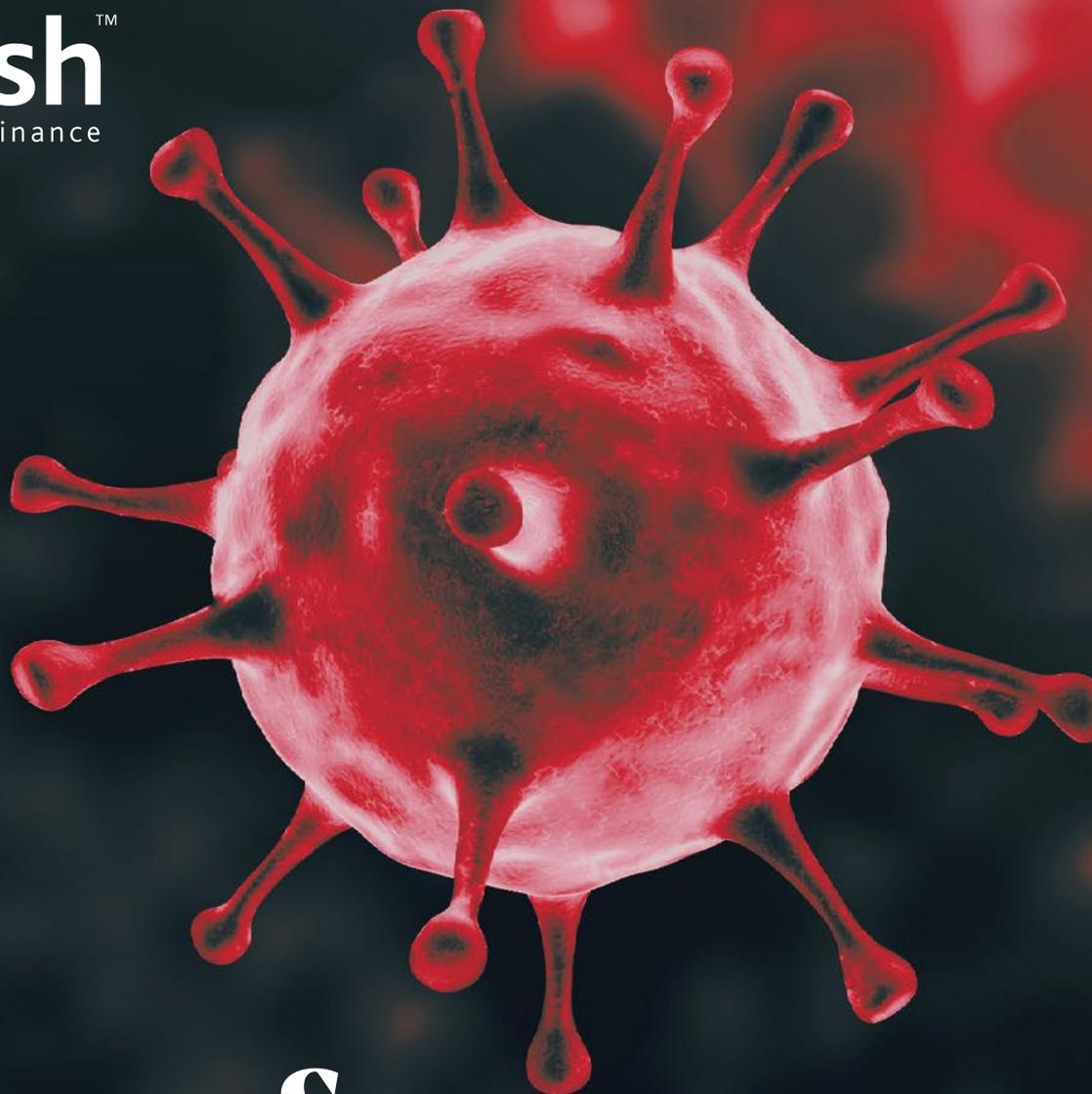
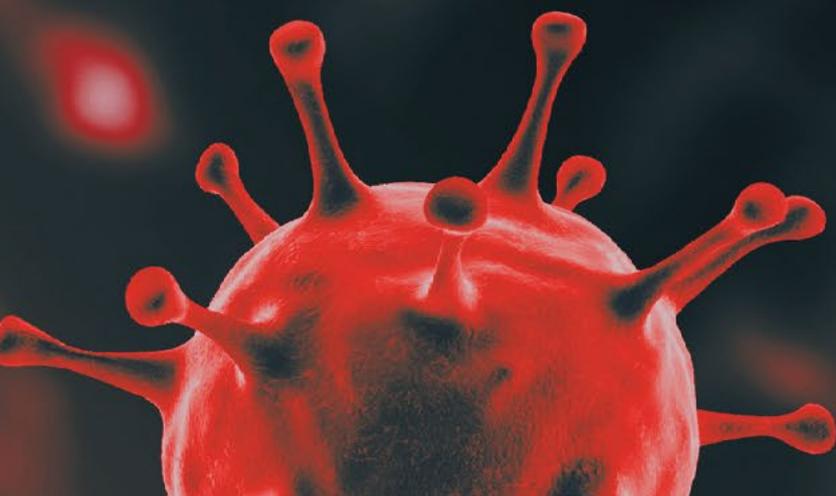


ScotcashTM
approachable finance



A year of resilience

2020-21 ANNUAL REPORT & FINANCIAL STATEMENTS



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Foreword

Exploitative lending destroys people's health, wellbeing and lives. The first time I visited Scotcash, which offers ethical and affordable finance to people on low and fluctuating incomes, I was fighting bad actors in consumer credit.



