

Company Registration No. SC188819 (Scotland)

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

(a company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Scottish Charity No. : SC028222

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

COMPANY INFORMATION

Trustees/Directors	Listed on Directors' Report
Secretary	Mrs Nina Smith
Company number	SC188819
Charity number	SC028222
Registered office	17 Vernon Street Saltcoats KA21 5HE
Auditor	JRD LLP Chartered Accountants 11 Portland Road Kilmarnock KA1 2BT
Business address	17 Vernon Street Saltcoats KA21 5HE
Bankers	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
Advisors	Scottish Association of Citizens Advice Bureaux 1st Floor, Spectrum House 2 Powderhall Road Edinburgh EH7 4GB

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

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NORTH AYRSHIRE CITIZENS ADVICE SERVICE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and audited financial statements for the year ended 31 March 2016.

North Ayrshire Citizens Advice Service is a company limited by guarantee and registered as a Scottish charity.

Legal and Administrative Information

Company Information

The Scottish Charity reference, company contact information and other administrative details are shown on the foregoing company information schedule.

Constitution

Its Memorandum and Articles of Association, which are held by the Company Secretary at the registered office, govern the company's activities. Powers of investment and restrictions imposed on the company are also contained within these documents.

Board of Directors

Trustees / Directors can be appointed or removed in accordance with the company's articles.

Directors are Trustees in law for the charity and have a fiduciary responsibility over its assets and finances.

The following Trustees / Directors served throughout the financial year unless otherwise noted: -

Directors:

Mrs Jean Aitken
Mr. Robert Conway
Mr Neil Barlow
Mr Stephen Brown
Mr John Cook
Cllr Anthea Dickson
Cllr John Easdale
Mr Jim Montgomery
Mr James Hodge

Company Secretary:

Mrs Nina Smith

Chair:

Mr James Hodge

Vice Chair:

Mr Neil Barlow

Financial Director:

Mr Stephen Brown

Nina Smith was employed by the company as Chief Executive Officer (CEO) during the year to 31 March 2016.

Mr James Hodge resigned as a Trustee / Director on 1 June 2016. There have been no further Board changes since this date.

Auditor

JRD LLP stand for reappointment as auditor of the company's annual financial statements at the company's forthcoming AGM.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Structure, Governance and Management

Recruitment and Appointment of Trustee Directors

Trustees / Directors are appointed in line with the company's Articles and Memorandum of Association. Appointments are ratified by the AGM.

Induction and Training of Trustee Directors

All Trustees / Directors receive induction training on the roles and responsibilities of directors. Individuals have attended training on: role of the Company Secretary, charity law, employment legislation, recruitment and selection of staff and health and safety issues.

Organisational Structure

The Board is responsible for policy decisions and ensuring that the company operates within its constitution. Regular Board meetings are held to effect policy decisions.

The CEO is responsible for all operational matters. The company also employs 3 Operational Managers, 1 Admin & Finance Worker, 3 full time and 1 part time Bureau Supervisors, 1 volunteer support officer, 1 tribunals representative, 1 full time and 2 part-time Money Advisers, 4 Admin workers, 1 Training Officer, 1 part-time and 4 full-time project workers.

All staff with the exception of the CEO and four other staff, are directly involved in client case work and the majority of volunteer advisers deal directly with the public. The significant contribution of both paid staff and volunteers is recognised by the company. There is in excess of 1400 hours of volunteer work carried out each month at current levels.

Related Parties

There were no transactions during the year between the company and a related party of any Board member with the exception of North Ayrshire Council grant funding, as certain Board members are Councillors within the same local authority.

The company's primary funding body, North Ayrshire Council, may be represented in an advisory capacity at Board meetings or have access to minutes of meetings and related information. The Scottish Association of Citizens Advice Bureaux ('CAS') may attend Board Meetings.

Risk Assessment

The Board considers the key risk to the company to be the uncertainty of the levels of core funding. To mitigate this risk, in 2012 the Board secured the assurance from the main funding body that core funds would be assured for a three-year rolling period.

The Board recognises that the loss of skilled staff may have an impact on the service provision. The Board therefore encourages employees to be multi-skilled and flexible in their work. The company provides a wide range of training opportunities through CAS and other agencies and encourages staff to take advantage of these. The CEO assesses staff training needs formally on an annual basis and is responsible for continuity planning.

