



ACCOUNTS

FINANCIAL INFORMATION

The Board is funded by Government grant from the Scottish Executive. These accounts cover separately the Grant-in-Aid and the Legal Aid Fund. The Grant-in-Aid is the running costs of the administration of the Board, including Capital expenditure. The Legal Aid Fund (the Fund) accounts for the payments to solicitors and advocates, net of contributions and recoveries. The Fund is not cash limited.

In 1999/2000 we received £8.53 million from Government of which £7.612 million was in respect of running costs and £0.918 million in respect of capital expenditure. The net cost of the Legal Aid Fund was £117 million.

ANNUAL ACCOUNTS

As a Non-Departmental Public Body, the Board is required to prepare annual accounts that present its financial performance on an 'accruals' basis. The Legal Aid (Scotland) Act 1986, as amended by the Public Finance and Accountability (Scotland) Act 2000, states that the Board is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of the Treasury.

The Chief Executive commenced employment on 1 July 1999 and at that time there were five Directors in post. Due to ill health, the Director of Operations retired from the Board on 1 May 2000.

In the summary financial statements that follow, accruals accounting requires certain accounting adjustments. For example, notional cost of capital charge, depreciation, and accruals and prepayments all serve to match income and expenditure in the current financial year. Consequently, our financial results under cash and accruals accounting conventions will appear different. On a cash basis, total expenditure under the Fund was £127 million. The figure in the Accounts of £130 million includes £3 million that was net movement in bank balances and creditors during the year.

The accounts are audited by PricewaterhouseCoopers and the certified financial statements have been forwarded for comment to the Auditor General for Scotland and onward transmission to Scottish Ministers.

The accounts comply, as far as is appropriate, with commercial accounting standards and conventions as determined by the Board's Accounts Direction given by the Secretary of State with the approval of Treasury. However, the Board is not in business to make a profit, rather to administer legal aid in an economic, efficient and effective manner.

ANALYSIS OF SPEND 1999/2000

The Board's Summary Financial Statements appear on pages 25 – 28 of this report.

FUND

Payments (including outlays) made to solicitors, counsel and PDSO in respect of:	1999/2000 £' 000	1998/1999 £' 000
Civil legal aid	30,246	32,093
Criminal legal aid	69,438	75,420
Advice and assistance	28,287	28,460
Children's scheme	1,725	1,719
Contempt of court	31	28
Public Defence Solicitors' Office	430	405
	130,157	138,125
This was financed by:		
Contributions from assisted persons	1,408	1,303
Recovery of expenses	7,005	6,851
Losses recovered from damages received	1,554	1,294
Government grant	117,202	128,915
	127,169	138,363
Movement in other balance sheet items	2,988	(238)
	130,157	138,125

GRANT-IN-AID

	1999/2000 £' 000	1998/1999 £' 000
Government grant	8,530	7,690
Movement in bank account	3	(126)
	8,533	7,564

NOTE 1: Although the Board's accounts are prepared on an accruals basis, these tables are based on payments authorised. The statistical tables in the Appendices are consistent with the analysis of payments authorised above.

NOTE 2: Payments for the Public Defence Solicitors' Office breakdown as follows:

	1999/2000 £' 000	1998/1999 £' 000
Criminal defence costs – outlays	64	14
Salaries and wages	229	157
Social security costs	19	13
Accommodation	87	68
Audit fees	2	1
Depreciation	18	–
Permanent diminution in value of fixed assets	5	10
Other operating costs	28	60
	452	323

The total shown here differs from that in the table above because it includes figures for depreciation and permanent diminution in value of fixed assets. The total for 1998/99 is lower than that in the table above because it excludes the value of the fixed assets themselves. The PDSO became fully operational in October 1998.

The relationship between these cash figures and the figures shown in the accounts is:	1999/2000 £' 000	1998/1999 £' 000
Fund cash payments	130,157	138,125
Net movement in accruals	(6,777)	877
Operating costs (including PDSO capital purchases)	123,380	139,002
Fund cash receipts	9,967	9,448
Non cash adjustments to debtors	(259)	1,097
Operating income	9,708	10,545

NOTE 3: Payments to solicitors, counsel and solicitor advocates out of the Legal Aid Fund are not cash limited.

