

ADVICE UK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ADVICE UK

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

Charity Registration No. 299342

Company No. 2023982

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Reference and administrative details For the year ended 31 March 2015

Trustees

S Azimi
B Badesha
K Burgess
H Kendall
W McCormack (resigned 11/09/2014)
J Silver
G Smith
N Wayne
A Wilton

Chair

N Wayne

Chief Executive and Company Secretary

S Johnson

Company Number

2023982 (England & Wales)

Charity Number

299342

Registered Office

150 Aldersgate Street
London
EC1A 4AB

Business address

101E, Universal House
88 - 94 Wentworth Street
London
E1 6LS

Website

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 2015

The trustees present their report and the audited Financial Statements for the year ended 31 March 2015.

Structure and History

Legal structure

Advice UK is a company limited by guarantee and a registered charity. It is referred to throughout this report as "the Charity". It is governed by its 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 advice to members of 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 Advice UK was adopted in April 2003 and the company and charity name were changed to Advice UK in November 2004.

Membership structure

The Charity operates as a co-ordination and support network for organisations providing independent social welfare advice. Membership of the Advice UK 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". Network Membership is separate from membership of the Charity itself. The members of the Charity are the Trustees.

Connected companies

The Charity has a number of Group subsidiaries and associated companies. "Independent Advice Services Ltd" is a private company limited by shares formed in 1998 to facilitate non primary-purpose trading activities. Advice UK is the only shareholder. On 31 July 2014 Independent Advice Services Limited transferred their 100% interest of the issued share capital in VCS Insurance Company Limited and the shareholder's loan of £150,000 to Advice UK. "VCS Insurance Company Limited" based in Guernsey, is a private company limited by shares formed in 2006 as a specialist insurer for organisations working in and with the voluntary and community sector. Advice UK owns all but one of the shares. Since 2006 Advice UK has been sourcing some of the insurances it arranges for advice agencies from VCS Insurance Company Ltd. "Advanced Case Management Solutions Ltd", based in Glasgow, is a private company limited by shares formed in 2011 to continue provision of the AdvicePro case management software service to Network Members and other advice organisations. Advice UK was initially the majority shareholder but became a minority shareholder in March 2014. The Change Account Partnership LLP is a partnership of five social purpose organisations set up in 2013 to develop a fair-banking transactional account to be of particular benefit to people who are relatively financially excluded. Advice UK is a Designated Partner. The LLP is the majority shareholder in Change Account Ltd, a private company limited by shares also set up in 2013 for the purpose of creating and operating the transactional account.

Purposes and Plans

Public Benefit

The Trustees have regard to the Charity Commission's public benefit guidance in all their decision-making. This Annual Report contains details of how they have carried out the Charity's purposes for the public benefit. Advice UK's charitable activities are focused on enabling people to access advice to help them resolve problems that are affecting their quality of life. Though this is done through support to advice-providing organisations, it is the general public who are the ultimate beneficiaries of the Charity's work. Research has demonstrated that timely access to advice can have benefits beyond the alleviation of specific financial or other problems. These include maintenance of physical and mental health and well-being, whereas an inability to access help and advice can result in problems worsening and escalating at increasing cost to the individual and, often, to the public purse.

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Report of the Trustees For the year ended 31 March 2015

Principal aims

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:

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

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."*

Strategy & Plans

The Trustees review the Charity's vision and mission periodically in the context of updating their strategy and plans. This is usually done annually with a complete review of strategy occurring at least every four years. A new strategy was published in 2014 emphasising a policy of raising more income from enterprise activities in order for the Charity to be financially sustainable in pursuit of its Objects. This is to be achieved by further developing the business Group around the Charity to complement and provide funds for its work. The strategy identifies a set of fourteen areas for action under five key objectives. The strategy will next be reviewed in November 2015. Subsidiary annual plans reflecting the current strategy are made for each financial year in parallel with the setting of annual budgets.

Governance and Management

The Board of Trustees

The affairs of the Charity are governed by a Board of Trustees who are the members and 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 all volunteers. They are referred to collectively in this report as "the Trustees" or "the Board". The Trustees became the only members of the Charity in January 2015 when Network Membership became separate from membership of the Charity itself for renewing and new Members from January 1st.

Trustee Appointment, Induction and Terms of Office

Pending a review of the Articles planned to be completed by the end of 2015, the maximum size of the Board is 20, comprising up to 12 trustees appointed from amongst Network Members and up to 8 independents chosen to achieve a balance of skills and perspectives on the Board. Most new Trustees are already familiar with the Charity, with its activities and with charitable operations in general due to being drawn from Network 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. Trustees normally serve for terms of three years. They may submit themselves for re-appointment.

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 is usually at least one full day 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 operations of the Charity.

