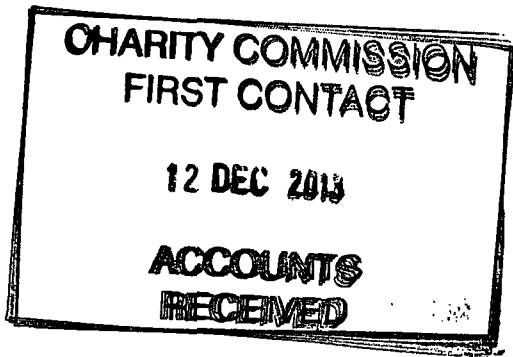


ADVICE UK

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013

Charity Registration No. 299342

Company No. 2023982



**ADVICE UK**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

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**ADVICE UK**

**Reference and administrative details  
For the year ended 31 March 2013**

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**Trustees**

S Azimi  
B Badesha  
K Burgess  
G Hughes (resigned 03/10/12)  
H Kendall  
W McCormack  
M Mulholland (resigned 17/01/13)  
R Opasiak (resigned 16/05/12)  
D Pedder  
J Silver  
G Smith  
N Wayne  
A Wilton

Chair  
Chief Executive and Company Secretary

G Hughes  
S Johnson

Company Number  
Charity Number

2023982 (England & Wales)  
299342

Registered Office

150 Aldersgate Street  
London  
EC1A 4AB

Business address

1st Floor Sunley House Annexe  
Toynbee Hall  
28 Commercial Street  
London  
E1 6LS

Website

[www.adviceuk.org.uk](http://www.adviceuk.org.uk)

Auditors

Moore Stephens LLP  
150 Aldersgate Street  
London  
EC1A 4AB

## ADVICE UK

### Report of the Trustees For the year ended 31 March 2013

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The trustees present their report and the audited financial statements for the year ended 31 March 2013.

#### **Structure and History**

##### **Legal structure**

AdviceUK is a company limited by guarantee and a registered Charity. It is referred to throughout this report as "the Charity". It is governed by Memorandum and Articles last updated in 2004.

##### **History**

The organisation was formed in 1979 as The Federation of Independent Advice Centres to act as a national co-ordinating body for community organisations providing free social welfare law advice to the public. Originally constituted as an unincorporated association, it became a company limited by guarantee (as FIAC Ltd) in May 1986 and a registered Charity in March 1988. The operating name of AdviceUK was adopted in April 2003 and the company and Charity name were changed to AdviceUK in November 2004.

##### **Membership structure**

The Charity operates as a co-ordinating and support network for organisations providing free independent advice. Membership of the AdviceUK network is open to any organisation that satisfies the membership criteria decided by the Trustees. Network members are the principal beneficiaries and users of the Charity. They are referred to collectively throughout this report as "the Members".

##### **Connected companies**

A subsidiary, a private company limited by shares given the name "Independent Advice Services Ltd", was formed in 1998 to facilitate non primary-purpose trading, i.e. providing services to organisations other than independent advice agencies. AdviceUK is the only shareholder. IAS Ltd gift aids the majority of its profits to the Charity. IAS Ltd is the majority shareholder in "VCS Insurance Company Limited (Guernsey)" a private company limited by shares formed in February 2006 as a specialist insurer for organisations working in and with the voluntary and community sector. From April 2006 AdviceUK began sourcing some of the insurances it arranges for advice agencies from VCS Ltd. In February 2011 AdviceUK became the majority shareholder in a new company limited by shares, ACMS Ltd based in Glasgow. The company was formed to continue provision of the AdvicePro case management software service to members and other advice organisations.

#### **Objectives and Activities**

##### **Principal aims and activities**

The Charity's objects, as defined in the Memorandum of Association, are to:

"promote...charitable purposes for the benefit of the public.....in particular by providing co-ordination and support to independent advice services and by assisting them to make better use of the resources available to them".

The Charity's vision and mission are described in the current strategic plan. The Trustees review the vision and mission periodically in the context of updating the strategic plan. This is usually done annually with a complete review of strategy occurring at least every four years. The current Strategic Plan describes the Charity's vision and mission as follows:

##### *Vision:*

"A society wherein every individual, regardless of means, is able to access the advice they need in order to deal with legal and social welfare problems they may face and to protect and exercise their rights."

##### *Mission:*

"To support advice organisations by helping them to be efficient, competent and effective and to campaign for a policy environment that supports advice agencies and people needing advice."

## **ADVICE UK**

### **Report of the Trustees For the year ended 31 March 2013**

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The Charity is due to develop a new Strategic Plan in 2013, having rolled-forward the general priorities identified in the 2008-10 plan into 2011-12 due to the difficulties of making concrete plans in conditions of extreme uncertainty stemming from the financial crisis and emergent government policies.

#### **Governance and Management**

##### **The Board of Trustees**

The affairs of the Charity are governed by a Board of Trustees who are the directors of the company for the purposes of the Companies Act 2006 and the trustees of the Charity for the purposes of Charity legislation. They are referred to collectively in this report as "the Trustees" or "the Board".

##### **Appointment & Terms of Office of Trustees**

A majority of the Trustees are nominated by the Members by means of elections held within the UK's regional boundaries. Up to 12 places are reserved for members' nominees within a maximum of 20 trustees. The Trustees may fill the remaining 8 places by co-option from any source in order to achieve a balance of skills and perspectives on the Board. The Board may also fill casual vacancies among the members' places by co-option. Trustees normally serve for a term of three years. They may submit themselves for either re-election or re-appointment.

