

**Charity Registration No. SCO 30477**

**Company Registration No 231152 (Scotland)**

**ARGYLL & BUTE CITIZENS ADVICE BUREAU**

## DIRECTORS' REPORT AND ACCOUNTS

**FOR THE YEAR ENDED 31 MARCH 2006**



# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors

Joan Olcayto  
Chns Wardle  
David Price  
Dee Lyon  
Bill MacIver  
Susan McKillop  
Jane MacLeod  
Mike Robertson  
Freddie Bell  
Peter Minshall  
Jim Sharp  
Geraldine Day

### Charity number

SCO 30477

### Company number

231152

### Principal address

Argyll & Bute Citizens Advice Bureau  
C/o Argyll & Bute Hospital  
Blarbuie Road  
Lochgilphead  
Argyll  
PA31 8LD

### Registered office

Argyll & Bute Citizens Advice Bureau  
C/o Argyll & Bute Hospital  
Blarbuie Road  
Lochgilphead  
Argyll  
PA31 8LD

### Auditors

William Duncan & Co  
Chartered Accountants  
Registered Auditors  
Barmore Road  
Tarbert  
Argyll  
PA29 6TW

### Bankers

Bank of Scotland  
Poltalloch Street  
Lochgilphead  
Argyll  
PA31 8LW

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# ARGYLL & BUTE CITIZENS ADVICE BUREAU

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# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

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The directors present their report and accounts for the year ended 31 March 2006

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles and Memorandum of Association, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

### Structure, governance and management

The charity is a company limited by guarantee and not having share capital, governed by its Memorandum and Articles of Association. It is recognised by the Inland Revenue as a charity for the purposes of s505 ICTA 1988 and is entitled under section 1 (7) of the Law Reform (Miscellaneous Provisions) Act 1990 to describe itself as a Scottish Charity.

The directors who served during the year were

David Bertin	(Resigned 16 September 2005)
Eric Brown	(Resigned 16 September 2005)
Jeanette Crerar	(Resigned 1 May 2005)
Sarah Goldsworthy	(Resigned 1 July 2005)
John Gorme	(Resigned 28 November 2005)
Pat Logan	(Resigned 1 May 2005)
Joan Olcayto	
Aison Taylor	(Resigned 7 October 2005)
Chns Wardle	
David Price	(Appointed 17 January 2006)
Dee Lyon	(Appointed 17 January 2006)
Bill MacIver	(Appointed 16 September 2005)
Susan McKillop	(Appointed 17 January 2006)
Jane MacLeod	(Appointed 17 January 2006)
Mike Robertson	(Appointed 17 January 2006)
Tracey Beard	(Appointed 16 September 2005 and resigned 1 December 2005)
Freddie Bell	(Appointed 16 September 2005)
Peter Minshall	(Appointed 16 September 2005)
Jim Sharp	(Appointed 16 September 2005)
Geraldine Day	(Appointed 15 November 2005)
Christopher Rowe	(Resigned 16 September 2005)

New appointments and reappointment of directors is made by proposal and ballot of current members at the AGM.

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

Each new member elected to the board is given a pro forma induction pack which includes such items as the annual report, the current business plan, the organisational chart, details of the powers and duties of the directors, the Citizens Advice Scotland handbook and the minutes of the last three board meetings.

# **ARGYLL & BUTE CITIZENS ADVICE BUREAU**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006**

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To achieve its objectives the charity operated offices in Campbeltown, Helensburgh, Lochgilphead, Oban, Mull and Dunoon which were operated by volunteers who are supported by a team of paid staff

During the second half of the year, the lack of funding led to the closure of the offices in Campbeltown, Helensburgh, Oban, Mull and Dunoon. The objectives are being met by a telephone service for these sites run from the Administration Base

The bureau is run within the terms of its handbook of policies and procedures, including finance, approved by the board in consultation with the operations manager. Responsibility for the day to day running rests with the operations manager with reference to the above

The main partners who finance the work of the charitable organisation are Argyll & Bute Council, Citizens Advice Scotland and the National Lotteries Charities Board

The Board has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks

### **Objectives and activities**

The charity's objects are to provide a bureau for the supply of information, advice and such practical assistance as is requested by individuals who consult the bureau, where available and appropriate

The strategies adopted to achieve these objectives are to provide Telephone advice, a drop in service (expansion of the service from the Lochgilphead office), home visits for clients referred by other agencies, an appointment based system for outreach (funding not yet secured) and exploring the possibility of using spaces in health centres, job centres etc to deliver a drop in service in other areas

### **Achievements and performance**

The financial year 2005/06 saw many changes arising from the need to ensure that expenditure remained within funds available

Salaried staff numbers were reduced from 16 to 5, and management was restructured

5 out of 6 drop in centres were closed, leaving just Lochgilphead open, in addition to a phone in service

Several new board members were recruited, providing the focus, capacity and expertise necessary for sound governance

The Welfare Benefits Service continues to offer a service throughout Argyll and Bute

