

MONEY ADVICE SCOTLAND
ANNUAL REPORT
YEAR ENDED 31 MARCH 2017

A private company limited by guarantee

Registered Number: SC137717

Scottish Charity Number: SC005663

**MONEY ADVICE SCOTLAND
ANNUAL REPORT
YEAR ENDED 31 MARCH 2017**

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**MONEY ADVICE SCOTLAND
PROFESSIONAL ADVISERS AND
COMPANY INFORMATION**

INCORPORATED	9 April 1992
COMPANY NUMBER	SC137717
CHARITY NUMBER	SC005663
DIRECTORS	Christine Sinclair Mike Holmyard Victoria Devoy
COUNTRY OF INCORPORATION AND REGISTRATION	Scotland
SECRETARY	Yvonne Jean MacDermid
REGISTERED OFFICE	Suite 410 Pentagon Centre 36 Washington Street GLASGOW G3 8AZ
AUDITOR	BDO LLP 4 Atlantic Quay 70 York Street GLASGOW G2 8JX
BANKERS	The Co-operative Bank plc 29 Gordon Street GLASGOW G1 3PF Barclays Bank 1 Churchill Place LONDON E14 5HP

MONEY ADVICE SCOTLAND REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 2017

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2017.

Principal Activity

The principal activity of the company during the year continued to be that of promoting and championing free, independent, impartial, confidential money advice and financial inclusion, and providing second tier support (in money advice) and membership services. This current year also included a Helpline service to the public, further training, coaching and group work in financial capability, and reaching out to Ethnic Minority communities through the Financial Inclusion Programme (FIP).

Money Advice Scotland is "Scotland's money charity" and our mission is to **"To be the driving force towards financial wellbeing for the people of Scotland"**.

We have three objectives as follows:-

1. Leading and improving the education, training and qualifications of money (debt) advisers in Scotland
2. Leading and improving the financial health and wellbeing of the people of Scotland
3. Leading and improving public and social policy in Scotland

Review of the Business

In terms of outturn and surplus, this has been an outstanding year for Money Advice Scotland. We received income of £832,278 (2016: £992,250), and expenditure of £778,705, which was an increase from £768,323 in 2016. We have increased our investment in the sector. We have generated a surplus of £53,573 and unrestricted funds have increased from £439,594 to £468,068. Unrestricted funds enable us to be flexible and responsive, whilst at the same time ensuring that our core activities are well resourced.

Due to the extension of funding from the Accountant in Bankruptcy and Scottish Government we have been able to continue the MATRICS and the Financial Capability projects in full, but with some reduction in the funding of the Helpline reflected in the number of employees. By having these projects in place this has enabled us to deliver more services directly to the public, and to money advisers, amongst others. Our Financial Capability work is reaching many communities across Scotland and from that work the financial capability of the people of Scotland is improving. We now have evidence of where there are changes in behaviours, and people looking after their money more wisely. For example: using comparison websites; and having a budget plan in place and sticking to it.

We have also successfully delivered the Financial Inclusion Programme to ethnic minority communities across the Glasgow area. We worked closely with them building up strong relationships. We collaborate with CEMVO Scotland, a national intermediary organisation, whose aim is to build the capacity and sustainability of the Ethnic minority voluntary sector and its communities. This joint project has been funded by the Scottish Legal Aid Board.

MONEY ADVICE SCOTLAND REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 2017

As ever, we have our “bread and butter” Wiseradviser training course provision for the money advice sector (see later notes) and we have also successfully delivered a Qualifications programme for the free advice sector.

We also successfully attracted additional funding from the Money Advice Service to deliver more training courses to the sector. This additional provision recognised the increased need for money adviser training given the sector has expanded to include many organisations not previously involved in money advice or financial capability, such as Housing Associations.

We have been actively engaged in working with the Money Advice Trust, and Money Advice Service with regard to the accreditation of the training courses across the “Debt Activity Sets”. This work will continue into the next financial year also. Having accredited training courses with individuals matching the debt activity sets goes some way to ensuring the quality of the advice which the public receive.

Whilst funding of core activities remains an issue, these other aforementioned projects have also allowed us to develop our offering, particularly in the light of our new strategy.