I wanted to knock out predatory high-cost lenders who were trying to make lots of money from other people's difficulties. And I was determined to champion fair alternatives like Scotcash and other community development finance institutions.

Since my first visit some well-known high-cost lenders have left the market because of tougher regulation and a crack-down on miss-selling. But we mustn't think the fight is won just because we've started to tackle some of the worst offenders.

The pandemic has made day-to-day living harder for many for whom life was already tough enough. More and more people and families, especially in households with lower incomes, have struggled to pay for things that are essential. There was a jump of a third, to over 14 million, in the number of people with low financial resilience between March and October 2020.

They can manage their money expertly, to the penny, as you will hear from Scotcash's chief executive Sharon MacPherson in this report. But sometimes when people face a sudden large expense like a washing machine breakdown or an expensive car repair, they may need to use credit. The last thing they need is to be exploited.

Scotcash works with customers to make their financial circumstances better. This report shows how. It is a social enterprise, not an extractor of profit from people who pay the "poverty premium" for many goods and services. It offered payment holidays during the pandemic, well before lenders were instructed to. Its staff got on the phone to talk

with customers about their specific circumstances. It distributed hardship grants and signposted tax credits and other relevant benefits to people made redundant during the crisis.

This had an enormous impact. Some customers describe it as a lifeline. Every pound Scotcash saves for people helps their money go further: for food, clothes, household essentials or savings. As more and more people are ineligible for credit from mainstream providers, we must continue to fight for finance that is fair.

Michael Sheen
Activist and Actor



Welcome...

...to Scotcash's 14th Annual Report which underscores how 2020 was a year like no other. The pandemic exposed deep inequalities that predate the crisis, with the worst consequences on those in our poorest communities and already disadvantaged.

A YEAR LIKE NO OTHER – HIGHLIGHTS FROM 2020/21

- ▶ Scotcash 'hardship grant fund' delivered to 80 vulnerable customers
- ▶ Developed formal relationship with the Fairer Scotland Team, Scottish Government
- ▶ Full organisational technology refresh improving connectivity and efficiency
- ▶ Successful switch to full remote home working
- ▶ Staff Survey 2020
- ▶ New Social Media Strategy & SEO Audit
- ▶ New partnership on financial capability with SNOOP
- ▶ Experian and other aggregator partnership development
- ▶ Grant funding of £684,349 raised in the period

Scotcash worked hard to protect our staff and customers during the pandemic. We ensured customers had, and continue to have, access to the right advice at the right time, specific to their circumstances. Where necessary we put in place mitigating actions to stabilise their finances. This included access to a new Scotcash 'hardship fund' supported by our partners, Foundation Scotland.

Our staff were trained to identify signs of financial distress and to offer forbearance and support, well in advance of the Financial Conduct Authority's guidance to firms to offer this. We increased staff engagement through health and wellbeing surveys as they worked from home and supported those staff who were furloughed for a short period.

We capitalised on our investment in IT infrastructure and successfully made the transition to full remote working when lockdown began at the start of the financial year. With the planned reduction in our office space, we were able to control

costs and improve the financial position of Scotcash, reducing our loss from £239,118 in 2019-20 to £152,541 in 2020-21.

Lending was subdued because of the pandemic, as it was across our sector. Gross lending decreased by 50% while the number of loans decreased by 57%. The proportion of new business fell to 30% of all business, from 43% the previous year, in order to mitigate risk.

Income from lending decreased by 14% as the existing loan portfolio reduced at the same time as we increased our bad debt provision by 4%, which was significantly less than the 28% increase in the previous year.

The challenging year for all only strengthens our resolve, and the Board is committed to ensuring Scotcash can continue to impact positively on financial exclusion now and in the coming years.

A handwritten signature in black ink, appearing to read 'Morag Johnston'.

Morag Johnston
Scotcash Chair

CEO's report

It's always been clear that Scotcash's customers are careful with money. They may be excluded from mainstream financial services, but they're exceptional at managing their budgets.



They get by on small and often fluctuating incomes and they know how to make every pound and penny count.

When Covid-19 struck we feared the horrifying impact on people's lives and health. On top of this we were concerned the lowest-income households would pay a huge toll from the pandemic: that cuts to pay and cost rises would plunge millions over a financial cliff-edge.

We were determined to protect and support our customers and look after our staff. We adapted all our operating processes almost overnight. This report explains how.

The virus was indeed most damaging to the poorest in our society. Many had their hours cut or shifts cancelled, could not work

while home schooling, or were furloughed and lost a big chunk of their income. Millions fell through Government safety nets and could not get a penny of support. Expenses jumped for many of the lowest paid and people eligible for benefits.

