

INVERNESS CITIZENS ADVICE BUREAU
FINANCIAL STATEMENTS
31 MARCH 1998

Company Registration Number SC 136118

Charity Number SC 003951

STUART & MUNRO
Chartered Accountants & Registered Auditors
27 Huntly Street
Inverness
IV3 5PR

IAM



INVERNESS CITIZENS ADVICE BUREAU
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

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INVERNESS CITIZENS ADVICE BUREAU

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Janet Home, Convenor	- Highland Council
	Alistair MacFadyen, Vice Convenor	- Resident in the area
	Moray MacDonald, Company Secretary	- Resident in the area
	Jane Bennett, Bureau Manager	- Resident in the area
	Simon Cole-Hamilton, Treasurer	- Resident in the area
	Murdo McIver	- Benefits Agency
	James Hendry	- Faculty of Solicitors
	Alison Gauld	- Benefits Agency
	Mary Murray	- Resident in the area
	Brenda Sellar	- Resident in the area
	Victor Tough	- Resident in the area
	Margaret Cowan	- Volunteer staff
	Peter MacIntyre	- Volunteer staff
	Pamela Urquhart	- Resident in the area
	Iain Clay	- Volunteer staff

Company secretary Moray MacDonald

Principal address 103 Academy Street
INVERNESS
IV1 1LX

Registered office 103 Academy Street
Inverness
IV1 1LX

Auditors Stuart & Munro
Chartered Accountants & Registered Auditors
27 Huntly Street
Inverness
IV3 5PR

Bankers Royal Bank of Scotland plc
29 Harbour Road
INVERNESS
IV1 1NU

INVERNESS CITIZENS ADVICE BUREAU

DIRECTORS ANNUAL REPORT

YEAR ENDED 31 MARCH 1998

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 March 1998. The financial statements comply with the requirements of the company's memorandum and articles of association and have been prepared in accordance with the Statement of Recommended Practice for Charities (Scotland).

THE DIRECTORS

The Directors who served the charity during the period were as follows:

Janet Home	
Alistair MacFadyen	
Moray MacDonald	
Murdo McIver	
James Hendry	
Alison Gauld	
Mary Murray	
Jane Bennett	
Charles Stewart	
Simon Cole-Hamilton	(Appointed 17 Sep 97)
Brenda Sellar	(Appointed 17 Sep 97)
Victor Tough	(Appointed 17 Sep 97)
Margaret Cowan	(Appointed 17 Sep 97)
Peter MacIntyre	(Appointed 17 Sep 97)
Pamela Urquhart	(Appointed 17 Sep 97)
Andrew Thin	(Resigned 17 Sep 97)
Raymond Moore	(Resigned 17 Sep 97)
Ann Darlington	(Resigned 17 Sep 97)
David MacKintosh	(Resigned 17 Sep 97)
Yvonne Middleton	(Resigned 17 Sep 97)

Iain Clay was appointed as a director on 17 June 1998.

Charles Stewart resigned as a director on 17 June 1998.

LEGAL STATUS

Inverness Citizens Advice Bureau, also known as Inverness CAB, is a company limited by guarantee and not having a share capital. The company's registration number is SC 136118.

The Bureau is recognised by the Inland Revenue as a charity for tax purposes. The Bureau's Scottish Charity Number is SC 003951.

INVERNESS CITIZENS ADVICE BUREAU

DIRECTORS ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 MARCH 1998

OBJECTS

In accordance with the company's memorandum, the objects of the Bureau are to promote the education of the public in matters of mental, physical and social welfare and the relief of poverty for the benefit of the community in the Inverness and Highland area and in particular (a) to ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available or through an inability to express their needs effectively; and (b) to exercise a responsible influence on the development of social policies and services, both locally and nationally.

To further these objectives the Bureau provides general information and advice to the public, money advice, and welfare rights advice through paid and volunteer staff. The Bureau is managed by the Board of Directors as a Committee of Management.

REVIEW OF DEVELOPMENT AND ACTIVITIES

The Bureau continued to carry out its objectives during the year handling 30,679 enquiries. These activities were funded by the Highland Council.

