

CHARITY NO: SC029947

COMPANY NO: SC277345

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

ARGYLL & BUTE THIRD SECTOR INTERFACE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	J Minto J Stevens J Hayle P McDill N Owens
Principal Office	Edward Street Dunoon Argyll PA23 7PJ
Charity Number:	SC029947
Company Number:	SC277345
Independent Auditors	Wylie & Bisset LLP Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

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Report of the Trustees for the year ended 31 March 2018

The Trustees are pleased to present their report, together with the financial statements for the year ended 31 March 2018. The core of our business and its impact has been significant as we have built on and continued our support to volunteers, volunteer involving organisations, social enterprises and third sector organisations. We have continued to represent and to advocate for the wider third sector joining in political discussion at local, regional and national levels. We have welcomed a number of new staff and said goodbye to others, our staff are our biggest asset and are committed to improving their local communities.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Our Mission

'To be a self- sustaining social enterprise which is the 'go to' organisation for the third sector, volunteers and community actions; to be influential and engaged across a wide range of strategic partnerships; to act as a knowledge hub and training provider and a key player in leading and developing business development and awareness; an effective contributor to the economic, environmental and social health of Argyll & Bute'

Objectives and Activities

2017/18 marked the last full year in which the principal objectives and outcomes of Argyll & Bute Third Sector Interface were guided by the existing conditions of its core grant by Scottish Government. Therefore, our in-year objectives were:

1. To ensure people had opportunities to volunteer and were supported to do so.
2. To help volunteer involving organisations to recruit, manage and support volunteers.
3. To ensure that Social Enterprise was effectively supported to develop and grow.
4. To enable Third sector organisations to be well managed and deliver quality services.
5. To ensure the involvement of the Third Sector in Community Planning.
6. To support Health and Social Care Integration.

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Report of the Trustees for the year ended 31 March 2018

In addition to the above objectives, our governing document has objectives that support the areas of advancement of health and social care, tackling poverty, inequality and disadvantage, and supporting education and learning.

Our main programmes of work in 2017/18 therefore fell into two areas: those which are directly linked to our commitments with Scottish Government (our 'core' activities) and those which were project-based in line with our wider charitable objectives.

In respect of our project work, this was also the last full-year in the delivery of three of our funded projects: SDS Choices, Guided Self-help and Project Fourteen on Islay and Jura. All of these projects will come to an end in the course of the next financial year. We also delivered the 1000 Voices project, which supports older people to become more connected, a project jointly funded by Big Lottery and the Argyll & Bute Health and Social Care Partnership.

We are committed to being a forward-thinking organisation which supports the third sector and volunteering across the breadth of Argyll and Bute. Our employees and volunteers are required to be polymath and to integrate new challenges and policy agenda as these become part of the legislative framework. Our greatest challenge will be to achieve our objectives and to deepen growth and sustainability in order to improve services against tighter fiscal environments.

We will be measured against, inter alia: expectations of various stakeholders. Essentially these encompass national and local government expectations of engagement, communications, consultation and allied activities; local third sector, volunteer and community expectations 'our members' to whom all staff and our Board are accountable; overarching expectations of the third sector role and contribution to the transformation of public services design and delivery and an associated facilitation and engagement role.

Long term we would aim to:

- Be largely self-sustaining, and recognised as the source of expertise, intelligence and information for all third sector matters by all stakeholders.
- Have deep influence at strategic level across a range of partnerships extending to national, regional and local levels and stronger relationships with national bodies and Scottish Government.
- Be a catalyst for change, committed to social justice and democratic renewal and engaged in delivering national and local work including hosting initiatives.
- Have a strong profile and reputation and to be a sound organisation, fundable and well supported with an inspirational strategic plan.

We recognise there is work to achieve our ambitions and in the shorter term we will be focussed on strategic aims and objectives which include key actions based on the three pillars of Involve & Inform, Support and Develop.

