

**ADVICE UK**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**Charity Registration No. 299342**

**Company No. 2023982**

**ADVICE UK**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

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**ADVICE UK**

**Reference and administrative details  
For the year ended 31 March 2012**

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**Trustees**

S Azimi  
B Badesha  
K Burgess  
G Hughes  
H Kendall  
W McCormack  
M Mulholland  
R Opasiak  
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 2012**

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The trustees present their report and the audited financial statements for the year ended 31 March 2012.

#### **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 2012**

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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 1985 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 2011-12 was 21 people (18.6 full time equivalents) comprising 17 employees and 4 contract posts. This compared with 25 in 2010-11 and 36 in 2009-10 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.

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### **Report of the Trustees For the year ended 31 March 2012**

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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.

#### **Employee Involvement**

AdviceUK 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 for 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.

#### **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.

## ADVICE UK

### Report of the Trustees For the year ended 31 March 2012

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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.

### Review of the Year

#### **Summary**

The Charity experienced extreme difficulties on several fronts during 2011-12, having already endured a very difficult year in 2010-11. Some issues straddled the two years, most significantly the commercial and legal dispute with a former private sector partner in the provision of the AdvicePro case management software service and the integration of a replacement membership contact database with our accounts software. Resolving the former consumed a huge amount of management time and a significant financial commitment before we were able to stabilise ownership and control and significantly improve the software by the end of the second quarter. We are grateful to Allen & Overy LLP for pro-bono help in pursuing the legal dispute. Unfortunately, the latter issue could not be resolved and we eventually had to abort the project, begun in 2010, to integrate our database and finance packages. This also consumed huge amounts of finance staff time, either side of the decision, significantly delaying our financial reporting through into 2012-13. A third major problem befell us in October 2011 when our planned office move fell through at two days notice and we were left without premises. Although our emergency provisions worked well and all staff were back on-line operating from home or temporary offices within two working days, the consequences were unavoidably disruptive. Apart from the effects on day to day operation, significant amounts of management time throughout the whole year were consumed by search and move activities before somewhere suitable was found and occupied in May 2012.

Against this backdrop, the Charity also faced various pressures and uncertainties regarding income. At the beginning of the year funding for development work in support of members in London looked likely to end or be severely reduced by August. This was later extended to October and later still to the end of the financial year. As advice agencies everywhere came under financial pressures themselves leading to belt-tightening, mergers and closures, we saw our income from membership subscriptions, insurance sales and training courses reduce. Meanwhile, opportunities for project funding to support our type of work became far fewer as grant-makers were faced with many more applications from across the charitable sector and, understandably, tended to channel their funds to front-line agencies.

Despite all of the above, we managed to continue trying to make the case, on members' behalf, for advice funding in the context of heightened demand due to worsening economic circumstances. We engaged with the Ministry of Justice over the proposed withdrawal of legal aid for most social welfare law advice.

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### **Report of the Trustees For the year ended 31 March 2012**

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We engaged with the new Money Advice Service about their strategy and future central funding for debt advice and we engaged extensively with the Cabinet Office on their Advice Review and plans for an emergency Advice Fund. On the latter, we were pleased to see some of our arguments accepted by government. We also continued with our efforts, in collaboration with our consultancy partners Vanguard, to bring 'systems thinking' methodology to bear in the improvement of advice services. We were engaged by Portsmouth City Council to guide a project to launch a new Portsmouth Advice Service from April 2012 based on systems principles. The project led to the new service being commissioned in a ground-breaking way, prioritising the ability to understand demand and improve the service in collaboration with the funder rather than simply delivering specified volumes of advice. This project has provided a pattern for how we would like to undertake development work in future in a financially viable way and since the end of the financial year we have been in discussions with advice agencies, local authorities and other prospective local and national funders and customers about using the approach elsewhere. Through this work we will continue to pursue the debate with government about the causes of advice demand and funding for advice. We see this being the main strand of our work in coming years.

