

**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**  
**(Registered No.: 03375266)**  
**(Charity No.: 1076857)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



**MYRUS SMITH**  
**Chartered Accountants**

**Norman House**  
**8 Burnell Road**  
**Sutton, Surrey**  
**SM1 4BW**

**ISLAND ADVICE CENTRE**  
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**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

The trustees present their report and financial statements for the year ended 31 March 2022.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity name and registration numbers**

Name: Island Advice Centre  
Company No: 03375266  
Charity No: 1076857

**Board of Trustees**

Katherine Wilson	Chair
Steve Lake	Treasurer
Chris Parsons	
Thomas Siggers	
Shabnam Sharmin	
Simon Lanaria	
Godline Pushparajan	
Stephanie Dickinson	

**Centre Manager**

Sarah Sauvat

**Registered Office and Principal Address**

Island House  
Roserton Street  
London  
E14 3PG

**Auditors**

Myrus Smith, Chartered Accountants and Statutory Auditors  
Norman House  
8 Burnell Road  
Sutton, Surrey  
SM1 4BW

**ISLAND ADVICE CENTRE**  
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**TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 MARCH 2022

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**OBJECTIVES AND ACTIVITIES**

**Main objectives and mission**

The Centre's main objectives, in accordance with its governing document, are:

- to provide by employing suitably qualified staff free housing, debt, welfare and generalist advice to poor persons resident in Tower Hamlets or nearby areas
- to provide an accessible service in terms of location, disability and language
- to provide home visits to persons with disabilities.

**ADAPTING A SERVICE DURING A PANDEMIC**

The pandemic had a direct effect on the organization main activities due to COVID 19 related control measures been put in place by the government.

Although the delivery of the service continued, unfortunately face to face advice had been severely impacted during the pandemic and this had a direct impact on volunteers' involvement which considerably reduced.

But thanks to funders from the London Community Response and Community Justice Fund we were able to adapt our system to remote work including migrating the cloud and adopting a MS Telephony system. This also helped us resume volunteer engagement.

The new IT system and telephony system enabled Island Advice Centre to continue to provide the much needed advice and support through increased telephone helpline, remote appointments via telephone or digital means and email advice.

Outreach sessions continued to be delivered albeit remotely.

Training courses and workshops were adapted to be delivered digitally and factsheets and online information continued to be developed.

**FINDING A NEW NORMAL**

As protective measures were eased, Island Advice Centre slowly resumed the face-to-face advice to the most vulnerable residents while remaining flexible in their channel of delivery. From August 2021, the most vulnerable clients could have face to face appointments when requested.

Since September 2021 our housing and debt clinics have been delivered as per client preferences i.e. either face to face over the phone or digitally.

Since March 2022 appointments are offered face to face by default but residents always have the choice to have telephone or digital consultation if this is their preferences

Training and workshop are now delivered via a mixture of face to face and digital means.

**Main activities**

The organisation exists to provide generalist advice and information, benefits, debt and housing casework including representation at court and tribunals, training and placements for advice volunteers, and peer support to other front-line advice agencies.

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**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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Our main activities are carried out in our office on the Isle of Dogs, with outreach advice sessions being delivered at Spitalfields Health Centre, E1 Health, Chrisp Street Health Centre, Barkantine Clinic, Island Health Centre, ELATT and Bromley by Bow Centre. Our activities in the year included:

- Telephone advice sessions weekdays
- Daily telephone appointments for benefits, debt and housing advice
- Four remote sessions per week in GP surgeries
- Weekly remote advice sessions in other community and advice centres
- Casework and representation at court and tribunal
- Debt Relief Order intermediary service
- Advice on fuel and water debt and energy efficiency
- Volunteer recruitment, placements and supervision
- Volunteer training course one day per week delivered remotely
- NVQ level 3 and 4 assessments in Advice and Guidance
- Peer support and capacity building in 10 other front-line Tower Hamlets advice centres
- Production of welfare rights factsheets and delivery of training workshops for advice workers
- Tower Hamlets Community Advice Network website
- Networking and partnerships
- Referrals to other agencies for specialist advice services such as immigration, employment and family law and for support with online applications and advice resources.