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Report of the Trustees for the year ended 31 March 2018

Our short-term objectives therefore are centred upon improvement in:

Involve and Inform

- Communication – including across social platforms
- Representation and responses to increased demand, aligned with better ensuring voices are heard
- Engagement increased across policy and change agenda; ensuring the wider third sector is sufficiently engaged to be flexible and respond to change

Support

- A focus on funding issues and income generation internally and externally
- Increasing enterprise and supporting others to sustainable enterprise
- Blended training and increased staff expertise
- Focus on volunteering, which is high priority for Scottish Government
- Brokerage and collaboration

Develop

- Staff support, professional development and our quality standard
- Ensuring services are valued and of value to all sectors
- Improved infrastructure and systems
- Blended income streams aligned to emerging policy themes

Achievements and Performance

Across our varied remit and the activities there have been many achievements. Our support for volunteering for example, 2017 saw the A&BTSI achieve the Volunteer Friendly Award, and, in January 2018, achieve the EFQM Committed to Excellence Award.

Our Annual Volunteer of the Year Award event, which was held in September 2017 in the Gathering Halls, Oban. This event recognised outstanding achievements of volunteers across the spectrum, from grassroots community-led, to health and social enterprise volunteers. Our keynote speaker was Gill Aitkenhead, Deputy Lieutenant for Dunbartonshire. We heard from 3 shortlisted organisations, with Hope Kitchen winning Organisation of the Year.

We have continued to be very successful in encouraging young people to volunteer, and to gain Saltire Awards, whether that's through a local third sector organisation or through their school. The joint initiative between Youth Services and the A&BTSI in Helensburgh & Lomond saw the GIVE (Get Involved in Volunteering & Engagement) programme grow in the year to supporting 72 young people into volunteering across the area, contributing over 1,000 volunteering hours to their community.

Further detail of our work and our achievements in 2017/18 is provided in our Annual Report.

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Report of the Trustees for the year ended 31 March 2018

Financial Review

It is confirmed that the TSI's funds remain in good shape. There are and no cash flow issues. All expenditure from Restricted funds has been used in direct support of the activities stipulated by the nature of the restriction. Presently, the TSI does not use the accounting system to show expenditure against themed activities in the published accounts. It is the aspiration of the Board that, in future years, the accounts will be presented in a manner whereby expenditure can be easily and directly attributed to activities in the TSI's agreed plan.

The charity currently has total funds of £287,218, of which £83,641 are restricted, leaving unrestricted funds of £203,577. Funds totalling £1,333 have been designated by the Trustees, leaving free reserves of £202,244.

The trustees have target free reserves of approximately three months' expenditure, which is in line with OSCR guidance on reserve policy. On current year expenditure levels this would equate to approximately £189,000, therefore the reserves are currently ahead of target.

Reserves are held by the organisation for the following:

- To ensure that the charity can continue to provide a stable and quality service to those who need it. Within this context to minimise staff recruitment, staff training and induction and marketing costs by avoiding the need for redundancies caused by financial crisis.
- To provide working capital when funding is paid in arrears and place the charity in a position where it could bid e.g. for LEADER funding paid three months in arrears and / or ESF which can be paid 12 months in arrears. Similarly any contracted work may be paid at the end of such activity.
- To meet unexpected costs like breakdown of essential office machinery, staff cover related to illness, maternity leave, paternity leave, and legal costs for defending the charity's interests.
- To replace equipment as it wears out.
- To meet contractual liabilities if the organisation has to close. This includes redundancy pay, amounts due to creditors and commitments under leases.

From time to time funding has certain restrictions, which means that by law it must be held in a restricted reserve until it is spent in line with the funding agreement or contract. Over this last year we have therefore held levels of restricted reserves and it is important to be clear that these funds can only be expended according to the agreement with funders; we do not therefore have access or availability for expenditure of our choosing.