##### **Trustee Induction**

Most new Trustees are already familiar with the Charity, with its activities and with charitable operations in general because most are drawn from member agencies, most of which are charities. However, all new trustees are offered a personalised programme of induction to enable them to be fully conversant with the organisation. This normally covers the operation of the Board, obligations under Charity and company law, the Memorandum and Articles, staff and the staffing structure, current finances, future plans, the way the Charity and its members operate and their operating environments.

##### **Governance**

The Board meets at least 6 times per year. It meets quarterly to monitor financial and operational activity and usually on 2 or 3 other occasions during the year to approve an annual budget and plan, to review policies and services and to plan for the future. The planning session will often be residential over a two day period and will also review governance. A Resources Committee, comprising the Chair and two Vice-Chairs usually meets twice annually to review staff terms and conditions and any budgetary implications and to make recommendations to the Board. The Board has rarely had resort to other committees or sub-committees. A Chief Executive is appointed by the Trustees to manage the operation of the Charity.

##### **Operations**

The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority. The Chief Executive, in turn, delegates areas of operation to members of a Senior Management Team and, through them, to the wider staff group. The Chief Executive also currently serves as the Company Secretary.

##### **Management and Staffing**

Operational management is co-ordinated by means of a Senior Management Team comprising the Chief Executive and section heads responsible for Development & Services, Policy & Campaigns and Finance & Resources. The Charity's employees work in teams within these sections. The staffing complement during 2012-13 was 21 people (18.6 full time equivalents) comprising 16 employees and 5 contract posts. This compared with 21 in 2011-12 and 25 in 2010-11 following redundancies due to reduced project funding and reduced trading income stemming from the economic downturn and its effects on advice agencies including closures, mergers and cuts to their budgets. The Charity therefore has significantly less capacity now than it has had in the recent past with the result that employees are generally overstretched.

## **ADVICE UK**

### **Report of the Trustees For the year ended 31 March 2013**

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#### **Staffing Policies**

The Board reviews its personnel policies and procedures at least annually, including current salary levels and the salary structure. This is done in consultation with staff and their representatives. Salaries remained frozen in 2012-13 for the fifth successive year.

#### **Employee Involvement**

Advice UK seeks to fully engage its entire staff in pursuit of its objectives. An employee involvement policy and a communications plan set out the organisation's values and the routine communication methods which include management meetings, all-staff events, team meetings and internal e-mails. The recognised trade union is engaged in formal consultations as required.

#### **Health and Safety**

The Office Manager is the appointed health and safety co-ordinator who leads a staff health and safety group. The group undertakes an annual audit and review of risks, takes any appropriate action covered by delegated authority and makes recommendations to the Senior Management Team regarding any other necessary actions.

#### **Environmental Policy**

An environmental policy was developed during summer 2006 and the organisation was awarded a business "Green Mark" which was renewed in 2008 and 2010. All staff are active in reducing waste and recycling in line with the environmental policy and associated procedures.

#### **Risk Management**

The Trustees have a risk management strategy involving an annual review of the major risks to which the Charity is exposed and approval of systems and actions for managing and mitigating them. A risk register is produced and updated at least annually. The Charity has always operated at significant risk of failing to achieve adequate income to meet its commitments and pursue its objectives. None of its income sources can be regarded as secure. The Charity has also always been understaffed relative to the work that it wishes to do and so has sought to optimise external impact through lean, non-bureaucratic, flexible systems depending on high degrees of delegation. This is a relatively high risk manner of operation. These known risks are continually monitored and actively managed by the employees and Trustees of the Charity. The key elements in the management of the risk to income have been diversification of sources and the accumulation of free reserves in line with a reserves policy that is reviewed regularly by the Trustees. Day to day risks are relatively minor. Financial risks are minimised by the procedures in place for authorisation of expenditure and commitments. Insurance cover is in place where appropriate.

#### **Financial Control**

The Board monitors all aspects of financial performance and financial management through its quarterly meetings. It sets annual budgets and requires reporting against them at least quarterly. It reviews internal financial management and reporting arrangements at least annually. In terms of day to day financial control a comprehensive and robust set of financial procedures is in place.

## **ADVICE UK**

### **Report of the Trustees For the year ended 31 March 2013**

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#### **Trustees' Responsibilities Statement**

The Trustees (who are also directors of Advice UK for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's 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.

The directors 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 the financial statements may differ from legislation in other jurisdictions.

## ADVICE UK

### Report of the Trustees For the year ended 31 March 2013

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#### Review of the Year

##### **Summary**

The Charity continued to experience difficulties on several fronts during 2012-13, following the extreme problems of 2010-11 and 2011-12. Uncertainties over income levels for 2013-14 meant that a restructuring and redundancies programme, about which all staff had long been fore-warned, had to be commenced towards the end of 2012. The process was concluded smoothly at the very end of the financial year with a net loss of one post and a programme for implementing other changes during the first half of 2013-14. Nevertheless, the exercise was unavoidably disruptive. However, the year, overall, was generally characterised by stabilisation. This began with the move into premises at Toynbee Hall in May 2012 and concluded with normal service being resumed in relation to internal financial management following full recovery from the aborted merging of IT systems in the previous year. This allowed the timetable for annual accounts and the 2012-13 audit to revert to the historical norm of June – July. From a slightly more stable platform we managed to push forward with our real work of delivering social benefit. Providing any useful support to members dealing with colliding pressures of reducing income but rising demand was always going to be an unequal struggle but we engaged energetically with policy-makers and potential funders such as central government and the Big Lottery Fund in order to try to condition funding programmes in the short term and promote more favourable conditions for members in the longer term. We continued with our efforts to bring 'systems thinking' methodology to bear in the improvement of advice services and we witnessed some progress in terms of some other advice networks, foundations, government departments, executive agencies and regulators beginning to acknowledge our arguments and adopt our language. Our argument that the greatest potential for helping more people with fewer resources lies in reducing waste demand and bureaucracy driven into advice services from outside is gaining acceptance. The ability of the systems methodology to focus on user-value, identify and remove waste and drive quality and improvement is something we continue to promote, with some success. During the year we were able to devote time to bidding for funds and contracts to further this work, resulting in several prospects of new funding in 2013-14. From mid 2012 we also became engaged in an exciting project to develop a new form of fair-banking product aimed primarily at addressing the electronic payments and budgeting needs of low income households. We took a leading role in this project, helping bring together a mutual partnership of organisations to own the product, to develop the specification and distribution networks and raise investment. By the end of 2012-13 discussions were in progress with a number of potential investors with the result that we expect the product to launch in the 2013 calendar year. The availability of such products is crucial to the government's planned changes to the welfare benefits system and we anticipate this product being of great help to many people seeking advice as a result of those changes.