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Report of the Trustees For the year ended 31 March 2015

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

Operations are co-ordinated by the Senior Management Team currently comprising the Chief Executive and Heads of Finance & Services and Development & Policy. Total staffing (including the SMT) at March 2015 was 17 (15 full time equivalents) comprising 16 employees and 1 contract post. Total staffing therefore remained at approximately 50% of what it was at the time of the economic downturn in 2008. The Charity therefore has significantly less capacity now than it has had in the recent past with the result that employees are generally overstretched.

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 were increased in 2014-15 for the first time in seven years.

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

A staff health and safety group is appointed to undertake an audit and review of risks. It 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 has been in place since 2006 leading to the organisation being awarded a business "Green Mark" which has been renewed at intervals since. 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 under-staffed relative to the work that it wishes to do and so has sought to optimise external impact through lean, non-bureaucratic and flexible systems depending on high degrees of delegation. This is a relatively high risk manner of operation. The known risks are continually monitored and actively managed by the Senior Management Team and the Trustees. 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.

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Report of the Trustees For the year ended 31 March 2015

Review of the Year

Summary

The Charity further stabilised its affairs during 2014-15 and took some important initial steps towards improved effectiveness. A financial surplus was achieved for the second successive year allowing reserves to be replenished following several years of deficits. The surplus was mainly due to greater than expected income while expenditure remained much as forecasted. Some sources of existing income that might have been lost or reduced were retained and some new sources of income were gained. This allowed support to Members to be maintained and, in some areas, even improved. At the close of the year the Charity was again in a more positive position than in recent years.

Membership

Membership of the Network increased slightly for the first time in several years during 2014-15. Following the change to calendar year membership in January 2015, the number of Network Members now stands at 816 throughout the UK (790 in 2013-14 and 807 in 2012-13). The highest concentration of members continues to be in Greater London where there are 230 organisations. Distribution of members across the four home countries was England 698, Wales 27, Scotland 30 and Northern Ireland 61. Though we continued to lose some members due to closures, mergers and non-renewals there was a greater number of joiners. As in previous years, new members included 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 and emergent gaps in provision. Immediately upon broadening eligibility for membership in 2015 we began to receive applications from new types of organisations thus justifying the decision to revise the membership scheme. 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.

New Corporate Strategy

A new strategy was adopted in 2014 after reviewing the much altered operating environment affecting the Charity and its Members and having reached a number of conclusions. The strategy recognises the diminishing availability of traditional sources of income and the emergence of new business models and new providers in a changing sector. The strategy emphasises a policy of raising more income from enterprise activities in order for the Charity to be financially sustainable in pursuit of its Objects. Implementing the strategy would involve, amongst other things, re-positioning the Charity as the co-ordinating body for *all* independent advice; changing the governance model; reviewing and strengthening the Charity's existing primary-purpose trading activities and Group businesses and developing new enterprises to provide value to Members and others.

Main activities and achievements

The Annual Plan for 2014-15 contained a range of initial actions necessary to the implementation of the strategy. Thus, the Members were notified of the intention to revise the membership scheme from January 2015 to introduce the new category of 'Network Membership'; to broaden eligibility for membership; to change the membership year from April - March to January - December and to change the membership fee structure. Existing memberships were renewed in April until December and renewed again in January. Consequent to the changes in the membership scheme, the Trustees became the only members of the Charity / company limited by guarantee in January, paving the way for a full review and modernisation of governance. Though originally planned for 2014, the review is now re-scheduled for 2015. Two of the Charity's primary-purpose trading activities were strengthened in 2014-15. The Learning & Skills operation was made more efficient, especially in relation to booking and billing, and the offer was improved to a broadened customer-base. These improvements, coinciding with a slight recovery in demand for training and qualifications amongst advice organisations, led to an improved financial result from L&S activities. The Insurances operation underwent very significant change in the last quarter to enable an improved offer to Members. This involved the commencement of a collaboration with another charity, Finance Re-Direct, that runs a specialist insurance brokerage serving the

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Report of the Trustees For the year ended 31 March 2015

not-for-profit sector. This followed two years of planning and identification of a suitable partner. The collaboration will enable the Charity to offer a broad range of insurances in a bundled package whereas we had previously only been able to offer Professional Indemnity and Trustees' Officers' & Directors' cover. For some time, Members had been expressing a desire to obtain a range of insurances from one source. This collaboration will allow us to respond to that demand. It should also reduce costs while improving administration through a dedicated insurance staff team.

