ADVICE UK

England & Wales · Charity number 299342

Details

Status	Registered
Legal form	Charitable company
Company number	02023982
Registered	1988-06-01
Register	View on the Charity Commission register

Contact

Address	83 Victoria Street London SW1H 0HW
Phone	03007770107
Email	finance@adviceuk.org.uk
Website	www.adviceuk.org.uk

Activities

Objects: TO PROMOTE SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE PUBLIC AS MAY FROM TIME TO TIME BE DETERMINED INCLUDING THE ADVANCEMENT OF EDUCATION, THE PROTECTION OF HEALTH AND THE RELIEF OF POVERTY, SICKNESS AND DISTRESS 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.

Activities: The charity operates as a co-ordination and support network for organisations that provide social welfare law advice to the public.

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,387,334	£5,463,403	£2,793,119	23
2024-03-31	£4,681,133	£4,350,383	£2,869,188	16
2023-03-31	£3,275,454	£3,347,541	£2,394,097	15
2022-03-31	£3,274,646	£2,893,762	£2,477,497	12
2021-03-31	£3,593,588	£3,224,418	£2,164,087	12

Trustees

Name	Role	Appointed
ANTHONY QUINN		2021-07-15
Atif Hafeez		2026-01-29
BALJIT BASHEDA		
Christopher White		2023-05-18
Fiona Endersby		2026-05-21
JAWANZA IPYANA		2021-07-15
Lisa Clark		2025-03-27
Matthew Stewart Dronfield		2025-03-27
Naomi Jessop		2025-11-27
Nathaniel Sombu		2023-05-18
Victoria Greenwood		2021-11-25

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ADVICE UK

England & Wales - Charity number 299342

Accounts

ADVICE UK

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Charity Registration No. 299342

Company No. 02023982

ADVICE UK

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ADVICE UK

REFERENCE AND ADMINISTRATIVE DETAILS
For the year ended 31 March 2025

Trustees	B Badesha V Greenwood J Ipyana H Kendall (resigned on 26 September 2024) A Mandalia (resigned on 31 March 2025) A Quinn N Sombu C White T Evans (resigned on 7 July 2025) L Clark (appointed 27 March 2025) M Dronfield (appointed 27 March 2025)
Chair	B Badesha
Chief Executive	L Bayram
Company Secretary	L Bayram
Company Number	02023982 (England & Wales)
Charity Number	299342
Registered Office	Suite 610 150 Minories London EC3N 1LS
Website	www.adviceuk.org.uk
Auditor	Sumer Audit Co Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

Introduction from the Chair

I am delighted to share with you our 2024/25 annual report. A change of government at Westminster has brought both opportunities and challenges for our sector. AdviceUK has focused on working with our members to make the most of these new opportunities – such as the Ministry of Justice's efforts to develop a sector wide strategy for legal support. We've also challenged changes in policy that directly impact the clients our members advise and support, not least the damaging changes to disability benefits.

In 2024, our members provided free, independent advice to over 2.8 million people. They did so whilst supporting more people with ever more complex advice problems and struggling themselves to remain sustainable; as funding levels further decreased for some.

Our members' resilience, determination and creativity in providing vital support but with less funding is to be commended but this should not be the reality. Again this year, for our members who rely on local authority support, it has been especially difficult. Some have had to reduce services; for a few, close for good.

As always, our priority at AdviceUK is to make our members' work easier. We do that through support, advice and guidance and by advocating on their behalf with funders, policymakers; regulators and others who influence the environment in which our members provide their services.

This year saw the start of the new strategy we spent last year shaping in partnership with our members and other stakeholders. I am proud the Board is making significant investment in AdviceUK's capacity to deliver our new strategy. This report shares insights into how our investment is focused and the progress we have made in the last few months. Personal highlights for me have been our first ever Advice Week which marked the start of our growing focus on ensuring the voices and experiences of our members and the communities they serve are used to shape future policy and funding plans. Also the launch of our free wellbeing service and, finally, our partnership with AdvicePro and Wyser Ventures Ltd. Through this we have successfully developed the integration of artificial intelligence into AdvicePro's case note management. Members will see the full benefit of these developments in the coming months.

One final first for this year was the launch of our Members' Survey. The response we received was fantastic. The findings were wide-ranging and will inform how we further improve our support as well as our campaigning priorities. Among many things, members who responded told us they most valued our

- funding updates and support,
- services such as insurance and AdvicePro
- member updates and events

Members who responded gave us a 4.3 grade out of 5; with 86% stating they felt we met their needs. With limited resources ourselves, I'm proud of this feedback and know our future strategy will build on this.

I want to end by thanking our staff for all their support through this period of change. We have welcomed new colleagues, made changes to how we do things and launched new initiatives. Through all this, staff commitment to members and the support we provide has not waivered. My fellow trustees also deserve thanks for sharing their time, expertise and support with the staff team. And, of course, our funders. This year Trust for London; the Aviva Foundation; City Bridge Foundation; the London Legal Support Trust and the Scottish Government – have directly funded some of our work. Alongside their valued support, we have worked with other funders in consortiums and in an advisory capacity, to ensure their funding plans support the diversity of the independent advice sector. Finally, most of all I want to thank our members. Whether you responded to our survey, took part in Advice Week or attended a forum or working group, I want to thank you for your continued support.

Best wishes



Baljit Badesha, Chair of AdviceUK Board of Trustee

Why we exist

We exist to improve the lives of people in need of advice. We do this by supporting our members, so it is easier for them to help their clients, and by directly influencing policy-makers, decision-makers and funders who have influence over the environment in which free, independent advice services operate.