These activities can be broadly divided into four categories:

1. Specialist casework – this includes debt and money management advice funded by LBTH, welfare benefits casework and appeals funded by LBTH and City Bridge Trust and housing advice and casework funded by Trust for London.
2. Advice volunteer training – includes our volunteer training project funded by LBTH, NVQ assessments carried out by qualified staffs and funded by a mix of grants from Canary Wharf Trust and fee payments by candidates/their employers, and training sessions and workshops delivered to other agencies partly funded by LBTH and partly by East End Community Foundation.
3. Generalist advice provision – delivered through telephone advice session, emails, remote outreach sessions and appointments and funded by LBTH, Social Action for Health, Thames Water Trust, ELATT college and Osmani Trust.
4. Peer Support and Coordination Work – this work consists of support for Tower Hamlets Community Advice Network and coordination of referrals funded by Child Society Coordinate Community Support .

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**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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Service provision depends on suitable funding being available for that service. Restricted funds will be applied only for the specific activities required by the funder whilst unrestricted funds may be used to support or extend any service that we consider it important to deliver in light of our overall mission and our understanding of local needs.

Our user statistics indicate that residents from all sectors of the local Tower Hamlets community are aware of and access our services. The majority of beneficiaries are people experiencing hardship caused by low incomes due to unemployment or furloughing, cessation of benefits, lack of access to utilities and financial services, indebtedness including rent and council tax arrears, insecure or unaffordable housing, homelessness and disrepair. Our services are accessible in terms of disabled access (suitable premises, outreach appointments), language (advisers speak a range of community languages) and local provision.

Other beneficiaries are unemployed residents who can access our volunteering and training opportunities and gain vocational skills, qualifications, and improved chances of finding secure employment.

**How our activities deliver public benefit**

The trustees, when exercising any powers or duties to which the guidance is relevant, notably about how the organisation undertakes its work and spends the resources it raises always have due regard to the Charity Commission's public benefit guidance.

Our charitable activities focus on the provision of free advice and advocacy to residents of Tower Hamlets and surrounding areas. We incorporate the help of local volunteers both in our management committee and service delivery.

Therefore the public benefit is twofold. Firstly by helping those in need to secure their statutory rights and entitlements and empowering them through awareness and support. Without this support many of our clients would fall under the poverty line which is detrimental to their well-being and the well-being of children under their care.

Secondly through our volunteering opportunities we up-skill residents and give them the experience and skills needed to enter the job market and participate in the local and wider economy. Many of our volunteers move on to paid employment both in the advice sector and other areas.

**ACHIEVEMENTS AND PERFORMANCE**

In the year ending 31<sup>st</sup> March 2022, 2,622 people accessed our advice services, either by been referred directly through us or by accessing our service directly via telephone or email or through outreach services which we continued to deliver remotely.

Our outreach services delivered 156 remote sessions funded by SAfH in 5 GP surgeries. We also delivered advice session to students at ELATT during term time.

Through our telephone and email enquiries in house funded by LBTH, we assisted 1,405 service users accessed general advice by phone or online and following our advice and support with 2,712 enquiries.

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**FOR THE YEAR ENDED 31 MARCH 2022**

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Through our debt specialist casework funder by LBTH and Thames Water, we helped 254 clients having £450,080 of debt written off through insolvency or discretionary relief and £351,679 of debt managed through reduced payment plan or moratorium period. And through our financial capability support funded by Thames Water we helped 105 households with better off energy comparison and discount application which a projected annual savings of £50,353 (£480 per household)

Through our specialist welfare casework funded by CBT, we supported 110 clients secure 145,515 of confirmed additional income and assisted 50 clients with tribunal representation.

Through our housing specialist advice funded by TFL, we advised 177 clients regarding housing matter and provided specialist casework support to 101 to improve their housing position including disrepair, housing allocation, suitable housing and/or avoiding homelessness.

Our volunteer advice work training project continued to be funded by LBTH. The project delivers a weekly digital advice training course to local community volunteers, finds placements for them in Island Advice and offers the opportunity to progress to NVQ levels 3 and 4.

We have also continued to provide peer support and capacity building to other Tower Hamlets advice centres with funding from LBTH. This has included delivery of training courses, workshops and factsheets, the maintenance of a Tower Hamlets Community Advice Network website, provision of file reviews for advisers in other agencies, and co-ordination of the THCAN steering group and its associated advice forums.

With the support of the Children Society Coordinate Community programme we updated the THCAN website to include a centralised referral system available to organisations in the borough of Tower Hamlets to help implement a coordinate and effective referral system for residents to access the advice sector.

## **FINANCIAL REVIEW**

### **Principal Funding sources**

Island Advice relies on charitable grants and statutory funding for its income. The organisation has an ongoing strategy of applying for any available grants targeted for the provision of social welfare law advice from large statutory funders as well as smaller trusts and foundations. The principal funding sources in this year were the London Borough of Tower Hamlets, Trust for London and City Bridge Trust; other funders included the Saffron (GP Link's project), Children Society and Thames Water Trust.