Underpinning these outward-facing developments were several improvements in corporate systems and capacity. During 2014-15 the Charity's ICT systems were brought up to date after several years of non-renewal. This included new servers, work stations, operating software and fast broadband (in new premises - see below). Accounting software was also enhanced and budgeting and accounting processes streamlined and improved. In the first quarter of 2015 new office premises were identified, secured and fitted out with new furniture and equipment replacing much of the legacy inventory, some of which dated back more than fifteen years. The move to the new office, situated less than 100m from the previous one in Toynbee Hall, London E1, took place on 1st May 2015. The new office provides a much improved and hopefully more productive working environment. In preparation for the move, a programme of paper-reduction was instituted, committing almost all archives to digital and making general operations substantially paperless.

Several development opportunities were seized during the year. The Development Team continued to develop paid-for consultancy as a separate but important commercial activity at Advice UK. They secured a number of small consultancy contracts assisting advice agencies with the implementation of partnership projects. Expertise and access to Advice UK members was provided to Middlesex University School of Law in a large piece of consultancy which placed over 30 students in Advice UK member centres across London. This activity has the potential to be rolled out in other areas. A contract was secured with Advice Nottingham to support their development in relation to the re-commissioning of advice services in the city, specifically appraising options for a proposed single point of access to advice and the challenges this would present.

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. In all, the team provided 1,072 training course places in 2014-15 comprising 58 days of in-house courses with approx. 522 participants and 550 places on scheduled "open" programme courses. In addition, they supported close to 500 active learners across the country working towards vocational qualifications.

Funded Projects supporting members

Among the projects funded by restricted income, the largest in monetary terms was that funded by London Councils. 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. In 2014-15 we continued with the Stronger Organisations Benefiting Londoners (SOBeL) programme of work funded by London Councils to support advice agencies in Greater London, the overall purpose of which is to build stronger community organisations benefiting Londoners. Phase 1 of this programme, which is delivered in partnership with LASA and Law Centres Network with us leading, was completed at the end of March 2015. We were successful in renewing the funding for Phase 2 of this programme for another two years to March 2017 subject to a review in 2016. In the two years so far we have supported over 700 advice agencies in London with a wide range of interventions such as having helped groups submit funding applications of well over £2,000,000. Also as part of this programme we run the London Advice Conference which has become a regular feature of the London advice sector calendar.

We received £56,250 in 2014/15 from City Bridge Trust. This grant allowed us to continue working with the BAMER advice Network (BAN) in London and develop it into a robust partnership and legal entity.

Our National Money Advice Co-ordinator post had previously been funded by the Money Advice Trust (MAT). However, this funding ceased on 31 March 2014, as MAT's role in co-ordinating debt advice had been taken over by the Money Advice Service. The MAT funding has been replaced in part by grants from Provident

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Report of the Trustees For the year ended 31 March 2015

Financial and Charis Grants. This income has been further supplemented by income from the Insolvency Service due to our role as a Competent Authority under the Debt Relief Orders scheme. Further funding has been secured from Grant Thornton commencing April 2015. The new combined funding enabled us to work closely with the Financial Conduct Authority (FCA) on behalf of members after the FCA assumed responsibility for the regulation of consumer credit, including debt advice, from the Office of Fair Trading (OFT) on 1 April 2014. We were able to ensure that members previously covered by our Group Debt Licence with the OFT were smoothly transferred into FCA authorisation, and we also supported new members with their applications for authorisation. We also continued to work closely with the Money Advice Service, which has statutory responsibility for the co-ordination of debt advice in the UK.

The 'systems' improvement methodology remained central to our view of how advice services need to develop in the future and it was the basis upon which most of our approaches to and conversations with other helping agencies were conducted. We continued to argue that the greatest potential for helping more people with fewer resources lies in reducing waste demand and bureaucracy driven into helping services from outside, particularly by funders and government agencies. The ability of the systems methodology to focus on user-value, identify and remove waste and drive quality and improvement is something we continued to promote, with some success, alongside the need for all helping services to work together and focus on delivering 'whole person' solutions. Using funding secured from the LankellyChase Foundation in 2012-13, we began an exciting multi-disciplinary project in West Yorkshire, embodying just this approach. This project will run on into 2015-16.

Other activities

2014-15 was another successful year for AdvicePro, our on-line electronic case management system for advice agencies. The system offers many advantages including better client data security, anytime-anywhere working and improved quality-control. Well over a million cases are now held on the system. With more than 7,000 new ones being added each week a significant data set is being accumulated so that the strategic goal of consistent data reporting across our membership is coming into view. The number of customer agencies grew steadily during the year 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 with customer satisfaction returns being excellent. Our associate company, ACMS Ltd, which develops and supports AdvicePro, itself had a successful year, reporting a year-end surplus of £120,367.

2014-15 was the ninth 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 surplus of £33,806 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.