#### **Membership**

Membership of the network fell again during the year to approximately 820 members throughout the UK (860 in 2010-11, 889 in 2009/10). This reduction is much as expected given the reported falls in funding for advice work from both local and national sources. While in some local authority areas funding levels were maintained (and in a handful of areas even increased), in most areas it was reduced and in some cases cut completely. Sadly, this pattern looks set to continue into 2013 and beyond. Our current estimate is that aggregate UK funding for advice will have fallen by around 25% by the beginning of 2014. Nevertheless, we continued to receive new applications for membership (32 in 2011-12) reflecting the perennial formation of new, often very small, advice projects addressing new and unmet areas of need. 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 five income streams and more than two thousand sources including members, other advice organisations, grant funders, donors and contractual customers. Total income from all sources was £2,776,823. Within this, the amount of "restricted" income in the form of grants for specified activities was £1,186,939 – a substantial decrease on the previous year (£1,601,944) and just 42.7% of total income. No 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 improve support to members throughout the UK
- To increase annual income by increasing generated income and securing government core funding

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### **Report of the Trustees For the year ended 31 March 2012**

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We achieved some success on the first three of these fronts, despite our many difficulties already described. Most notably, we played our part with other organisations in the Access to Justice Campaign which, although unsuccessful in terms of reversing legal aid cuts, did result in the Cabinet Office Advice Review and the creation of a £20m Advice Fund for each of the years 2012-2014. 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.

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

Among the projects funded by restricted income, the largest two in monetary terms were those funded by London local London Councils to provide additional support to members in London (£885,381 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.

£56,999 received from the Baring Foundation was funding for the continuation of our 'BOLD' 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 by Baring underpinned the work in Portsmouth already described as well as current development of a business plan for making such work self-sustaining in future.

#### **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.

2011-12 was the sixth 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 £26,723 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.

#### **Future Plans**

The Charity expects to be able to produce a new Strategic Plan in 2013 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 investigating 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 2012**

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#### **Financial Review**

##### **Financial result**

###### **The Group**

Total group income during the year was £2,776,823 – a decrease of £90,949 compared with £2,867,772 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 £2,820,096 – a decrease of £255,395 compared with £3,075,491 in the previous year.

Overall, the group had net outgoing resources on unrestricted funds, a deficit, of £87,396 for the year. Together with the accumulated surplus brought forward from previous years, the company now has an accumulated surplus on unrestricted funds of £479,173 (2011 a surplus of £566,569). 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 2012 amounted to £86,381 (2011 £58,725). 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 2012 were £2,999,956 - an increase of £89,984 compared with £2,910,062 in the previous year. Of this total £2,995,882 was operating income and the remaining £4,074 was investment income and bank interest. Total resources expended during the year were £3,154,133- an increase of £80,908 compared with £3,073,225 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, it has also been decided that this should not preclude investment from reserves in capacity required to raise income or facilitate growth. The charity's free reserve, the unrestricted funds carried forward less the unrestricted fixed assets in the charity at the close of the year stood at £399,232. As in the previous three years, it is intended to invest some of this amount in retaining staffing capacity in 2012-13 in order to maintain engagement with members and provide a platform for raising new funds. However, this will probably be the last year in which this is possible if new income sources are not found.

###### **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.

## **ADVICE UK**

### **Report of the Trustees For the year ended 31 March 2012**

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#### **Events since the end of the year**

Since 31st March 2012, there have been some significant developments. In May we secured cost-effective premises in E1 district of central London. We are now operating from Toynbee Hall, which is an AdviceUK member. ACMS Ltd, the company set up to continue providing the AdvicePro software and service had a very successful first year of trading and, as expected, made a contribution to Advice UK income. 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.

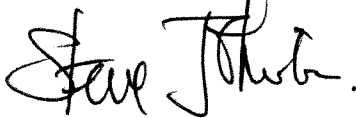
#### **Trustees' liability**

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 2012-13 in accordance with section 385 of the Companies Act 1985.