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Report of the Trustees for the year ended 31 March 2018

Key Risks Facing the Charity

The Trustees consider the following to be the key risks facing the charity, and noted the related mitigating actions taken to address these:

Risk	Mitigation
Lack of effective permanent CEO.	Use of a recognised specialist recruitment agency to assist the Board in selecting the best available candidate.
Ineffective board oversight. With only 5 Trustees, all must be present to hold a Board Meeting, this is not always possible.	Plan ahead to maximise attendance and utilise electronic communications.
The grant from Scottish Government to fund the core activities of the charity is provided on an annual basis rather than a multi-year settlement. This means that the TSI knows only a short time before the start of a new financial year what its funding for that year will be. The risk to the TSI is that, should funding reduce, the TSI would have to very quickly disinvest in current resources in place to support the Third Sector and Volunteering.	Argyll and Bute TSI, in common with other TSI's across the country, will continue to press the Scottish Government for multi-year funding to create financial stability and enable the TSI to develop a medium-term financial plan.

Structure, Governance and Management

Argyll & Bute Third Sector Interface is a registered charity and a company limited by guarantee. There are no subsidiary undertakings. The organisation is subject to its governing document, the articles of association.

The Key Management personnel of the charity are considered to be the Trustees, the CEO and the Senior Management Team.

The charity's Trustees have overall ownership of governance and strategy, with operational management and decision-making delegated to the Chief Executive Officer, Kirsteen Murray. The Management Structure includes the Deputy CEO, Katrina Sayer, and the Operations Manager, Alistair McLaren, with devolved responsibility and who form the Senior Management Team to support the CEO's role. Trustees must commit to acting in the best interests of the organisation and declare any interests in the relevant register. Trustees are also expected to accept and abide by our Standards of Trustee Conduct. There are regular formal meetings of Trustees as the A&BTSI Board, and also more informal meetings with the Chief Executive and management team.

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Report of the Trustees for the year ended 31 March 2018

The Board is elected at our Annual General Meeting, and any appointments between AGMs are made in accordance with our written constitution. The TSI is committed to board diversity and to the Scottish Government 5050 by 2020 agenda ensuring equal representation of male and female board membership.

There is an induction pack and process for all Trustees which is extensive and a programme of training is available. Trustees must commit to acting in the best interests of the organisation and declare any interests in the relevant register. Trustees are also expected to accept and abide by our Standards of Trustee Conduct as part of the organisations commitment to quality standards.

Additional support and training is delivered to Trustees as required. Whilst the current board do not have development sessions at each meeting we have a vast range of skills in governance and management within the senior management team which can be drawn upon as required. We also undertake a regular annual skills audit to ensure our board have a range of skills appropriate to its governance role.

The senior management team have their pay reviewed annually, although there has been no increase during 2017-18. This is benchmarked against similar or identical roles within other third sector interface organisations and although our pay rates are lower than the majority, they do reflect local conditions in an area with historically low pay rates.

There are no subsidiary undertakings. However, we work in partnership as opportunities arise and actively support other organisations as part of our remit. Whilst we are not currently working with any one specific organisation we support many, and are always open to new initiatives which may arise. We also work closely with our colleagues in the public sector where this benefits the communities of Argyll & Bute.

Reference and Administrative details

These are detailed at the front of this document.

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Report of the Trustees for the year ended 31 March 2018

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Argyll & Bute Third Sector Interface (Formerly Argyll Voluntary Action) for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

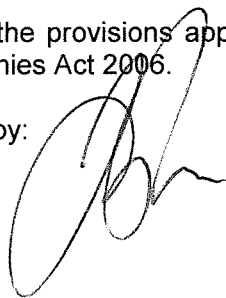
In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the trustees have taken all 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.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Name: JK HAYLE
Date: 14 December 2018



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Argyll & Bute Third Sector Interface (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE FOR THE YEAR ENDED 31 MARCH 2018

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept, 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder. 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 Ethical Standards for Auditors.

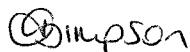
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE FOR THE YEAR ENDED 31 MARCH 2018

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jenny Simpson
Senior statutory auditor
For and on behalf of Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Date; 17 December 2018

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018
(including an Income and Expenditure account)