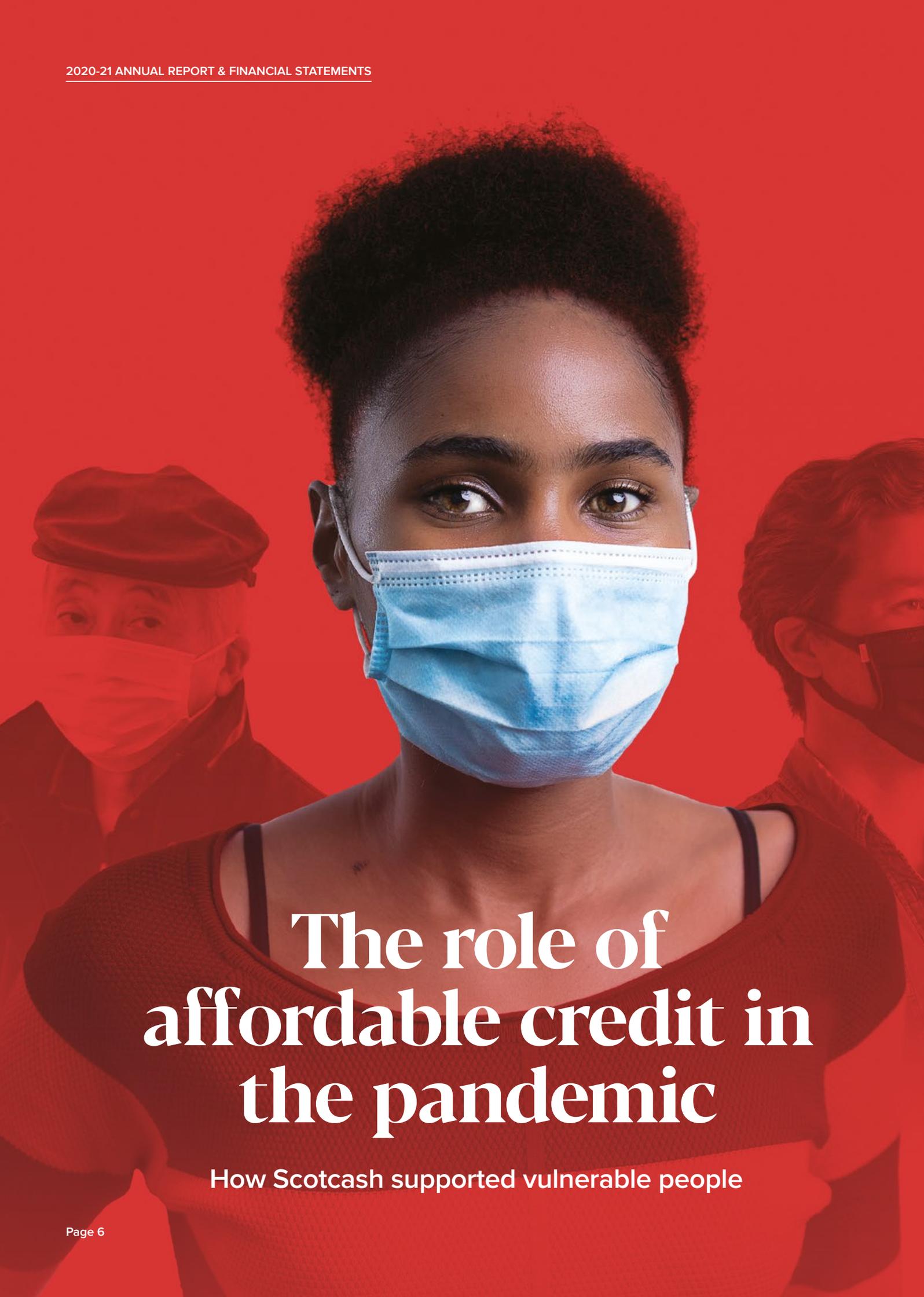
Our team surpassed every expectation in their efforts to support people in hardship, identify benefits and tax credits and build customers' digital skills when a keyboard was a lifeline from isolation. They phoned and listened to people. They protected the financially vulnerable. And they did it all with care, kindness and extraordinary flexibility at a time of unrivalled stress. They are a credit to the credit industry.

Scotcash and other community development finance institutions have been rightly recognised by politicians of all parties and across the media for this work. But the most important recognition has been from our customers. We're proud of every pound we can save them and every way we help make their financial situation better.

A handwritten signature in black ink, appearing to read 'Sharon MacPherson'.

Sharon MacPherson
Scotcash CEO

“I hope you will join me in thanking our team for their outstanding work this year.”



The role of affordable credit in the pandemic

How Scotcash supported vulnerable people

The pandemic had a devastating impact on lower-income households and their finances. Sadly, we thought it would, so early on Scotcash set in motion a plan to support our customers.

Households with the lowest incomes spend little on discretionary items – most of their spending is on essentials – so when incomes fell as the pandemic hit they had little room to save money. At the same time the cost of food, energy and other expenses shot up for many¹.

Our team could see the consequences would be stark for many of our borrowers, and as Covid-19 first struck we experienced an immediate and significant increase in requests for payment holidays.

Before the crisis less than five percent of customers asked for payment holidays at any one time. As soon as the crisis started, we knew people would be worried about making their repayments if their income had dropped or cost of living increased. We only make loans we are confident customers can repay, but the virus had changed many people's circumstances. We didn't want them to miss meals because of a monthly payment.

So we got in touch with all our customers. We proactively offered payment holidays, rather than waiting for people to ask for them, and we did this well before the FCA instructed credit providers to do so. By July around a third of customers had taken this up.