Towards the end of the year we were informed that we had been successful in securing funds from London Councils for two years to support advice agencies in Greater London. That, combined with the financial effects of our restructuring, allowed us to set a budget for 2013-14 showing a slight surplus – breaking the sequence of deficit budgets that had pertained for several years. We fully expect to improve upon this projection during the year due to securing additional income.



## ADVICE UK

### Report of the Trustees For the year ended 31 March 2013

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#### **Membership**

Membership of the network fell again during the year, but only slightly, to 807 members throughout the UK (820 in 2011-12 and 860 in 2010-11). This was less than expected, overall, given the known falls in funding for advice work from both local and national sources. However, the total hides the true picture which was of more than 60 members lost due to closures mergers and non-renewals but an almost equal number of new applications. Some were from new start-ups both large (e.g. housing association advice units) and small (voluntary community and self-help projects) illustrating the vibrancy of the voluntary sector in responding to need – in some cases arising from the closure of other services. Sadly, though, due to very recent and forthcoming reductions in funding for advice, we still expect the trend of closures and mergers to continue through 2013 and beyond. We continue to estimate that aggregate UK funding for advice will have fallen by around 25% by 2014, compared with 2010. The highest concentration of members continued to be in Greater London with nearly 300 centres. Approximate distribution of members across the four home countries was England 86%, Wales 4%, Scotland 3% and Northern Ireland 7%. The profile of members remained very diverse in terms of types of advice offered and communities served. Over half of members continue to work in the 50 poorest locations in the UK with the most vulnerable communities and excluded groups.

#### **Income sources**

The Charity's income is highly diversified across more than twenty income streams and more than a thousand sources including members, other advice organisations, grant funders, donors and contractual customers. Total income from all sources was £2,752,067. Within this, the amount of "restricted" income in the form of grants for specified activities was £1,107,191 – a decrease on the previous year £1,186,939 of £79,748 at 2.89% of total income. No core support was received from central government despite increasingly high expectations of organisations such as ours, not least on the part of government itself. The Charity's high proportion of unrestricted income and low proportion of government / public funding does at least serve to underwrite its flexibility and independence.

#### **Activities during the year**

##### **Plans and planned work**

During the year we continued to pursue the priorities identified in the Charity's Strategic Plan:

- To work more closely in partnership with other advice organisations, particularly in making the case for improved access to affordable advice
- To increase the frequency and depth of our communications with members to know more about their needs, the demand for their services and the impact of their work
- To influence policy makers and the funders of advice to assure the future independence and diversity of advice services
- To increase annual income to £5m by increasing generated income and securing some core support from government
- To improve support to members throughout the UK

We achieved some success on the first three of these fronts, despite the difficulties already described. We continued deeper engagement with members outside of London particularly in Wales and in the north and west of England through the efforts of two regional staff retained by the Trustees as a spending priority.

## **ADVICE UK**

### **Report of the Trustees For the year ended 31 March 2013**

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#### **Funded Projects supporting members**

Among the projects funded by restricted income, the largest two in monetary terms were those funded by London Councils to provide additional support to members in London (£858,760 in total). London local government has been the Charity's most consistent funder, providing unbroken support ever since the former Greater London Council gave a grant in 1984. The London Councils grants contributed towards the costs of our London activities which are funded from ring-fenced regional grants and other locally generated income.

A grant of £74,205 from the Money Advice Trust paid for all costs associated with our National Money Advice Co-ordinator post. The Trust has supported this post for more than ten years with funding channelled from a variety of corporate donors, most recently with earmarked funding from HSBC.

£73,586 received from the Baring Foundation was funding for our work focussing on a systems approach to assisting advice agencies to work together to face the challenges presented by public sector service commissioning. Knowledge gained through this work supported our efforts to make such work self-sustaining in the longer term.

#### **Other activities**

Throughout the year, we engaged in a wide range of other activities including providing member centres with tailored organisational consultancy and support. Our Learning & Skills team continued to provide courses and qualifications assessment for advice centre staff and others. They continued to expand activities outside of London and to develop partnerships such as that with St Giles Trust to provide training and accreditation support for work with prisoners.

2012-13 was the seventh successful year of operation for our own insurance company, VCS Insurance Co. Ltd (Guernsey), as the provider of Professional Indemnity insurance and Trustees, Directors & Officers' insurance to our members and other advice agencies. VCS made a trading loss of £34,050 for the year while surpluses from previous years retained within the company ensured healthy liquidity. Premiums were frozen again at renewal meaning the company has been able to reduce or freeze premiums in every year of operation so helping to reduce a significant element of Members' running costs.

2012-13 was a very successful year in terms of greater take-up and development of our on-line case management software product, AdvicePro. The number of customer agencies grew to almost 200 and several existing customers increased their number of users or upgraded to a higher version of the product. Continued development of the product was very well received by users and during the year the total number of cases on file rose to more than 900,000. This holds great strategic potential for the production of significant data sets in coming years. Our joint venture group company, ACMS Ltd, which develops and supports AdvicePro, itself had a successful year, stabilising its cash-flow and reporting a year-end surplus £50,365.