During the year the Bureau also provided advocacy services for Mental Health and Craig Phadrig Reprovisioning, both separately funded by the Highland Council Social Work Department and Highland Health Board respectively.

At the year-end the Bureau had 13 paid staff and 40 volunteers.

From 1 April 1998 funding from the Highland Council will be agreed on a three year Service Level Agreement, the terms of which are being finalised. The Council has provided interim funding until this is completed.

AUDITORS

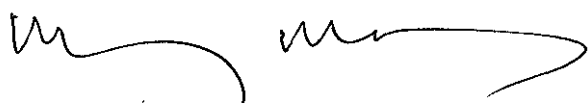
A resolution to re-appoint Stuart & Munro as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
103 Academy Street
Inverness
IV1 1LX

Signed by order of the directors


MORAY MACDONALD
Company secretary

Approved by the directors on 26 August 1998.

INVERNESS CITIZENS ADVICE BUREAU
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 1998

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficit for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. The directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVERNESS CITIZENS ADVICE BUREAU**AUDITORS' REPORT TO THE MEMBERS****YEAR ENDED 31 MARCH 1998**

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 4, the directors (who also act as Directors for the charitable activities of the company) are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

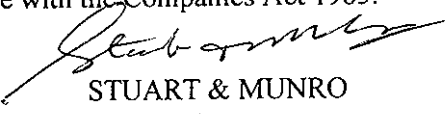
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 1998 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



STUART & MUNRO
Chartered Accountants
& Registered Auditors

26 August 1998.

INVERNESS CITIZENS ADVICE BUREAU
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 1998

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
INCOMING RESOURCES					
Grant income	3	113,880	53,650	167,530	164,722
Interest receivable		5,008	-	5,008	3,361
Rent receivable		1,300	-	1,300	2,520
Other income		1,852	-	1,852	5,345
TOTAL INCOMING RESOURCES		<u>122,040</u>	<u>53,650</u>	<u>175,690</u>	<u>175,948</u>
RESOURCES EXPENDED					
Direct charitable expenditure	4	115,189	50,419	165,608	151,280
Management and administration	5	6,863	2,005	8,868	13,932
TOTAL RESOURCES EXPENDED	6	<u>122,052</u>	<u>52,424</u>	<u>174,476</u>	<u>165,212</u>
NET OUTGOING/INCOMING RESOURCES FOR THE YEAR		(12)	1,226	1,214	10,736
Balances brought forward at 1 April 1997		48,097	42,405	90,502	79,766
Prior year adjustment		(12,500)	-	(12,500)	-
Amortisation of deferred credits	11	46,800	-	46,800	-
Reallocation of balances on completed projects	12	19,529	(19,529)	-	-
Balances carried forward at 31 March 1998		<u>101,914</u>	<u>24,102</u>	<u>126,016</u>	<u>90,502</u>

All of the activities of the charitable company are classed as continuing.

The statement of financial activities is given in note 2.

INVERNESS CITIZENS ADVICE BUREAU

BALANCE SHEET

31 MARCH 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	7	130,841	<u>124,569</u>
CURRENT ASSETS			
Debtors	8	1,583	13,667
Cash at bank and in hand		<u>59,272</u>	<u>57,561</u>
		60,855	71,228
CREDITORS: Amounts falling due within one year	9	<u>(4,040)</u>	<u>(7,005)</u>
NET CURRENT ASSETS		56,815	64,223
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>187,656</u>	<u>188,792</u>
CREDITORS: Amounts falling due after more than one year	10	(51,496)	(51,490)
DEFERRED CREDITS	11	(10,144)	(46,800)
NET ASSETS		<u>126,016</u>	<u>90,502</u>
FUNDS			
Unrestricted		101,914	48,097
Restricted	12	<u>24,102</u>	<u>42,405</u>
		<u>126,016</u>	<u>90,502</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 26 August 1998 and are signed on their behalf by:

Janet Home

JANET HOME
Director

The notes on pages 8 to 14 form part of these financial statements.

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities (Scotland).