This report was approved by the Board on 20/12/2012 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 2012 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 4, 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 2012 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

*S. Markley*

**Stuart Markley, Senior Statutory Auditor**

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

*27th December, 2012*

**ADVICE UK**

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

For the year ended 31 March 2012

**INCOMING RESOURCES**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources from charitable activities	3	1,532,753	1,186,939	2,719,692	2,745,826
Incoming resources from generated funds					
Voluntary income		-	-	-	202
Investment income	7	57,131	-	57,131	121,744
<b>Total incoming resources</b>		<b>1,589,884</b>	<b>1,186,939</b>	<b>2,776,823</b>	<b>2,867,772</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	8	1,642,714	1,159,283	2,801,997	2,854,521
Costs of generating funds					
Investment costs		3,040	-	3,040	189,499
Governance costs	11	15,059	-	15,059	31,471
<b>Total resources expended</b>		<b>1,660,813</b>	<b>1,159,283</b>	<b>2,820,096</b>	<b>3,075,491</b>
Net (outgoing)/ incoming resources		(70,929)	27,656	(43,273)	(207,719)
Minority interest		(16,467)	-	(16,467)	-
Net (outgoing)/ incoming resources		(87,396)	27,656	(59,740)	-
Fund balances brought forward		566,569	58,725	625,294	833,013
<b>Fund balances carried forward</b>		<b>479,173</b>	<b>86,381</b>	<b>565,554</b>	<b>625,294</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 2012 or 2011 other than those included in the statement of financial activities. All the company's activities are classified as continuing.

The notes on pages 14 to 26 form part of these accounts.

ADVICE UK

Co No 02023982

**BALANCE SHEET**

For the year ended 31 March 2012

	Notes	Group	Group	Charity	Charity
		2012	2011	2012	2011
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	15	10,709	32,708	8,684	32,708
Investments	16	-	-	1,055	1,055
		<u>10,709</u>	<u>32,708</u>	<u>9,739</u>	<u>33,763</u>
<b>Current assets</b>					
Debtors	17	693,102	251,329	888,569	476,879
Cash at bank		1,023,819	1,227,487	456,192	852,561
		<u>1,716,920</u>	<u>1,478,816</u>	<u>1,344,761</u>	<u>1,329,440</u>
<b>Creditors- amounts falling due within one year</b>	18	(1,145,563)	(886,175)	(859,148)	(713,674)
Other liabilities owing to minority interest		(16,513)	(55)	-	-
		<u>(1,162,076)</u>	<u>(886,230)</u>	<u>(859,148)</u>	<u>(713,674)</u>
<b>Net current assets</b>		<u>554,845</u>	<u>592,586</u>	<u>485,612</u>	<u>615,766</u>
<b>Net assets</b>		<u>565,554</u>	<u>625,294</u>	<u>495,352</u>	<u>649,529</u>
<b>Funds</b>					
Restricted funds	20	86,381	58,725	86,381	58,725
Unrestricted funds					
Designated funds		250,000	250,000	250,000	250,000
General funds		229,173	316,569	158,971	340,804
<b>Total unrestricted funds</b>	21	<u>479,173</u>	<u>566,569</u>	<u>408,971</u>	<u>590,804</u>
		<u>565,554</u>	<u>625,294</u>	<u>495,352</u>	<u>649,529</u>

Approved and authorised for issue by the Trustees on 20/12/2012 and signed on its behalf.

Director



The notes on pages 14 to 26 form part of these accounts.

## ADVICE UK

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

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#### 1. ACCOUNTING POLICIES

##### a) Accounting Convention

The financial statements have been prepared under the historic 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.

## ADVICE UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

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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.

#### 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 2012

**2. INCOMING RESOURCES**

All incoming resources arose within the United Kingdom.

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Grants	Fees for services	Total Funds 2012	Total Funds 2011
	£	£	£	£
Member Services	149,162	727,360	876,522	913,381
Projects on behalf of members	63,901	800,277	864,178	848,940
London regional activities	973,876	5,116	978,992	983,505
	<u>1,186,939</u>	<u>1,532,753</u>	<u>2,719,692</u>	<u>2,745,826</u>

**4. GRANT INCOME**

	Total Funds 2012	Total Funds 2011
	£	£
London Councils	885,381	922,881
Money Advice Trust	74,205	75,176
The Big Lottery(BAS/2/010265715)	-	8,514
The Big Lottery	-	399,555
Baring Foundation	56,999	102,062
Anglian Water Trust Fund	-	54,756
City Parochial Foundation	24,750	35,000
Friends Provident Foundation	86,138	-
Other grants	59,466	14,428
	<u>1,186,939</u>	<u>1,612,372</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. £178,279 has been expended in the year and balance will be expended in 2012-13.