As the strict lockdown kicked in many people were isolated and lonely, and lockdown meant we could not give people face-to-face advice. We spent a lot of time on the telephone with customers in April and May. A grant from Foundation Scotland enabled us to make hardship awards of £50 each to 80 households, all existing customers. We identified eligible people by listening to customers and through our team pinpointing vulnerable households which needed support. We used flexible criteria: our only key requirement was that customers had been 'impacted by the crisis' so there were all sorts of different circumstances: some had lost all or some of their income; for others, their household expenses had shot up because they were shielding and could only get groceries from more expensive places than usual.

During these conversations our staff listened to customers' specific circumstances and directed them to support in their area. Many didn't know what help they could get from their local council, so they really valued us finding this for them. We told them about our online benefit checker tool too, and if necessary helped people to build their digital skills and confidence.

Alongside this person-to-person contact with customers, we used social media to continue spreading the word about our "Money MOT" tool. This was particularly helpful for people who'd been newly made redundant, whether or not they were Scotcash borrowers. They could identify any tax credits and other relevant benefits which had an enormous impact. By June, use of the tool shot up with users identifying over £26,400-worth of benefits they were eligible for, more than a tenfold increase on pre-Covid times. This put money into their pockets and households—a lifeline at a time of unprecedented pressure, saving many the need to take on any debt at all.

By October 2020 the number of people in the UK with low financial resilience had leaped from 10.7 million to 14.2 million². By December, nearly 9 million people had borrowed more money than usual because of coronavirus, with renters, people from minority ethnic groups, parents and carers, disabled people and those who are shielding, and young people most likely to have taken on more debt since the start of the pandemic³. Life has got harder and harder for people, especially those with the lowest income. Scotcash worked hard to protect our customers from the worst possible consequences.

¹ Resolution Foundation, Pandemic Pressures, Why families on a low income are spending more during Covid-19, <https://www.resolutionfoundation.org/publications/pandemic-pressures/>

² The Financial Conduct Authority (FCA) Financial Lives survey, <https://www.fca.org.uk/publications/research/financial-lives-2020-survey-impact-coronavirus>

³ House of Commons Library Research Briefing – Coronavirus: Impact on household savings and debt. Brigid Francis-Devine. <https://researchbriefings.files.parliament.uk/documents/CBP-9060/CBP-9060.pdf>

Finance that's fair for consumers



The Financial Conduct Authority's aim is to make financial markets work well so that consumers get a fair deal. What does that mean for Maggie Craig, Head of the FCA's Scotland office?

Maggie, what does your role involve?

My team and I work with the Scottish financial services community to represent the FCA in Scotland, and Scotland within the FCA. That includes banks, community development finance institutions and credit unions; we do lots of work with academics and consumer organisations too.

Financial services touches everyone and I love the variety of my job and that I get to meet such an amazing spectrum of people, from Cabinet Secretaries to vulnerable customers.

It's all about effective competition in consumers' interests. Sometimes people position it as a battle between types of provider and it's not – in fact, the pandemic showed how providers across the industry, Government and we as regulator were able to do incredible work together to change policy and create interventions in the interests of customers. I'm really proud of that.

How did you first get to know Scotcash?

Through our work with consumers. Our Financial Lives Survey shows the number of consumers exhibiting characteristics of what we call financial vulnerability is high in Scotland. My dealings with Scotcash have been around how it fits into the consumer space, particularly in what some people call the "hard to reach" market. Many firms find that market hard to serve well.

The FCA's data shows a big increase in financial vulnerability. How worried are you about this and the impact of the pandemic?

There's been an increase and it's hard to know how it will play out as Government support schemes wind down. We can expect a big rise in the need for debt advice, and that advice must be in consumers' best interests.

Many people who've never navigated the system before could find themselves with problem debt for the first time and we need to ensure those giving advice are properly authorised and behaving as they should.

Will innovation be in consumers' or providers' interests and are you excited about the future?

We're keen to encourage innovation that's good for consumers. Open Banking, for example, has made it easier to give appropriate, personalised debt advice to many people, or for lenders to assess affordability. It excites me when firms look at technology and do something good for people with it.

We're supportive of digital-first approaches as long as they don't mean "customer last" and we know that organisations like Scotcash will continue to make a huge effort to get to know and understand their customers.



And we're looking at how our consumer duty fits with the journey to net zero in a way that's good for ordinary people. Everything we do is about a demonstrable benefit for people.

What advice would you give to someone considering a career in the financial industry?

Don't assume it is as male-dominated as it used to be. There's been progress, though we need there to be more progress on all aspects of diversity. Don't assume you have to be good at Excel spreadsheets – my team will tell you I'm certainly not. And whatever you do in this industry have the customer in your head.

I'm lucky: I have a good job. But I've never forgotten the ice on the inside of the kitchen window when I was growing up in Govan. And I remember being very angry with someone who couldn't understand what a big deal it was for a customer to lose £40 from their account. That cornerstone of knowing your customer and earning their trust is vital.

That of course is a real strength of the alternative credit sector, credit unions and CDFIs like Scotcash – they build relationships with customers, and customers feel they can talk with them.

“The alternative credit sector, credit unions and CDFIs like Scotcash build relationships with customers, and customers feel they can talk with them.”