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	As restated Unrestricted Funds 2017 £	As restated Restricted Funds 2017 £	As restated Total Funds 2017 £
Income and endowments from:							
Donations and legacies	4	880	13,394	14,274	2,224	-	2,224
Charitable activities	5	316,149	449,574	765,723	320,983	482,302	803,285
Investments	6	-	-	-	154	-	154
Total Income		317,029	462,968	779,997	323,361	482,302	805,663
Expenditure on:							
Raising funds							
Raising donations and legacies	8	2,905	-	2,905	3,269	-	3,269
Charitable activities	10	274,261	478,820	753,081	309,978	416,472	726,450
Total Expenditure		277,166	478,820	755,986	313,247	416,472	729,719
Net income / (expenditure)		39,863	(15,852)	24,011	10,114	65,830	75,944
Transfers between funds		(10,925)	10,925	-	10,513	(10,513)	-
Net movement in funds		28,938	(4,927)	24,011	20,627	55,317	75,944
Funds reconciliation							
Total Funds brought forward as previously stated		136,546	54,698	191,244	131,137	33,251	164,388
Prior year adjustment	21	38,093	33,870	71,963	22,875	-	22,875
Total Funds brought forward as restated	16	174,639	88,568	263,207	154,012	33,251	187,263
Total Funds carried forward	16	203,577	83,641	287,218	174,639	88,568	263,207

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities

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BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018	As restated 2017
		£	£
Fixed assets:			
Tangible assets	13	1,333	-
Total Fixed Assets		<u>1,333</u>	<u>-</u>
Current assets:			
Debtors	14	17,985	12,389
Cash at bank and in hand	19	<u>291,223</u>	<u>282,802</u>
Total Current Assets		<u>309,208</u>	<u>295,191</u>
Liabilities:			
Creditors falling due within one year	15	<u>(23,323)</u>	<u>(31,984)</u>
Net Current assets		285,885	263,207
Net assets		<u><u>287,218</u></u>	<u><u>263,207</u></u>
The funds of the charity:			
Unrestricted funds	16	203,577	174,639
Restricted funds	16	83,641	88,568
Total charity funds		<u><u>287,218</u></u>	<u><u>263,207</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees and signed on their behalf by:

Name:  J K HAYLE
 Date: 14 December 2018
 Company No: SC277345

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2018

	Note	Total Funds 2018 £	Prior Year 2017 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	18	10,421	19,871
<i>Cash flows from investing activities:</i>			
Interest received		-	154
Interest paid		-	(127)
Purchase of fixed assets		(2,000)	-
Net cash (used in) / provided by investing activities		(2,000)	27
Change in cash and cash equivalents in the year		8,421	19,898
Cash and cash equivalents brought forward	19	282,802	262,904
Cash and cash equivalents carried forward	19	291,223	282,802

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 16.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Costs of raising funds comprise the costs of attracting voluntary income and its associated support costs;
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities, services for its beneficiaries and other activities undertaken to further the purposes of the charity and their associated support costs;

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 9.

(f) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Plant and equipment	33% on cost

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) Cash at bank and in hand

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.

(i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

(j) Pensions

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered by the Trustees in a fund independent from those of the company.

The pension costs charged against profits represent the amount of employer's contributions payable to the scheme in respect of the accounting period.

(k) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(l) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

(m) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(n) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

2. Legal status of the Charitable Company

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

During the year, no remuneration was paid to any trustee (2017: £Nil.). Expenses paid to one trustee in the year totalled £610 (2017: £2,035 to six trustees).

During the year Trustees waived expenses of £2,600 (2017: £870).

During the year £7,000 (2017: £7,000) was paid to a close family member of Katrina Sayer, a member of Key Management Personnel in respect of the rent of a property in Helensburgh.

During the year £Nil (2017: £2,829) was received from The Community Bureau, an organisation of which Glenn Heritage, a member of Key Management Personnel until 17 November 2017, is a trustee, in respect of project coordination and rental of office space.

4. Income from donations and legacies

	2018	2017
	£	£
Donations	14,274	2,224
	<u>14,274</u>	<u>2,224</u>

5. Income from charitable activities

	2018	2017
	£	£
Support and advice to third sector and volunteers	313,600	313,599
Shorter term projects	452,123	489,686
	<u>765,723</u>	<u>803,285</u>

6. Investment income

	2018	2017
	£	£
Interest on cash deposits	-	154
	<u>-</u>	<u>154</u>

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

7. Government Grants

Scottish Government core grant to Third Sector Interfaces.