There are four areas of restricted funding: specialist casework, which funds casework in housing, welfare benefits and debt; generalist advice which is delivered through drop-in sessions, telephone advice and appointments; advice volunteer training which is offered to advice centre volunteers borough-wide and includes both classroom training and supervised placements; and peer support work which is offered to other advice centres in the borough.

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**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Reserves policy**

Trustees have established that in order to fulfil their responsibilities to staff and to minimise the risk of any breach of statute or organisational duty the organisation should hold sufficient funds in reserve to meet the full running costs for three months. Reserves will be built up from unrestricted funds and the level of reserves will be reviewed annually by the Board. The present level of unrestricted reserves of £118,731 as at 31 March 2022 (2021 : £116,021) available to the charity meets this requirement.

**Investment policy**

Any surplus funds will be held in low risk, secure investments such as the charities deposit fund run by CCLA Investment Management Ltd. Additionally the organisation uses an interest bearing current account in order to maximise the value of any cash held.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is also a company limited by guarantee and the Directors of the company are also the Trustees of the charity. The charity's governing document is a memorandum and articles of association dated 23<sup>rd</sup> May 1997 and updated on 29<sup>th</sup> June 1999.

**Trustee appointment, induction and training**

Trustees are elected at the organisation's AGM. In addition, the board may, at its discretion, make appointments to the Board between AGMs. The Board endeavours to ensure that its membership covers a wide range of experience and skills and that the backgrounds of the members of the Board reflect a balance that is appropriate to the charity's mission and activities. New trustees are provided with a copy of the business plan, most recent annual report and constitution, details of the organisation's structure and staffing, and copies of relevant policies including the Equality and Diversity Policy.

**Organisational structure**

Operational management of the organisation is delegated to the Centre Manager who takes overall responsibility for the day to day running of the organisation, planning and strategy, and implementing the directions of the Board. The Centre Manager is part of a senior management team that includes the volunteer co-ordinator and housing, debt and welfare benefits advice supervisors.

**Involvement of volunteers**

The board of trustees are volunteers drawn from the local community, the business sector, other voluntary sector organisations and ex- advice staff and volunteers. The organisation also uses local community volunteers and law students to assist in delivery of advice services and to carry out administrative support.



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**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Island Advice Centre for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 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 2019 (FRS 102);
- make judgements and 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 operation.

The trustees are responsible for keeping 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.

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 financial statements may differ from legislation in other jurisdictions.

**AUDITORS**

A resolution proposing the re-appointment of Myrus Smith as auditors to the company will be put to the Annual General Meeting.

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

Approved by the Board of Trustees on 22<sup>nd</sup> December 2022 and signed on its behalf, by:



Stephanie Dickinson  
Trustee

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

## **ISLAND ADVICE CENTRE (A company limited by guarantee)**

FOR THE YEAR ENDED 31 MARCH 2022

### **Opinion**

We have audited the financial statements of Island Advice Centre (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**ISLAND ADVICE CENTRE  
(A company limited by guarantee)**

FOR THE YEAR ENDED 31 MARCH 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 7), 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**

FOR THE YEAR ENDED 31 MARCH 2022

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**

FOR THE YEAR ENDED 31 MARCH 2022

**Use of our report**

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.



Stephen Jones FCA (Senior Statutory Auditor)  
For and on behalf of Myrus Smith  
Chartered Accountants and Statutory Auditors  
Norman House  
8 Burnell Road  
Sutton, Surrey  
SM1 4BW

22<sup>nd</sup> December 2022

**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	2	10,188	-	10,188	10,000
Charitable activities	3	59,058	297,398	356,456	441,999
Investments	4	18	-	18	52
<b>Total</b>		<u>69,264</u>	<u>297,398</u>	<u>366,662</u>	<u>452,051</u>
<b>Expenditure on:</b>					
Charitable activities	5	65,298	308,135	373,433	407,613
<b>Total</b>		<u>65,298</u>	<u>308,135</u>	<u>373,433</u>	<u>407,613</u>
<b>Net income/(expenditure)</b>	8	3,966	(10,737)	(6,771)	44,438
Transfers between funds	14	(1,256)	1,256	-	-
<b>Net movement in funds</b>	14	2,710	(9,481)	(6,771)	44,438
<b>Reconciliation of funds:</b>					
Total funds brought forward	14	<u>116,021</u>	<u>15,521</u>	<u>131,542</u>	<u>87,104</u>
<b>Total funds carried forward</b>	14	<u>£118,731</u>	<u>£6,040</u>	<u>£124,771</u>	<u>£131,542</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of the financial statements.