During this year we had 18 staff, and in these difficult economic times, that is quite a challenge for any organisation to be able to fully support a larger number of staff than before without any dedicated core funding. Also, as funding is of a short term nature, recruitment and retention of staff is always an issue. Here at Money Advice Scotland we want to have the right people, doing the right jobs. We are also a National Living Wage employer and we hope that attracts individuals to work for us.

Whilst we no longer receive core funding from any organisation, we have sustained the organisation through hard work, and determination. The projects which we run assist us with some costs to help support the overall organisation. However, ideally we would have support for our core costs on an ongoing basis.

Through all our activity, we believe we are fulfilling our aim to be Scotland’s Money Charity, and to be the driving force towards financial wellbeing for the people of Scotland.

We have proven that we can lead the sector, but we need adequate resources in place at the appropriate points to deliver on our promises.

Funding streams

As noted from the accounts we have a cocktail of funding. We rely heavily on public funding from Scottish Government - in respect of the MATRICS project (£102,224), Scotland’s Financial Health Service Helpline (£99,390), and Financial Capability (£186,589). Also, the Scottish Legal Aid Board who support the Financial Inclusion Programme for Ethnic Minority Communities (£50,896), and Money Advice Service (£145,658), who supports training, and organisational support for standards development for 7 agencies. Also the Money Advice Service supported our work as the Lead organisation for the Stream B Consortium, which was a very interesting piece of work developing competences in financial capability for the sector (£18,667). The Chief Executive led this piece of work and chaired meetings of over 20 participants from across the UK.

**MONEY ADVICE SCOTLAND
REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 2017**

We have generated income from other activities such as conference, membership fees (see below), advertising, training and consultancy income.

We also received funding for the Wiseradviser Training Programme from Money Advice Trust (£85,000). They have committed to Money Advice Scotland over a long number of years, and we hope to continue that relationship into future years.

Donations received in the year came to £17,500. The funds are unrestricted that enables us to make investment in areas of work which we wish to develop, which would otherwise perhaps be difficult to fund.

We are also grateful to others, such as Provident Financial, who have also supported us for a number of years.

Membership and Conference income

As reported in previous years our membership income is a small but important part of the overall income. In real terms the membership income alongside Conference income was £114,853 (2016: £131,452). As both income streams are unrestricted this helps support the core funding of the organisation, alongside other activities. The current funding of organisations in the field of money advice has resulted in reduced numbers attending conference, but every effort is made to make it as inclusive as possible.

Training, Standards, Quality and Qualifications

Training of advisers is one of our core functions and we continue to receive funding from the Scottish Government and Money Advice Trust, and due to that funding we were able to deliver substantial training places free of charge, through the auspices of the Wiseradviser programme. In addition we received funding from the Money Advice Service which delivered further training and vital standards and quality work with the sector as earlier mentioned. The quality work is aimed at raising the standard and the quality of the advice given, and to ensure that the organisations are ready to apply for Scottish National Standards accreditation.

Given that so much of our activity is free of charge to the sector, we are limited in how much scope we have for growing our business through training income. This year the income from training increased from £7,495 to £13,796. The free sector itself is struggling in many cases to fund additional in-house training to staff due to cut backs in spending.

MONEY ADVICE SCOTLAND REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 2017

Trustee recruitment and appointment

Our Council of Management (COM) consists of democratically elected individuals whose peers have nominated them (and a second person endorsed the nomination) to the Council of Management. An application is completed and those seeking nomination have to set out why they wish to serve on the Council of Management, and what skills and experience they can offer the organisation.

Providing there are more places available than nominations all will be nominated to the COM. Should there be fewer places than the number being nominated then a ballot will take place. The Office bearers of Convenor, Vice Convenor and Treasurer are filled on an annual basis, with the post of Convenor being restricted to a three year term of office.

Method of appointment

The Board of Directors is responsible under Company Law for the financial control, undertaking statutory duties in relation to employment and in exercising skill and care in the management of the affairs of the company.

Fundraising efforts

As in previous years Conference has been the flagship of the organisation – see earlier comments.