The total amount received for 2017-18 was £313,600 (2016-17 £313,599). This funding is to deliver against the following outcomes:

1. People have opportunities to volunteer and are supported to do so
2. Volunteer involving organisations are better able to recruit, manage and support volunteers.
3. Social enterprise is supported to develop and grow.
4. Third sector organisations are well managed and deliver quality services.
5. Third sector organisations are better connected with the Community Planning process and are able to influence and contribute effectively to the design and delivery of the Single Outcome Agreement and Community Planning Outcomes.
6. The Third Sector Interface is responsive to the diversity of the community and is well managed, governed, and effective.

Scottish Government Support in the right direction grant.

The total grant for 2017-18 was £90,584 (2016-17: £90,139). This grant is to establish a community development approach to raising awareness and encouraging Self Directed Support. The grant also supports volunteer recruitment and support for people to access community resources.

NHS (now Health and Social Care Partnership)

The charity received funding of £105,000 (2016-17 £105,000) for community resilience work building assets within local communities which support the alleviation of loneliness and isolation in older people. Grant is to be used to further volunteer recruitment and timebank development enabling peer to peer support alongside activities established. This also focuses on giving a voice to communities of interest and identity to influence the design and delivery of local services.

GSHW

The total grant for 2017-18 was £98,066 (2016-17: £98,066). Supporting people with mild to moderate depression and anxiety in the use of self-help resources, referrals are received through GPs and assessed by CMHT before TSI staff support with a set number of session, using both workbooks and online resources.

Bord Na Gaidhlig

The total grant for 2017-18 was £Nil (2016-17: £2,080). A small project using Gaelic tutors to enable native Gaelic speakers to meet and chat with younger people and adults to give more conversational skills.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

7. Government Grants (continued)

Big Lottery

The total grant for 2017-18 was £98,892 (2016-17: £98,725). This was received towards the 100 Voices project to provide a range of support, linked to community networks, including: volunteer support to remote and rural communities, local activities and opportunities for social interaction, practical support at home, community transport to connect people and communities to social activities and services and supported opportunities to be involved in the planning of services.

Argyll & Bute Council

The total grant for 2017-18 was £15,000 (2016-17: £15,000). To improve the links between Third Sector Organisations and the Community Planning Partnership structure enabling groups and organisations to communicate and influence their views.

8. Expenditure on raising funds

	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Support costs	-	2,905	2,905	3,269
	-	2,905	2,905	3,269

9. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated £	Governance related £	Raising funds £	Short term projects £	Basis of apportionment
Salaries & NI	177,370	7,095	1,774	168,501	<i>Time spent</i>
Property Costs	37,939	1,518	379	36,042	<i>Time spent</i>
Other Overheads	59,496	2,379	595	56,522	<i>Time spent</i>
Total	274,805	10,992	2,748	261,065	

Governance costs:

	2018 £	2017 £
Auditor's remuneration	4,357	2,886
Legal fees	381	76
Director's Travel	-	132
Support costs (see above)	10,992	12,455
	15,730	15,549

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

9. Allocation of governance and support costs (continued)

	Support costs	Governance	2018 £	2017 £
Raising funds	2,748	157	2,905	3,269
Short term projects	261,055	15,573	276,628	311,205
	<u>263,803</u>	<u>15,730</u>	<u>279,533</u>	<u>314,474</u>

10. Analysis of expenditure on charitable activities

	Short term projects £	2018 Total £	2017 Total £
Staff costs	422,167	422,167	374,470
Property Costs	3,158	3,158	5,119
General Expenses	51,118	51,118	35,657
Governance costs (note 9)	15,573	15,573	15,394
Support costs (note 9)	261,065	261,065	295,811
	<u>753,081</u>	<u>753,081</u>	<u>726,450</u>

11. Analysis of staff costs and remuneration of key management personnel

	2018 £	2017 £
Salaries and wages	552,634	536,801
Social security costs	37,777	38,991
Employer contributions to defined contribution pension schemes	7,328	6,913
Total staff costs	<u>597,739</u>	<u>582,705</u>

	2018 £	2017 £
Key Management Personnel remuneration	<u>111,738</u>	<u>118,402</u>

No employees had employee benefits in excess of £60,000 (2017: Nil).