Praise and partnerships

Customers' feedback during lockdown remained exceptional. Meanwhile, we launched new partnerships and continued others.

In our annual customer survey 93% of customers described Scotcash's services as very high or high quality, and comments included:

"The Scotcash adviser was a joy to interact with, from start to finish she was incredibly helpful, friendly, positive and empathetic, and I cannot put into words how good the level of service offered to me was," and "the person I spoke with was beyond helpful, she went out of her way to help me. Brilliant service."

Our customer survey enables us to continually improve how we deliver our products and services, encouraging Scotcash customers to be forthright in their feedback. They tell us how they heard about Scotcash, the best things about our service, how we have helped them and anything they would like us to change. Thanks to this feedback we develop new services and partnerships.

Snoop and ng Homes

In July 2020 we launched a new partnership with Snoop, a free, secure money management app. We offer this useful money-saving tool to everyone who applies to Scotcash for a loan, whether or not they are successful. Like Scotcash it is regulated by the FCA.

The initiative continues Scotcash's long track record in effective partnership working. Collaborations with Money Advice Scotland, Glasgow CAB, and numerous local authorities and housing associations have all been effective thanks to a shared purpose between Scotcash and partners to support the most vulnerable.

One example is our work with ng homes. 2021 marks a decade since ng homes supported the establishment of a Scotcash lending service to their tenants.

During a 2021 event organised by Responsible Finance and Fair4All Finance, Lynne Cooper, ng homes' Director of Housing, said:

"When we were presented with the chance to work with Scotcash we saw it as a really positive opportunity. We saw Scotcash as a safe pair of hands and a way for tenants to avoid crippling interest rates from doorstep and other high-interest lenders.

"10 years later our partnership with Scotcash continues to go from strength to strength. It aligns with our values and our vision to create a community where people can flourish and prosper."

Tackling illegal money lending

High-interest lenders come in legal and illegal guises. For the past five years we have worked with the Scottish Illegal Money Lending Unit to disrupt illegal money lending. Their funding to establish our Scotcash Money MOT service in 2018 has continued to have an impact: as you can read elsewhere in this report, the service proved a lifeline to new and existing customers in 2020-21.

Scotcash added to Experian panel

After extensive work during 2020-21, we were able to announce in April that Scotcash was one of the first three community lenders added to credit reference agency Experian's loan comparison service.

With more and more people excluded from mainstream financial services for the first time in their lives as a result of the pandemic, this will bring our services offering affordable credit to the attention of a new audience. We'll bring more news about the impact of this partnership in next year's report.

IT, systems and WFH

After the ‘Beast from the East’ Scotcash strengthened all our systems and processes so we could work remotely if we were cut off from the office. That meant we could make a seamless switch to working from home (WFH) when the pandemic struck.

In February 2018 Anticyclone Hartmut – the ‘Beast from the East’ – brought a prolonged spell of sub-freezing temperatures and snowfall to the UK, followed by storms.

Sadly, several people were killed and injured in weather-related events. The conditions caused chaos for Glasgow’s and the UK’s transport system too, with people unable to get to work and widespread power cuts and delays.

Unable to come into the office, many of Scotcash staff could not do their jobs remotely – at the time we were not geared up for remote working, and such a prolonged occurrence of sub-zero weather was rare.

But the experience prompted us to invest in technology to enable everyone to work from home, and this hardware and software meant that when we had to switch to home working in 2020 as the pandemic struck we were able to do so overnight.

“There was no interruption whatsoever to our operations when we switched over to working from home,” says Sharon MacPherson, Scotcash CEO.

“When the ‘Beast from the East’

caused havoc, we’d ensured every member of our team could work from home, investing in appropriate IT, equipment and processes, all compliant with data protection, cybersecurity and health and safety. That meant in March this year we could make the switch to home working in minutes.

“The situation has made us think about how we’ll use our offices in the future, and we’re discussing the experiences of working from home with our team. It’s something some staff love but others don’t enjoy, so we’re taking all views on board as we plan the future shape of the business.”

Will Laverty is Scotcash IT Manager. The process was relatively smooth, he says, with the technology and our systems proving robust. The pandemic also meant many customers started using our online services more, he adds:

“All our customers wanted and expected to engage more with us online – even people who were previously reticent about doing things through websites. So the ‘My Account’ part of the website came into its own this year, and although we did an enormous amount of work over the phone, we increased

contact with customers by email and text message too.

“Online benefit checking proved a lifeline too – and so did the partnership with Snoop.”

Will has enjoyed working from home:

“We can meet as a team more easily than before, and it’s actually easier to give people the support they need – I can log on with them and share my screen if they need to see how to do something. I get more done.”

We asked all of our staff how we could best support them as they moved to working from home, and during the course of the year. We conducted a couple of staff surveys during 2020-21 too, with 100% of staff agreeing that “we have found meaningful ways to stay connected as colleagues while working remotely.”

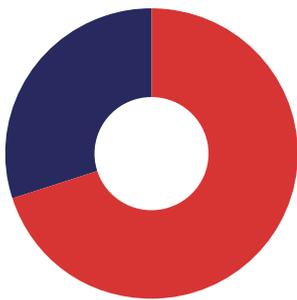
In March 2020 we needed to match resources to our immediate drop in income and switched some staff to furlough for either two or four months. We took great care to communicate regularly and reassure them we would bring them back to work as early as possible.