#### **Future Plans**

The Charity expects to be able to produce a new Strategic Plan for 2014 containing revised strategic aims and priorities. These will be pursued through commitments in Annual Plans. In the meantime, and in a constantly shifting landscape, the Senior Management Team is still building options for a different business model that would make the Charity viable in pursuit of its objects in the longer term together with a plan for transition to such a model.

## ADVICE UK

### Report of the Trustees For the year ended 31 March 2013

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#### Financial Review

##### Financial result

##### The Group

Total group income during the year was £2,752,067 – a decrease of £24,756 compared with £2,776,823 in the previous year. This is lower than the Charity's income due to elimination of inter-company transactions on group consolidation. Total resources expended during the year were £2,804,194 – a decrease of £15,902 compared with £2,820,096 in the previous year.

Overall, the group had net outgoing resources on unrestricted funds, a deficit, of £39,616 for the year. Together with the accumulated surplus brought forward from previous years, the company now has an accumulated surplus on unrestricted funds of £439,557 (2012 a surplus of £479,173). The Directors plan to continue applying surpluses to investment in staffing, equipment and product development in order to improve services to members.

Restricted funds carried forward at 31 March 2013 amounted to £51,206 (2011 £86,381). This is sufficient for the activities for which the funds were provided.

##### The Charity

Total incoming resources for the Charity during the year to 31 March 2013 were £2,897,715 - a decrease of £102,241 compared with £2,999,956 in the previous year. Of this total £2,896,777 was operating income and the remaining £938 was bank interest. Total resources expended during the year were £2,935,202 - a decrease of £218,931 compared with £3,154,133 in the previous year. Expenditure on administering the Charity increased slightly but remains below 1% of total expenditure despite increased costs.

##### Fundraising

Fundraising activity was restricted to project and core funding bids developed by employees. No public or other appeals were made. The Charity does not use the services of professional fund-raisers neither does it have fund-raisers on staff.

##### Trading

The Charity raises a substantial proportion of its income from trading activity. All of this activity is regarded as "primary purpose trading" i.e. provision of support services and products (e.g. training, consultancy and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Memorandum.

##### Reserves Policy

The Board of Trustees has decided that it would be prudent to hold the equivalent of 6 months expenditure on staff and overheads in reserve. This would amount to approximately £500,000. However, the prevailing policy has been that this should not preclude investment from reserves in retaining capacity to raise income or facilitate growth. Such investment has been drawn from reserves for the past several years but during 2012-13 the Board concluded that it would be imprudent to plan to deplete reserves for a further year and instructed the Chief Executive to bring forward at least a balanced budget for 2013-14. This necessitated some restructuring to reduce costs. The charity's free reserve, the unrestricted funds carried forward less the unrestricted fixed assets in the charity, at the close of 2012-13 stood at £391,078 (2012: £399,232). Within this amount the Board had designated, at the beginning of the year, £150,000 for wind-down costs (due to uncertainty of future income) and £100,000 for moving premises (due to the short term tenure of the present offices). These designations will be reviewed in 2013-14.

**Investment Policy**

Aside from retaining a prudent amount in reserves each year most of the Charity's funds are to be spent in the short term so there are few funds for long term investment. The short term investment options for relatively small amounts are limited and the Board of Trustees considers that the return on balances obtained through annually negotiated terms with its principal bankers are the best that can be obtained in the circumstances.

**Events since the end of the year**

Since 31<sup>st</sup> March 2013, there have been some positive developments. Following another successful year for ACMS Ltd, the company providing the AdvicePro software, it was decided that AdviceUK would begin levying a management charge reflecting substantial input by the Charity. In May we secured substantial funding from Lankelly Chase Foundation for a two-year project which can be implemented using existing staff resources. In June we learned that (through IAS Ltd) we had secured a very substantial two-year contract to supply advice to beneficiaries of the Royal British Legion throughout England & Wales. Delivery on the contract will also provide funding to a number of sub-contracting members. In the opinion of the trustees there have been no other events since the balance sheet date having a significant effect on the Charity's financial position.

**Trustees' liability**

In the event of the Charity being wound up the trustees are required to contribute an amount not exceeding £1.

**Appointment of Auditors**

Moore Stephens LLP have been appointed as auditors for 2013-14 in accordance with section 495 of the Companies Act 2006.

This report was approved by the Board on 21 November 2013 and signed on its behalf by:



**S Johnson**  
Secretary

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ADVICE UK**

We have audited the financial statements of Advice UK for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

*Thomas Ward*

**Thomas Ward, Senior Statutory Auditor**

**For and on behalf of Moore Stephens LLP, Statutory Auditor  
150 Aldersgate Street  
London  
EC1A 4AB**

*10 December 2013*

ADVICE UK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2013

**INCOMING RESOURCES**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Incoming resources from charitable activities</b>	<b>3</b>	1,642,030	1,107,191	2,749,221	2,719,692
Incoming resources from generated funds					
Investment income	7	2,846	-	2,846	57,131
<b>Total incoming resources</b>		<b>1,644,876</b>	<b>1,107,191</b>	<b>2,752,067</b>	<b>2,776,823</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>	<b>8</b>	1,632,442	1,136,953	2,769,395	2,791,149
Costs of generating funds					
Investment costs		2,656	-	2,656	3,040
Governance costs	11	22,406	-	22,406	15,059
Taxation	14	9,737	-	9,737	10,848
<b>Total resources expended</b>		<b>1,667,241</b>	<b>1,136,953</b>	<b>2,804,194</b>	<b>2,820,096</b>
<b>Net (outgoing)/ incoming resources before transfers</b>		(22,365)	(29,762)	(52,127)	(43,273)
<b>Transfer between funds</b>		5,413	(5,413)	-	-
<b>Net (outgoing)/ incoming resources after transfers</b>		(16,952)	(35,175)	(52,127)	(43,273)
Minority interest		(22,664)	-	(22,664)	(16,467)
Net movement in funds		(39,616)	(35,175)	(74,791)	(59,740)
<b>Reconciliation of funds</b>					
<b>Fund balances brought forward</b>		<b>479,173</b>	<b>86,381</b>	<b>565,554</b>	<b>625,294</b>
<b>Fund balances carried forward</b>		<b>439,557</b>	<b>51,206</b>	<b>490,763</b>	<b>565,554</b>