Our vision is 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.

Our mission is 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.

Our values, which underpin all that we do, are

We are fair	• We support people and show empathy • We are open, transparent and responsible • We promote diversity and inclusion
We are independent	• We challenge where change is needed • We stand up for what we believe in • We celebrate the uniqueness of AdviceUK and our members.
We are collaborative	• We work together to achieve shared goals • We build trusted relationships • We listen with an open mind, adopt a flexible and pragmatic approach
We are creative	• We are bold and dynamic in our approach • We reflect and learn from experience • We develop solutions and support based on evidence

Our impact

We are a small charity that makes a big impact. In 2024 we have, among many things-

- Welcomed 41 new members who now benefit from the support and expertise of our network
- Retained 94% of our members, with those who left doing so because of closure or funding constraints
- Secured and directly delivered £2.3m of funding to advice services including some of our members.

Our members tell us our support has helped them to reach over 2.8m clients in 2024; providing free, independent advice and support with debt and social welfare issues; housing; immigration problems and much more. Most often their clients are dealing with complex issues and we encourage our members to take a “whole person approach”. In this way they can understanding all a client’s challenges and can try to tackle the underlying causes of their client’s problems, so they are less likely to need support in the future.

This is just one example –

“At Disability Law Service (DLS) our aim is to support Deaf and Disabled people to exercise their rights and achieve justice”, explains Andrew MacKay, Chief Executive of DLS. “Every year, we provide a vital service to more than 5,000 Disabled people. Our work changes lives, securing over £3 million in financial gains for our clients, enabling them to access their entitlements and live more independently.
“My experience of hidden disability fuels my passion for the work of DLS. We are not only advocates for the Disabled community – we are part of it. At least 75 % of our Board of Trustees and more than half of our staff are Deaf or Disabled. Deaf and Disabled people face discrimination and inequality on an unparalleled scale. It is essential that organisations like DLS exist, as we are often the only avenue for many of our clients to access justice. Through our frontline services and our policy work we will continue to fight for justice and ensure that Deaf and Disabled people can live with dignity, independence and hope.

Our achievements and activities

Our new strategy sets out how we will deliver AdviceUK's vision and mission. Working with our members, staff and the Board, we have agreed the following key strategic objectives that will guide all of our work.

Support our members and, through them, the communities they serve	We do this by • Listening to and involving members in how we shape the support we provide for their advice-giving needs • Providing benefits and services that strengthen and sustain community-based advice giving
Advocate for our members and through them, the communities they serve.	We do this by • Working with members and stakeholders; understanding what's important to them and, where needed, championing change • Representing and raising awareness of our members collectively: in ways that value their diversity and independence.
Connect our members with each other and key stakeholders.	We do this by • Nurturing collaboration, peer support and shared learning, building long-term partnerships. • Developing and sustaining diverse networks that benefit members and stakeholders.
Innovate: lead change that improves people's lives and strengthens community advice	We do this by • Developing and facilitating better ways of giving and resourcing advice that improve the lives of people with legal and social welfare problems. • Providing members with advice and insight into new ideas and emerging trends

Support - this year we have supported our members and, through them, the communities they serve in many ways. On a day-to-day basis we have continued to advise new members on how best to set up their advice service and provided one to one advice for members on everything from insurance and regulatory requirements to funding opportunities; use of artificial intelligence and required policies and procedures**.**

Insurance support
No advice service sets out to make errors. But sometimes errors happen despite best intentions and that's why all our members must, among other things, hold Professional Indemnity Insurance. At AdviceUK, we understand insurance is often the last thing on the minds of managers of busy advice services. That's why if you hold an AdviceUK policy, we can help guide you through your insurance when it matters most. One member contacted us when a court deadline on a client's housing possession case was missed because their adviser was ill. The client had complained and so the service manager contacted AdviceUK insurance for information on what to do next. We assisted them in notifying the insurer of a potential claim and then supported them through the claims process. Luckily, on their return to work, the adviser was able to successfully reissue proceedings against the client's landlord which were ultimately successful, and the client remained in their home.

Towards the end of this year, we launched a new free benefit for all our members, our AdviceUK Wellbeing Service. We want to thank the members who kindly gave their time to test the service before we launched. The service is one part of our increased investment in member support, and we hope it helps address one major concern members frequently raise – the stress and challenge many frontline advisers experience when dealing with difficult and complex cases. Launched early in 2025, to date, 27 members have signed up to this free counselling and wellbeing service. It provides both face to face and telephone counselling to a member's staff and volunteers. We are expecting more members will take up this new valuable benefit in the coming months.

We have also run our popular member forums for England, Wales and Scotland covering a wide range of issues and providing an opportunity for members to connect with each other; share experiences and challenges. This year our forums have covered a wide range of issues and supported members to share experience and gain new insights and knowledge. Our forums have also given members opportunities to talk to key stakeholders including the Ministry of Justice and Money and Pension Service (MaPS).

As our first member survey demonstrated, our forums along with our regular member and funding newsletters, continue to be much relied upon. We were delighted our new survey received such a strong response. We will run it every year so we can build an even deeper understanding of members' needs and concerns and work to ensure we are focussing our efforts on where we can have the biggest impact for our members.