Scotcash facts and figures 2020/21

	1st April 2020 – 31st March 2021	Overall Accrued Totals
Loans written	1,612	32,146
Value of loans advanced	£866,836	£14.7m
Interest saved for customers on like-for-like loans*	£370,760	£7.4m
Financial capability advice**	304	n/a

*average savings £230 per loan **October 2020 – March 2021

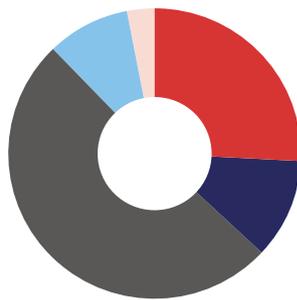
Customer profiles



Gender

70% of Scotcash customers described themselves as female and 30% as male:

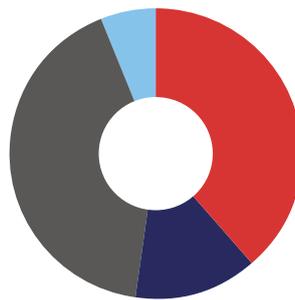
- Female
- Male



Employment status

During 2020-21 over a third of Scotcash customers were working either part-time or full time:

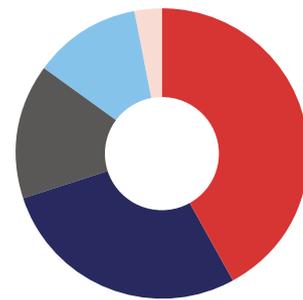
- Full time employment - 26%
- Part time employment - 11%
- Unemployed - 51%
- Incapacitated - 9%
- Retired - 3%



Household status

More than half (53%) of customers were from a household with children:

- Lone parent with children - 39%
- Couple with children - 14%
- Single adult - 42%
- Couple with no children - 6%



Occupancy status

Nearly 9 out of 10 (85%) of Scotcash customers in 2020-21 lived in rented accommodation:

- Renting from housing association - 42%
- Renting from council - 28%
- Renting from private landlord - 15%
- Living with family or friends - 12%
- Owner-occupier - 3%

How customers heard about us

	1st April 2020 – 31st March 2021
Existing customer	48.1%
Internet	20.9%
Word of mouth	12.2%
Other – varied sources	14.6%
Housing association, credit union, bank	4.2%

Customer case study

Mary* is 29 and lives with her young son in Glasgow. She earns between £10,000 and £12,000 per year from her part-time job working with people who have experienced homelessness and addictions.

It's a rewarding job but with a monthly salary of £800 to £1000, depending on overtime, any unexpected or large bills can be a big challenge. Mary first heard about Scotcash five years ago from a friend. Glasgow Housing Association had recommended Scotcash to Mary's friend, who'd had a positive experience with us – and Mary's friend suggested we could help her too.

At the time Mary needed a small loan and visited Scotcash's branch where she went through the application process with an advisor. "I had to submit bank statements and answer questions but the advisor went through everything with me and explained why Scotcash needed all the information," she says.

Since repaying her first £200 loan, Mary has typically borrowed from Scotcash either once or twice per year – now applying online through Scotcash's website. She has always made all her repayments on time:

"I've never had any late payments or had any issues repaying. I like to live and pay within my means."

Her most recent loan which we approved in February 2021 was for £600. "I needed the money to get some work done on my car," says Mary, "but after Christmas I didn't have enough saved. Without my car I can't get around or get to work." Not many other lenders could have looked at Mary's circumstances and granted her an affordable loan – but without it her job would have been in jeopardy.

Mary says she turns to Scotcash once or twice per year if she needs a loan, because she likes the fact we are a responsible lender:

"I know that if and when I need a loan Scotcash is there, and I like their approach. A couple of years ago I applied for £800 and their advisor went through everything with me and worked out that £500 was, at the time, the maximum amount they could lend me. They take the time to ensure I can afford the repayments – it's much better, and cheaper, than the alternatives I could borrow from."

**This is a real customer's story but we have changed her name.*

"I know that if and when I need a loan Scotcash is there, and I like their approach."

Staff stories

Our exceptional team pulled together to address the challenges of 2020-21: looking after worried customers and switching to working from home. We needed to furlough four of our team for a short period in 2020 and were diligent in reassuring them and all members of staff that we would bring people back from furlough as soon as we could.

We appreciate the effort and commitment everyone made in this year like no other, and thought we'd ask all of our team for their reflections. You've already heard from Sharon and Will – read what everyone else had to say:

Susan McClelland, Deputy CEO:

"Borrowing options for lots of families and households are extremely limited, and we knew that many customers were not only worried about making their repayments, but also what impact any defaults would have on their ability to obtain affordable credit again in the future: mainstream banks don't tend to offer short-term, small-sum loans and if people borrow from a payday lender they pay the poverty premium, whereas we offer a valuable and fairer alternative. Our team worked sensitively and sympathetically with customers throughout the pandemic – and we ensured every member of staff was supported too."

Julie Spence, Office Manager:

"It's obviously been a very challenging year but we have a great team behind us helping to look after our customers. We've been through challenges before and built strong procedures. Like some others in the team, I was furloughed for a few months but the management kept me in the loop and ensured I understood they were working to get us back to work as soon as they could. It was good to have that reassurance. With two young kids myself being furloughed meant I could really empathise with what many of our customers were going through when I came back to work. Pretty much everyone has been affected by the virus – and the team have all worked really well and all pulled together."

