>	<u>3,135,221</u>	<u>10,975,627</u>	<u>14,110,848</u>
<b>Expenditure on:</b>									
Charitable activities	5/6	2,837,698	104,689	2,942,387	10,126,248	13,068,635	2,895,574	11,208,090	14,103,664
<b>Total Expenditure</b>		<u>2,837,698</u>	<u>104,689</u>	<u>2,942,387</u>	<u>10,126,248</u>	<u>13,068,635</u>	<u>2,895,574</u>	<u>11,208,090</u>	<u>14,103,664</u>
Net income/(expenditure)	7	193,367	(104,689)	88,678	(384,544)	(295,866)	239,647	(232,463)	7,184
Transfers between funds	19	(128,630)	305,025	176,395	(176,395)	-	1,958	(1,958)	-
<b>Net Movement in Funds</b>		<u>64,737</u>	<u>200,336</u>	<u>265,073</u>	<u>(560,939)</u>	<u>(295,866)</u>	<u>241,605</u>	<u>(234,421)</u>	<u>7,184</u>
<b>Reconciliation of funds:</b>									
Total funds brought forward	19	904,720	352,967	1,257,687	1,828,190	3,085,877	1,016,082	2,062,611	3,078,693
<b>Total funds carried forward</b>	19	<u>969,457</u>	<u>553,303</u>	<u>1,522,760</u>	<u>1,267,251</u>	<u>2,790,011</u>	<u>1,257,687</u>	<u>1,828,190</u>	<u>3,085,877</u>

All the results of the company relate to continuing operations

**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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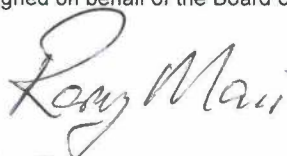
COMPANY NUMBER SC089892

**BALANCE SHEET**  
**As at 31 March 2018**

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Intangible Assets	11	398,794	168,789
Tangible Assets	12	84,522	65,390
Investments	13	<u>1</u>	<u>1</u>
<b>Total Fixed Assets</b>		<u>483,317</u>	<u>234,180</u>
<b>Current Assets</b>			
Debtors	14	1,319,083	1,095,887
Cash at bank and in hand		<u>3,106,529</u>	<u>4,282,340</u>
		4,425,612	5,378,227
<b>Creditors: Amounts falling due within one year</b>	15	<u>(1,632,461)</u>	<u>(1,978,082)</u>
<b>Net current assets</b>		<u>2,793,151</u>	<u>3,400,145</u>
<b>Total assets less current liabilities</b>		<u>3,276,468</u>	<u>3,634,325</u>
<b>Provision for Liabilities</b>	16	<u>(486,457)</u>	<u>(548,448)</u>
<b>Total net assets</b>		<u><u>2,790,011</u></u>	<u><u>3,085,877</u></u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds</b>	19	1,522,760	1,257,687
<b>Restricted Funds</b>	19	<u>1,267,251</u>	<u>1,828,190</u>
		<u><u>2,790,011</u></u>	<u><u>3,085,877</u></u>

These financial statements were authorised and approved for issue by the Board of Directors on 17/9/2018

Signed on behalf of the Board of Directors



**Rory Mair**  
**Chair**

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**CASH FLOW STATEMENT**  
For the year ended 31 March 2018

	Notes	2018 £	2017 £
Net cash (outflow) from operating activities	20	<u>(867,667)</u>	<u>(365,364)</u>
<b>Cash flows from investing activities</b>			
Cash inflow from interest received		1,457	11,076
Proceeds from disposal of fixed assets		2,292	9,292
Payments to acquire intangible assets		(262,875)	(170,531)
Payments to acquire tangible fixed assets		<u>(49,018)</u>	<u>(23,215)</u>
Net cash (used in) investing activities		<u>(308,144)</u>	<u>(173,378)</u>
(Decrease) in cash		<u>(1,175,811)</u>	<u>(538,742)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		<b>£</b>	<b>£</b>
Cash and cash equivalents at 31 March 2017		4,282,340	4,821,082
(Decrease) in cash in the year		(1,175,811)	(538,742)
Cash and cash equivalents at 31 March 2018		<u><u>3,106,529</u></u>	<u><u>4,282,340</u></u>



## **THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2018**

#### **Notes to the Accounts**

##### **1. Accounting policies**

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

##### **Basis of preparation**

The accounts are prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006.