Although we continue to remain in a position that we lack long term funding agreements, the fact remains that funders have continued for a long number of years to support us year on year. We will continue our dialogue with our funders to work towards a time when funding will be longer term, and indeed help our business growth. We know that funders have confidence in us to deliver high profile projects, as has been demonstrated earlier in the report, and we would obviously like that to continue and to improve our funding base. We do want to extend our funding portfolio and work on that area has already started. We have good relationships with our funders and we need to work at bringing in “new cheese” and we need to resource that going forward.

Investors in People

During the year we were an Investors in People organisation at Silver level and we take our role as a Standard holder seriously. All staff have Guidance and Support sessions with line managers, and we also address staff development needs. During the year we also engaged the services of a Consultant to look at how we can shape the organisation by looking at the different personality types and how we can understand how we behave, and work with those who are of a different personality type, and do this in a managed effective way. Our Council of Management, and staff were involved and we had several workshops with the Consultant, and shared our profiles with each other.

In June 2016 we had an interim assessment for the IIP standard and the Assessor gave us a clear steer as to his recommendations and if they were fulfilled we are well on our way to Gold standard.

MONEY ADVICE SCOTLAND REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 2017

Stakeholder engagement

As with all organisations engagement of stakeholders is essential and we value our relationships with our financial supporters. Our engagement with our members is paramount, as without members we just wouldn't exist. So collectively, the members and our financial supporters are really crucial to our business success.

Going forward

We have our strategy, which is well underway, and the various projects are working well and delivering outputs. We have learned a lot from the process of setting up two projects in quick succession, and we have built on that experience, and improved the various services as a result of that learning experience. We listen to our customers, and continue to look at how we can improve the customer experience across all our offerings.

As ever we have our "business as usual" Wiseradviser training which we know provides the cornerstone of money advice knowledge. Together with our Certificate of Money Advice Practice, this provides all the tools in the money adviser's toolkit.

We will continue to work in partnership with our funders and others to deliver both outputs and outcomes in order that we can truly live our mission statement.

To demonstrate the Council of Management's commitment to the sector, funds were ringfenced including £65,000 for a Standards Development project, to assist our members from the free sector in building their capacity to meet the Scottish National Standards, thus enabling them to provide quality money advice, and be more resilient when it comes to funding applications. This work will start 1 April 2017, with a dedicated Quality Assurance Consultant working with the sector to improve their policies, practices and overall standards of provision. In addition, designated funds (£20,000) will be available for the development of a money advice qualification, based on Vocational standards, one which has been developed and will be delivered in Scotland.

It is clear that Money Advice Scotland takes its role in the sector very seriously, and that the quality of money advice is at the heart of the work carried out in the sector.

MONEY ADVICE SCOTLAND REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 2017

Directors

The directors who served during the year were as follows:

Christine Sinclair – Convenor

Pauline Allan (resigned 1 December 2016)

Joseph Glancy (resigned 1 December 2016)

Victoria Devoy (appointed 1 December 2016) – Treasurer

Mike Holmyard (appointed 1 December 2016) – Vice Convenor

None of the directors had any notifiable interest in the company at any time during the year. The company is limited by guarantee and has no share capital. The liability of the members on winding up is limited to £1.

The directors are all members of the Council of Management (Board) which is responsible for all strategic issues. Yvonne MacDermid is responsible for the day to day operation of the organisation.

Risk Policy

Having regard to the Office of the Scottish Charity Regulator requirements on risk, the company carries out ongoing assessments of the major risks and controls in place with a view to maintaining and developing their control systems. In particular, the organisation is taking seriously its role in respect of data protection, and the risks associated with the implementation of new technology. The organisation is very aware of its responsibilities in terms of the EU General Data protection Regulation (GDPR). This presents challenges but it also presents us with opportunities.

Reserves Policy

The statement of financial activities shows a surplus for the year of £53,573, funds at the balance sheet date of £918,133, of which £418,098 is unrestricted funds. The Board consider that the minimum level of unrestricted reserves should be 3 months of total annual expenditure, being approximately £195,000 at current year levels, to meet the cash flow needs and cover the ongoing liabilities of the organisation.

Current level of free reserves is £400,634 being unrestricted funds less fixed assets which is in excess of this target and represents 6 months of total annual spend. The reserves position is closely monitored by the Board in conjunction with the charitable objectives, the board have designated approximately £236,000 as at 31 March 2017 with a view to future investment in the sector which will utilise these excess reserves.