Last but by no means least, through our involvement in several different grant funding programmes, we have supported some of our members as well as other independent advice services to secure funding. We have also worked with other funders including City Bridge Foundation and MaPS to help shape their future strategy and funding approach; so they better support the needs of the independent advice sector. Our grant programmes have helped services shape systems change and provided much needed funding to reach more people in need, often in partnership with other services, innovating how they deliver that support. The Advice in Accessible Settings Fund, administered on behalf of the Scottish Government by AdviceUK, is one such programme and is now in the second of its three-year programme. The funding we could administer this year increased by £225,000 and in total funded services have now supported over 10,000 people; secured financial gains of over £22.3m and managed over £6.6m of debt. As we enter the final year of the programme (2025-26) there are now 106 services using this funding to support people in Scotland on a wide range of issues. Once such project is

SAFE (Support, Advice, Finance and Education) team - part of C'FINE (Community Food Initiatives North East); a charity based in North East Scotland. One family they supported had experienced sudden and significant upheaval when dad had to leave full time work to become a full-time carer for his adult sister with complex learning disabilities (when their mother passed away) AND become primary care giver to their newborn baby (as his partner was a higher earner). They sought advice on how to manage the financial changes to their circumstances from SAFE and, through this process, SAFE advisors discovered his sister had not been managing her finances or the household costs since the death of their mother; leading to her benefits being reduced and suspended. It also became evident his sisters' needs were more varied and complex than first realised. All this left dad feeling overwhelmed. The family's situation became even more complex when they also had to take in their baby nephew through kinship care. These rapid changes left dad feeling overwhelmed and struggling to manage his own health.

Two SAFE advisers worked with the family; one managing the family's referrals and one the sister's needs. Together they ensured the family accessed the benefits they were entitled to so, their family income and financial obligations were stabilised. They arranged adult support and protection via a social work referral to help coordinate the sister's care. As most of the sister's debt was with the local authority, with the family's consent, an adviser arranged a repayment plan and access to the rent assistance fund. They also addressed more immediate needs e.g. food, nappies, and winter clothing as well as toys for Christmas. They arranged for a family support volunteer to help dad with a range of family activities such as taking both babies to the park with his primary-age child. SAFE took time to understand all the family's needs and recognised that traditional office-based appointments with multiple services would be difficult to manage. Instead, advice and support were provided through home visits and in local to the family home community settings, ensuring dad could receive help in a way that was accessible and manageable.

The family's circumstances are much improved. They are currently applying for more appropriate housing and considering options for independent but supported living for dad's sister. More importantly, the father now feels confident accessing help and will call for help before issues become overwhelming in nature.
SAFE's coordinated intervention not only improved the family's financial stability but also helped reduce stress and improve overall well-being, enabling the father to adapt to his new responsibilities with greater confidence and security.

Advocate- this year we have advocated for our members and, through them, the communities they serve by investing significantly in strengthening our policy and public affairs work; to ensure independent advice services get the support they need to continue their life-saving work.

By working with members, we raised the profile of the vital support advice services provide and the issues concerning them the most. The highlight was our first ever Advice Week held in October. We worked with members who gave their time to be on our Influencing Reference Group (IRG) to shape our plan for an Advice Week as well as how to ensure as many members as possible were involved in shaping the issues we would raise with decision-makers. We ran a survey exploring the challenges facing our members that over 230 responded to. This formed the basis of our Advice Saves report which was launched at the start of the week and gained both local and national media coverage. It revealed a sector at breaking point with 90% reporting a surge in demand, yet 6 out of 10 fearing they will be forced to cut or reduce services due to lack of funding. Many members and supporters took part in the Week. The Advice Saves Report was downloaded over 300 times; over 40 members and supporters downloaded our Toolkit outlining ways to take part in Advice Week.

We also used Advice Week to introduce AdviceUK and its members to the new intake of Westminster MPs, by holding a parliamentary reception at the House of Commons. More than 20 MPs from across the political spectrum attended the event engaging with advice centre leaders from across the country, including Bristol, Birmingham, Norfolk and Sussex. We were delighted to be joined by both new and long-standing MPs from all political parties. Many had previously worked in the advice sector or were already joined up with local organisations for support with their case work. We are pleased that so many were willing to advocate for services in their constituencies as well as backing our policy calls in parliament. One member who actively supported Advice Week was the Nishkam Civic Association.

The Nishkam Civic Association (NCA), based in Birmingham and fondly known as the Nishkam Centre, is a unique organisation charged with the task of developing a dynamic Sikh faith inspired civic agenda. A Sikh faith-based organisation dedicated to nishkam sewa (active, selfless volunteering) to serve the common good, NCA is part of the Nishkam Organisations. It played an active role in helping shape plans for Advice Week; provided client case studies to highlight the life changing work of advice services and its Director, Ajit Singh, spoke at the Parliamentary Reception.

At the time, the NCA was living the very funding crisis the Advice Saves report highlighted. It was facing closure in a matter of months due to cuts in local authority funding. As AdviceUK does for other members facing this difficult situation, the membership team talked through the details of their income streams and service delivery, assisting them to identify opportunities and risk. We encouraged them to attend our regular member forums and shared our most recent funding update, highlighting new funding streams that might be relevant to NCA. We also recognised their concerns about staff wellbeing and encouraged them to get their advisers to our wellbeing resources and newly launched AdviceWellbeing service—free to all members. Alongside this we also explored partnership opportunities by sharing our member directory and resources portal. We are delighted to say that NCA is still open today, thanks to the innovation and dedication of the staff and volunteers at the centre. Likely many members facing a funding shortfall, they have had to change and adapt their service to survive; it has been challenging to do so but they are still there, offering the vital support their community needs.