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the charitable company is small.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% of cost
Office equipment	-	25% of net book value

The basis of depreciating Office Equipment was changed from 25% of cost with respect from 1 April 1997.

Grants

Grants in respect of capital expenditure are treated as deferred credits and are released to revenue over the expected useful life of the relevant assets.

Grants of a revenue nature are credited to income in the period to which they relate.

Allocation of expenditure

All costs directly relating to the objects of the Bureau are classed as direct charitable expenditure. All financial and other overheads are included in management and administration expenses.

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

2. STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
INCOMING RESOURCES					
Grants receivable	3	113,880	63,794	177,674	164,722
Interest receivable		5,008	-	5,008	3,361
Rent receivable		1,300	-	1,300	2,520
Miscellaneous income		1,852	-	1,852	5,345
TOTAL INCOMING RESOURCES		<u>122,040</u>	<u>63,794</u>	<u>185,834</u>	<u>175,948</u>
RESOURCES EXPENDED					
Direct charitable expenditure	4	115,189	60,563	175,752	151,280
Management and administration	5	6,863	2,005	8,868	13,932
TOTAL RESOURCES EXPENDED	6	<u>122,052</u>	<u>62,568</u>	<u>184,620</u>	<u>165,212</u>
NET INCOMING RESOURCES FOR THE YEAR		(12)	1,226	1,214	10,736
Balances brought forward		48,097	42,405	90,502	79,766
Prior year adjustment		(12,500)	-	(12,500)	-
Amortisation of deferred credits		46,800	-	46,800	-
Reallocation of balances on completed projects	12	19,529	(19,529)	-	-
Balances carried forward		<u>101,914</u>	<u>24,102</u>	<u>126,016</u>	<u>90,502</u>

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

3. GRANTS RECEIVABLE

	1998 £	1997 £
Revenue Grants:		
Highland Council	144,380	118,308
Citizens Advice Scotland	4,650	27,500
Highland Health Board	18,500	-
Other grants	-	18,914
	<u>167,530</u>	<u>164,722</u>
Capital Grants:		
Citizens Advice Scotland	10,144	-
	<u>177,674</u>	<u>164,722</u>

4. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
Provision of charitable services:				
General Fund	46,711	-	46,711	39,251
Welfare Rights Fund	54,249	-	54,249	54,597
Money Advice Fund	14,229	-	14,229	18,850
Doctors' Surgery Project Fund	-	-	-	2,019
Mental Health Advocacy Fund	-	33,811	33,811	25,239
Craig Phadraig Advocacy Fund	-	16,608	16,608	-
Welfare Rights Information Officer Fund	-	-	-	11,324
	<u>115,189</u>	<u>50,419</u>	<u>165,608</u>	<u>151,280</u>
Refurbishment Grant	-	10,144	10,144	-
	<u>115,189</u>	<u>60,563</u>	<u>175,752</u>	<u>151,280</u>

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

4. DIRECT CHARITABLE EXPENDITURE (CONTINUED)

Analysis of provision of charitable services:

	Staff costs £	Depreciation £	Other costs £	Total 1998 £	Total 1997 £
General Fund	47,620	4,999	(5,908)	46,711	39,251
Welfare Rights Fund	44,446	-	9,803	54,249	54,597
Money Advice Fund	10,251	-	3,978	14,229	18,850
Doctors' Surgery	-	-	-	-	2,019
Project Fund					
Mental Health	15,404	-	18,407	33,811	25,239
Advocacy Fund					
Craig Phadraig	3,756	-	12,852	16,608	-
Advocacy Fund					
Welfare Rights	-	-	-	-	11,324
Information Officer					
Fund					
	<u>121,477</u>	<u>4,999</u>	<u>39,132</u>	<u>165,608</u>	<u>151,280</u>
Office refurbishment	-	-	10,144	10,144	-
	<u>121,477</u>	<u>4,999</u>	<u>49,276</u>	<u>175,752</u>	<u>151,280</u>

5. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
Office costs	964	2,005	2,969	4,509
Audit fees	1,173	-	1,173	750
Legal and other professional	-	-	-	3,952
Interest payable	4,726	-	4,726	4,721
	<u>6,863</u>	<u>2,005</u>	<u>8,868</u>	<u>13,932</u>