Claire Irvine, Customer Service Administrator:

"I've enjoyed the experience of helping customers out. Lots of people in Scotland don't know about things like the Best Start Grants, for example, and these make an enormous difference helping people with the costs of being pregnant or looking after a child."

"It's been scary for everyone but working for Scotcash has been really positive, they are always checking in to ensure you are OK."

Staci McLeod, Finance Officer:

"The process to work from home was actually really smooth. You can understand why many customers were panicking at the start of the pandemic, but Scotcash dealt with it really well and made sure we could all help customers deal with their situations."

Annetta King, Credit Controller:

"We were helping people as much as we could, first of all with the hardship grants and signposting them to other support they may not have known about, and by being as proactive as possible in reaching out to customers."



Neil Duncan,

Customer Service Administrator:

"I was furloughed for a couple of months at the start of the pandemic, but colleagues kept checking in on me to see if I was OK and I knew they wanted to get us back as soon as they could. When I came back to work I could empathise with how people had been affected if they'd been furloughed or had their hours cut.

"It can be difficult to contact people if they are in arrears but we work hard to agree realistic repayment plans and I'm really confident about the year ahead.

"Working from home was not an issue for me because the communication across the team was so good – it felt that if there was ever anything you needed you only had to ask."

Marion Brown

Affordable Credit Advisor:

"There was a risk some customers could struggle if they were used to dealing with us face to face and didn't have any access to the internet. We spoke with lots of people on the phone and I know it was a relief for many customers.

"Sharon and Susan phoned me regularly while I was on furlough to keep in touch, which I found really helpful. I'm looking forward to the buzz when we're back in the office."

Pauline Birney,

Affordable Credit Advisor:

"It was seamless. Sharon and Susan had prepared us well and we got all the backup we needed – we could access our managers at any time.

"All the work we did to support customers took a lot of the pressure off them."

Gillian Coats,

Affordable Credit Advisor:

"Scotcash had never done anything like the hardship grants before. It made a huge difference. Many people might not understand, but that £50 was paying for someone's heating for a week, or food on the table. Many customers we contacted were overwhelmed when they realised we were going to give them money.

"Nine out of ten of the people we phoned were in a difficult position. We helped customers to contact energy companies and pointed them in the direction of the school uniform fund.

"Some customers struggled with the website so other loan officers and I talked them through the process. It went well and the people we helped became much more confident, and are happy logging in on their own now."

Auditor's report

Opinion

We have audited the financial statements of Scotcash CIC (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 company's affairs as at 31 March 2021, and of its loss 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.

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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the Directors' 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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate 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 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 and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Auditor's report **Continued**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- ▶ The nature of the company and the industry, control environment and business performance including key drivers for performance targets; and
- ▶ Our enquiries of management about their identification and assessment of the risks of irregularities.

Based on our understanding of the company and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- ▶ Regulations and legislation pertinent to the company's industry operations; and
- ▶ UK tax and employment legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of

the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- ▶ Posting inappropriate journal entries; and
- ▶ Management bias in accounting estimates.

Audit response to the risks identified

Our procedures to respond to the risks identified included the following:

- ▶ Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates;
- ▶ Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- ▶ Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- ▶ Reviewing correspondence with HMRC;
- ▶ In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jenny Simpson

Senior Statutory Auditor

*For and on behalf of Wylie & Bisset (Audit) Limited,
Statutory Auditor*

168 Bath Street, Glasgow, G2 4TP

Date: 26 August 2021

Balance sheet

Statement of total comprehensive income for the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover	4	926,442	1,085,029
Administrative expenses		(1,279,550)	(1,674,147)
Other operating income		200,429	345,952
Operating loss	3	(152,679)	(243,166)
Interest receivable and similar income	5	238	1,358
Loss before taxation		(152,441)	(241,808)
Taxation	6	-	2,690
Total comprehensive expenditure for the year		(152,441)	(239,118)

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

Balance sheet at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	7		70,834		109,860
Current assets					
Debtors	8	637,400		1,000,679	
Cash at bank and in hand		1,388,360		702,523	
		2,025,760		1,703,202	
Creditors: amounts falling due within one year	9	(578,678)		(142,705)	
Net current assets			1,447,082		1,560,497
Total assets less current liabilities			1,517,916		1,670,357
Net assets			1,517,916		1,670,357
Capital and reserves			1,517,916		1,670,357
Profit and loss account					

These financial statements have been prepared in accordance with the provisions applicable to the companies subject to small companies' regime. The financial statements were approved and signed by the directors and authorised for issue on 26 August 2021.