Status

The company is recognised by the Office of the Scottish Charity Regulator (OSCR) as a Scottish Charity, number SC005663. The company number is SC137717.

**MONEY ADVICE SCOTLAND
REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 2017**

Governing Instrument

Money Advice Scotland is a company limited by guarantee, governed by its Memorandum and Articles of Association.

Special Exemptions

The directors have taken advantage of the special exemption conferred by section 60 of the Companies Act 2006 applicable to companies limited by guarantee, allowing them to dispense with the requirement of using the word Limited, or the abbreviation Ltd, after the company name.

Provision of information to the auditor

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditor is not aware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Basis of preparation

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to charitable companies and with the section 1A of Financial Reporting Standard 102.

BY ORDER OF THE BOARD



**Yvonne Jean MacDermid
Secretary**

13 DECEMBER 2017

MONEY ADVICE SCOTLAND
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations.

Company law and charity law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF MONEY ADVICE SCOTLAND
YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of Money Advice Scotland for the year ended 31 March 2017 which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's directors and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's directors and 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 charity and the charity's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2017 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).

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF MONEY ADVICE SCOTLAND
YEAR ENDED 31 MARCH 2017**

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 Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Annual Report has 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

Barbara Southern, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Glasgow
United Kingdom

18 December 2017

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MONEY ADVICE SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2017 £	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2016 £
Income from:									
Donations	2	17,500	-	-	17,500	218,973	8,850	-	227,823
Charitable activities	2	27,930	669,757	-	697,687	29,740	602,313	-	632,053
Other trading activities	2	114,853	-	-	114,853	131,452	-	-	131,452
Investments		2,238	-	-	2,238	922	-	-	922
Total income		<u>162,521</u>	<u>669,757</u>	<u>-</u>	<u>832,278</u>	<u>381,087</u>	<u>611,163</u>	<u>-</u>	<u>992,250</u>
Expenditure									
Raising funds	3	74,689	-	-	74,689	76,888	-	-	76,888
Charitable activities	3	59,328	644,688	-	704,016	21,201	652,747	17,487	691,435
Total expenditure	3,4, 5	<u>134,017</u>	<u>644,688</u>	<u>-</u>	<u>778,705</u>	<u>98,089</u>	<u>652,747</u>	<u>17,487</u>	<u>768,323</u>
Net income/ (expenditure)		28,504	25,069	-	53,573	282,998	(41,584)	(17,487)	223,927
Transfers between funds	12	(50,000)	-	50,000	-	(51,307)	-	51,307	-
Net movement in funds		(21,496)	25,069	50,000	53,573	231,691	(41,584)	33,820	223,927
Reconciliation of funds									
Total funds brought forward at 1 April		<u>439,594</u>	<u>238,642</u>	<u>186,324</u>	<u>864,560</u>	<u>207,903</u>	<u>280,226</u>	<u>152,504</u>	<u>640,633</u>
Total funds carried forward at 31 March	11, 12, 13	<u>418,098</u>	<u>263,711</u>	<u>236,324</u>	<u>918,133</u>	<u>439,594</u>	<u>238,642</u>	<u>186,324</u>	<u>864,560</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

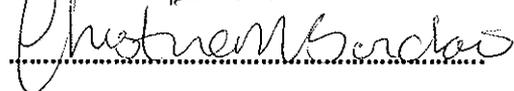
**MONEY ADVICE SCOTLAND
BALANCE SHEET
AS AT 31 MARCH 2017**

Company Number: SC137717

	Notes	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	8		17,464		24,860
CURRENT ASSETS					
Debtors	9	117,554		77,231	
Cash at bank and in hand		859,873		876,284	
		977,427		953,515	
CREDITORS					
Amounts falling due within one year	10	(76,758)		(113,785)	
NET CURRENT ASSETS			900,669		839,730
NET ASSETS			918,133		864,560
FUNDS					
Unrestricted funds			418,098		439,594
Restricted funds	11		263,711		238,642
Designated funds	12		236,324		186,324
TOTAL FUNDS	13		918,133		864,560

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to charitable companies and with the section 1A of Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 DECEMBER 2017



Christine Sinclair

Director

On behalf of the Board

The notes on pages 15 to 26 form part of these financial statements.