The balance on restricted funds represents the amount of funds available for specific projects or activities which were not finished at the year-end. These funds are therefore necessary to complete the project or activity and are not a surplus available to the Charity for other purposes.

There were no recognised gains and losses for 2013 or 2012 other than those included in the statement financial activities. All the company's activities are classified as continuing.

The notes on pages 15 to 28 form part of these accounts.

ADVICE UK

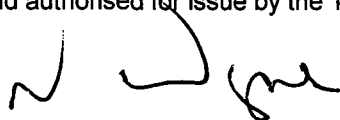
BALANCE SHEET

For the year ended 31 March 2013

	Notes	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
<b>Fixed assets</b>					
Tangible fixed assets	15	9,322	10,709	3,986	8,684
Investments	16	10,000	-	11,055	1,055
		<u>19,322</u>	<u>10,709</u>	<u>15,041</u>	<u>9,739</u>
<b>Current assets</b>					
Debtors	17	554,858	693,102	846,612	888,569
Cash at bank		<u>1,121,637</u>	<u>1,023,819</u>	<u>516,886</u>	<u>456,192</u>
		<u>1,676,495</u>	<u>1,716,921</u>	<u>1,363,498</u>	<u>1,344,761</u>
<b>Creditors- amounts falling due within one year</b>	18	<u>(1,189,502)</u>	<u>(1,145,563)</u>	<u>(920,674)</u>	<u>(859,148)</u>
<b>Net current assets</b>		<u>468,993</u>	<u>571,358</u>	<u>442,824</u>	<u>485,613</u>
<b>Net assets</b>		<u>506,315</u>	<u>582,067</u>	<u>457,865</u>	<u>495,352</u>
<b>Funds</b>					
Restricted funds	20	51,206	86,381	51,746	86,381
Unrestricted funds					
Designated funds		250,000	250,000	250,000	250,000
General funds		<u>189,557</u>	<u>229,173</u>	<u>156,119</u>	<u>158,971</u>
<b>Total unrestricted funds</b>	20	<u>439,557</u>	<u>479,173</u>	<u>406,119</u>	<u>408,971</u>
<b>Total Charity Funds</b>		<u>490,763</u>	<u>565,554</u>	<u>457,865</u>	<u>495,352</u>
Minority interest		<u>15,552</u>	<u>16,513</u>		
	21	<u>506,315</u>	<u>582,067</u>		

Approved and authorised for issue by the Trustees on 21.11.2013 and signed on its behalf.

Director



The notes on pages 15 to 28 form part of these accounts.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2013**

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1. **ACCOUNTING POLICIES**

a) **Accounting Convention**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008), applicable UK Accounting Standards and the Companies Act 2006. The financial statements include the results of the company's operations which are described in the Trustees' Report and all of which are continuing.

b) **Group Financial Statements**

These financial statements consolidate the results of the Charity and its subsidiary undertakings, Independent Advice Services Limited, VCS Insurance Company Limited and Advanced Case Management Solutions Limited, on a line by line basis. A separate statement of financial activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

c) **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) **Incoming Resources**

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support advice/performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Training and subscription income is deferred when received in advance of the training taking place or the subscription being used.

Insurance income is recognised at the time that the policy is commenced or renewed by the insured at the amount received from the insured (the premium plus Insurance Premium Tax).

Voluntary income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income and other incoming resources are recognised on a receivable basis.

## ADVICE UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2013

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#### 1. ACCOUNTING POLICIES (CONT'D)

##### e) Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include both the direct and support costs relating to these activities
- Governance costs include the cost of the preparation and audit of the statutory accounts, the costs of trustees meetings and the cost of any legal advice to trustees on governance or constitutional matters
- Support costs include central functions and have been allocated to activity cost categories on the basis of staff involved in the activity
- Where any Value Added Input Tax is unrecoverable based on partial exemption calculations, the amount unrecoverable is charged to support costs.

##### f) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Fixed assets costing more than £100 are capitalised. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	15%	Straight line basis
Computer equipment	33% to 100%	Straight line basis
Furniture and equipment	20%	Straight line basis

##### g) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

##### h) Pensions

The Charity has arranged a defined contribution pension scheme for those employees who wish to join it. The assets of this scheme are held separately from those of the Charity, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable during the year.

##### i) Deferred income

Deferred income comprises fees, subscriptions and premiums received in advance. Grants received in advance for expenditure that will take place in future accounting periods are recognised as deferred income.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

2. INCOMING RESOURCES

All incoming resources arose within the United Kingdom.