	2018 No.	2017 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>32</u>	<u>29</u>

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

12. Net income/(expenditure) for the year

This is stated after charging:	2018 £	2017 £
Depreciation	667	1,186
Auditor's remuneration:		
Audit fees	4,357	3,425
Over accrual of audit fee in prior year	-	(539)
Operating lease payments – land & buildings	20,361	20,361

13. Tangible Fixed Assets

	Plant & Equipment £	Total £
Cost or valuation		
At 1 April 2017	74,013	74,013
Additions	2,000	2,000
Disposals	-	-
At 31 March 2018	76,013	76,013
Depreciation		
At 1 April 2017	74,013	74,013
Charge for the year	667	667
Eliminated on disposals	-	-
At 31 March 2018	74,680	74,680
Net book value		
At 31 March 2018	1,333	1,333
At 31 March 2017	-	-

14. Debtors

	2018 £	2017 £
Trade debtors	11,174	5,050
Other debtors	6,811	4,599
Prepayments and accrued income	-	2,740
	17,985	12,389

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

15. Creditors: amounts falling due within one year

	2018 £	As restated 2017 £
Trade creditors	301	540
Other creditors and accruals	12,178	19,743
Taxation and social security costs	10,844	11,701
	23,323	31,984

16. Analysis of charitable funds

Analysis of Fund movements	As restated Balance b/fwd 2016 £	As restated Income £	As restated Expenditure £	Transfers £	As restated Fund c/fwd 2017 £
Unrestricted funds					
Fixed assets	1,186	-	1,186	-	-
Total designated funds	1,186	-	1,186	-	-
General funds	152,826	323,361	312,061	10,513	174,639
Total unrestricted funds	154,012	323,361	313,247	10,513	174,639
Restricted funds					
GSHW	729	98,066	92,496	-	6,299
Leader Involving & developing	1,000	-	-	(1,000)	-
NHS Transport	-	38,000	18,891	-	19,109
Befriending Service					
Campbeltown	6,831	-	-	(6,831)	-
Happy Bus	160	-	160	-	-
Bank of Scotland	5,582	-	5,485	-	97
Lochgilphead Men's Shed	366	-	100	-	266
NHS Helensburgh Falls Work	-	7,000	-	-	7,000
SCVO Digital	2,682	-	-	(2,682)	-
SDS Choices	-	90,139	84,075	-	6,064
Argyll & Bute Council	13,453	15,000	10,835	-	17,618
NHS Strength & Exercising class	448	-	409	-	39
Connecting Communities	-	2,813	2,813	-	-
NHS Argyll Body Image	2,000	-	300	-	1,700
NHS Falls	-	5,177	2,197	-	2,980
People Trust	-	1,175	-	-	1,175
1000 Voices	-	204,150	195,537	-	8,613
Gaelic	-	2,080	532	-	1,548
Consultation and Engagement	-	9,440	1,679	-	7,761
Project Fourteen	-	8,522	963	-	7,559
Keeping Well Inveraray	-	740	-	-	740
Total restricted funds	33,251	482,302	416,472	(10,513)	88,568
TOTAL FUNDS	187,263	805,663	729,719	-	263,207

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16. Analysis of charitable funds (continued)