**MONEY ADVICE SCOTLAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2017**

Company Number: SC137717

	2017 £	2016 £
Cash flows from operating activities:		
Net income for the reporting period (as per the statement of financial activities)	53,573	223,927
Adjustments for:		
Depreciation charges	8,358	6,085
Interest received	(2,238)	(922)
(Increase)/decrease in debtors	(40,323)	30,369
(Decrease)/increase in creditors	(37,027)	32,649
Net cash (used)/provided by operating activities	(17,657)	292,108
Cash flows from investing activities:		
Purchase of tangible fixed assets	(992)	(13,502)
Interest received	2,238	922
Net cash provided by/(used in) investing activities	1,246	(12,580)
Change in cash and cash equivalents in the reporting period	(16,411)	279,528
Cash and cash equivalents at beginning of the reporting period	876,284	596,756
Cash and cash equivalents at end of period	859,873	876,284

The notes on pages 15 to 26 form part of these financial statements.

MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the charity's affairs.

(a) General information

Money Advice Scotland is a private company limited by guarantee incorporated in Scotland under the Companies Act 2006. The company number, charity number and address of the charity's registered office is given on the company information page and the nature of its principal activities is set out in the Report of the Directors.

(b) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The functional currency of these financial statements is GBP. No level of rounding has been applied in the preparation of these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. Details of these have been provided under 'Key judgements and estimates' policy.

Money Advice Scotland meets the definition of a public benefit entity under FRS 102.

(c) Going concern

The charity's structure, business objectives, principal activities, achievements, financial performance, future plans and principal risks and uncertainties facing the charity are set out in the directors' report.

The charity's cash flow and projections taking account of any risks and uncertainties show that the charity should continue to operate. It is the view of the Board that the charity has adequate income generation, and resources to continue to operate for the foreseeable future. Therefore the annual financial statements have been prepared on the basis of going concern.

(d) Tangible fixed assets and depreciation

Fixed assets purchased by the charity are shown in the balance sheet at cost price, less amounts written off by way of depreciation.

Depreciation is provided using the following rate:

Fixtures, fittings and equipment	33 1/3% reducing balance
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MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

(e) Taxation

No taxation is provided by virtue of the charitable status of the company.

(f) Restricted income and associated expenditure

Restricted income is any income which is for purposes as designated by the granter or donor and can only be applied to those purposes. Where expenditure in the income and expenditure account has been financed by restricted income, both have been dealt with under the accruals concept.

(g) Income

Income and grants that provide core funding or are of a general nature are recognised where there is an entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

(h) Funds

There are a number of restricted income funds to account for situations where a donor requires that a grant or donation must be spent on a particular purpose.

All other funds are unrestricted income funds and are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Designated funds are unrestricted income funds that have been set aside by the directors for a specific purpose that is part of the general objectives of the charity.

(i) Operating leases

Operating leases rentals are charged in the income and expenditure account on a straight line basis over the lease term.

(j) Pensions

The charity makes contributions to a defined contribution pension scheme. The assets of the plan are held separately from those of the charity in an independently administered fund. The pension charge in the income and expenditure account represents the amounts payable by the charity to the fund in respect of the year.

MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

(k) Expenditure

Direct costs are charged to the charitable activity and support costs are allocated on the relevant basis of staff time.

(l) Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Key judgements and estimates

The preparation of these financial statements has required the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts. The areas involving a degree of judgement significant to the view given by these statements are:

- Tangible fixed assets, as mentioned above, are depreciated over a period intended to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Tangible fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

(n) Financial instruments

All financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

2. INCOME

Donations

	Unrestricted £	Restricted £	2017 £	Unrestricted £	Restricted £	2016 £
Donation						
Money Advice Trust	-	-	-	-	8,850	8,850
Provident Financial	17,500	-	17,500	17,500	-	17,500
Other	-	-	-	201,473	-	201,473
	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>218,973</u>	<u>8,850</u>	<u>227,823</u>