The Board recognises that a net loss of volunteer advisors is a significant risk to the company. In an attempt to mitigate this, the company strives to provide support mechanisms to all existing volunteers; the main source of this support is through the network of supervisors. The company offers a wide range of training opportunities to help volunteers aid their clients and to allow advisors to specialise in areas of personal interest. Each volunteer has a one-to-one meeting with their bureau supervisor on an annual basis to discuss training needs. The Board recognises that on-going recruitment of new volunteers is essential and the CEO is responsible for company-wide recruitment initiatives, while individual Managers are responsible for local volunteer recruitment.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Objectives

The company works to provide an effective information, advice, practical assistance and representation service to the citizens of North Ayrshire, tackling poverty, promoting social inclusion and equality.

Aims

The company works within the Aims and Principles of the CAB service.

To ensure individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their needs effectively.

To exercise a responsible influence over the development of social policies both locally and nationally.

Objectives for the Year

To ensure adequate and continued core funding to deliver the future of the service.

To maintain provision of high quality service to the citizens of North Ayrshire.

To continue to improve service delivery and manage client demand.

To increase operational efficiency.

To renew our volunteer recruitment process.

To develop robust referral pathways with key partners.

To upskill staff and ensure contingency plans are in place for key roles within the service.

To achieve continued affiliation to Citizens Advice Scotland by achieving full compliance in the CAS audit.

Significant Activities

- Open door service where no appointment is necessary.
- In depth casework service.
- Representation provided at employment tribunals and benefit appeals.
- Money & Debt Advice Service.
- Big Lottery Funded Outreach Services and Home Visiting to ensure our services reach all citizens in need of advice and assistance.
- PASS (Patient Advice and Support Service) the management of NHS complaints.
- Implement and delivery of a new in-house Adviser Training Programme.
- Pensionwise project delivery on behalf of HM Treasury.
- People and Communities project delivery on behalf of Scottish Government.
- Closer working with key local partners.

Achievements and Performance

13,276 issues managed for people providing them with advice, information, assistance or representation on a range of issues i.e. benefits, debt, employment, housing, legal and relationship matters.

Client financial gains of £1.8 million from income maximisation and representation at benefit & employment tribunals.

9 full-time equivalent staff members recruited in 2015/16 due to additional restricted funds.

There was an average attendance by Trustees / Directors at board meetings of 84% during the year.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Financial Review

Reserves policy

The Board's policy is to maintain a sufficient level of reserves in order that, in the event of dissolution, NACAS could fully meet outstanding supplier debts, including lease obligations, and fully meet obligations to staff in terms of notice and redundancy pay.

The Board believes that a fair level of reserves would be a minimum of three months (25%) running costs – i.e. approximately £130,000 on the basis of current estimated relevant costs. The designated contingency fund at 31 March 2016 was increased up to this level (2015: £75,000). In addition, a short term designated relocation fund of £15,000 has been set aside to cover relocation costs incurred shortly after the year-end which takes the total designated reserves fund up to £145,000. The unrestricted non-designated funds of the charity at the end of the year were £60,287.

The Board will endeavour to maintain the agreed level through careful budgeting and management and through managing projects which can contribute to overheads. This policy is monitored, and reviewed annually, at quarterly meetings of the Finance Committee.

Principal Funding Sources

North Ayrshire Council and Citizens Advice Scotland are the company's principal funders.

Review of Financial Year

The excess of income over expenditure for the year was £4,291 (2015: £96,593). Total funds carried forward at 31 March 2016 were £219,321 (2015: £215,030) including £14,034 net book value of fixed assets, which has been designated into a separate capital fund. The notes to the financial statements contain a detailed statement of financial activities that further analyse the restricted and unrestricted funds and sources of related income.

Investment Policy and Objectives

There are no plans for investment.

Annual Report

The company prepares an additional annual report containing more detailed information on the Service's operational activities, considered by the Trustees / Directors to be outwith the scope of the statutory directors' report. This annual report is made publicly available. In addition, a three-year business and development plan was prepared during the previous year and will be continually reviewed.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Statement of Trustees' Responsibilities

The Trustees (who are also directors of North Ayrshire Citizens Advice Service for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 the year. In preparing these 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 charitable company will continue in operation.