**ISLAND ADVICE CENTRE**  
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**(Company No: 03375266)**

**BALANCE SHEET**

**AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	11	-	-
<b>CURRENT ASSETS</b>			
Debtors	12	44,774	29,028
Cash at bank and in hand		120,851	117,590
		<u>165,625</u>	<u>146,618</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>40,854</u>	<u>15,076</u>
<b>NET CURRENT ASSETS</b>		<u>124,771</u>	<u>131,542</u>
<b>NET ASSETS</b>	15	<u><u>£124,771</u></u>	<u><u>£131,542</u></u>
<b>FUNDS</b>			
Restricted	14	6,040	15,521
Unrestricted	14	<u>118,731</u>	<u>116,021</u>
	14	<u><u>£124,771</u></u>	<u><u>£131,542</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 22<sup>nd</sup> December 2022 and signed on its behalf by:



**Stephanie Dickinson**  
Trustee

The notes form part of the financial statements.

**ISLAND ADVICE CENTRE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES**

**General information and basis of accounting**

Island Advice Centre is a registered charity (no. 1076857) and a private company (no. 03375266) limited by guarantee, registered in England and Wales. Each member is liable to contribute an amount not exceeding £1 in the event of the charitable company being wound up. The registered office is given in the Trustees' Annual Report on page 1.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**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.

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 costs of raising and administering such funds are charged against the specific fund.

**Incoming resources**

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Where grants are awarded over a specified or implied timeframe, the income is recognised evenly over the grant period. A contingent asset is disclosed for the unrecognised amount of multi-year grants.

**Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably.

Expenditure is allocated to each activity where the costs relate directly to that activity. Support costs, including governance costs, that do not relate directly to any activity are apportioned to each activity on the basis of staff time.





**ISLAND ADVICE CENTRE**  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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4. INVESTMENT INCOME	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Bank interest	£18	£Nil	£18	£52

All of the £52 recognised in 2021 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Staff costs	252,531	54,893	307,424	336,321
Direct project costs	6,981	-	6,981	1,920
Subscriptions and insurance	-	1,998	1,998	4,616
Stationery and postage	-	5,289	5,289	3,829
Payroll services	-	665	665	710
Premises costs	-	19,803	19,803	17,447
Publications	-	-	-	150
Computer expenses	-	-	-	16,087
Volunteers' expenses	315	-	315	311
Staff and volunteer training and recruitment	2,190	3,337	5,527	1,754
Sundry expenses	-	20	20	204
Telephone and internet	4,866	4,155	9,021	7,095
Travelling costs	-	-	-	112
Professional fees	-	6,288	6,288	5,599
NVQ assessors fees	5,758	-	5,758	6,305
Governance costs (note 7)	-	4,344	4,344	5,153
	<u>£272,641</u>	<u>£100,792</u>	<u>£373,433</u>	<u>£407,613</u>

Of the £407,613 expenditure recognised in 2021, £56,173 was charged to unrestricted funds and £351,440 was charged to restricted funds.

6. ANALYSIS OF DIRECT AND SUPPORT COSTS BY ACTIVITY	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Specialist casework	104,810	52,443	157,253	157,049
Advice volunteer training	65,329	10,474	75,803	80,029
Generalist advice provision	102,502	37,875	140,377	159,496
Peer support work	-	-	-	11,039
	<u>£272,641</u>	<u>£100,792</u>	<u>£373,433</u>	<u>£407,613</u>

**ISLAND ADVICE CENTRE**  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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**7. GOVERNANCE COSTS**

	2022 £	2021 £
Staff costs	2,204	2,873
Audit fees	2,140	2,280
	<u>£4,344</u>	<u>£5,153</u>

**8. NET INCOME/(EXPENDITURE)**

2022                      2021

The net expenditure for the year is stated after charging:

Auditor's remuneration	£2,140	£2,280
Operating lease rentals	<u>£14,620</u>	<u>£11,969</u>

**9. STAFF COSTS**

	2022 £	2021 £
Wages and salaries	269,957	292,431
Social security	19,335	21,902
Pension costs	20,336	21,642
Redundancy costs	-	3,219
	<u>£309,628</u>	<u>£339,194</u>

	2022 No.	2021 No.
Average number of full-time equivalent employees	<u>9</u>	<u>9</u>

	2022 No.	2021 No.
Average monthly number of employees	<u>10</u>	<u>11</u>

No employee received total employee benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by Key Management amounted to £44,084 (2021 : £57,463). Under FRS 102, employee benefits includes gross salary, employer's NIC and employer's pension contributions.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

The Trustees received no remuneration or reimbursed expenses in 2022 or 2021.