	Unrestricted £	Restricted £	2017 £	Unrestricted £	Restricted £	2016 £
Charitable activities						
Scottish Government– MATRICS	-	102,224	102,224	-	102,224	102,224
Wiseradviser– MAT	-	85,000	85,000	-	85,000	85,000
Money Advice Service	-	145,658	145,658	-	103,040	103,040
Scottish Government– Financial Capability	-	186,589	186,589	-	145,756	145,756
Scottish Government– Financial Health Service Helpline	-	99,390	99,390	-	129,752	129,752
SLAB– Financial Inclusion Programme	-	50,896	50,896	-	36,541	36,541
Other income	14,134	-	14,134	22,245	-	22,245
Training Suite income	13,796	-	13,796	7,495	-	7,495
	<u>27,930</u>	<u>669,757</u>	<u>697,687</u>	<u>29,740</u>	<u>602,313</u>	<u>632,053</u>

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

2. INCOME (Continued)

Other trading activities

Income from other trading activities consists of the following:

	Unrestricted	Restricted	2017	Unrestricted	Restricted	2016
	£	£	£	£	£	£
Membership fees and conference	114,853	-	114,853	131,452	-	131,452

3. EXPENDITURE

	Activities undertaken	Support costs	2017 Total	2016 Total
	£	£	£	£
Charitable activities				
Training, qualification and standards development	350,305	52,576	402,881	396,803
Money advice training, resources, information and consultancy services	233,538	52,576	286,114	280,741
Training suite	-	15,021	15,021	13,891
Raising funds				
Membership fees and conference	44,646	30,043	74,689	76,888
Total expenditure	628,489	150,216	778,705	768,323

Support cost allocation represents management, other staff and office costs. The total of £150,216 (2016: £138,912) consists of £87,609 (2016: £84,227) of management and staff costs and £62,607 (2016: £54,685) office costs.

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

4. TOTAL EXPENDITURE INCLUDES THE FOLLOWING:

	2017	2016
	£	£
Staff costs comprised:		
Wages and salaries	450,899	436,523
Social security costs	44,349	42,404
Pension contributions	35,718	31,543
	<u>530,966</u>	<u>510,470</u>
 Depreciation:		
On tangible fixed assets	8,358	6,085
 Other costs comprised:		
Annual conference costs	44,646	49,105
Office costs	125,216	109,370
Audit, legal and professional fees	22,104	25,958
Training courses	27,663	47,947
Travel costs	19,164	18,740
Bank interest and charges	588	648
Total other costs	<u>247,739</u>	<u>257,853</u>
Total expenditure	<u>778,705</u>	<u>768,323</u>

5. DIRECTORS' REMUNERATION

No employee earned £60,000 per annum or more (2016: none).

The directors received no emoluments during the year (2016: none).

4 (2016: 3) directors received reimbursement of travel expenses amounting to £1,487 (2016: £1,407)

The average number of full time equivalent employees during the year was as follows:

	Number	Number
	2017	2016
Management and administration of the Charity	3	3
Charity operations	15	14
	<u>18</u>	<u>17</u>

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

6. NET INCOME FOR THE FINANCIAL YEAR

The surplus for the financial year is stated after charging:

	2017	2016
	£	£
Depreciation (note 8)	8,358	6,085
Staff costs (note 4)	530,966	510,470
Auditor's remuneration – audit fee	6,600	6,350
Auditor's remuneration – non audit fee	-	950
Operating Lease	53,305	41,668

7. INTEREST RECEIVABLE AND SIMILAR ITEMS

Interest receivable and similar items represents interest receivable on bank deposits and is shown as investment income in the Statement of Financial Activities.

8. FIXED ASSETS - TANGIBLE

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2016	101,471
Additions	992
At 31 March 2017	102,463
Accumulated depreciation	
At 1 April 2016	76,641
Charge for the year	8,358
At 31 March 2017	84,999
Net book value	
At 31 March 2017	17,464
At 31 March 2016	24,830

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

9. DEBTORS

	2017	2016
	£	£
Trade debtors	106,827	67,992
Prepayments and accrued income	10,727	9,239
	<u>117,554</u>	<u>77,231</u>

10. CREDITORS

	2017	2016
	£	£
Amounts falling due within one year:		
Trade creditors	14,105	51,756
Accruals	9,688	12,756
Deferred income	52,965	49,273
	<u>76,758</u>	<u>113,785</u>