The Trustees / Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 22 September, 2016 and signed on its behalf by:



Stephen Brown BAcc FCMA
Financial Director/Trustee

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NORTH AYRSHIRE CITIZENS ADVICE SERVICE

Independent Auditor's Report to the trustees and members of North Ayrshire Citizens Advice Service

We have audited the financial statements of North Ayrshire Citizens Advice Service for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Income and Expenditure Account and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's 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. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors'/Trustees' Responsibilities Statement set out on page III, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 5 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1(a) to the financial statements concerning the charitable company's ability to continue as a going concern. The note states that the company is reliant on external grant funding and, while the directors have no reason to believe that such funding will not continue, or will be clawed back by funders in respect of any underspends where the Board has considered it appropriate to transfer to unrestricted funds (note 13), the company's ability to continue in business is dependent on being successful in attracting such funding. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NORTH AYRSHIRE CITIZENS ADVICE SERVICE

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report .



**Kenneth McCracken BAcc CA (Senior statutory auditor)
for and on behalf of JRD LLP, Statutory Auditor
Chartered Accountants
11 Portland Road
Kilmarnock
KA1 2BT**

26 September 2016

JRD LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

	Restricted Funds £	Unrestricted Core Activities Funds £	Unrestricted General Funds £	Unrestricted Designated Funds £	Total Funds 2016 £	Total Funds 2015 £
Income from:						
Donations & legacies	-	-	4,103	-	4,103	6,228
Charitable activities	371,285	371,664	-	-	742,949	659,398
Investments	-	-	692	-	692	149
Total Income	371,285	371,664	4,795	-	747,744	665,775
Expenditure on:						
Raising funds	-	-	-	-	-	-
Charitable activities	319,720	417,653	-	6,080	743,453	569,182
Other	-	-	-	-	-	-
Total Expenditure	319,720	417,653	-	6,080	743,453	569,182
Net Income/(Expenditure)	51,565	(45,989)	4,795	(6,080)	4,291	96,593
Transfers between funds	(135,380)	21,722	34,937	78,721	-	-
Net movement in funds	(83,815)	(24,267)	39,732	72,641	4,291	96,593
Reconciliation of funds						
Total funds brought forward	83,815	24,267	20,555	86,393	215,030	118,437
Total funds carried forward	-	-	60,287	159,034	219,321	215,030

An analysis of Income and Expenditure is included at Note 14 to the financial statements.

Expenditure is allocated to the above cost categories on the basis of the accounting policy disclosed at Note 1 (d) to the financial statements.

The Designated Capital Fund does not represent funds set aside for future capital expenditure but equates to the net book value of expenditure capitalised less related depreciation.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

BALANCE SHEET AS AT 31 MARCH 2016

Company Registration No. SC188819 (Scotland)

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	7		<u>14,034</u>		<u>11,393</u>
Total fixed assets			14,034		11,393
Current assets					
Debtors and prepayments	8	21,623		76,260	
Cash at bank and in hand	9	<u>247,458</u>		<u>196,718</u>	
Total current assets		269,081		272,978	
Creditors: amounts falling due within one year	10	<u>(63,794)</u>		<u>(26,943)</u>	
Net current assets			<u>205,287</u>		<u>246,035</u>
Total assets less current liabilities			219,321		257,428
Deferred income	12		<u>-</u>		<u>(42,398)</u>
Total net assets			<u><u>219,321</u></u>		<u><u>215,030</u></u>
The funds of the charity					
Restricted income funds	13/14		-		83,815
Unrestricted funds:					
Core activities funds	13/14		-	24,267	
General funds	13/14	60,287		20,555	
Designated funds	13/14	<u>159,034</u>		<u>86,393</u>	
Total unrestricted funds			219,321		131,215
Total charity funds			<u><u>219,321</u></u>		<u><u>215,030</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board on 22 September, 2016 and signed on its behalf by:



Stephen Brown BAcc FCMA
Financial Director/Trustee

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
Income					
Grants and Donations	14	742,949		645,899	
Other income		4,103		6,228	
Bank interest		692		149	
			747,744		652,276
Expenditure					
Staff costs	2	575,160		406,894	
Staff training		14,763		12,291	
Rent and rates		41,215		45,436	
Insurance and maintenance		10,423		13,169	
Heat and light		8,971		9,583	
Stationery, advertising and other administrative costs		9,596		16,813	
Computer costs		3,788		1,694	
Publications and subscriptions		7,699		7,486	
Photocopying		3,483		2,783	
Telephone		10,121		8,375	
Volunteer expenses		10,642		10,441	
Staff travel		24,248		13,139	
Payroll bureau	6	840		540	
Book-keeping fees	6	2,892		810	
Audit fees	6	5,000		5,000	
Statutory Accounts	6	500		500	
Legal and professional fees		1,732		5,437	
Bank charges		64		99	
General charges		6,236		3,807	
			737,373		564,297
Excess Income over Expenditure for Year			10,371		87,979
<u>Grants used for Capital Expenditure</u>					
Big Lottery Support & Connect		-		13,499	
CAS Development Grant		-		-	
Grant Repayable		-		-	
					13,499
Depreciation	7		6,080		4,885
Overall Result for Year			4,291		96,593