Steven Henderson
Director



Morag Johnston
Director

Company information

Directors

Morag Johnston CHAIR
Steven Henderson
Hugh Kelly
Elaine Galletly
Megan Virrels
Lynne Cooper
John Thorburn
Criona Courtney
David Rockliff
Ian Sillars

Secretary

Burness Paull LLP

Registered office

55 High Street
Glasgow
G1 1LX

Auditors

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers

Royal Bank of Scotland plc
10 Gordon Street
Glasgow
G1 3PL

Solicitors

Burness Paull LLP
120 Bothwell Street
Glasgow
G2 7JL

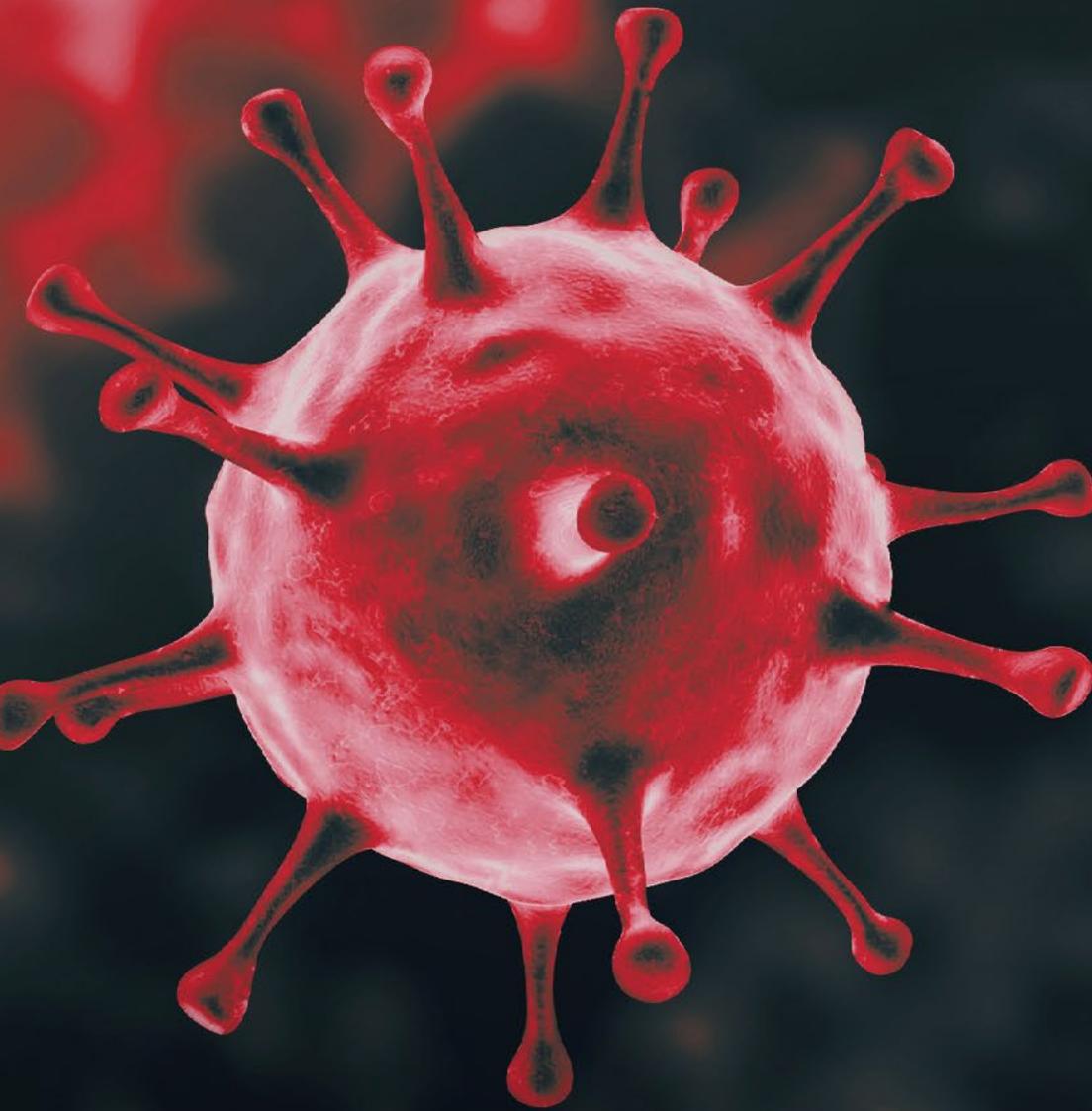
The board, management and staff would like to thank the following people and organisations for their support and assistance over the past year.

Affordable Lending Limited
Association Scotwest
Credit Union
Bank of Scotland
Barclays
Burness Paull LLP
Carnegie Trust UK
CGI
City Building
City Property
David Palmer Creative
DSL
Deft Digital
Edinburgh City Council
Edinburgh Poverty
Commission

Entitled To
Experian
Fair4All Finance
FinTech Scotland
Foundation Scotland
GAIN
G-Heat
Glasgow Caledonian
University
Glasgow Central CAB
Glasgow City Council
Glasgow Credit Union
Glasgow Housing
Association
Henderson Loggie
Home Energy Scotland

Indigo House
Improvement Service
Inbest.ai
INCUTO
Inverclyde Council
Jamie Veitch Consulting
Joseph Rowntree
Foundation
Koyelia Sirkar
Michael Sheen
Money Advice Scotland
Money and Pensions Service
ng homes
One Parent Families
Scotland
Pollok Credit Union

Renfrewshire ACA
Responsible Finance
Royal Bank of Scotland
Scottish Government
Screenmedia
Snoop
Step Change Debt Charity
The Oak Foundation
The Spark
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Virgin Money
Virgin Money Foundation
Welcom Digital
Wheatley Housing Group
Wylie & Bisset



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