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Grants	Fees for services	Total Funds 2013	Total Funds 2012
	£	£	£	£
Member Services	161,089	852,909	1,013,998	876,522
Projects on behalf of members	88,726	769,860	858,586	864,178
London regional activities	876,637	-	876,637	978,992
	<u>1,126,452</u>	<u>1,622,769</u>	<u>2,749,221</u>	<u>2,719,692</u>

4. GRANT INCOME

	Total Funds 2013	Total Funds 2012
	£	£
London Councils	858,760	885,381
Money Advice Trust	74,205	74,205
Baring Foundation	73,586	56,999
City Parochial Foundation	-	24,750
Friends Provident Foundation	87,852	86,138
Other grants	32,049	59,466
	<u>1,126,452</u>	<u>1,186,939</u>

5. LOCAL GOVERNMENT AND HOUSING ACT 1989

The Charity received financial assistance from local authorities. As required by the Local Government and Housing Act 1989 the following information is given;

London Councils provided

£178,647 for the year for Policy and Voice as a contribution towards the salaries and associated costs of London region. The grant has been included in restricted funds. £178,647 has been expended in the year. Debtors include £7,076 in respect of grants outstanding at the year-end for 2012/13 of £7,444 less an underspend for 2011/12 of £368.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

5. LOCAL GOVERNMENT AND HOUSING ACT 1989 (CONT'D)

£684,234 for the year for Access Improvement for Black, Asian and Minority Ethnic (BAME) and refugee and migrant communities under BAN Advice Integration Project as payments to 18 advice agencies and a contribution towards the salaries and associated costs of London region. The grant has been included in restricted funds. £684,234 has been expended in the year. Debtors include £167,306 in respect of grants outstanding at the year-end for 2012/13 of £171,059 less an underspend for 2011/12 of £3,753.

6. OTHER GRANTS RECEIVABLE

£87,852 was received from Friends Provident Foundation. The grant has been included in restricted funds and this and the brought forward balance of £3,302 has been expended in the year.

7. INVESTMENT INCOME

	Total Funds 2013 £	Total Funds 2012 £
Bank interest receivable	2,846	5,891
Rental income receivable	-	51,240
	<u>2,846</u>	<u>57,131</u>

8. RESOURCES EXPENDED- CHARITABLE ACTIVITIES

	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2013 £	Total Funds 2012 £
Members Services	94,337	550,433	21,468	666,238	948,889
Projects on behalf of members	409,113	477,876	207,755	1,094,744	923,465
London regional activities	84,144	869,518	54,751	1,008,413	918,795
	<u>587,594</u>	<u>1,897,827</u>	<u>283,974</u>	<u>2,769,395</u>	<u>2,791,149</u>

9. SUPPORT COSTS

	Staff costs £	Premises £	Other £	Total Funds 2013 £	Total Funds 2012 £
Members Services	7,705	3,352	10,411	21,468	49,393
Projects on behalf of members	74,662	32,481	100,612	207,755	131,471
London regional activities	19,676	8,560	26,515	54,751	59,318
	<u>102,043</u>	<u>44,393</u>	<u>137,538</u>	<u>283,974</u>	<u>240,182</u>

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2013**

**10. GRANTS PAYABLE**

Included in project and activity costs of £869,518 (note 8) for London regional activities is an amount of £635,419 which were grants paid to the following:

	<b>Total Funds 2013</b>
	<b>£</b>
Asian Women's Resource Centre	21,600
Barnet Refugee Service	22,000
Bosnia & Herzegovina CAC	16,200
Day-Mer	24,750
East European Advice	72,000
Haringey Somali	40,000
Iranian Association	21,000
Iraqi Association	40,000
Iranian Community Centre	21,000
Island Advice Centre	50,000
Latin American Association	15,019
Latin American Women	30,000
Migrants Resource	109,750
Notre Dame	24,000
Sangam Asian	21,600
Tamil Relief Centre	34,000
Tamil Welfare	30,000
Welwitschia Legal Advice Centre	42,500
<b>Grand Total</b>	<b>635,419</b>

Advice UK paid these grants as it is the lead partner of the Access Improvement for Black, Asian and Minority Ethnic (BAME) and refugee and migrant communities under BAN Advice Integration Project which was awarded a four year grant by the London Councils.

Further information regarding the BAN partnership and these grants is given in note 20.

**11. GOVERNANCE COSTS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2013</b>	<b>Total Funds 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Auditors' remuneration	20,150	-	20,150	12,632
Costs of trustee's meetings	2,256	-	2,256	2,427
	<u>22,406</u>	<u>-</u>	<u>22,406</u>	<u>15,059</u>

**ADVICE UK****NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2013****12. NET (OUTGOING)/INCOMING RESOURCES**

This is stated after charging:	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	6,269	26,056
Auditors'/independent examiners'		
- audit and accountancy fee	20,150	12,632
Operating leases:		
- land and buildings	44,397	60,956
- hire of equipment	-	745
	<u>          </u>	<u>          </u>

No director received any emoluments or benefits in kind (2012 - £Nil). Travel and accommodation costs amounting to £2,256 were reimbursed to 13 trustees (2012 - £2,427 to 13 trustees).

**13. STAFF COSTS**

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	583,855	593,457
Social security costs	64,202	66,097
Other pension costs	41,580	30,968
	<u>689,637</u>	<u>690,522</u>

During the year one employee received emoluments of between £60,000 and £70,000 (2012: one employee).

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

	2013	2012
Projects and activities	12	13
Administration	4	4
	<u>          </u>	<u>          </u>

**14. TAXATION**

	2013	2012
UK Corporation Tax charge for the year	<u>9,737</u>	<u>10,408</u>

The company is a charity and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The taxation in the consolidated accounts are related to the subsidiary of the charity, Advanced Case Management Solutions (2012: Independent Advice Services Limited). Other than capital allowances and expenses not deductible there were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2012 - 20%).