NOTE 4: Administration payments which are met by Grant-in-Aid are cash limited although the Board's Financial Memorandum permits the Board flexibility to carry forward up to 2% of its Grant-in-Aid to the following financial year.

SCOTTISH LEGAL AID BOARD ACCOUNTS 1999/2000 SUMMARY FINANCIAL STATEMENTS

The summary financial statements on pages 25 – 28 are a summary of the Scottish Legal Aid Board accounts. The summary accounts may not contain sufficient information to allow a full understanding of the results and state of affairs of the Board. A copy of the audited accounts which contain the detailed information required by law and under best practice guidelines can be obtained from the Finance Department, Scottish Legal Aid Board, 44 Drumsheugh Gardens, Edinburgh EH3 7SW. They are also displayed on the Board's web site at <http://www.slabb.org.uk>. The Board's accounts were approved and signed on 16 June 2000. The Board's auditor, PricewaterhouseCoopers, has given an unqualified opinion on these accounts.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000			
A. SCOTTISH LEGAL AID FUND	£'000	2000 £'000	RESTATED 1999 £'000
Income			
Operating income		9,708	10,545
Expenditure			
Operating costs	(123,380)		(138,914)
Decrease / (increase) in bad debts provision	(405)		1,519
		(123,785)	(137,395)
Net cost of operations before interest		(114,077)	(126,850)
Interest on capital (notional)		(4)	(3)
Net cost of operations		(114,081)	(126,853)
Add back notional charges		4	3
Net cost of operations excluding notional charges transferred to General Fund		(114,077)	(126,850)

B. SCOTTISH LEGAL AID BOARD			
B. SCOTTISH LEGAL AID BOARD	£'000	2000 £'000	RESTATED 1999 £'000
Income			
Expenditure			
Staff costs	(4,863)		(4,656)
Operating costs	(2,444)		(2,338)
Depreciation	(181)		(154)
Permanent diminution in value of fixed assets	(25)		(39)
Total expenditure		(7,513)	(7,187)
Net cost of operations before interest		(7,513)	(7,187)
Interest on capital (notional)		(64)	(56)
Loss on disposal of fixed assets		(2)	(311)
Net cost of operations		(7,579)	(7,554)
Pension costs		(338)	(369)
Net cost of operations including pension costs		(7,917)	(7,923)
Add back notional charges		64	56
Net cost of operations excluding notional charges and including pension costs transferred to General Fund		(7,853)	(7,867)

BALANCE SHEET AS AT 31 MARCH 2000

A. SCOTTISH LEGAL AID FUND	£'000	2000	RESTATED
		£'000	1999 £'000
Fixed assets			
Tangible assets		55	77
Current assets			
Debtors	59,878		64,334
Cash at bank and in hand	7,929		8,523
	67,807		72,857
Current liabilities			
Creditors	(63,330)		(67,706)
Net current assets		4,477	5,151
Net assets		4,532	5,228
Financed by:			
General Fund		4,532	5,228

B. SCOTTISH LEGAL AID BOARD	£'000	2000	RESTATED
		£'000	1999 £'000
Fixed assets			
Tangible assets		1,172	461
Current assets			
Stock	30		43
Debtors	291		254
Cash at bank and in hand	153		156
	474		453
Creditors			
Amounts falling due within one year	(237)		(183)
Net current assets		237	270
Total assets less current liabilities		1,409	731
Deferred income		(259)	(259)
Net assets		1,150	472
Financed by:			
General Fund		1,140	463
Revaluation reserve		10	9
		1,150	472

The 1999 figures have been restated due to the threshold for capitalisation of assets being raised from £1,000 to £5,000 during the year. As a result the 1998/99 closing balances have been restated; this is reflected in the accounts figures. This provides a consistent year on year comparison with the 1999/2000 figures.

Lindsay Montgomery
Chief Executive
16 June 2000