We continued our involvement in the Change Account project to develop a new fair-banking product aimed primarily at addressing the electronic payments and budgeting needs of low income households. We have played a leading role in this project since inception, helping bring together a mutual partnership of organisations to own the product, develop the specification and distribution networks and raise investment. The product went live for final consumer testing during the first quarter of 2015.

During 2014 we reached agreement with fellow charity Homeless Link to take over proprietorship of the UK AdviceFinder on-line directory of advice organisations. UKAF is the most comprehensive listing of organisations that provide some kind of advice service. It is offered by subscription to organisations, some of whom incorporate it into search and signposting facilities on their websites. We see this acquisition as central to our future positioning and implementation of our strategy. We plan to invest in the product in 2015 to broaden its usefulness and appeal.

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Report of the Trustees For the year ended 31 March 2015

Financial Review

Financial result

The Group

Total group income during the year was £1,986,139 an increase of £2,228 compared with £1,983,911 in the previous year. Total resources expended during the year were £1,776,083 an increase of £105,237 compared with £1,670,846 in the previous year.

Overall, the group had net incoming resources on unrestricted funds, a surplus, of £234,836 for the year. Together with the accumulated surplus brought forward from previous years, the company now has an accumulated surplus on unrestricted funds of £879,737 (2014 a surplus of £644,901). 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 2015 amounted to £81,668 (2014 £94,301). 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 2015 were £1,806,860 a decrease of £243,198 compared with £2,050,058 in the previous year. Of this total £1,803,100 was operating income and the remaining £3,760 was investment income and bank interest. Total resources expended during the year were £1,630,612 a decrease of £166,255 compared with £1,796,867 in the previous year. Expenditure on administering the Charity increased slightly but remains below 1% of total expenditure despite increased costs. The Charity's total unrestricted income during the year was £1,358,224, and associated expenditure was £1,121,990. A transfer of £47,353 was made from unrestricted funds to restricted funds to help cover the in-year deficit. This resulted in a £188,881 surplus on unrestricted funds.

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 £1,806,860. Within this, the amount of "restricted" income in the form of grants for specified activities was £448,636 a decrease on the previous year of £215,472, i.e. approximately 12% 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.

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.

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Report of the Trustees For the year ended 31 March 2015

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 £815,000. However, the prevailing policy has been 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 £664,874 (2014: £599,425). In line with the corporate strategy the Board considers that it should strive for at least balanced budgets in future years.

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

In the opinion of the trustees there have been no 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 £10.

Trustees' indemnity insurance was in place during the year and the insurance provides cover up to £1,000,000 on any one claim.

Appointment of Auditors

Auditors for 2015-16 will be appointed in accordance with section 495 of the Companies Act 2006 at an Annual General Meeting in October 2015.

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 and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

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

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Report of the Trustees For the year ended 31 March 2015

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

In so far as the trustees are aware:

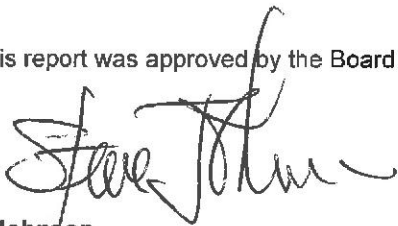
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Small Companies Regime

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board on 23 July 2015 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 2015 which comprises of the 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 9, 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 section 151 of the Charities Act 2011 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 the parent charitable company's affairs as at 31 March 2015 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 and the Charities Act 2011 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 information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; 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, Senior Statutory Auditor

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

8th September 2015

ADVICE UK

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

For the year ended 31 March 2015

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from charitable activities	3	1,534,123	448,636	1,982,759	1,980,415
Incoming resources from generated funds					
Investment income	5	3,380	-	3,380	3,496
Total incoming resources		1,537,503	448,636	1,986,139	1,983,911
RESOURCES EXPENDED					
Charitable activities	6	1,224,171	508,622	1,732,793	1,592,206
Costs of generating funds	7	23,270	-	23,270	18,450
Governance costs	8	20,020	-	20,020	40,065
Taxation	10	-	-	-	20,125
Total resources expended		1,267,461	508,622	1,776,083	1,670,846
Net incoming/(outgoing) resources before transfers		270,042	(59,986)	210,056	313,065
Share of profits of associate	13	12,147	-	12,147	-
Transfer between funds		(47,353)	47,353	-	-
Net (outgoing)/ incoming for the year		234,836	(12,633)	222,303	313,065
Minority interest		-	-	-	(51,343)
Other recognised gains and losses					
Loss on disposal of shares in subsidiary		-	-	-	(13,283)
Net movement in funds		234,836	(12,633)	222,303	248,439
RECONCILIATION OF FUNDS					
Fund balances brought forward		644,901	94,301	739,202	490,763
Fund balances carried forward		879,737	81,668	961,405	739,202

There were no recognised gains and losses for 2015 or 2014 other than those included in the statement financial activities. All the company's activities are classified as continuing. The notes on pages 15 to 29 form part of these accounts.