The accounts are prepared in £ sterling.

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

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

##### **Going concern**

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

##### **Incoming resources**

Voluntary income includes donations and grants that provide core funding or that are of a general nature. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. If any grant has been provided for a stated purpose 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.

## THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

### NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

#### Accounting policies (continued)

##### Deferred income

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

##### Resources expended

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

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.
- 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

## **THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**

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### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2018**

#### **Accounting policies (continued)**

##### **Intangible Fixed Assets other than Goodwill**

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

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

Software	33.3%
Castle software	20%

Castle is the case recording system used by Bureaux and has been significantly redesigned from the previous version which 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.

##### **Pension**

Two pension schemes were in operation during the period.

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

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

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

##### **VAT**

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

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



## **THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2018**

#### **Accounting policies (continued)**

##### **Financial instruments**

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

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

##### **Financial assets**

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

##### **Debtors**

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

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

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

##### **Financial liabilities**

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

##### **Creditors**

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

##### **Investments**

CAS has a £1 investment in Citizens Advice Scotland (Trading) Limited which is dormant 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 judgments and estimates have been made are:



**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**

A registered Scottish Charity SCO16637 and company limited by guarantee SCO89892

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2018**

**Accounting policies (continued)**

**Significant judgements and estimates (continued)**

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

**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2018**

**2 Incoming resources from donations & legacies**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>		
BEIS Grant in Aid	2,895,000	2,895,000
Other grants	-	20,082
Donations	981	1,764
	<u>2,895,981</u>	<u>2,916,846</u>
 <b>Restricted Funds</b>		
Scottish Government	4,714,324	4,423,460
BEIS	2,247,160	2,463,317
HM Treasury (DWP - Pensionwise)	1,018,466	1,649,089
Money Advice Trust	11,250	7,500
Accountant in Bankruptcy	87,318	87,318
Poppyscotland	633,135	462,932
The Money Advice Service	(6,018)	597,919
Money Advice Scotland	30,946	23,445
Citizens Advice England and Wales	164,562	580,063
Energy companies	339,608	170,000
Water Industry Commission for Scotland	(8,659)	-
Scottish Water	328,719	315,610
Big Lottery	180,893	187,474
	<u>9,741,704</u>	<u>10,968,127</u>
 <b>Total</b>	<u><b>12,637,685</b></u>	<u><b>13,884,973</b></u>

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 underspends.

**3 Incoming resources from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>		
Bureaux membership subscriptions	124,143	129,091
Sales of ancillary products	-	50
Other income	7,192	13,866
	<u>131,335</u>	<u>143,007</u>
 <b>Restricted funds</b>		
Other Income	-	7,500
	<u>-</u>	<u>7,500</u>
 <b>Total</b>	<u><b>131,335</b></u>	<u><b>150,507</b></u>

**4 Other incoming resources**

	<b>2017</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>		
Gain on sale of fixed assets	2,292	9,292
Other income	-	55,000
	<u>2,292</u>	<u>64,292</u>