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2015), the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities issued in January 2015, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared on a going concern basis which assumes that the company will continue to operate for a period of 12 months from the date of approval by the Board. The company is reliant on external grant funding and, while the Trustees / Directors have no reason to believe that such funding will not continue, the company's ability to continue in business is dependent on being successful in attracting such funding.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees / Directors in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees / Directors for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or grantor.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from donations & legacies is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a special performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Income from grants, where related to performance and specific deliverables, is accounted for as the charity earns the right to consideration by its performance.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of raising funds comprise the costs associated with attracting voluntary income and grants.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the Auditor's fees and costs linked to the strategic management of the charity which are voluntary other than directors' travelling expenses reimbursed.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis such as staff time pro-rata.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies (continued)

(e) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Minor additions costing less than £250 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.

2 Staff costs and numbers

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	489,866	363,269
Redundancy costs	20,549	-
Social security costs	39,224	21,729
Pension costs	25,521	21,896
	<u>575,160</u>	<u>406,894</u>

No employee received emoluments of more than £60,000.

The number of employees during the year, calculated on a head-count basis was 32 (2015: 23).

3 Net Income

	2016	2015
	£	£
Net income is stated after charging:		
- Depreciation (owned assets)	6,080	4,885
- Auditor's remuneration (note 6)	5,000	5,000
- Pension costs (note 2)	25,521	21,896
	<u>36,601</u>	<u>31,781</u>

4 Trustee / Director Remuneration and Related Party Transactions

No Trustee / Director or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2015: Nil).

Trustees / Directors are not remunerated but are reimbursed for expenses. During the year expenses of £583 were paid to 1 Trustee / Director (2015: £681 paid to 2 Trustees / Directors). These expenses were paid in their capacity as volunteers and not for attending Board meetings etc.

5 Taxation

The company is a Scottish registered charity and no corporation tax liability arises. The company is not VAT registered and irrecoverable VAT is allocated to the relevant category of expenditure.

6 Auditor's Remuneration

The auditor's remuneration for the year was £5,000 (2015: £5,000) for audit services and £4,232 (2015: £1,850) for non-audit services inclusive of VAT. In common with many other company's of our size and nature, we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements. The auditor also assists the company with the book-keeping services and carries out payroll bureau services.

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

7 Tangible fixed assets	Office & Computer Equipment £
Cost	
At 1 April 2015	59,396
Additions	8,721
At 31 March 2016	<u>68,117</u>
Depreciation	
At 1 April 2015	48,003
Charge for the year	6,080
At 31 March 2016	<u>54,083</u>
Net book value	
At 31 March 2016	<u><u>14,034</u></u>
At 31 March 2015	<u><u>11,393</u></u>

8 Debtors and prepayments	2016	2015
	£	£
EACAB Recharge (NHS PASS Project)	15,231	7,654
North Ayrshire Council Funding	-	30,713
CAS Pensionwise	-	10,693
Other debtors	5,600	2,427
Prepaid charges	792	24,773
	<u>21,623</u>	<u>76,260</u>

9 Bank and cash balances	2016	2015
	£	£
Bank accounts	247,307	196,568
Cash balances	151	150
	<u>247,458</u>	<u>196,718</u>

10 Creditors : amounts falling due within one year	2016	2015
	£	£
Trade Creditors	10,011	12,236
Other Creditors	21,817	8,247
Accruals	31,966	6,460
	<u>63,794</u>	<u>26,943</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

11 Financial commitments

At 31 March 2016 the company had annual commitments under operating leases as follows:

	2016	Other	Land and buildings	
	£	2015	2016	2015
	£	£	£	£
Expiry date:				
Within one year	1,364	1,176	-	29,828
Between one and five years	-	-	8,000	8,001
	1,364	1,176	8,000	37,829

A new lease is currently being negotiated at an annual rental of £15,600 for a period of 5 years with a break option after 3 years. This is in respect of the main business address/registered office, the previous premises lease being terminated shortly after the balance sheet date.