There were no related party transactions in either year other than the Key Management employee benefits disclosed in Note 9.

**11. TANGIBLE FIXED ASSETS**

Computer  
equipment  
£

**Cost**

As at 1 April 2021 and at 31 March 2022

7,612

**Depreciation**

As at 1 April 2021 and at 31 March 2022

7,612

**Net book value**

As at 31 March 2022

£Nil

As at 31 March 2021

£Nil

**12. DEBTORS**

2022

2021

Prepayments and accrued income

£44,774

£29,028

**13. CREDITORS – Amounts falling due within one year**

2022

2021

£

£

Accruals and deferred income

32,322

8,688

Social security and other taxes

8,532

6,388

£40,854

£15,076

**DEFERRED INCOME ANALYSIS**

2022

2021

£

£

As at 1 April

-

-

Additions during the year

23,750

-

As at 31 March

£23,750

£Nil

Deferred income of £23,750 (2021 : £Nil) included above relates to grant income received during the year but relating to future accounting periods.

**ISLAND ADVICE CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**14. MOVEMENT IN FUNDS**

<b>2022</b>	<b>Brought forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Carried forward £</b>
<b>Restricted Funds</b>					
Specialist casework	5,259	157,904	157,253	-	5,910
Advice volunteer training	2,100	60,244	62,214	-	130
Generalist advice provision	8,162	79,250	88,668	1,256	-
<b>Total restricted Funds</b>	<b>15,521</b>	<b>297,398</b>	<b>308,135</b>	<b>1,256</b>	<b>6,040</b>
<b>Unrestricted Funds</b>					
General	116,021	69,264	65,298	(1,256)	118,731
<b>TOTAL FUNDS</b>	<b>£131,542</b>	<b>£366,662</b>	<b>£373,433</b>	<b>£Nil</b>	<b>£124,771</b>

Each of the above funds is described in the Trustees' Annual Report.

Comparative information for the net movement in funds in the previous year is as follows:

<b>2021</b>	<b>Brought forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Carried forward £</b>
<b>Restricted Funds</b>					
Specialist casework	-	162,304	157,045	-	5,259
Advice volunteer training	-	69,328	67,228	-	2,100
Generalist advice provision	-	135,329	127,167	-	8,162
<b>Total restricted Funds</b>	<b>-</b>	<b>366,961</b>	<b>351,440</b>	<b>-</b>	<b>15,521</b>
<b>Unrestricted Funds</b>					
General	87,104	85,090	56,173	-	116,021
<b>TOTAL FUNDS</b>	<b>£87,104</b>	<b>£452,051</b>	<b>£407,613</b>	<b>£Nil</b>	<b>£131,542</b>

**ISLAND ADVICE CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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<b>15. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total Funds 2022 £</b>
<b>2022</b>			
Current assets	135,835	29,790	165,625
Current liabilities	(17,104)	(23,750)	(40,854)
As at 31 March 2022	<u>£118,731</u>	<u>£6,040</u>	<u>£124,771</u>

Comparative information for the analysis of net assets between funds in the previous year is as follows:

	<b>Unrestricted Funds 2021 £</b>	<b>Restricted Funds 2021 £</b>	<b>Total Funds 2021 £</b>
<b>2021</b>			
Current assets	131,097	15,521	146,618
Current liabilities	(15,076)	-	(15,076)
As at 31 March 2021	<u>£116,021</u>	<u>£15,521</u>	<u>£131,542</u>

**16. TAXATION**

As a registered charity, Island Advice Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

**17. COMMITMENTS**

The total minimum lease payments due under non-cancellable operating leases are as follows:

	<b>2022 £</b>	<b>2021 £</b>
Within one year	7,970	7,970
Within two and five years	3,142	4,713
	<u>£11,112</u>	<u>£12,683</u>

**18. CONTINGENT ASSETS**

The charity has been awarded several multi-year grants with performance-related conditions or specified/implied timeframes which preclude recognition of the full amount. The following contingent assets as at 31 March 2022 are therefore disclosed:

	<b>£</b>	
London Borough of Tower Hamlets	50,000	(Trainee advice project)
City Bridge Trust	25,600	(Welfare benefits advice)
East End CAB Partnership	94,346	(Generalist welfare and debt advice)
	<u>£169,946</u>	