	2017	2016
	£	£
Deferred income		
Opening balance at 1 April 2016	49,273	52,369
Released during the year	(49,273)	(52,369)
Deferred during the year	52,965	49,273
Closing balance at 31 March 2017	<u>52,965</u>	<u>49,273</u>

Deferred income comprises sums advanced to the charity during the year in respect of projects which have not been completed at the year end. The balance of deferred income as at 31 March 2017 relates to conference income of £34,130 (2016: £31,625) and membership fees of £18,835 (2016: £17,648). These funds will be released in the year to 31 March 2018.

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

11. RESTRICTED FUNDS

The movements on restricted funds during the year were as follows:

Movement in funds

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Scottish Government – Financial Capability	30,230	186,589	(186,077)	-	30,742
Scottish Government – Financial Health Service Helpline	23,208	99,390	(95,812)	-	26,786
SLAB – Financial Inclusion Programme	5,180	50,896	(50,038)	-	6,038
Other projects	180,024	332,882	(312,761)	-	200,145
	<u>238,642</u>	<u>669,757</u>	<u>(644,688)</u>	-	<u>263,711</u>

The above amounts relate to grants advanced to the charity in respect of specific payroll and associated costs related to the delivery of services to membership: including training, information and research. The balances will be absorbed by expenditure post year end and should be fully utilised in the year to 31 March 2018.

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

12. DESIGNATED FUNDS

	At 1 April 2016	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Development fund	25,000	-	-	-	25,000
Quality Assurance Consultant	76,324	-	-	-	76,324
Money Advice Qualification	20,000	-	-	-	20,000
Standards Development Project	65,000	-	-	-	65,000
Training and Development Fund	-	-	-	50,000	50,000
	<u>186,324</u>	-	-	50,000	<u>236,324</u>

- The Development Fund of £25,000 represents funds set aside for rebranding and website redevelopment. These funds will be expended during 2017/18.
- The Quality Assurance Consultant fund of £76,324 represents monies in respect of the development of the Institute of Money Advisers programme which will be expended during 2017/18.
- The Money Advice Qualification fund of £20,000 represents monies set aside as part of Money Advice Scotland's contribution to the sector. These funds will be expended during 2017/18.
- The Standards Development Project fund of £65,000 represents funds set aside as part of Money Advice Scotland's contribution to the sector which will comprise developing the sector and the recruitment of a full time and a part time and administration support workers. These funds will be expended during 2017/18.
- The Training and Development Fund of £50,000 designated in the year represents funds set aside for the recruitment and ongoing costs of a training consultant. The funds will be expended during the period to March 2019. The funds were transferred from unrestricted funds during the year.

**MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The analysis of net assets at 31 March 2017, between funds, is as follows:

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted funds	17,464	400,634	418,098
Restricted funds	-	263,711	263,711
Designated funds	-	236,324	236,324
	<u>17,464</u>	<u>900,669</u>	<u>918,133</u>

The analysis of net assets at 31 March 2016, between funds, was as follows:

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted funds	24,830	414,764	439,594
Restricted funds	-	238,642	238,642
Designated funds	-	186,324	186,324
	<u>24,830</u>	<u>839,730</u>	<u>864,560</u>

14. OPERATING LEASES

At 31 March 2017 the charity had total commitments under operating leases as follows.

	2017 £	2016 £
Expiry date		
Within one year	<u>16,758</u>	<u>16,758</u>

MONEY ADVICE SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

15. TRANSACTIONS WITH RELATED PARTIES

During the year, travel expense reimbursements of £1,487 (2016: £1,407) were paid to 4 (2016: 3) directors of the charity.

Key Management Compensation

Key management personnel include 3 (2016: 3) members of the management team who together have the responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £143,136 (2016: £150,932).

16. PENSIONS

The charity operates a defined contribution group personal pension plan under arrangements with an independent insurance company. 18 (2016: 17) members of staff are members of this scheme. During the year, pension costs arising and charged to the Statement of Financial Activities in respect of this scheme totalled £35,718 (2016: £31,543). As at the 31 March 2017, pension contributions outstanding totalled £Nil (2016: £2,978).