Since Advice Week, there has been an on-going programme of briefings with MPs either in Westminster or in their local constituency. Some have gone on to support our work, for example tabling or asking questions in the House of Commons. In Scotland, during February, we hosted a visit by Paul McLennan, Minister of Housing of Scotland. He met staff at Edinburgh-based The Action Group and Fair LTD. It was an opportunity to share the concerns of our Scottish members (through a Scotland focussed Advice Saves report) and to showcase the work of these two services working in partnership thanks to the Advice in Accessible Settings grant programme.

In December, the next phase of our Advice Saves campaign began, looking to grow awareness of the life-changing role of Deaf and Disabled people's organisations (DDPOs) for thousands of Deaf and Disabled people and their families across the UK. Our research revealed the stark realities facing DDPOs, as they grapple with surging demand and critical funding shortages. Almost all (93%) of the DDPOs who responded to our Advice Week survey said they were seeing a rise in demand; almost two-thirds (62%) reported they were unable to meet this demand.

Beyond our advocacy work with policy and decision makers, we also grew our capacity to build and maintain positive relationships with grant funders. Whilst our funding strategy and approach are at the early stages of development, we have maintained strong relationship with several funders (both statutory and grant funders). Our work with City Bridge Foundation and their Skilling Up for Justice programme entered its second year and we secured additional funding to continue supporting staff working in London-based services. These staff are supporting marginalised communities and the opportunity to gain vocational qualifications or access training in areas such as supervision and in-house training delivery are limited for them. Whilst the funding is for London-based services, AdviceUK will ensure the learning from this programme is shared across the sector. Alongside this work with the Advice Workforce Development Fund (a consortium led by London Legal Support Trust) continued. AdviceUK sits on the Fund's steering group and has also been instrumental in supporting the development of a series of recommendations on pay and conditions for London's advice sector, based on research that will be published in June 2025.

Connect - this year we have connected our members with each other and, as already shared, with funders in so many ways. Every day we encourage members to talk to each other about shared areas of interest (through our member forums as well as through direct one-to-one connections). Our training and qualifications are another important opportunity for members to share experiences and learn from each other. This year we have undertaken a review of our training and qualifications offer, gaining feedback from learners, trainers as well as other providers who we encourage members to use. This has culminated in the Board deciding it wants to refocus our offer and respond to the obstacles many advice services face when trying to access training and qualifications – namely too little money or time to invest. The coming year will see us plan we how we embrace a blended approach to our learning and skills offer – offering bite sized e-learning alongside more traditional training courses and qualifications and making CPD a key member benefit.

We also support members to connect with regulators. One example is, as an approved Competent Authority, AdviceUK can approve applications from members who want to become an Approved Intermediary for Debt Relief Orders (DROs). We support a growing number of members who want staff or volunteers to hold this status. Much of our work involves connecting DRO authorised members with each other and with the system that approves and renews their status.

DRO intermediaries – one newly authorised DRO Intermediary, Emma Parker (who works for our member Money Advice Plus based in Hove, West Sussex) was having problems accessing her own DRO application. The membership team liaised with the DRO technical team; to ensure Emma got the support and guidance she needed whilst she got on with the important job of advising her clients. The issues became more complex with the DRO system first saying access was restored when it was not; then worsening the situation by preventing Emma from logging on at all. AdviceUK liaised with the technical team to escalate the issue and bring in a specialist technician. What should have been a simple issue to solve became a more complex problem that took time to resolve but Emma was able to rely on us to solve her issue whilst keeping her up to date on progress.

Finally, through our Measuring What Matters grant funded programme, we have supported members working with disadvantaged groups to come together to explore more meaningful ways of demonstrating the impact of theory work to funders. There was a strong focus on the need to focus on the overall outcome for clients rather than the outputs achieved such as financial gains. As the project enters its final stage, we will be working with the members involved to present their proposals to funders in the coming months.

Innovate - this year we have led change that improves people's lives and strengthens community advice by making significant investment in the development of artificial intelligence (AI) that can support advice services to reduce the administrative burden of case notetaking and so free up adviser time for their clients. Last year AdviceUK's Board decided to invest in the AI start-up Wyser Ventures Ltd. They were developing small language AI systems for the advice sector and the Board felt this would be a positive way to support our members to start to use AI, with tried and tested products developed specifically for advice services.

We have worked in partnership with Wyser Ventures Ltd and ACMS Ltd over the past few months to integrate Wyser's notetaker product - ASSIST – into AdvicePro. We will be offering it to our members and other customers as an upgrade at a reduced cost from summer 2025. We have trialled the integration with a small number of members who we supported to secure MaPs Debt Modernisation Funding to purchase ASSIST and embedded it into their service. The pilot has demonstrated the value of using AI e.g. a 60% reduction in administration for advisers and helped us identify and address several implementation issues. Like any technology change, the main challenge is supporting staff and volunteers to embrace that change and adapt their ways of working. We will be doing more to support members with this and connecting them with each other to share experiences and learning. One member involved in the pilot was Navigate, based in Somerset who provide welfare benefits advice and advocacy, particularly for disabled people and those facing poverty.

Mel Allen, chief executive of Navigate, said "we've been really pleased with the support and service from WyserASSIST throughout the AI integration process. The team have been consistently responsive, supportive and professional which has made collaboration easy and enjoyable. The bespoke case note summary feature has exceeded our expectations – it's a powerful tool that's made a real difference to our day-to-day triage work.

"The chance to go on this journey with other AdviceUK members has been great – sharing ideas and experiences has helped all of us achieve a better result for our clients. It is clear Wyser are genuinely committed to learning and development and we have really valued being part of the pilot."