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**5. LOCAL GOVERNMENT AND HOUSING ACT 1989 (continued)**

£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. £680,481 has been expended in the year and balance will be expended in 2012-13.

£22,500 for the year for 2nd Tier Support as a contribution towards the salaries and associated costs of London region. The grant has been included in restricted funds. The full amount has been expended in the year.

**6. OTHER GRANTS RECEIVABLE**

£86,138 was received from Friends Provident Foundation. The grant has been included in restricted funds. £82,836 has been expended in the year and the balance will be expended in 2012-13.

**7. INVESTMENT INCOME**

	<b>Total Funds 2012 £</b>	<b>Total Funds 2011 £</b>
Bank interest receivable	5,891	1,877
Rental income receivable	51,240	119,867
	<u>57,131</u>	<u>121,744</u>

**8. RESOURCES EXPENDED- CHARITABLE ACTIVITIES**

	<b>Project and activity staff costs £</b>	<b>Project and activity other costs £</b>	<b>Support costs £</b>	<b>Total Funds 2012 £</b>	<b>Total Funds 2011 £</b>
Members Services	85,449	824,895	49,393	959,737	817,118
Projects on behalf of members	431,695	360,299	131,471	923,465	1,033,149
London regional activities	120,898	738,579	59,318	918,795	1,004,254
	<u>638,042</u>	<u>1,923,773</u>	<u>240,182</u>	<u>2,801,997</u>	<u>2,854,521</u>

**9. SUPPORT COSTS**

	<b>Staff costs £</b>	<b>Premises £</b>	<b>Other £</b>	<b>Total Funds 2012 £</b>	<b>Total Funds 2011 £</b>
Members Services	4,143	24,288	20,962	49,393	64,712
Projects on behalf of members	37,979	18,016	75,476	131,471	172,245
London regional activities	10,358	30,634	18,326	59,318	77,714
	<u>52,480</u>	<u>72,938</u>	<u>114,764</u>	<u>240,182</u>	<u>314,671</u>

# ADVICE UK

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

### 10. GRANTS PAYABLE

Included in project and activity costs of £738,579 (note 8) for London regional activities is an amount of £652,536 which were grants paid to the following;

	Total Funds 2012 £
Asian Women's Resource Centre	21,600
Barnet Refugee Service	22,000
BHCACB	21,600
Day- Mer Turkish & Kurdish	
Community Solidarity	33,000
East European Advice Centre	72,000
Haringey Somali Community & Cultural Association	-
Iranian Association	40,000
Iranian Community Centre	21,000
Iraqi Association	21,000
Island Advice Centre	40,000
Latin American Association	40,000
Latin American Women's Rights Service	30,038
Migrants Resource Centre	30,000
Notre Dame Refugee Centre	106,458
Sangam Association of Asian Women	24,240
Tamil Relief Centre	21,600
Tamil Welfare Association (Newham)	34,000
Welwitschia Legal Advice Centre	40,000
	34,000

652,536

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 24.

### 11. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Auditors' remuneration	12,632	-	12,632	27,810
Costs of trustee's meetings	2,427	-	2,427	3,661
	<u>15,059</u>	<u>-</u>	<u>15,059</u>	<u>31,471</u>

ADVICE UK

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**12. NET (OUTGOING)/INCOMING RESOURCES**

This is stated after charging:

	2012	2011
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	26,056	48,655
Auditors'/independent examiners'		
- audit and accountancy fee	12,632	27,810
Operating leases:		
- land and buildings	60,956	100,562
- hire of equipment	<u>745</u>	<u>329</u>

No director received any emoluments or benefits in kind (2011 - £Nil). Travel and accommodation costs amounting to £2,427 were reimbursed to 13 trustees (2011 - £2,615 to 11 trustees). Other trustees did not claim reimbursement of any expenses.

**13. STAFF COSTS**

Staff costs were as follows

	2012	2011
	£	£
Wages and salaries	593,457	774,178
Social security costs	66,097	82,652
Other pension costs	30,968	38,874
	<u>690,522</u>	<u>895,704</u>

During the year one employee received emoluments of between £60,000 and £70,000 (2010: one employee).