Analysis of Fund movements	As restated Balance b/fwd 2017 £	Income £	Expenditure £	Transfers £	Fund c/fwd 2018 £
Unrestricted funds					
Fixed assets	-	-	667	2,000	1,333
Total designated funds	-	-	667	2,000	1,333
General funds	174,639	317,029	276,499	(12,925)	202,244
Total unrestricted funds	174,639	317,029	277,166	(10,925)	203,577
Restricted funds					
GSHW	6,299	98,066	91,088	-	13,277
NHS Transport	19,109	-	109	-	19,000
Bank of Scotland	97	-	97	-	-
Lochgilphead Men's Shed	266	-	266	-	-
NHS Helensburgh Falls Work	7,000	830	9,135	1,305	-
SDS Choices	6,064	90,584	85,513	-	11,135
Argyll & Bute Council	17,618	15,000	32,618	-	-
NHS Strength & Exercising class	39	-	39	-	-
NHS Argyll Body Image	1,700	-	-	-	1,700
NHS Falls	2,980	1,778	1,656	-	3,102
People Trust	1,175	-	1,175	-	-
1000 Voices	8,613	203,902	221,368	8,853	-
Gaelic	1,548	-	1,548	-	-
Consultation and Engagement	7,761	1,184	2,709	-	6,236
Project Fourteen	7,559	23,958	16,937	-	14,580
Keeping Well Inveraray	740	700	1,195	-	245
National Adult Volunteering	-	970	-	-	970
Gerriactivity	-	3,750	1,478	-	2,272
Helensburgh Craft Club (1000v)	-	2,060	2,307	247	-
Inveraray Fit Plus	-	720	720	-	-
Move it or Lose it Fitness	-	400	400	-	-
ADP Papa	-	11,124	-	-	11,124
Health & Wellbeing Coordinator					
Islay	-	7,500	8,020	520	-
Lunch Bunch	-	442	442	-	-
Total restricted funds	88,568	462,968	478,820	10,925	83,641
TOTAL FUNDS	263,207	779,997	755,986	-	287,218

a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The trustees have designated funds as follows:

The fixed assets fund represents the amount tied up in the assets.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16. Analysis of charitable funds (continued)

Transfers to restricted funds represent project overspends met from general funds.

a) The nature and purposes of the various restricted funds are as follows:

GSHW - Provides staff in three locations supporting people with low level mental health issues by providing self-help materials and guidance and making appropriate referrals to voluntary sector and other activities.

Leader Involving and developing – Community development project which supported organisations and communities which are hard to reach to identify their own solutions and resources, establish groups and take forward community actions.

NHS Transport – monies held on behalf of NHS in relation to Community Transport.

Befriending Service Campbeltown – Befriending Campbeltown project on behalf on NHS. Transfers represent project costs met from unrestricted funds in the prior year accounts.

Happy Bus – Small community transport provision to remote settlements and communities in Kintyre.

Bank of Scotland – Supports befriending volunteer based project Helensburgh and Lomond. To upskill volunteers and expand befriending.

Lochgilphead Men's Shed – Funding received for Lochgilphead Men's Shed.

NHS Helensburgh Falls Work – Funding for project in partnership with NHS to support delivery of strength & balance classes to older people in Helensburgh & Lomond.

SCVO Digital – A short term project which increased digital participation in particularly hard to reach communities, developed young people as peer facilitators and supported Saltire Awards. Transfer of any remaining project funds to unrestricted funds at the project end was approved by the funder.

SDS Choices - An awareness raising and information service to rural and remote areas, focussed on the available options of Self Directed support, which recruits volunteers, and connects communities, building capacity. Transfers represent overspend on project met from general funds.

Argyll & Bute Council - TSP Forums throughout Argyll and CPP Area Community Planning Groups. Funds contribute to representational role of interface at ACPG and with local opportunities for engagement with sector.

NHS Strength & Exercising class - Delivery of prevention of Falls in Dunoon area to encourage self- management and independence. Predominantly for training and equipment.

Connecting Communities – Partnership intergenerational project which supported young people and achievement of Saltire Awards through volunteering and supporting older people.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16. Analysis of charitable funds (continued)

NHS Argyll Body Image - Pilot project supporting work with schools to encourage in young people a positive self- image and prevent / alleviate negative thinking.

NHS Falls- Delivery of prevention of Falls in Cowal area to encourage self- management and independence

People Trust - Short term project to encourage third sector organisations to apply for specific Trust funding and support applications to People's Trust.

1000 Voices – To provide a range of support, linked to community networks, including: volunteer support to remote and rural communities, local activities and opportunities for social interaction, practical support at home, community transport to connect people and communities to social activities and services and supported opportunities to be involved in the planning of services.

Gaelic – To enable native Gaelic speakers to meet and chat with younger people and adults without Gaelic in a social setting.