12 Deferred income

	2016	2015
	£	£
Big Lottery	-	30,000
CAS - Pension Wise	-	12,398
	-	42,398

Deferred income represents grants received in respect of future funding periods or where grant conditions have not been fully met.

13 Analysis of Net Assets Between Funds

	Restricted	Unrestricted	Unrestricted	Unrestricted	Total
	Funds	Core Activities	General	Designated	Funds
	£	£	£	£	£
Fixed Assets	-	-	-	14,034	14,034
Current Assets	20,831	42,963	60,287	145,000	269,081
Current Liabilities	(20,831)	(42,963)	-	-	(63,794)
Deferred Income	-	-	-	-	-
Net Assets	-	-	60,287	159,034	219,321

Details of Significant Funds and Gross TransfersRestricted Funds

- Big Lottery - this funded the Accessibility Project as part of their Support & Connect programme and was designed to deliver advice and assistance throughout the community of North Ayrshire via telephone, e-mail, at outreach venues such as libraries and home visits for those most vulnerable and who cannot access the service due to disability or financial constraints.
- Citizens Advice Scotland - CAS funds a number of projects, principally the Scottish Government Capacity Project (welfare reform), a number of energy related projects and the Pensionwise project.
- NHS Ayrshire & Arran - this funds the Patient Advice & Support Service (PASS) and provides independent, free, confidential information, advice and support to anyone who uses the NHS in Scotland.

Unrestricted Funds

- Core Activities - the citizens advice core funding is provided by North Ayrshire Council.
- Designated Funds - this comprises the charity's reserves fund (£145,000) and the net book value of fixed assets (£14,034). The Board believes that a fair level of reserves would be a minimum of three months (25%) running costs – i.e. approximately £130,000. The designated contingency fund at 31 March 2016 was increased up to this level (2015: £75,000). In addition, a short term designated relocation fund of £15,000 has been set aside to cover relocation costs incurred shortly after the year-end which takes the total designated reserves fund up to £145,000.
- Unrestricted General Funds - these are unrestricted funds excluding the core activities funding provided by the charity's principal funder and at the end of the year were £60,287.

Gross Transfers

- Capital expenditure is allocated against the relevant funder but is then transferred into a separate designated capital fund which reconciles to the net book value of fixed assets per the balance sheet.
- A transfer was authorised by the Board, out of unrestricted funds, to increase the designated reserves fund up to £145,000 as noted above.
- Various transfers totalling £135,380 (including £46,307 from brought forward funds), were made from restricted to unrestricted funds. These represent contributions towards management and central running costs or surpluses arising in outcome based funded activities which, in the Board's opinion, can be transferred to unrestricted funds on completion.

NORTH Ayrshire Citizens Advice Service
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 2016