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

	2012	2011
	13	20
Projects and activities	<u>4</u>	<u>4</u>
Administration		

**14. TAXATION**

	2012	2011
	£	£
UK Corporation Tax charge for the year	<u>10,408</u>	<u>2,479</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 (2011: 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 20.1% (2011 - 21%).

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2012

15. TANGIBLE FIXED ASSETS – GROUP

	Building Improvements	Computer Equipment	Furniture & Equipment	Total
Cost	£	£	£	£
At 1 April 2011	115,773	32,287	39,295	187,355
Additions	-	1,650	2,883	4,533
Disposals	(115,773)	-	-	(115,773)
At 31 March 2012	-	33,937	42,178	76,115
<b>Depreciation</b>				
At 1 April 2011	94,650	30,717	29,280	154,647
Charge for the Year	21,123	1,277	4,132	26,532
Disposals in the year	(115,773)	-	-	(115,773)
	-	31,994	33,412	65,406
At 31 March 2012	-	1,943	8,766	10,709
NBV at 31 March 2011	21,123	1,570	10,015	32,708
<b>Charity</b>				
Cost	Building Improvements	Computer Equipment	Furniture & Equipment	Total
At 1 April 2011	115,773	32,287	39,295	187,355
Additions	-	1,650	-	1,650
Disposals	(115,773)	-	-	(115,773)
At 31 March 2012	-	33,937	39,295	73,232
<b>Depreciation</b>				
At 1 April 2011	94,650	30,717	29,280	154,647
Charge for the Year	21,123	1,277	3,274	25,674
Disposals in the year	(115,773)	-	-	(115,773)
	-	31,994	32,554	64,548
At 31 March 2012	-	1,943	6,741	8,684
NBV at 31 March 2011	21,123	1,570	10,015	32,708

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

16. **FIXED ASSET INVESTMENTS**

	Group £	Charity £
<b>Cost</b>		
At 1 April 2011 and 31 March 2012	-	1,055

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

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

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

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

	2012 £	2011 £
Direct costs	-	-
<b>Gross Profit</b>	-	-
Administrative expenses	(2,290)	(5,118)
<b>Operating loss</b>	(2,290)	(5,118)
Interest receivable	2,126	5,121
<b>Taxation</b>	-	(2,479)
<b>Deficit on ordinary activities</b>	(164)	(2,476)
Gift aid	-	-
<b>Deficit for the year</b>	(164)	(2,476)

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2012

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

	2012	2011
	£	£
Investments in subsidiaries	100,000	100,000
Current assets	150,800	148,713
Creditors amounts falling due within one year	(242,437)	(237,710)
	<u>8,363</u>	<u>11,003</u>

Represented by  
Share capital and reserves

8,363	11,003
-------	--------

Independent Advice Services Limited has a subsidiary company VCS Insurance Company Limited, a company registered in Guernsey comprising a holding of 99,999 shares out of 100,000 shares.

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

Technical account	2012	2011
	£	£
<b>Earned Premiums, Net of Insurance</b>		
Gross premiums written	360,847	371,980
Outward reinsurance premiums	(117,875)	(117,800)
<b>Net premiums written</b>	<u>242,972</u>	<u>254,180</u>
<b>Claims incurred</b>		
Claims paid	(27,288)	(80,820)
Movement on outstanding claims reserve	(96,100)	68,400
Movement on IBNER provision	42,500	(100,000)
	<u>162,084</u>	<u>141,760</u>
Net operating expenses	(135,212)	(137,995)
<b>Balance on technical account</b>	<u>26,872</u>	<u>3,765</u>
<b>Profit and loss account</b>		
Balance on technical account	26,872	3,765
Interest income	1,761	(1,874)
Administration expenses	(55,356)	(47,719)
<b>(Loss) on ordinary activities</b>	<u>(26,723)</u>	<u>(42,080)</u>

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Current assets	494,972	459,422
Creditors amounts falling due within one year	(212,259)	(391,181)
	<u>282,713</u>	<u>68,241</u>
Represented by		
Share capital and reserves	<u>282,713</u>	<u>68,241</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 2012 were £36,694 and the profit for the period ended on that date is £36,594. The subsidiary is a software trading company.