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

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2018

5 Cost of charitable activities

	Staff Costs £	Grants to Bureaux £	Other costs £	Support costs £	Restricted Recharges £	Total 2018 £	Total 2017 £
<b>Unrestricted</b>							
Services to member bureaux							
Provision of information system	182,773	-	166,079	207,317	(147,010)	409,159	413,164
Training & Quality	407,991	-	69,004	414,635	(294,015)	597,615	577,475
Information technology and communication	445,073	-	152,216	414,635	(294,015)	717,909	725,033
Direct field services	248,321	-	73,991	255,160	(180,933)	396,539	427,270
Development Committee grants	-	421,642	-	-	-	421,642	429,143
	1,284,158	421,642	461,290	1,291,747	(915,973)	2,542,864	2,572,085
Social policy and public affairs	145,005	-	22,249	127,580	-	294,834	273,310
	1,429,163	421,642	483,539	1,419,327	(915,973)	2,837,698	2,845,395
<b>Designated</b>							
Designated fixed asset fund	0	0	62,756	0	0	62,756	9,479
Castle Replacement	33,514	0	8,419	0	0	41,933	40,700
	33,514	-	71,175	-	-	104,689	50,179
<b>Total</b>	<b>1,462,677</b>	<b>421,642</b>	<b>554,714</b>	<b>1,419,327</b>	<b>(915,973)</b>	<b>2,942,387</b>	<b>2,895,574</b>

Support costs

	£ 2018 £	£ 2017 £
Unrestricted Support Costs are analysed as follows:		
Staff Costs	670,611	724,548
Premises Costs	401,733	416,405
Admin/Office Costs	62,460	57,137
Finance & Professional	284,523	304,562
Depreciation	-	2,088
	<u>1,419,327</u>	<u>1,504,740</u>

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

THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX  
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NOTES TO THE ACCOUNTS  
For the year ended 31 March 2018

5 Cost of charitable activities (continued)

	Staff Costs £	Grants to Bureaux £	Other costs £	Restricted Recharges £	Total 2018 £	Total 2017 £
<b>Restricted</b>						
Money Advice Trust	-	-	-	15,000	15,000	15,000
Money Advice (MATRICS)	61,286	-	10,058	24,890	96,234	70,184
DTI Mid term review	-	-	-	-	-	5,289
Patient Advice and Support Service	72,478	740,769	18,120	19,160	850,527	1,141,056
Castle	-	-	-	-	-	477
Kinship Care	15,179	111,250	18,752	12,015	157,196	99,774
Armed Services Advice Project	25,448	448,965	3,506	9,667	487,586	465,673
The Money Advice Service	-	-	-	-	-	278,044
Year end BIS (1)	-	-	-	-	-	204
Financial inclusion prudential	31,995	-	13	(27,609)	4,399	(2,140)
Energy Best Deal	-	367,200	25,632	24,255	417,087	171,704
Change Programme	-	-	-	-	-	1,008
CAD Consumer	38,106	1,011,385	454,659	24,850	1,529,000	1,396,786
Big Energy Savings Week	-	-	-	-	-	16,928
SPARK Energy & EON	30,436	-	4,216	12,044	46,696	13,722
Welfare Reform	16,970	1,406,581	4,181	70,834	1,498,566	1,486,177
Matrics Extra	18,152	-	1,550	22,348	42,050	9,490
Post Xmas debt advice	-	-	-	2,138	2,138	237,215
Advice in Mind	-	264,237	-	3,354	267,591	98,775
What works capacity building forum	-	-	-	2,333	2,333	7,000
Martin Lewis	-	-	-	-	-	70,315
LEAP Project	-	194,997	109	15,276	210,382	428,229
Channel Strategy	-	-	62,893	-	62,893	26,288
Money Advice research	-	-	-	-	-	22,965
Consumer Futures Transition	-	-	-	-	-	12,536
Sales Guarantee	-	-	-	-	-	2,654
Shared Services	1,121	-	197,236	-	198,357	212,716
Pensionwise	153,348	732,496	54,984	77,638	1,018,466	1,649,090
Rest of the Economy	410,308	44,739	107,882	2,000	564,929	536,998
Extra Help Unit	862,826	-	314,368	400,435	1,577,629	1,572,769
Consumer Futures	397,825	-	360,315	189,638	947,778	1,088,311
Aged Veterans	21,512	64,746	5,189	15,707	107,154	-
Staff Benefits	-	-	4,734	-	4,734	-
Staff Training	-	-	4,356	-	4,356	-
Recruitment Chief Executive	8,174	-	626	-	8,800	-
Finance System	-	-	745	-	745	-
External Liaison	-	-	710	-	710	-
ZRE	-	-	2,912	-	2,912	-
Governance costs	-	-	-	-	-	70,000
<b>Total Restricted</b>	<b>2,165,164</b>	<b>5,387,365</b>	<b>1,657,746</b>	<b>915,973</b>	<b>10,126,248</b>	<b>11,208,090</b>
<b>Unrestricted</b>	<b>1,462,677</b>	<b>421,642</b>	<b>1,974,041</b>	<b>(915,973)</b>	<b>2,942,387</b>	<b>2,895,574</b>
<b>Total</b>	<b>3,627,841</b>	<b>5,809,007</b>	<b>3,631,787</b>	<b>-</b>	<b>13,068,635</b>	<b>14,103,664</b>