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

15. TANGIBLE FIXED ASSETS – GROUP

	<b>Computer Equipment</b>	<b>Furniture &amp; Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 April 2012	33,937	42,178	76,115
Additions	947	4,302	5,249
Disposals	(550)	-	(550)
At 31 March 2013	<u>34,334</u>	<u>46,480</u>	<u>80,814</u>
<b>Depreciation</b>			
At 1 April 2012	31,994	33,412	65,406
Charge for the Year	1,199	5,070	6,269
Disposals in the year	(183)	-	(183)
	<u>33,010</u>	<u>38,482</u>	<u>71,492</u>
NBV at 31 March 2013	<u>1,324</u>	<u>7,998</u>	<u>9,322</u>
NBV at 31 March 2012	<u>1,943</u>	<u>8,766</u>	<u>10,709</u>
<b>Charity</b>			
	<b>Computer Equipment</b>	<b>Furniture &amp; Equipment</b>	<b>Total</b>
<b>Cost</b>			
At 1 April 2012	33,937	39,295	73,232
Additions	947	-	947
Disposals	(550)	-	(550)
At 31 March 2013	<u>34,334</u>	<u>39,295</u>	<u>73,629</u>
<b>Depreciation</b>			
At 1 April 2012	31,994	32,554	64,548
Charge for the Year	1,199	4,079	5,278
Disposals in the year	(183)	-	(183)
	<u>33,010</u>	<u>36,633</u>	<u>69,643</u>
NBV at 31 March 2013	<u>1,324</u>	<u>2,662</u>	<u>3,986</u>
NBV at 31 March 2012	<u>1,943</u>	<u>6,741</u>	<u>8,684</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

16. FIXED ASSET INVESTMENTS

	Group £	Charity £
<b>Cost</b>		
At 1 April 2012	-	1,055
Additions	10,000	10,000
At 31 March 2013	<u>10,000</u>	<u>11,055</u>

Investments include an investment in subsidiaries of £1,055 comprising a holding of 100% of its issued ordinary capital of Independent Advice Services Limited and 55% holding in Advanced Case Management Solutions Limited.

It also includes a one sixth share in The Change Account Mutual Partnership, an unincorporated mutual association.

Independent Advice Services Limited, is registered in the United Kingdom, and provides insurance and office services for its members.

A summary of its trading results and the aggregate of its assets, liabilities, share capital and reserves at the end of the year were:

**Profit and loss account - Independent Advice Services Limited**

	2013 £	2012 £
Direct costs	-	-
<b>Gross Profit</b>	<u>-</u>	<u>-</u>
Administrative expenses	(3,000)	(2,290)
<b>Operating loss</b>	(3,000)	(2,290)
Interest receivable	2,119	2,126
<b>Taxation</b>	<u>-</u>	<u>-</u>
<b>Deficit on ordinary activities</b>	(881)	(164)
Gift aid	-	-
<b>Deficit for the year</b>	<u>(881)</u>	<u>(164)</u>



ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

16. FIXED ASSET INVESTMENTS (CONT'D)

Balance Sheet – Assets, liabilities and funds – Independent Advice Services Limited

	2013 £	2012 £
Investments in subsidiaries	100,000	100,000
Current assets	151,120	150,800
Creditors amounts falling due within one year	<u>(243,638)</u>	<u>(242,437)</u>
	<u>7,482</u>	<u>8,363</u>
Represented by		
Share capital and reserves	<u>7,482</u>	<u>8,363</u>

Independent Advice Services Limited has a 100% subsidiary company VCS Insurance Company Limited, a company registered in Guernsey.

A summary of its trading results and the aggregate of its company's assets, liabilities, share capital and reserves at the end of the year were

	2013 £	2012 £
Technical account		
<b>Earned Premiums, Net of Insurance</b>		
Gross premiums written	318,867	360,847
Outward reinsurance premiums	<u>(113,000)</u>	<u>(117,875)</u>
<b>Net premiums written</b>	205,867	242,972
<b>Claims incurred</b>		
Claims paid	(1,200)	(27,288)
Movement on outstanding claims reserve	(59,900)	(96,100)
Movement on IBNER provision	<u>(2,616)</u>	<u>42,500</u>
	142,151	162,084
Net operating expenses	<u>(124,717)</u>	<u>(135,212)</u>
<b>Balance on technical account</b>	<u>17,434</u>	<u>26,872</u>
<b>Profit and loss account</b>		
Balance on technical account	17,434	26,872
Interest income	1,767	1,761
Administration expenses	<u>(53,251)</u>	<u>(55,356)</u>
<b>(Loss) on ordinary activities</b>	<u>(34,050)</u>	<u>(26,723)</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

16. FIXED ASSET INVESTMENTS (CONT'D)

Balance Sheet – Assets, liabilities and funds – VCS Insurance Company Limited

	2013 £	2012 £
Current assets	536,700	494,972
Creditors amounts falling due within one year	(288,037)	(212,259)
Creditors amounts falling due after one year	(141,195)	(141,195)
	<u>107,468</u>	<u>141,518</u>
Represented by		
Share capital and reserves	<u>107,468</u>	<u>141,518</u>

The charity held 55% ordinary shares of a subsidiary undertaking, Advanced Case Management Solutions Limited. The aggregate of the share capital and reserves as at 31 March 2013 were £34,459 and the profit for the year ended on that date is £50,365. The subsidiary is a software trading company.