Consultation and Engagement – funding for focus groups explaining what Smart Meters were and introducing communities to the benefits of Smart Energy.

Project 14 – Developmental role with a project on Islay which aims to develop initiatives across Islay and Jura, including supervising a youth worker.

Keeping Well Inveraray – A six-month pilot to support the establishment of a group where we encourage older people to exercise, build strength and balance and also offers social engagement opportunities.

National Adult Volunteering – Consultation work around gathering ideas on an adult volunteering scheme similar to Saltire.

Gerriactivity – Project supporting older people across Kintyre to take part in shooting/fishing and golfing activities to increase social interactions and build friendships.

Helensburgh Craft Club (1000v) – Materials and hall hire for community groups around the peninsula reducing isolation and encouraging older people to get involved in their community.

Inveraray Fit Plus – Supported a local trainer to deliver fitness classes to older people in Inveraray to see increased levels of mobility whilst increasing social interactions.

Move it or Lose it Fitness – Training course costs for accredited training to deliver classes to older people.

ADP Papa – Contract with Alcohol & Drugs Partnership to develop a pathways and partnership tool to increase awareness of support across Argyll & Bute and to encourage organisations to work together.

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16. Analysis of charitable funds (continued)

Health + Wellbeing Coordinator Islay – Staff costs for H&W co-ordinator role on Islay.

Lunch Bunch – Day trip costs for older people in Mid Argyll.

17. Net assets over funds

	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£
Tangible Fixed Assets	1,333	-	1,333
Debtors	17,985	-	17,985
Cash	207,582	83,641	291,223
Current liabilities	(23,323)	-	(23,323)
	<u>203,577</u>	<u>83,641</u>	<u>287,218</u>

	As restated Unrestricted Funds	As restated Restricted Funds	As restated Total 2017
	£	£	£
Debtors	12,389	-	12,389
Cash	194,234	88,568	282,802
Current liabilities	(31,984)	-	(31,984)
	<u>174,639</u>	<u>88,568</u>	<u>263,207</u>

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017 as restated
	£	£
Net income/ (expenditure) for the year (as per the Statement of Financial Activities)	24,011	75,944
Adjustments for:		
Interest received	-	(154)
Interest paid	-	127
Depreciation charges	667	1,186
Decrease / (increase) in debtors	(5,596)	1,189
(Decrease) in creditors	(8,661)	(58,421)
Net cash provided by operating activities	<u>10,421</u>	<u>19,871</u>

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

19. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	291,223	282,802
	<u>291,223</u>	<u>282,802</u>

20. Financial commitments

At 31 March 2018 the charity had outstanding commitments under non-cancellable operating leases as follows:

	Property	
	2018	2017
	£	£
Within one year	20,361	20,361
	<u>20,361</u>	<u>20,361</u>

ARGYLL & BUTE THIRD SECTOR INTERFACE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

21. Prior Year Adjustment

On review of the funds during the current year it was noted project funds received by the charity in the prior year had incorrectly been accounted for as funds held as a custodian, and also that a fund previously reported as designated by the trustees should have been accounted for as a restricted fund.

It was further noted that income previously reported as deferred at the year end should have been recognised in full during the reporting period. Although this related to restricted funding this meant expenditure was not correctly allocated to this fund and had been reported as unrestricted expenditure.

A prior year adjustment has therefore been made to these accounts.

A reconciliation of previously reported to restated funds can be found below:

Reconciliation of funds	At 1st April 2016 £
Opening funds at as 1 st April 2016 as previously stated	164,388
Release of income previously deferred	22,875
Opening funds as at 1st April 2016 as restated	187,263

Reconciliation of funds	At 1st April 2017 £
Opening funds as at 1 st April 2017 as previously stated	191,244
Release of income previously deferred	22,935
Net effect of income and expenditure accounted for as funds held as a custodian	49,028
Funds as restated	263,207

Reconciliation of reported net movement in funds	£
2017 net movement in funds as previously stated	26,856
Net effect of deferred income release	60
Net effect of income and expenditure accounted for as funds held as a custodian	49,028
2017 net movement in funds as restated	75,944