BALANCE SHEET

As at 31 March 2015

	Notes	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Fixed assets					
Tangible fixed assets	12	29,722	6,290	29,722	6,290
Investments	13	57,609	45,462	111,040	11,040
		<u>87,331</u>	<u>51,752</u>	<u>140,762</u>	<u>17,330</u>
Current assets					
Debtors	14	461,465	401,578	612,329	631,428
Cash at bank		<u>1,085,952</u>	<u>999,862</u>	<u>744,302</u>	<u>577,330</u>
		1,547,417	1,401,440	1,356,631	1,208,758
Creditors- amounts falling due within one year	15	<u>(502,700)</u>	<u>(515,624)</u>	<u>(610,089)</u>	<u>(515,032)</u>
Net current assets		<u>1,044,717</u>	<u>885,816</u>	<u>746,542</u>	<u>693,726</u>
Provision for liabilities	17	<u>(170,643)</u>	<u>(198,366)</u>	-	-
Net assets		<u>961,405</u>	<u>739,202</u>	<u>887,304</u>	<u>711,056</u>
Funds					
Restricted funds	18	81,668	94,301	81,668	94,301
Unrestricted funds					
Designated funds	18	150,000	150,000	150,000	150,000
General funds	18	<u>729,737</u>	<u>494,901</u>	<u>655,636</u>	<u>466,755</u>
Total unrestricted funds	18	<u>879,737</u>	<u>644,901</u>	<u>805,636</u>	<u>616,755</u>
Total Charity Funds	19	<u>961,405</u>	<u>739,202</u>	<u>887,304</u>	<u>711,056</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (Effective April 2008).

Approved and authorised for issue by the Trustees on 23rd July 2015 and signed on its behalf.

N. Wayne - Director



The notes on pages 15 to 29 form part of these accounts.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

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 and balance sheets of the Charity and its subsidiary undertakings, on a line by line basis from the date of acquisition to the date of disposal. Associated undertakings are accounted for under the equity method and included within investments at cost plus the group's share of accumulated reserves. 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 2015

1. ACCOUNTING POLICIES (CONTINUED)

e) Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are 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 irrecoverable based on partial exemption calculations, the amount irrecoverable is charged to support costs.

f) Claims and technical reserves

Provisions are made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date. The estimated cost of claims includes expenses to be incurred in settling claims. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may prove to be different from the original estimated liability.

The claims arising are on policies which are written on a claims made basis, i.e. within the defined period covered by the policy. Each time a claim is notified, a reserve is established. However, outstanding claims reserves may increase from the time a claim is made as decisions are made regarding legal proceedings until the date the claim is settled. This provision is the directors' estimate of the additional costs that may be incurred in order to settle all outstanding claims at the balance sheet date.

The methods used, and estimates made, by the directors to assess the company's claims provisions are continually reviewed and any resulting adjustments are reported in the underwriting account in the financial year in which they are made. In addition the Charity has a stop-loss policy to meet total claims in each policy year in excess of £125,000.

The basis of estimation for the claims incurred but not enough reported ('IBNER') is calculated based on net earned premium less claims paid, less specific reserves by an agreed stepped reducing percentage for each year, 100% in year one, 60% in year two, 40% in year three and 0% in year four. The directors believe four years to be sufficient as almost all claims are finalised over this term. If there is negative IBNER this would not be allowable and would be maintained at nil.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

ACCOUNTING POLICIES (CONTINUED)

g) 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

h) 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.

i) 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.

j) 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.

k) Comparatives

Comparative figures have been restated for presentation to be consistent with the current year.

2. INCOMING RESOURCES

All incoming resources arose within the United Kingdom.

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Grants	Fees for services	Total Funds 2015	Total Funds 2014
	£	£	£	£
Member Services	62,500	1,225,765	1,288,265	1,174,278
Projects on behalf of members	66,000	308,358	374,358	552,321
London regional activities	320,136	-	320,136	253,816
	<u>448,636</u>	<u>1,534,123</u>	<u>1,982,759</u>	<u>1,980,415</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

4. GRANT INCOME

	Total Funds 2015 £	Total Funds 2014 £
London Councils	253,816	253,816
Money Advice Trust	-	70,224
Baring Foundation	-	182,942
Lankelly Chase	66,000	102,000
Friends Provident Foundation	-	14,950
Provident Financial	30,000	-
Other grants	98,820	40,176
	<u>448,636</u>	<u>664,108</u>

The grant from London Councils was in respect of the 'Stronger Organisations – Benefiting London(ers)' project to deliver support to London's voluntary and community organisations. The grant was fully expended in the year for its intended purposes.