Note 6



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

**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2018

<b>6 Grants to Bureaux</b>	<b>2018 £</b>	<b>2017 £</b>
Aberdeen CAB	123,303	121,926
Airdrie CAB	165,154	259,408
Angus CAB	49,749	95,012
Argyle & Bute CAB	127,213	100,108
Banff & Buchan CAB	17,806	17,910
Bellshill CAB	19,075	15,425
CAB West Lothian	90,975	96,819
Caithness CAB	22,846	25,219
CARF	289,152	294,882
Central Borders CAB	16,667	22,948
Citizens Advice Direct	1,114,391	1,107,151
Citizens Advice Edinburgh	258,868	287,869
Clackmannan CAB	163,904	164,079
Clydesdale CAB	33,535	47,577
Coatbridge CAB	44,379	74,038
Cumbernauld CAB	37,576	30,584
DAGCAS	136,122	166,094
Dalkeith & District CAB	15,655	16,644
Denny & Dunipace CAB	29,799	31,694
Dundee CAB	173,555	219,720
East Ayrshire CAB	11,547	117,865
East Dunbartonshire CAB	191,439	253,630
East Kilbride CAB	36,286	41,828
East Renfrewshire CAB	-	97,654
East Sutherland CAB	20,761	59,604
Falkirk CAB	15,852	19,037
Glasgow Bridgeton CAB	113,939	52,564
Glasgow Castlemilk CAB	34,261	32,616
Glasgow Central CAB	37,474	125,297
Glasgow Drumchapel CAB	97,319	105,174
Glasgow Easterhouse CAB	42,672	137,561
Glasgow Greater Pollok CAB	48,057	53,171
Glasgow Maryhill CAB	54,271	67,166
Glasgow Parkhead CAB	82,982	104,653
Grangemouth CAB	60,932	65,559
Haddington CAB	72,859	63,983
Hamilton CAB	35,951	45,218
Inverness CAB	216,331	347,493
Kincardine & Mearns CAB	8,880	11,478
Lochaber CAB	12,467	12,623
Moray CAB	54,561	64,320
Motherwell & Wishaw CAB	405,986	284,222
Musselburgh CAB	20,996	81,128
NACAS	190,450	160,404
Nairn CAB	144,231	133,529
North West Sutherland CAB	9,865	9,265
Orkney CAB	27,047	26,687
Peebles CAB	39,582	40,681
Penicuik CAB	35,106	33,366
Perth CAB	63,967	60,728
Renfrewshire CAB	151,426	90,978
Ross & Cromarty CAB	84,896	59,451
Roxburgh CAB	50,998	69,934
Rutherglen CAB	28,479	34,402
Shetland Islands CAB	46,162	101,262
Skye & Lochalsh CAB	14,721	37,930
Stirling CAB	129,229	115,890
Turriff & District CAB	9,165	17,311
West Dunbartonshire CAB	49,857	58,744
Western Isles CAB	67,886	123,447
Westhill & District CAB	60,393	107,703
	<u>5,809,007</u>	<u>6,720,663</u>