Finally, our long-running partnership with ACMS Ltd has ensured ongoing improvements to AdvicePro (based on member and other customer feedback). This year has seen the introduction of new enhancements such as auto-actions and a new Insights Dashboard which gives users visual access to their data trends and allows them to easily configure to meet their own needs. AdvicePro continues to evolve in response to how advice services want it to support them.

Our future plans

Looking ahead to the next year of our strategy, we will be progressing our strategic objectives in the following ways:

Support our members and, through them, the communities they serve	We will be • Encouraging more members to take up our wellbeing service benefit for our members who tell us their work can be difficult and stressful • Growing our membership, with an initial focus on reaching more advice services in the housing sector
Advocate for our members and through them, the communities they serve.	We will be • Influencing funders to secure more funds for members and other advice services • Progressing our AdviceSaves campaign, to raise awareness of our members' vital services and to campaign for more support, including Advice Week 2025. • Supporting several grant programmes, working with members, Scottish Government, London Funders and others • Launching our major campaign on the workforce challenges faced by the advice sector
Connect our members with each other and key stakeholders.	We will be • Deciding how to improve our learning and skills support to members and the wider advice sector • Growing the range of online forums and face-to-face events, we provide for members
Innovate: lead change that improves people's lives and strengthens community advice	We will be • Growing our understanding and use of Artificial Intelligence (AI) as a charity • Supporting more members with guidance, support on AI and encouraging them to explore the WyserASSIST service we offer for case notes. • Continuing to improve and develop the quality of the data we gather from members and potential members • Growing our use of personalisation within our communications with members and stakeholders

We will do this whilst also continuing to ensure we are an effective and efficient organisation. In particular, we will be introducing several new people policies and processes that will support all staff to understand their contribution to our new strategy. With a final round of investment in capacity, we will be recruiting new membership and marketing roles in support of our new member recruitment plans as well as Technology and Systems roles. We will also be moving to SharePoint (to better support internal information sharing and collaboration) and undertaking a compliance review to reflect on where we best focus our time and resources efficiently. Finally, we are developing a range of new performance indicators to help us track our impact in several areas; as we increase our efforts to grow new members; influence decision-makers and improve take-up of our key benefits and services.

Advice UK is a company limited by guarantee and a registered charity. It operates under governing documents last revised in May 2017. We operate as a co-ordination and support network for organisations providing independent social welfare advice and membership is open to any organisation that satisfies the membership criteria decided by the Trustees. We have three types of member – subscriber members who receive information about our work and primarily access our insurance provision and network and associate members who are the principal beneficiaries and users of the Charity. Network and Associate Membership is separate from membership of the Charity itself. The members of the Charity are the Trustees who are also directors of the company.

Connected companies
AdviceUK also has a few subsidiaries and associated companies. **"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 100% 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 owns 50% of the shares. In 2024 AdviceUK became a 20% shareholder in **"Wyser Ventures Ltd"**, an artificial intelligence (AI), data science and digital transformation company that provides AI consultancy and products that support advice services to harness the benefits of AI. As part of this investment, AdviceUK has secured a 30% discount on the cost of WyserAssist (an AI notetaker product) for both its members and AdvicePro customers, through an integration of this product with AdvicePro.

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, regardless of means, to access the advice they need in order to exercise their rights and deal with any legal and social welfare problems they may face. Though this is done primarily through support to advice-providing organisations, it is the general public who are our ultimate beneficiaries.

The Charity's Objects, as defined in its Articles, 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".

Strategy & Plans
The Trustees review AdviceUK's vision and mission periodically (every 3-4 years) in the context of updating their strategy and plans. This year they undertook a full review as part of setting a new three-year rolling strategy to 2027. Each year the management team review the three-year strategy, consider its impact, any changes that may require change and then make recommendations to the Board at its annual Strategy Meeting. After this the management team develop an annual plan and budget setting out how the strategy will be delivered in the coming financial year for the Board to approve.

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 and include both independent and Network Member, ensuring a balance of skills and perspectives. All new Trustees attend a programme of induction before joining the Board. Trustees normally serve for terms of three years and may serve more than one term but usually not more than three. The Board usually meets 6 times per year; quarterly to monitor financial and operational activity and 2 or 3 other occasions during the year to develop and approve plans, review policies and services. A Resources Committee, comprising the Chair and two Vice-Chairs usually meets once or twice annually to review staff terms and conditions and to make recommendations to the Board.

Key management and personnel
The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority from the Board. The scheme is reviewed annually. The Chief Executive may delegate areas of operation to senior managers and, through them, to the wider staff group.

A Senior Leadership Team appointed by the Chief Executive works together to support staff to deliver the Board's approved strategy and annual plan. As at the 31 March 2025 there were 23 staff, (19.7 full-time equivalents) and 1 secondee.

Remuneration policy
Remuneration of all employees, including senior managers, is reviewed annually by the Board's Resources Committee which makes recommendations to the Board. Non-salary terms and conditions are standard for all employees. Salary levels are reviewed with regard to market rates, inflation and affordability.

Volunteers
AdviceUK primarily receives volunteer support from its Board of Trustees. A number of members will be involved in aspects of our work, sharing their insight into the development of our work.

Risks and Financial Control
The Trustees have a risk management strategy involving an annual review of the major risks to which the charity is exposed and the approval of systems and actions for managing and mitigating them. A risk register is produced, updated at least annually and reviewed at Board meetings. In 2025, the Board reviewed its risk register and identified no high-level risks affecting the charity and agreed that mitigations were adequate to maintain risks at a medium or low grade. The Board sets annual budgets and requires reporting against them on a monthly basis. It monitors all aspects of financial performance and financial management through its meetings. 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 are in place with management accounts reviewed monthly through budget variance meetings with the senior leadership team who are all budget holders.