ADVICE UK results excluding subsidiary companies  
The summary results of the parent charity are as follows;

	2013 £	2012 £
Total incoming resources	2,897,715	2,999,956
Total resources expended	<u>(2,935,202)</u>	<u>(3,154,133)</u>
<b>Net outgoing resources</b>	(37,487)	(154,177)
Fund balances brought forward at 1 April 2012	<u>495,352</u>	<u>649,529</u>
Fund balances carried forward at 31 March 2013	<u>457,8659</u>	<u>495,352</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

17. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2013	2012	2013	2012
	£	£	£	£
Due within one year				
Trade debtors	253,148	280,617	205,491	274,616
Grants in arrears	174,381	226,470	174,381	226,470
Other debtors	75,470	33,677	107,659	29,857
Prepayments and accrued income	51,859	152,338	51,002	62,352
Amounts owed by subsidiary undertakings	-	-	308,079	295,274
	<u>554,858</u>	<u>693,102</u>	<u>846,612</u>	<u>888,569</u>

18. CREDITORS

	<u>Group</u>		<u>Charity</u>	
	2013	2012	2013	2012
	£	£	£	£
Due within one year				
Trade creditors	407,488	301,251	188,066	138,406
Corporation tax	11,417	10,408	-	-
Social security and other taxes	38,854	53,122	17,322	16,579
Deferred income	477,957	421,990	477,957	421,990
Other creditors	76,502	192,312	58,107	54,022
Accruals	177,284	166,480	146,395	161,517
Amounts owed to subsidiary undertakings	-	-	32,827	66,634
	<u>1,189,502</u>	<u>1,145,563</u>	<u>920,674</u>	<u>859,148</u>

Included within other creditors is an amount of £5,503 in respect of pension contributions (2012: £5,503).

19. DEFERRED INCOME

	2013	2012
	£	£
At 1 April 2012	421,990	343,233
Incoming resources deferred in the current year	477,957	421,990
Amounts released from previous years	<u>(421,990)</u>	<u>(343,233)</u>
At 31 March 2013	<u>477,957</u>	<u>421,990</u>

Deferred income comprises fees, subscriptions and premiums received in advance and grants received for the next year.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2013

20. STATEMENT OF FUNDS

	Opening Balance	Incoming Resources	Outgoing Resources	Total	Transfer between Fund	Minority interest	Closing Balance
	£	£	£	£	£	£	£
<b>RESTRICTED FUNDS</b>							
Members							
Services	(2,309)	162,051	(46,831)	112,911	-	-	112,911
Projects on behalf of members	21,240	86,380	(360,945)	(253,325)		-	(253,325)
London activities	67,450	858,760	(729,177)	197,033	(5,413)	-	191,620
<b>Total Restricted funds</b>	86,381	1,107,191	(1,136,953)	56,619	(5,413)	-	51,206
<b>UNRESTRICTED FUNDS</b>							
General Fund	229,173	1,644,876	(1,667,241)	206,808	5,413	(22,664)	189,557
<b>Designated funds</b>							
Wind-down fund	150,000	-	-	150,000			150,000
Premises fund	100,000	-	-	100,000	-	-	100,000
<b>Total Unrestricted funds</b>	479,173	1,644,876	(1,667,241)	456,808	5,413	(22,664)	439,557
	565,554	2,752,067	(2,804,194)	513,427	-	(22,664)	490,763

**Designated funds**

The wind-down fund was set up to finance the costs of potential redundancies and other measures arising from restructuring in the context of gross uncertainty about future income. The premises fund was maintained (though at a reduced level compared with the previous year) due to the possibility of needing to move to other office premises before the end of 2012/13.

**Restricted funds**

Restricted funds were used on three categories of activity: Members' services, projects on behalf of members and London activities.

With regard to members' services, we received a grant of £74,205 from the Money Advice Trust towards all costs associated with the post of National Money Advice Co-ordinator. The post enables us to provide specialised support to those members that provide money advice, including by engaging with government and the credit industry on their behalf. The Trust has supported this post for more than ten years with funding channelled from a variety of corporate donors, most recently with earmarked funding from HSBC.

## ADVICE UK

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

#### 20. STATEMENT OF FUNDS (CONTINUED)

With regard to projects on behalf of members, we received grants from several donors, including Friends Provident Foundation, the Barings Foundation, Provident Financial Services and the Access to Justice Foundation, totalling £161,438 to help us support members in their work.

With regard to London activities, grants receivable during the year from London Councils and City Parochial Foundation, totalled £862,881. In addition, some minor amounts were carried forward for completion of projects begun in previous years. Most of the total was received from London Councils for three projects of which the BAN(Black and minority ethnic Advice Network) project was the largest and through which £635,419 was passed on to 18 member centres.

Most London activities are projects on behalf of members but are categorised separately because of a geographical restriction on funds received stating they must be applied only within greater London.

#### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2013 £
Fund balances at 31 March 2013 are represented by		£	£
Tangible fixed assets	19,322	-	19,322
Current Assets	1,625,289	51,206	1,676,495
Current liabilities	(1,189,502)	-	(1,189,502)
	<u>455,109</u>	<u>51,206</u>	<u>506,315</u>

#### 22. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments for which full provision has not been made in these financial statements (2012: £Nil).

#### 23. OTHER COMMITMENTS

At the end of the year there were no annual commitments under non-cancellable operating leases as the rental agreement on which previous commitments of £71,617 had been recognised expired in September 2011.

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2013**

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**24. CONTINGENT LIABILITIES**

Advice UK is lead partner in the BAN consortium funded by London Councils. It is responsible to the funder for administering and monitoring payments of grants to the other partners. In the event the funder considers a partner has improperly used a payment then Advice UK could become liable to repay the grant. However Advice UK has monitoring procedures in place and consider that it is unlikely that the conditions of the funding will be breached and a repayment will become necessary.

**25. RELATED PARTY TRANSACTIONS**

The charity has advanced a loan of £160,000 to its subsidiary, Independent Advice Services Limited, which was outstanding as at 31 March 2013.

A subsidiary, Independent Advice Services Limited, has advanced a loan of £141,195 to its subsidiary, VCS Insurance Company Limited, which was outstanding as at 31 March 2013.