**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

<b>7 Net Income/(expenditure) for the year before transfers</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>This is stated after charging:</b>		
Irrecoverable VAT	464,373	517,188
Depreciation	29,886	31,097
Auditors' remuneration		
External audit	17,290	16,625
Other Services: Tax Advisory Services from related parties	2,000	11,055
Other Services: Other Services from related parties	-	29,850
Operating lease rentals	298,013	303,316

<b>8 Staff costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,552,210	3,469,951
Social security costs	326,611	310,380
Other pensions costs	398,014	422,887
Temporary staff costs	21,617	34,232
	<u>4,298,452</u>	<u>4,237,450</u>

Included in the above are termination costs of £NIL including National Insurance Contributions (2017: £58,589)

The average monthly number of employees during the year	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Number of staff	140	136

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Employees' emoluments (excluding employer's pension contributions) falling within the band:		
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-

Trustees are not remunerated. 8 Trustees (2017:12) received reimbursement of expenses for attending meetings amounting to £8,918 (2017: £12,635).

The key management personnel comprise the Chief Executive Officer, Chief Operating Officer and the Heads of Finance, Information Technology, Human Resources, Communications, Policy and Development, Consumer Futures and Extra Help Unit.

The Head of Consumer Futures and Extra Help Unit are included as key personnel in 2017/18 but not in 2016/17.

The total employee costs (including salary, NIC, pension and termination costs) of the key management personnel were £544,824 (2017: £460,703).

**9 Corporation tax**

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

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

**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2018

**10 Related party transactions**

Citizens Advice Scotland (Trading) Limited is a fully owned subsidiary of CAS. During the year to 31 March 2018 it did not trade.

During 2017/18 there were no fee payments to any Trustee (2016/17: one trustee received £250 and £160 respectively).

Amounts paid during the year to Bureaux which are connected to Trustees amounted to £483,548 (2016/17: £886,259). Amounts outstanding from bureaux at the year end which are connected to Trustees amounted to £1,420 (2016/17: £2,207). All debts have been repaid within normal business terms.

<b>Bureau</b>	<b>Grant £</b>	<b>Outstanding £</b>
Aberdeen	123,303	-
Central Borders	16,667	1,420
Penicuik	35,106	-
NACAS	190,450	-
Orkney	27,047	-
West Lothian	90,975	-
	<u>483,548</u>	<u>1,420</u>

**11 Fixed assets**

Intangibles	
	<b>Software</b>
<b>Cost</b>	<b>£</b>
At 1 April 2017	1,138,934
Additions	262,875
Disposals	(753,686)
At 31 March 2018	<u>648,123</u>
<b>Amortisation</b>	
At 1 April 2017	970,145
Charge for year	32,870
Disposals	(753,686)
At 31 March 2018	<u>249,329</u>
<b>Net book value</b>	
At 31 March 2018	<u>398,794</u>
At 31 March 2017	<u>168,789</u>



**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2018

**12 Fixed assets**

**Tangible Fixed Assets**

	<b>Furniture &amp; equip. £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2017	1,491,825	45,281	1,537,106
Additions	49,018	-	49,018
Disposals	(633,326)	(15,602)	(648,928)
At 31 March 2018	<u>907,517</u>	<u>29,679</u>	<u>937,196</u>
<b>Depreciation</b>			
At 1 April 2017	1,426,435	45,281	1,471,716
Charge for year	29,886	-	29,886
Disposals	(633,326)	(15,602)	(648,928)
At 31 March 2018	<u>822,995</u>	<u>29,679</u>	<u>852,674</u>
<b>Net book value</b>			
At 31 March 2018	<u>84,522</u>	<u>-</u>	<u>84,522</u>
At 31 March 2017	<u>65,390</u>	<u>-</u>	<u>65,390</u>

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

**13 Investments**

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

At 31 March 2018 the Company had capital and reserves of £1 and had not traded during the year.