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

6. TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total Funds 1998	Total Funds 1997
	£	£	£	£	£
Direct charitable expenditure	121,477	4,999	39,132	165,608	151,280
Management and administration	-	-	8,868	8,868	13,932
	<u>121,477</u>	<u>4,999</u>	<u>48,000</u>	<u>174,476</u>	<u>165,212</u>

The aggregate payroll costs were:

	1998 £	1997 £
Wages and salaries (including employer's NIC)	114,896	118,574
Other pension costs	6,581	7,959
	<u>121,477</u>	<u>126,533</u>

Particulars of employees:

The average number of staff employed by the charitable company during the financial year amounted to:

	1998 No.	1997 No.
Number of administrative staff	<u>13</u>	<u>12</u>

	1998 £	1997 £
Other costs:		
Premises	17,274	13,861
Legal and professional	1,173	4,702
Other	29,553	9,686
	<u>48,000</u>	<u>28,249</u>

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

7. TANGIBLE FIXED ASSETS

	Land & Buildings £	Office Equipment £	Total £
COST			
At 1 April 1997	129,722	31,339	161,061
Additions	10,144	1,127	11,271
At 31 March 1998	<u>139,866</u>	<u>32,466</u>	<u>172,332</u>
DEPRECIATION			
At 1 April 1997	12,833	23,659	36,492
Charge for the year	2,797	2,202	4,999
At 31 March 1998	<u>15,630</u>	<u>25,861</u>	<u>41,491</u>
NET BOOK VALUE			
At 31 March 1998	<u>124,236</u>	<u>6,605</u>	<u>130,841</u>
At 31 March 1997	<u>116,889</u>	<u>7,680</u>	<u>124,569</u>

8. DEBTORS

	1998 £	1997 £
Other debtors	-	12,500
Prepayments	1,583	1,167
	<u>1,583</u>	<u>13,667</u>

9. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	-	6,080
Other creditors	500	-
Accruals	3,540	925
	<u>4,040</u>	<u>7,005</u>

10. CREDITORS: Amounts falling due after more than one year

	1998 £	1997 £
Bank loans and overdrafts	<u>51,496</u>	<u>51,490</u>

The bank loan relates to the Bureau's office premises held in tangible fixed assets. The term of the loan was re-negotiated in May 1998 to allow a capital repayment holiday until March 1999, thereafter capital is repayable over 20 years.

The loan is secured by a standard security charge over the property.

INVERNESS CITIZENS ADVICE BUREAU

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

11. DEFERRED CREDITS

	1998 £	1997 £
Received and receivable:		
At 1 April 1997	66,899	66,899
Receivable during year	10,144	-
At 31 March 1998	<u>77,043</u>	<u>66,899</u>
Amortisation:		
At 1 April 1997	20,099	-
Credit to profit and loss account	46,800	20,099
At 31 March 1998	<u>66,899</u>	<u>20,099</u>
Net balance at 31 March 1998	<u>10,144</u>	<u>46,800</u>

Deferred credits carried forward from prior years have been amortised in full and carried directly to reserves. All conditions in the related grants have been met and there is no liability to the company.

12. RESTRICTED FUNDS

	Balance at 1 April 1997 £	Incoming £	Outgoing £	Reallocation to unrestricted funds £	Balance at 31 March 1998 £
Welfare Rights Information Officer Fund	11,530	-	-	(11,530)	-
Severe Disability Premium Fund	8,838	-	-	(8,838)	-
Doctors Surgery Project Fund	(839)	-	-	839	-
Mental Health Advocacy Project Fund	22,876	35,150	(34,163)	-	23,863
Craig Phadraig Advocacy Project Fund	-	18,500	(18,261)	-	239
Refurbishment Grant	-	10,144	(10,144)	-	-
	<u>42,405</u>	<u>63,794</u>	<u>(62,568)</u>	<u>(19,529)</u>	<u>24,102</u>

13. COMPARATIVE FIGURES

All comparative figures have been restated to comply with the Statement of Recommended Practice for Charities (Scotland).