FINANCIAL REVIEW
For the year ended 31 March 2025

The Group
Total Group income during the year was £5,387,334, an increase of £706,201 compared with £4,681,133 in the previous year. Total expenditure during the year was £5,463,403 an increase of £1,113,020 compared with £4,350,383 in the previous year. Overall, the Group had a deficit of £76,069 for the year (2024: surplus of £475,091). At 31 March 2025 the Group had unrestricted funds of £2,542,063, (2024: £2,575,729) and restricted funds of £251,056 (2024: £293,459). The Trustees plan to apply most of any annual surpluses to investment in staffing, equipment and product development in order to improve services to members.

The Charity
Total income for the Charity during the year to 31 March 2025 was £5,031,920 an increase of £669,842, compared with £4,362,078 in the previous year. Expenditure on governing the Charity was £90,747 (2024: £81,652) but remains below 1.8% of total expenditure. The Charity's total unrestricted income during the year was £3,306,125 (2024: £3,054,967). Associated expenditure increased to £3,406,095 (2024: £2,787,457) as the Board used its reserves to invest in its new strategy and in Wyser Ventures Ltd. Total restricted income during the year was £1,746,910 (2024: £1,303,111) – most of which was for distribution to members. Associated expenditure was £1,789,313 (2024: £1,185,823) funded by income during the year.

Fundraising
Fundraising activity was restricted to project bids developed by employees. The Charity does not use the services of professional fundraisers; neither does it have fundraisers on staff.

Trading
AdviceUK raises most of its income from trading activity alongside significant grants being received. All of the trading activity is regarded as primary purpose trading i.e. provision of support services and products (e.g. training, software and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Articles. The grants are used to contribute to the charitable activities dependent on terms of the grants

Reserves Policy
The Board has classified tangible assets and investments within its designated funds in order to show more clearly the amount of assets remaining as uncommitted and therefore available as free reserves. In accordance with this policy the Charity's free reserve at the close of the year, stood at £233,289 (2024: £573,199). The Board considers the amounts in reserve adequate to cover the levels of business risk inherent in its policies aimed at achieving further growth in its income to enable investment in more capacity to effectively pursue its objects.

Investments Policy
A portion of the charity's reserve has been placed on deposit with the CCLA (Churches, Charities & Local Authorities) fund managers in order to achieve a level of return. Having now substantially increased the funds on deposit with CCLA, the Board has no current plans for further investment. The Board now intends to place amounts not needed for immediate spending on short-term deposit with its principal and/or other bankers in order to achieve at least some level of return.

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 in place during the year provides cover up to £1,000,000 on any one claim.

Appointment of Auditors
Auditors for 2025-26 will be appointed in accordance with section 495 of the Companies Act 2006 at a Board meeting to be held in October 2025.

ADVICE UK

TRUSTEES' RESPONSIBILITIES STATEMENT
For the year ended 31 March 2025

The Trustees (who are also Directors of AdviceUK for 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 which give a true and fair view of the state of affairs of the Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity'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 Charity'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 25th September 2025 and signed on its behalf by:

B. Badesha.

Baljit Badesha
Chair

ADVICE UK

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

Opinion

We have audited the financial statements of Advice UK (the 'Charity') and its subsidiaries (together the 'Group') for the year ended 31 March 2025 which comprises of the Consolidated Statement of Financial Activities (including an Income & Expenditure Account), the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 Group's and the Charity's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Charity and Group 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 Group's or the Charity'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 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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**:**

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity's 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; 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 Trustees' report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charity 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 Group and the Charity'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 Group and the Charity or to cease operations, or have no realistic alternative but to do so.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of the Trustees and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Group.

The following laws and regulations were identified as being of significance to the Group:
• Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, taxation regulations and the Charities Act 2011;

• The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, safeguarding, human rights and employment law and GDPR compliance.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Group complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of Board minutes, testing the appropriateness of entries in the nominal ledger, including journal entries and the performance of analytical procedures to identify any unexpected movements in account balances which may be indicative of fraud.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the Group's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAS (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ADVICE UK

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

Use of our report

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



John Perry, Senior Statutory Auditor

For and on behalf of
Sumer Audit Co, Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 29 September 2025

ADVICE UK

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

For the year ended 31 March 2025

	Notes	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025	Total Funds 2024
		£	£	£	£
INCOME FROM					
Donations	**3**	450,194	-	450,194	414,206
Charitable activities	**4**	3,161,758	1,746,910	4,908,668	4,242,002
Investments	**5**	13,414	-	13,414	9,494
Share of profits of associate	**13**	15,058	-	15,058	15,431
Total Income		3,640,424	1,746,910	5,387,334	4,681,133
EXPENDITURE ON:					
Raising funds	**6**	6,039	-	6,039	10,126
Charitable activities	**7**	3,668,051	1,789,313	5,457,364	4,340,257
Share of losses of associate		-	-	-	-
Total Expenditure		3,674,090	1,789,313	5,463,403	4,350,383
Net (losses)/ gains on investments	**13**	-	-	-	144,341
Net (expenditure)/income		(33,666)	(42,403)	(76,069)	475,091
Transfer between funds	**19**	-	-	-	-
Net movement in funds	**19**	(33,666)	(42,403)	(76,069)	475,091
RECONCILIATION OF FUNDS					
Fund balances brought forward		2,575,729	293,459	2,869,188	2,394,097
Fund balances carried forward		2,542,063	251,056	2,793,119	2,869,188

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 23 to 43 form part of these financial statements.