**14 Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	786,684	42,375
Prepayments & Accrued Income	423,219	954,144
Due from bureaux	14,549	53,585
Other debtors	94,631	45,783
	<u>1,319,083</u>	<u>1,095,887</u>

Within Prepayments and accrued income of £423,219 is a prepayment of £150,908 (2017: £299,288) which relates to a payment to British Telecom in respect of a contract to provide network infrastructure to CAS and the Scottish CAB service over a five year period on a phased rollout until 2018/19.

**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2018

<b>15 Creditors: Amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	954,516	779,619
Sundry creditors and accruals	677,470	1,085,994
Other taxes and social security costs	-	77,759
Pension	475	34,710
	<u>1,632,461</u>	<u>1,978,082</u>

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

Balance at start of year	636,848	1,118,947
Released in year	(636,848)	(1,118,947)
Deferred in year	138,734	636,848
Balance at end of year	<u>138,734</u>	<u>636,848</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.

<b>16 Provisions for liabilities and charges</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Liability for Pension Past Service Deficit Contributions	<u>486,457</u>	<u>548,448</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>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Due within one year	<u>294,029</u>	<u>294,029</u>
Due between two and five years	<u>987,600</u>	<u>1,137,826</u>
Due after 5 years	<u>31,707</u>	<u>171,911</u>

The Development Committee approved and committed grants to Bureaux which were outstanding at the year end of £86,260 for 2017/18 (2016/17 £71,328) and committed development grants for both 2018/19 and 2019/20 totalling £259,423 (2016/17 £71,178)

**18 Share capital**

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

**THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX**  
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**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

**19 Restricted, Unrestricted & Designated Funds**

	Balance at 31.03.17 £	Income 2017/18 £	Transfers £	Spend 2018 £	Closing Balance 31.03.18 £
<b>Restricted</b>					
Money Advice Trust	3,750	11,250	-	(15,000)	-
Money Advice (MATRICS)	23,608	87,318	-	(96,235)	14,691
Patient Advice and Support Service	52,207	854,732	(34,962)	(850,527)	21,450
Kinship	381	192,095	-	(157,196)	35,280
SPARK Energy & EON	111,278	-	(18,169)	(46,696)	46,413
Armed Services Advice (previously Veterans)	4,249	507,795	-	(487,585)	24,459
Volunteer Development Officer	9,894	-	(9,894)	-	-
Otto Thoresen	13,182	-	-	-	13,182
Energy Best Deal E-Learning	2,500	-	(2,500)	-	-
Financial Inclusion Prudential	14,669	-	-	(4,398)	10,271
Energy Best Deal	210,033	339,608	-	(417,087)	132,554
CAD Consumer	47	1,544,000	(15,000)	(1,529,000)	47
Disability & Human Rights	28,000	-	(28,000)	-	-
Big Energy Savings Week	11,792	-	(11,792)	-	-
Barclay Money Skills	500	-	-	-	500
Welfare Reform	6,588	1,502,170	-	(1,498,566)	10,192
Admin Help	40,701	-	-	-	40,701
Shared Services	569,968	-	-	(198,358)	371,610
Consumer Futures Transition	43,324	-	-	-	43,324
Pension Wise	-	1,018,466	-	(1,018,466)	-
Martyn Lewis	10,685	-	-	-	10,685
Customer Forum	8,659	(8,659)	-	-	-
Development Returns	2,000	-	(2,000)	-	-
Extra Help Unit	-	1,634,486	(56,857)	(1,577,629)	-
Consumer Futures	-	959,319	(11,541)	(947,778)	-
Funeral Poverty	2,067	-	(2,067)	-	-
SEPA Training	10,000	-	(10,000)	-	-
Rest of Economy	-	603,401	(38,472)	(564,929)	-
Channel Strategy	70,912	-	-	(62,893)	8,019
Channel Extra	150,000	-	-	-	150,000
Data Hub	150,000	-	-	-	150,000
A Dispute Resolution	20,000	-	-	-	20,000
Post Xmas debt advice	8,156	(6,018)	-	(2,138)	-
Money Advice research	7,035	-	(4,123)	(2,912)	-
Advice In Mind	88,699	180,893	-	(267,591)	2,001
Martrics Extra	11,103	30,946	-	(42,049)	-
What works capacity building forum	2,333	-	-	(2,333)	-
LEAP	65,833	164,562	18,169	(210,383)	38,181
Staff benefits	4,734	-	-	(4,734)	-
EHU Windows	1,147	-	(1,147)	-	-
Staff Training	4,356	-	-	(4,356)	-
Finance System	45,000	-	(38,040)	(745)	6,215
External liaison	10,000	-	-	(710)	9,290
CEO recruitment	8,800	-	-	(8,800)	-
British Telecom	-	-	90,000	-	90,000
Aged Veterans	-	125,340	-	(107,154)	18,186
<b>Total Restricted</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>Unrestricted</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>