5. INVESTMENT INCOME

	Total Funds 2015 £	Total Funds 2014 £
Bank interest receivable	<u>3,380</u>	<u>3,496</u>

6. RESOURCES EXPENDED- CHARITABLE ACTIVITIES

	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2015 £	Total Funds 2014 £
Members Services	201,005	773,209	136,887	1,111,101	831,115
Projects on behalf of members	164,314	27,630	74,485	266,429	473,688
London regional activities	170,994	105,005	79,264	355,263	287,423
	<u>536,313</u>	<u>905,844</u>	<u>290,636</u>	<u>1,732,793</u>	<u>1,592,206</u>

SUPPORT COSTS

	Staff costs £	Premises £	Other £	Total Funds 2015 £	Total Funds 2014 £
Members Services	27,913	9,568	99,406	136,887	207,688
Projects on behalf of members	23,277	7,979	43,229	74,485	110,814
London regional activities	24,770	8,491	46,003	79,264	51,302
	<u>75,960</u>	<u>26,038</u>	<u>188,638</u>	<u>290,636</u>	<u>369,804</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

7. COST OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Staff Costs	21,399	-	21,399	16,503
Bank charges	1,871	-	1,871	1,947
	<u>23,270</u>	<u>-</u>	<u>23,270</u>	<u>18,450</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Auditors' remuneration				
- Audit fees	13,000	-	13,000	13,000
- Accountancy fees	2,044	-	2,044	20,000
- other services	1,000	-	1,000	2,000
- Subsidiary auditors' fees	3,200	-	3,200	3,550
Costs of trustee's meetings	776	-	776	1,515
	<u>20,020</u>	<u>-</u>	<u>20,020</u>	<u>40,065</u>

9. NET (OUTGOING)/INCOMING RESOURCES

This is stated after charging:	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	7,123	5,272
Audit fees		
- audit and accountancy fee	15,044	15,000
Operating leases:		
- land and buildings	<u>-</u>	<u>-</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

10. TAXATION

	2015 £	2014 £
UK Corporation Tax charge for the year	-	20,125

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.

Taxation in the consolidated accounts related to Advanced Case Management Solutions. Other than capital allowances and expenses not deductible there were no factors that affected the tax charge for the year which were calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20%.

11. STAFF COSTS

The Trustees received no remuneration or benefits in kind for their services to the charity during the year (2014 - £Nil). Travel and subsistence expenses totalling £776 (2014 - £1,122) were reimbursed to 5 (2014: 6) trustees.

Staff costs were as follows:

	<u>Group</u>		<u>Charity</u>	
	2015 £	2014 £	2015 £	2014 £
Wages and salaries	513,434	658,867	513,434	503,894
Social security costs	52,683	72,187	52,683	55,050
Other pension costs	41,425	46,380	41,425	41,580
Other staff costs	26,130	11,606	26,130	11,606
	<u>633,672</u>	<u>789,040</u>	<u>633,672</u>	<u>612,130</u>

During the year one employee received emoluments between £70,000 and £80,000 (2014: £60,000 and £70,000) including taxable benefits but excluding employers' pension contributions. This employee participated in an individual defined contribution scheme, pension contributions amounted to £3,754 (2014: £3,644). In addition in 2013 this employee was granted an ex-gratia pension of £41,000, to be spread over 3 years, in recognition of non-pensionable service provided over the previous 17 years. The charge in the accounts is £13,697 (2014: £13,667).

ADVICE UK**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2015**11. STAFF COSTS (CONTINUED)**

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

	Group	
	2015	2014
Projects and activities	12	16
Administration	2	2

12. TANGIBLE FIXED ASSETS**GROUP AND CHARITY**

	Leasehold Buildings Improvements	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£
Cost				
At 1 April 2014	-	41,910	39,295	81,205
Additions	8,482	11,597	10,476	30,555
At 31 March 2015	8,482	53,507	49,771	111,760
Depreciation				
At 1 April 2014	-	36,004	38,911	74,915
Charge for the Year	-	6,732	391	7,123
At 31 March 2015	-	42,736	39,302	82,038
NBV at 31 March 2015	8,482	10,771	10,469	29,722
NBV at 31 March 2014	-	5,906	384	6,290

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

13. FIXED ASSET INVESTMENTS

CHARITY

Cost

	Subsidiaries £	Associates £	Other £	Total £
At 1 April 2014	1,000	40	10,000	11,040
Additions	100,000	-	-	100,000
Disposals	-	-	-	-
At 31 March 2015	101,000	40	10,000	111,040

The Charity's subsidiaries are:

	Country of <u>Incorporation</u>	<u>Activity</u>	Proportion of Ordinary Shares Held and <u>Voting rights</u>
Independent Advice Services Limited	UK	Investment holding and member services	100%
VCS Insurance Company Limited*	Guernsey	Insurance	100%

* On 31 July 2014 Independent Advice Services Limited transferred their 100% interest of the issued share capital in VCS Insurance Company Limited and the shareholder's loan to Advice UK.