14 Analysis of Statement of Financial Activities

	Money Advice Project	Lottery Support & Connect	PASS NHS Project	Scottish Government Capacity Project	Energy Project	Community Scotland Jobs Fund	CAS Pensionwise Project	CAS Other Projects	Total Restricted Funds	Unrestricted Core Activities Fund	Unrestricted General Fund	Unrestricted Designated Reserves Fund	Unrestricted Designated Capital Fund	Total Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income																
Donations & legacies																
Henry Duncan	-	-	-	-	-	-	-	-	-	-	2,103	-	-	2,103	2,103	4,000
Donations	-	-	-	-	-	-	-	-	-	-	2,000	-	-	2,000	2,000	-
Employment Allowance	-	-	-	-	-	-	-	-	-	-	4,103	-	-	4,103	6,228	-
Charitable activities																
North Ayrshire Council	-	-	-	-	-	-	-	-	-	371,664	-	-	-	371,664	371,664	351,163
Community Scotland Jobs	-	-	-	-	-	12,028	-	-	12,028	-	-	-	-	12,028	14,194	-
NHS Ayrshire & Arran	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,035	-
Citizens Advice Scotland	-	-	29,907	64,742	28,600	-	125,601	9,539	258,389	-	-	-	-	258,389	119,796	-
Scottish Government - People & Communities Fund	46,802	-	-	-	-	-	-	-	46,802	-	-	-	-	46,802	3,673	-
Big Lottery	-	54,066	-	-	-	-	-	-	54,066	-	-	-	-	54,066	140,537	-
	46,802	54,066	29,907	64,742	28,600	12,028	125,601	9,539	371,285	371,664	-	-	-	742,949	659,398	-
Investments																
Bank interest	-	-	-	-	-	-	-	-	-	-	692	-	-	692	692	149
	-	-	-	-	-	-	-	-	-	-	692	-	-	692	692	149
Total income	46,802	54,066	29,907	64,742	28,600	12,028	125,601	9,539	371,285	371,664	4,795	-	-	376,459	747,744	665,775
Expenditure																
Raising funds																
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charitable expenditure																
Charitable activities	39,452	91,169	11,872	27,763	11,563	13,610	102,242	-	297,671	409,178	-	-	-	409,178	708,849	527,539
Support costs	7,350	5,501	1,549	-	1,692	-	5,957	-	22,049	2,975	-	-	6,080	9,055	31,104	36,143
Governance costs	-	-	-	-	-	-	-	-	-	5,500	-	-	-	5,500	5,500	5,500
	46,802	96,670	13,421	27,763	13,255	13,610	108,199	-	319,720	417,653	-	-	6,080	423,733	743,453	569,182
	46,802	96,670	13,421	27,763	13,255	13,610	108,199	-	319,720	417,653	-	-	6,080	423,733	743,453	569,182
Net income/(Expenditure)	-	(42,604)	16,486	36,979	15,345	(1,582)	17,402	9,539	51,565	(45,989)	4,795	-	(6,080)	(47,274)	4,291	96,593
Transfer between funds																
	-	5,096	(16,486)	(83,286)	(15,345)	1,582	(17,402)	(9,539)	(135,380)	21,722	34,937	70,000	8,721	135,380	-	-
Net movement in funds	-	(37,508)	-	(46,307)	-	-	-	-	(83,815)	(24,267)	39,732	70,000	2,641	88,106	4,291	96,593
Reconciliation of funds																
Total funds brought forward	-	37,508	-	46,307	-	-	-	-	83,815	24,267	20,555	75,000	11,393	131,215	215,030	118,437
Total funds carried forward	-	-	-	-	-	-	-	-	-	-	60,287	145,000	14,034	219,321	219,321	215,030

NORTH AYRSHIRE CITIZENS ADVICE SERVICE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

15 Analysis of Charitable Expenditure

	Charitable Activities	Support Costs	Governance Costs	Total 2016	Total 2015
Restricted					
Staff costs	252,334	-	-	252,334	133,885
Staff training	6,348	-	-	6,348	3,933
Rent and rates	9,747	7,975	-	17,722	14,540
Insurance and maintenance	2,465	2,017	-	4,482	4,214
Heat and light	2,122	1,736	-	3,858	3,067
Stationery, advertising and other administrative costs	2,269	1,857	-	4,126	5,380
Computer costs	896	733	-	1,629	542
Publications and subscriptions	1,821	1,490	-	3,311	2,396
Photocopying	824	674	-	1,498	891
Telephone	2,394	1,958	-	4,352	2,680
Volunteer expenses	4,576	-	-	4,576	3,341
Staff travel	10,427	-	-	10,427	4,204
Payroll bureau	-	361	-	361	173
Book-keeping fees	-	1,244	-	1,244	259
Legal and professional fees	-	745	-	745	1,740
Bank charges	-	28	-	28	32
General charges	1,449	1,232	-	2,681	1,218
	297,671	22,049	-	319,720	182,494
Unrestricted General					
Staff costs	322,826	-	-	322,826	273,009
Staff training	8,415	-	-	8,415	8,358
Rent and rates	23,493	-	-	23,493	30,896
Insurance and maintenance	5,941	-	-	5,941	8,955
Heat and light	5,113	-	-	5,113	6,516
Stationery, advertising and other administrative costs	5,470	-	-	5,470	11,433
Computer costs	2,159	-	-	2,159	1,152
Publications and subscriptions	4,388	-	-	4,388	5,090
Photocopying	1,985	-	-	1,985	1,892
Telephone	5,769	-	-	5,769	5,695
Volunteer expenses	6,066	-	-	6,066	7,100
Staff travel	13,821	-	-	13,821	8,935
Payroll bureau	-	479	-	479	367
Book-keeping fees	-	1,648	-	1,648	551
Audit fees	-	-	5,000	5,000	5,000
Statutory Accounts	-	-	500	500	500
Legal and professional fees	176	811	-	987	3,697
Bank charges	-	36	-	36	67
General charges	3,555	-	-	3,555	2,589
	409,178	2,975	5,500	417,653	381,803
Unrestricted Designated					
Depreciation	-	6,080	-	6,080	4,885
	-	6,080	-	6,080	4,885
Total Expenditure	706,849	31,104	5,500	743,453	569,182