A period of consolidation has followed these changes, to ensure that the revised operation is effective and affordable. As part of this process, staff and volunteers have been asked to contribute to a "lessons learnt" exercise as the basis for strategic review

### **Financial review**

The company is funded on a zero based budget and will not therefore, accumulate reserves. Funds donated for a specific purpose (restricted funds) will be fully expended for that purpose such that any balances held at the year end will be due to timing differences only

### **Asset cover for funds**

Note 15 sets out an analysis of the assets attributable to the various funds

### **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

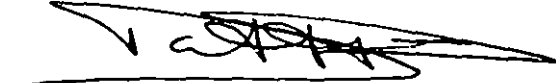
## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that William Duncan & Co be reappointed as auditors of the company will be put to the Annual General Meeting

On behalf of the board of directors



David Price

Director

Dated 11/10/06

# **ARGYLL & BUTE CITIZENS ADVICE BUREAU**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period

In preparing those accounts, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 charitable company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARGYLL & BUTE CITIZENS ADVICE BUREAU

We have audited the accounts of Argyll & Bute Citizens Advice Bureau for the year ended 31 March 2006 set out on pages 5 to 13. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described on page 3, the directors, who also act as trustees for the charitable activities of Argyll & Bute Citizens Advice Bureau, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### Basis of opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 as to whether the accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*William Duncan & Co*  
William Duncan & Co  
Chartered Accountants  
Registered Auditors  
Barmore Road  
Tarbert  
Argyll  
PA29 6TW

*16 October 2006*



# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<b><u>Incoming resources</u></b>					
Donations	2	8,297	13,828	22,125	9,985
Grants	3	131,464	103,244	234,708	172,210
Fundraising	4	6,453		6,453	1,848
Interest received	5	32		32	44
<b>Total incoming resources</b>		<b>146,246</b>	<b>117,072</b>	<b>263,318</b>	<b>184,087</b>
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
Fundraising costs	4	684		684	52
		684		684	52
<b>Net incoming resources available</b>		<b>145,562</b>	<b>117,072</b>	<b>262,634</b>	<b>184,035</b>
<b>Charitable expenditure</b>					
Salaries		76,972	67,947	144,919	107,724
Employer's NI and pension		10,962	6,549	17,511	13,831
Travel and subsistence		9,275	6,411	15,686	19,362
Rent, heat and light		11,065	8,790	19,855	15,012
Support costs		15,638	20,470	36,108	50,435
Management and administration		19,988	6,905	26,893	19,269
<b>Total charitable expenditure</b>		<b>143,900</b>	<b>117,072</b>	<b>260,972</b>	<b>225,633</b>
<b>Total resources expended</b>	6	<b>144,584</b>	<b>117,072</b>	<b>261,656</b>	<b>225,685</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,662</b>		<b>1,662</b>	<b>(41,598)</b>
Transfers between funds	10	8,263	(8,263)		
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>9,925</b>	<b>(8,263)</b>	<b>1,662</b>	<b>(41,598)</b>
Fund balances at 1 April 2005		(26,861)	76,749	49,888	91,486
<b>Fund balances at 31 March 2006</b>	13	<b>(16,936)</b>	<b>68,486</b>	<b>51,550</b>	<b>49,888</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	11		68,486		76,749
<b>Current assets</b>					
Cash at bank and in hand		61		22	
Creditors amounts falling due within one year	12	(16,997)		(26,883)	
<b>Net current liabilities</b>			(16,936)		(26,861)
<b>Total assets less current liabilities</b>			51,550		49,888
<b>Income funds</b>					
Restricted funds			68,486		76,749
Unrestricted funds			(16,936)		(26,861)
			51,550		49,888

The accounts were approved by the Board on 13 SEPTEMBER 2006

Director

*[Signature]*

11/10/06

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention

The charity meets its day to day working capital requirements through an overdraft facility which is repayable on demand

The nature of the charity's activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 10 months from the date of their approval of these accounts, this being the point at which council funding will expire and will have to be reapplied for. The board are hopeful that continued council funding will be forthcoming. On the basis of this cash flow and other information, and discussions with the charity's bankers, the directors consider that the charity will continue to operate within the facility currently agreed and within that which they expect will be agreed in March 2006, when the charity's bankers are due to consider renewing the facility for a further year.

However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the overdraft facility by the charity's bankers.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000 (revised 2005).

#### 1.2 Incoming resources

Income from grants to further the aims of the charity are credited to the Income and Expenditure account on an accruals basis.

#### 1.3 Resources expended

Expenditure other than that which has been capitalised is charged to the Income and Expenditure Account on an accruals basis, inclusive of Value Added Tax. "Direct Charitable Expenditure" comprises all costs and expenses considered to relate directly to achieving and maintaining the objectives of Argyll & Bute Citizens Advice Bureau.