ADVICE UK

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

For the year ended 31 March 2024

	Notes	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024
		£	£	£
INCOME FROM				
Donations	**3**	414,206	-	414,206
Charitable activities	**4**	2,938,891	1,303,111	4,242,002
Investments	**5**	9,494	-	9,494
Share of profits of associate		15,431	-	15,431
Total Income		3,378,022	1,303,111	4,681,133
EXPENDITURE ON:				
Raising funds	**6**	10,126	-	10,126
Charitable activities	**7**	3,154,434	1,185,823	4,340,257
Total Expenditure		3,164,560	1,185,823	4,350,383
Net gains / (loss) on investments	**13**	144,341	-	144,341
Net (expenditure)/ income		357,803	117,288	475,091
Transfer between funds	**19**	(3,653)	3,653	-
Net movement in funds	**19**	354,150	120,941	475,091
RECONCILIATION OF FUNDS				
Fund balances brought forward		2,221,579	172,518	2,394,097
Fund balances carried forward		2,575,729	293,459	2,869,188

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 23 to 43 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEET

As at 31 March 2025

	Notes	Group 2025	Group 2024	Charity 2025	Charity 2024
		£	£	£	£
Fixed assets					
Intangible assets	**11**	19,630	21,101	19,630	21,101
Tangible assets	**12**	-	8,587	-	8,587
Investments	**13**	2,047,465	1,782,369	1,547,913	1,297,914
Total fixed assets		2,067,095	1,812,057	1,567,543	1.327.602
Current assets					
Debtors	**14**	1,819,077	1,439,140	2,027,591	1,640,455
Cash at bank and in hand	**22**	1,821,729	1,860,004	1,194,139	1,304,527
Total current assets		3,640,806	3,299,144	3,221,730	2,944,982
Creditors: amounts falling due within one year	**15**	(2,844,975)	(2,094,388)	(2,737,385)	(2,078,324)
Net current assets		795,831	1,204,756	484,345	866,658
Total assets less current liabilities		2,882,926	3,016,813	2,527,720	2,194,260
Provisions for liabilities	**17**	(69,807)	(147,625)	-	-
Total net assets		2,793,119	2,869,188	2,051,888	2,194,260
Funds					
Restricted funds	**19**	251,056	293,459	251,056	293,459
Unrestricted funds (2024 restated)					
Designated funds	**19**	1,003,689	725,210	480,736	240,793
General funds	**19**	1,538,374	1,850,519	1,320,096	1,660,008
Total unrestricted funds	**19**	2,542,063	2,575,729	1,800,832	1,900,801
Total Charity funds	**19,20**	2,793,119	2,869,188	2,051,888	2,194,260

Unrestricted Funds restated 2024 balance:

When preparing the 2025 accounts the trustees noted that the balance sheet allocation of funds between unrestricted designated funds and unrestricted general funds differed to the position noted in note 19 of the financial statements.

Therefore, the comparative information has been restated to reflect the correct position as disclosed in the notes to the 2024 accounts.

The presentational adjustment has increased unrestricted designated funds by £86,828 and reduced unrestricted general funds by £86,828 with no impact on restricted funds.

CONSOLIDATED AND CHARITY BALANCE SHEET (CONTINUED)

As at 31 March 2025

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The deficit of the Charity for the year ended 31 March 2025 was £142,372 (2024: Surplus - £533,140).

Approved and authorised for issue by the Board of Trustees on 25th September 2025 and signed on its behalf.



B Badesha – Director

The notes on pages 23 to 43 form part of these financial statements.

ADVICE UK

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 March 2025

	Notes	2025	2024
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	21	232,669	213,415
Cash flows from investing activities:			
Interest received		13,414	9,494
Purchase of investments		(250,000)	(800,000)
Purchase of computer software		(34,358)	(7,666)
Change in cash and cash equivalents in the year		(38,275)	(584,758)
Cash and cash equivalents at the beginning of the year		1,860,004	2,444,762
Cash and cash equivalents at the end of the year	22	1,821,729	1,860,004

The notes on pages 23 to 43 form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

Advice UK (the "Charity" is a public benefit entity and a private company limited by guarantee, company number 02023982 registered in England and Wales. Advice UK is also a Charity registered with the Charity Commission (charity registration number 299342). The registered office and its principal place of business is Suite 610,150 Minories, London EC3N 1LS.

Advice UK operates as a co-ordination and support network for organisations that provide independent social welfare advice to the public.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated:

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy notes and 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) - (Charities SORP (FRS 102),the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006.

The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1.3 Going concern

The financial statements have been prepared a going concern basis.

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Group's and the Charity's ability to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, its Corporate Plan, and its reserves position. Based upon their assessment the Trustees consider that the Charity will be able to continue to meets its liabilities as they fall due and continue to trade for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Consolidation

The consolidated financial statements incorporate the financial statements of Advice UK and its wholly owned subsidiary, VCS Insurance Company Limited on a line-by-line basis using the Group's accounting policies. The subsidiary companies have the same reporting date as Advice UK of 31 March.

Investments in associates have been accounted for under the equity method and included within investments. The associates within the consolidation are Advanced Case Management Solutions and Wyser Ventures Ltd.

The Group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.5 Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

- Training and membership subscription income is deferred when received in advance of the training taking place or the subscription being used. Training income is recognised when the training occurs. Membership subscription income is recognised over the period of the agreement.

- 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, probability of receipt and the amount can be measured with sufficient reliability.

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

1.6 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. 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. Grants received on behalf of delivery partners are accrued to equate to the percentage of grant income to be distributed.

- Costs of raising 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.