The charity holds a 40% shareholding in the ordinary shares of Advanced Case Management Solutions Limited, a software trading company registered in Scotland.

The charity holds one sixth share in The Change Account Mutual Partnership, an unincorporated mutual association. The partnership incorporated on 27th November 2013 to form The Change Account Partnership LLP.

GROUP

Cost

	Associates £	Other £	Total £
At 1 April 2014	35,462	10,000	45,462
Share of profit of associate			
- Operating profit	24,307	-	24,307
- Taxation	(12,160)	-	(12,160)
At 31 March 2015	47,609	10,000	57,609

ADVICE UK**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2015

13. FIXED ASSET INVESTMENTS (CONTINUED)

The following is a summary of trading results and the aggregate of its assets, liabilities, share capital and reserves at the end of the year of each entity within the group:

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

	2015	2014
	£	£
Income	-	-
Direct costs	-	-
Gross Profit	-	-
Administrative expenses	-	(2,716)
Operating loss	-	(2,716)
Interest receivable	-	2,117
Taxation	-	-
Deficit on ordinary activities	-	(599)
Deficit for the year	-	(599)

Balance Sheet – Assets, liabilities and funds

	2015	2014
	£	£
Investments in subsidiaries	-	100,000
Current assets	6,881	153,237
Creditors amounts falling due within one year	-	(246,356)
	<u>6,881</u>	<u>6,881</u>
Represented by		
Share capital and reserves	<u>6,881</u>	<u>6,881</u>

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

13. FIXED ASSET INVESTMENTS (CONTINUED)

VCS Insurance Company Limited

Profit and loss account

	2015 £	2014 £
Earned Premiums, Net of Insurance		
Gross premiums written	296,603	315,075
Movement on unearned premium	(4,786)	-
Outward reinsurance premiums	(101,550)	(107,200)
Net premiums written	190,267	207,875
Claims incurred		
Claims paid	(1,153)	(56,233)
Movement on outstanding claims reserve	42,000	67,100
Movement on IBNER provision	(9,491)	(47,750)
Movement on unearned commission	1,197	-
Legal expenses	(22,613)	(16,012)
Administration fee	(38,000)	(42,000)
Brokerage fee	(3,000)	(3,000)
Commission payable	(74,151)	(78,769)
	(105,211)	(176,664)
Technical account profit for the year	85,056	31,211
Interest income	2,503	2,137
Administration expenses	(53,753)	(53,970)
Profit/(Loss) on ordinary activities	33,806	(20,622)

Balance Sheet – Assets, liabilities and funds

	2015 £	2014 £
Current assets	455,476	442,893
Creditors amounts falling due within one year	(14,181)	(16,486)
Technical reserves	(170,643)	(198,366)
Creditors amounts falling due after one year	(150,000)	(141,195)
	120,652	86,846
Represented by		
Share capital and reserves	120,652	86,846

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

13. FIXED ASSET INVESTMENTS (CONTINUED)

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2015 was £119,022 (2014: £88,655) and the profit for the year ended on that date is £120,367 (2014: £81,096).

Advice UK results excluding subsidiary companies

	2015 £	2014 £
Total incoming resources	1,806,860	2,050,058
Total resources expended	<u>(1,630,612)</u>	<u>(1,796,867)</u>
Net incoming resources	176,248	253,191
Fund balances brought forward at 1 April 2014	<u>711,056</u>	<u>457,865</u>
Fund balances carried forward at 31 March 2015	<u>887,304</u>	<u>711,056</u>

14. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2015 £	2014 £	2015 £	2014 £
Due within one year				
Trade debtors	304,982	284,361	304,982	284,361
Other debtors	101,675	85,473	101,533	85,290
Prepayments and accrued income	54,808	31,744	50,892	15,420
Amounts owed by subsidiary undertakings	-	-	154,922	246,357
	<u>461,465</u>	<u>401,578</u>	<u>612,329</u>	<u>631,428</u>

Included within amounts owed by subsidiary undertakings is a £150,000 unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares (See Note 13) and this loan to Advice UK. A new loan agreement dated the same date was entered into on the same term. The loan is unsecured and bears interest at 1% over the base rate, which is payable annually in arrears on or before the year end date of 31 March. It is repayable only when all liabilities of the borrower have been extinguished or by written permission of the Guernsey Financial Services Commission ('GFSC') and in the trustees' view, the loan is unlikely to be repaid within one year.