Restricted expenditure is defined within the funding bids proffered to facilitate the restricted income received and is allocated on this basis.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office Upgrades	10% straight line on cost
Furniture & Fittings	10% straight line on cost
Computers	10% straight line on cost
Communications	10% straight line on cost

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 1 Accounting Policies (continued)

#### 1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

#### 1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme

#### 1.7 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts

### 2 Donations

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Donations and gifts	8,297	13,828	22,125	9,985
<b>Donations and gifts</b>				
Unrestricted funds				
General			135	5,270
Cattanach Trust			2,500	
NHS			5,662	
			8,297	5,270
<b>Restricted funds</b>				
General				4,715
Scottish Community Foundation			3,828	
The Robertson Trust			10,000	
			13,828	4,715

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 3 Grants

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Grants receivable for charitable activities	<u>131,464</u>	<u>103,244</u>	<u>234,708</u>	<u>172,210</u>

#### Grants receivable for charitable activities

##### Unrestricted funds

Argyll & Bute Council

60,482 40,292

Citizens Advice Scotland

70,982 88,768

131,464 129,060

##### Restricted funds

National Lottery Charities Board

57,404 43,150

Argyll and Bute Council

23,518

Supporting People

22,322

103,244 43,150

### 4 Fundraising

	2006 £	2005 £
Turnover	6,453	1,848
Operating expenses	(684)	(52)
<b>Net income from trading</b>	<u>5,769</u>	<u>1,796</u>

### 5 Interest received

	2006 £	2005 £
Interest receivable	<u>32</u>	<u>44</u>

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
Costs of generating funds					
Trading costs			684	684	52
Charitable expenditure					
Salaries	144,919			144,919	107,724
Employer's NI and pension	17,511		-	17,511	13,831
Travel and subsistence			15,686	15,686	19,362
Rent, heat and light			19,855	19,855	15,012
Support costs					
Training and IT support			18,403	18,403	25,481
Post, telephone and office			15,933	15,933	17,277
Subscriptions and publicity			1,772	1,772	7,677
Management and administration		8,263	11,725	26,893	19,269
	162,430	8,263	90,279	260,972	225,633
	162,430	8,263	90,963	261,656	225,685

Other management and administration costs comprise

Payroll administration	566	
Insurance	2,900	
Repairs and maintenance	412	
Lease cars	4,440	
Professional fees	102	
Audit and accountancy	2,136	
Bank interest and charges	1,169	
Recruitment (restricted)	4,685	
Lease cars(restricted)	2,220	
Other management and administrative costs		7,139
	11,725	

Management and administration costs includes payments to the auditors of £588 (2005 £588) for audit fees and £1,548 (2005 £587) for other services

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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### 7 Directors

None of the directors (or any persons connected with them) received any remuneration during the year, but four of them were reimbursed a total of £911 travelling expenses (2005 3 were reimbursed £394)

During the year, the company procured the services of Goldsworthy Consulting Ltd for training at a cost of £2,350 Sarah Goldsworthy was a director of both companies resigning from the board of Argyll and Bute Citizens Advice Bureau on 1st July 2005 These transactions were at market value and were carried out at arms length

### 8 Employees

#### Number of employees

The average monthly number of employees during the year was

	2006 Number	2005 Number
Management and administration	5	4
Service provision	7	6
	<u>12</u>	<u>10</u>

There were no employees whose annual emoluments were £50,000 or more

### 9 Taxation

Having charitable status the company will have no liability to corporation tax

### 10 Transfers

The transfer represents the depreciation charge for the year

# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 11 Tangible fixed assets

	Office Upgrade £	Furniture & Fittings £	Computers £	Communica- tions £	Total £
<b>Cost</b>					
At 1 April 2005 and at 31 March 2006	23,300	57,022	7,408	9,707	97,437
<b>Depreciation</b>					
At 1 April 2005	2,330	14,263	1,603	2,492	20,688
Charge for the year	2,330	4,259	739	935	8,263
<b>At 31 March 2006</b>	<b>4,660</b>	<b>18,522</b>	<b>2,342</b>	<b>3,427</b>	<b>28,951</b>
<b>Net book value</b>					
At 31 March 2006	18,640	38,500	5,066	6,280	68,486
At 31 March 2005	20,970	42,759	5,805	7,215	76,749

### 12 Creditors amounts falling due within one year

	2006 £	2005 £
Bank overdrafts	13,424	8,933
Accruals	3,573	17,950
	<b>16,997</b>	<b>26,883</b>

### 13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2006 are represented by			
Tangible fixed assets		68,486	68,486
Current assets	61		61
Creditors amounts falling due within one year	(16,997)		(16,997)
	<b>(16,936)</b>	<b>68,486</b>	<b>51,550</b>

The restricted funds represent the written down value of the fixed assets for which the costs were specifically donated and those purchased in furtherance of the charity's objectives from unrestricted funds

As shown on the face of the SOFA, all restricted income was expended in the year in line with the terms of the funding conditions



# ARGYLL & BUTE CITIZENS ADVICE BUREAU

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 14 Commitments under operating leases

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006	2005
	£	£
Expiry date		
Within one year	7,177	
Between two and five years	9,569	
	<u>16,746</u>	<u></u>