Net transfers to unrestricted related to agreed overhead allocations and correcting of some previous misallocations.

**Designated included within Unrestricted**

AGM/Annual Conference	6,868	-	(6,868)	-	-
Castle Computer Replacement Project	111,920	-	-	(41,933)	69,987
Designated fixed asset & intangible asset fund	234,179	-	311,893	(62,756)	483,316
	<b>352,967</b>	<b>-</b>	<b>305,025</b>	<b>(104,689)</b>	<b>553,303</b>

A designated fund was established in 16/17 to represent the amount held in tangible and intangible fixed assets. The SOFA has been charged the full cost of the asset with an offsetting balance in the Designated fixed asset fund to which all depreciation and amortisation will be charged over the remaining life of the asset. The Castle project was for the major upgrade including extra functionality which went live in October 2017, the funding being carried forward is towards further developments in line with our Strategic Plans, legislative changes and ongoing user requirements.



THE SCOTTISH ASSOCIATION OF CITIZENS ADVICE BUREAUX  
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NOTES TO THE ACCOUNTS  
For the year ended 31 March 2018

19 Restricted, Unrestricted & Designated Funds (continued)

Fund balances at 31 March 2018 are represented by

	2018 Net Current Assets £	2018 Total Assets £	2017 Net Current Assets £	2017 Total Assets £	
<b>Restricted Funds</b>					
Money Advice Trust	-	-	3,750	3,750	
Money Advice (MATRICS)	14,691	14,691	23,608	23,608	
Patient Advice and Support Service	21,450	21,450	52,207	52,207	
Kinship Care	35,280	35,280	381	381	
SPARK Energy & EON	46,413	46,413	111,278	111,278	
Armed Services Advice (previously Veterans)	24,459	24,459	4,249	4,249	
Volunteer Development Officer	-	-	9,894	9,894	
Otto Thoresen	13,182	13,182	13,182	13,182	
Energy Best Deal E-Learning	-	-	2,500	2,500	
Financial Inclusion Prudential	10,271	10,271	14,669	14,669	
Energy Best Deal	132,554	132,554	210,033	210,033	
CAD Consumer	47	47	47	47	
Disability & Human Rights	-	-	28,000	28,000	
Big Energy Savings Week	-	-	11,792	11,792	
Barclay Money Skills	500	500	500	500	
Welfare Reform	10,192	10,192	6,588	6,588	
Admin Help	40,701	40,701	40,701	40,701	
Shared Services	371,610	371,610	569,968	569,968	
Consumer Futures Transition	43,324	43,324	43,324	43,324	
Martyn Lewis	10,685	10,685	10,685	10,685	
Customer Forum	-	-	8,659	8,659	
Development Returns	-	-	2,000	2,000	
Funeral Poverty	-	-	2,067	2,067	
SEPA Training	-	-	10,000	10,000	
Channel Strategy	8,019	8,019	70,912	70,912	
Channel Extra	150,000	150,000	150,000	150,000	
Data Hub	150,000	150,000	150,000	150,000	
A Dispute Resolution	20,000	20,000	20,000	20,000	
Post Xmas debt advice	-	-	8,156	8,156	
Money Advice research	-	-	7,035	7,035	
Advice In Mind	2,001	2,001	88,699	88,699	
Martrics Extra	-	-	11,103	11,103	
What works capacity building forum	-	-	2,333	2,333	
LEAP	38,181	38,181	65,833	65,833	
Staff benefits	-	-	4,734	4,734	