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Total incoming resources	2,999,956	2,910,062
Total resources expended	<u>(3,154,133)</u>	<u>(3,073,225)</u>
<b>Net outgoing resources</b>	(154,177)	(163,163)
Fund balances brought forward at 1 April 2011	<u>649,529</u>	<u>812,692</u>
Fund balances carried forward at 31 March 2012	<u>495,352</u>	<u>649,529</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2012

17. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2012	2011	2012	2011
	£	£	£	£
Due within one year				
Trade debtors	280,617	114,286	274,616	114,286
Grants in arrears	226,470	8,042	226,470	8,042
Other debtors	33,677	10,180	29,857	10,180
Prepayments and accrued income	152,337	118,821	62,352	114,666
Amounts owed by subsidiary undertakings	-	-	295,274	229,705
	<u>693,102</u>	<u>251,329</u>	<u>888,569</u>	<u>476,879</u>

18. CREDITORS

	<u>Group</u>		<u>Charity</u>	
	2012	2011	2012	2011
	£	£	£	£
Due within one year				
Trade creditors	301,251	233,656	138,406	74,256
Corporation tax	10,408	2,479	-	-
Social security and other taxes	53,122	18,288	16,579	18,288
Deferred income	421,990	343,233	421,990	343,233
Other creditors	192,312	121,826	54,022	38,944
Accruals	166,480	166,748	161,517	160,788
Amounts owed by subsidiary undertakings	-	-	66,634	78,165
	<u>1,145,563</u>	<u>886,230</u>	<u>859,148</u>	<u>713,674</u>

Included within other creditors is an amount of £5,503 in respect of pension contributions (2011:£2,511).

19. DEFERRED INCOME

	2012	2011
	£	£
At 1 April 2011		
Incoming resources deferred in the current year	343,233	341,463
Amounts released from previous years	421,990	343,233
At 31 March 2012	<u>(343,233)</u>	<u>(341,463)</u>
	<u>421,990</u>	<u>343,233</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 2012

20.	STATEMENT OF FUNDS	Opening Balance £	Incoming Resources £	Outgoing Resources £	Total £	Minority interest	Closing Balance £
	<b>RESTRICTED FUNDS</b>						
	Members Services	2,403	149,162	(153,874)	(2,309)	-	(2,309)
	Projects on behalf of members	40,468	63,901	(83,129)	21,240	-	21,240
	London activities	15,854	973,876	(922,280)	67,450	-	67,450
	<b>Total Restricted funds</b>	<u>58,725</u>	<u>1,186,939</u>	<u>(1,159,283)</u>	<u>86,381</u>	<u>-</u>	<u>86,381</u>
	<b>UNRESTRICTED FUNDS</b>						
	General Fund	316,569	1,589,884	(1,660,813)	245,640	(16,467)	229,173
	Designated funds						
	Premises fund	250,000	-	-	250,000	-	250,000
	<b>Total unrestricted funds</b>	<u>566,569</u>	<u>1,589,884</u>	<u>(1,660,813)</u>	<u>495,640</u>	<u>(16,467)</u>	<u>479,173</u>
		<u>625,294</u>	<u>2,776,823</u>	<u>(2,820,096)</u>	<u>582,021</u>	<u>(16,467)</u>	<u>565,554</u>

**Designated funds**

The premises fund was set up to finance the planned premises move in 2011/12.

**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.

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 £170,637 to help us support members in their work.

With regard to London activities, we received grants during the year from two principal sources, London Councils and City Parochial Foundation, totalling £887,631. 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 £680,481 was passed on to 18 member centres.

**ADVICE UK**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**20. STATEMENT OF FUNDS (continued)**

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 2012 £
Fund balances at 31 March 2012 are represented by		£	£
Tangible fixed assets	10,709	-	10,709
Current Assets	1,630,539	86,381	1,716,920
Current liabilities	(1,162,075)	-	(1,162,075)
	<u>479,173</u>	<u>86,381</u>	<u>565,554</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 ( 2010 £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.

**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 2012.

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 2012.