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

15. CREDITORS

	<u>Group</u>		<u>Charity</u>	
	2015	2014	2015	Restated 2014
	£	£	£	£
Due within one year				
Trade creditors	152,443	109,337	152,443	108,770
Social security and other taxes	28,740	22,497	28,740	22,497
Deferred income	218,313	307,671	218,313	307,671
Other creditors	60,053	30,246	66,410	30,246
Accruals	43,151	45,873	37,234	42,472
Amounts owed to subsidiary				
Undertakings	-	-	106,949	3,376
	<u>502,700</u>	<u>515,624</u>	<u>610,089</u>	<u>515,032</u>

Included within other creditors is an amount of £2,358 in respect of pension contributions (2014: £1,552).

Included within amounts owed to subsidiary undertakings is a £100,000 unsecured loan to VCS Insurance Company Limited. The loan is repayable on demand and bears interest at 3% per annum payable in arrears and accrued on a daily basis.

16. DEFERRED INCOME

	2015	2014
	£	£
At 1 April 2014	307,671	477,957
Incoming resources deferred in the current year	218,313	307,671
Amounts released from previous years	<u>(307,671)</u>	<u>(477,957)</u>
At 31 March 2015	<u>218,313</u>	<u>307,671</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 2015

17. PROVISION FOR LIABILITIES

	2015 £	2014 £
Technical reserves		
Outstanding claims reserve at 1 April 2014	130,500	197,600
Movement in the year	(42,000)	(67,100)
Outstanding claims reserve at 31 March 2015	88,500	130,500
IBNER reserve	77,357	67,866
Unearned premium	4,786	-
	170,643	198,366

The charity has a reinsurance policy to cover claims arising in any one year in excess of £125,000.

18. STATEMENT OF FUNDS

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfer between Fund £	Closing Balance £
RESTRICTED FUNDS					
Members Services	-	62,500	(62,746)	246	-
Projects on behalf of members	94,301	66,000	(90,614)	30	69,717
London activities	-	320,136	(355,262)	47,077	11,951
Total Restricted funds	94,301	448,636	(508,622)	47,353	81,668
UNRESTRICTED FUNDS					
General Fund	494,901	1,549,650	(1,267,461)	(47,353)	729,737
Designated funds					
Premises fund	150,000	-	-	-	150,000
Total Unrestricted funds	644,901	1,549,650	(1,267,461)	(47,353)	879,737
TOTAL FUNDS	739,202	1,998,286	(1,776,083)	-	961,405

ADVICE UK

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015

STATEMENT OF FUNDS (CONTINUED)

Designated funds

The premises fund was set up to meet the costs of moving to other office premises in 2015/16.

Restricted funds

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

Members' services

We received grants totalling £62,500 towards our member services work including the following grants towards costs associated with the post of National Money Advice Co-ordinator. This post provides specialised support to those members that provide money advice, including engagement with government and the credit industry on their behalf:

Charis Grants	£30,000
Provident Financial	£30,000

Projects on behalf of members

We received a grant of £66,000 from the LankellyChase Foundation to help us support members in their work.

London activities

These 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. Grants received in the year for this purpose totalled £320,136, made up of:

London Councils	£253,816
City Bridge Trust	£56,250
Trust for London	£10,070

We undertook the London Councils SoBEL project as it provides important support to our members but in the knowledge that the grant would not cover the costs of its activities. The project deficit of £47,077 in this financial year has been offset against unrestricted funds.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2015 are represented by

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Fixed assets	87,331	-	87,331
Current assets	1,460,100	87,317	1,547,417
Current liabilities	(497,051)	(5,649)	(502,700)
Provision for liabilities	(170,643)	-	(170,643)
	<u>879,737</u>	<u>81,668</u>	<u>961,405</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

20. 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 (2014: £Nil).

21. OTHER COMMITMENTS

At the end of the year there were no annual commitments under non-cancellable operating leases.

22. RELATED PARTY TRANSACTIONS

The charity was charged £531,767 (2014 - £378,277) for the provision of AdvicePro software by Advanced Case Management Solutions. A balance of £68,108 (2014 - £63,997) was due as at 31 March 2015.

The charity received a management fee from Advanced Case Management Solutions, of £66,000 (2014 - £36,000) during the year which was outstanding as at 31 March 2015 and included within other debtors.

23. CONTINGENT LIABILITIES

There is an inherent uncertainty relating to the valuation of technical provisions, arising from claims made against members under the professional indemnity and trustees, officers and directors insurance policies. The Directors consider that adequate provision has been made to meet any liability arising therefore the possibility of material additional unprovided claims is considered to be remote.