EHU Windows	-	-	1,147	1,147	
Staff Training	-	-	4,356	4,356	
Finance System	6,215	6,215	45,000	45,000	
External liaison	9,290	9,290	10,000	10,000	
CEO recruitment	-	-	8,800	8,800	
British Telecom	90,000	90,000	-	-	
ZAV	18,186	18,186	-	-	
	<b>1,267,251</b>	<b>1,267,251</b>	<b>0</b>	<b>1,828,190</b>	
<b>Unrestricted designated funds</b>					
	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Total Assets £</b>
AGM/Annual Conference	-	-	-	6,868	6,868
Castle Computer Replacement Project	-	69,987	-	111,920	111,920
Designated Fixed Assets	483,316	-	234,179	-	234,179
	<b>483,316</b>	<b>69,987</b>	<b>234,179</b>	<b>118,788</b>	<b>352,967</b>
<b>Unrestricted general funds</b>	<b>-</b>	<b>969,457</b>	<b>-</b>	<b>904,720</b>	<b>904,720</b>
<b>Total unrestricted funds</b>	<b>483,316</b>	<b>1,039,444</b>	<b>234,179</b>	<b>1,023,508</b>	<b>1,257,687</b>
<b>Total funds</b>	<b>483,316</b>	<b>2,306,695</b>	<b>234,179</b>	<b>2,851,698</b>	<b>3,085,877</b>

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2018

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

Reconciliation of net incoming / (outgoing) resources to net cash (outflow) from operating activities	2018 £	2017 £
Net (outgoing) / incoming Resources	(295,866)	7,184
Interest receivable during year	(1,457)	(11,076)
Proceeds from sale of fixed assets	(2,292)	(9,292)
Operating (deficit)	(299,615)	(13,184)
Depreciation and amortisation	62,756	33,070
(Increase) / Decrease in debtors	(223,196)	344,273
(Decrease) in creditors	(407,612)	(729,523)
Net cash (outflow) from operating activities	<u>(867,667)</u>	<u>(365,364)</u>

**21 Financial instruments**

Financial instruments measured at amortised cost include the following:

	2018 £	2017 £
<b>Financial assets</b>		
Trade Debtors and amounts due from Bureaux	801,233	95,960
Accrued Income	109,656	387,564
Other Debtors	94,631	45,783
	<u>1,005,520</u>	<u>529,307</u>
<b>Financial liabilities</b>		
Trade Creditors	(954,516)	(779,619)
Accruals	(423,898)	(437,059)
Sundry Creditors	(114,839)	(138,844)
	<u>(1,493,253)</u>	<u>(1,355,522)</u>

No financial instruments are held at fair value.

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

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m.

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2018

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

To eliminate this funding shortfall, the Trustees have asked the participating employers to pay additional contributions to the scheme as follows:-

**Deficit contributions**

From 1 April 2016 to 30 September 2025	<b>£12,945,440 per annum</b> (payable monthly and increasing by 3% each on 1 <sup>st</sup> April)
From 1 April 2016 to 30 <sup>th</sup> September 2028	<b>£54,560 per annum</b> (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 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**FRS102 DISCLOSURE REPORT**

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