1.8 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 subsidiary 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 subsidiary 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 subsidiary company 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, 15% in year one, 10% in year two, 5% 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.

ACCOUNTING POLICIES (CONTINUED)

1.9 Investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment.

1.10 Investments in associated entities

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Charity's share of the profits or losses, other comprehensive income and equity of the associate after acquisition.

1.11 Investments in securities

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price.

All gains and losses are taken to the Consolidated Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Consolidated Statement of Financial Activities based on the market value at the year end.

1.12 Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life which is deemed to be 5 years.

1.13 Tangible 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 improvements	Over the lease term on a straight line basis	
Computer equipment	33% to 100%	Straight line basis
Furniture & equipment	20%	Straight line basis

1.14 Cash and cash equivalents

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

ACCOUNTING POLICIES (CONTINUED)

1.15 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.

1.16 Financial instruments

The only financial instruments held by AdviceUK are debtors, creditors, loans and investments. Investments are referred to in Note 1.9, 1.10 and 1.11 above and, the remaining are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at transaction price less any impairment.

1.17 Pensions

The Group 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 Group, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable during the year.

1.18 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.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical judgements in applying the Group's policies:
In preparing these financial statements, the Trustees have made the following judgement and estimates:

Insurance Technical provisions
Provision is made for the estimated cost of settling all known claims at the subsidiary balance sheet date. Judgement is applied as outlined in the accounting policy, in determining the appropriate level of provision because the actual outcome of the claim can be uncertain until the case is determined and an agreement to settle has been made.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the subsidiary company uses estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. Subsequent information and events may result in the ultimate liability being greater or less than the amount provided. The carrying amount for insurance contract liabilities in the Balance Sheet is £69,807 (2024: £147,625).

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Donations	450,194		450,194	414,206

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025	Total Funds 2024
	£	£	£	£
Member services	3,157,346	-	3,157,346	2,927,616
Policies and campaigns	3,265	-	3,265	9,450
Projects on behalf of members grant income	-	1,746,910	1,746,910	1,303,111
Other income	1,147	-	1,147	1,825
	3,161,758	1,746,910	4,908,668	4,242,002

5. INVESTMENT INCOME

	Unrestricted Funds 2025	Restricted Funds 2025	Total Funds 2025 £	Total Funds 2024 £
Bank interest receivable	13,414	-	13,414	9,494

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Staff costs	5,941	-	5,941	9,893
Other costs	98	-	98	233
	6,039	-	6,039	10,126

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Year ended 31 March 2025	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2025 £
Members services	381,428	2,253,441	278,358	2,913,227
Policy and campaigns	244,400	96,464	92,561	433,425
Projects on behalf of members	119,372	1,591,153	78,788	1,789,313
Development	172,256	20,757	128,386	321,399
	917,456	3,961,815	578,093	5,457,364
Restricted fund expenditure				
Project on behalf of members	119,372	1,591,153	78,788	1,789,313

Year ended 31 March 2024	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2024 £
Members services	263,333	2,199,008	209,054	2,671,395
Policy and campaigns	185,515	4,419	106,106	296,040
Projects on behalf of members	74,844	1,067,024	43,955	1,185,823
Development	102,824	8,025	76,150	186,99
	626,516	3,278,476	435,265	4,340,257
Restricted fund expenditure				
Project on behalf of members	74,844	1,067,024	43,955	1,185,823

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

SUPPORT COSTS

Year ended 31 March 2025	Staff costs	Premises	Governance costs	Other	Total Funds 2025
	£	£	£	£	£
Members services	104,102	12,921	90,747	70,588	278,358
Policy and campaigns	47,013	5,835	-	75,537	92,561
Projects on behalf of members	66,704	8,279	-	17,578	78,788
Development	32,580	4,044	-	42,164	128.386
	250,399	31,079	90,747	205,867	578,093

Year ended 31 March 2024	Staff costs	Premises	Governance costs	Other	Total Funds 2024
	£	£	£	£	£
Members services	85,068	12,893	81,652	29,441	209,054
Policy and campaigns	59,929	9,083	-	37,094	106,106
Projects on behalf of members	24,179	3,664	-	16,113	43,955
Development	33,216	5,034	-	37.900	76,150
	202,391	30,674	81,652	120,548	435,265

8. NET INCOME FOR THE YEAR

This is stated after charging:	2025 £	2024 £
Depreciation of tangible fixed assets:		
- owned by the Charity	4,969	4,201
Loss on disposal of tangible fixed assets	9,845	1,000
Auditor's remuneration		
- Audit fees	16,150	14,000
- Accountancy fees	1,450	1,250
- Tax Services	550	500
- Subsidiary auditor's fees	9,957	7,544
Operating leases:	41,185	29,125

9. TAXATION

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.

10. STAFF COSTS

Staff costs were as follows:

	Group and Charity	
	2025	2024
	£	£
Wages and salaries	881,666	651,047
Social security costs	90,560	66,625
Employer's contribution to defined contribution pension scheme	46,669	37,284
Other employee benefits	102,161	83,844
	1,121,056	838,800

Included in other employment benefits above is an amount of circa £90,000 which was paid to support the costs of an organisation change programme implemented by the Board to support its new strategy.

The number of employees whose emoluments exceeded £60,000 during the year (including taxable benefits but excluding employers' pension contributions) were:

	2025	2024
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-

Pension costs paid for employees earning above £60,000 amounted to £10,454 (2024: £9,996). These employees participated in the defined contribution pension scheme.

The average number of employees, during the year was as follows:

	Group & Charity	
	2025	2024
Projects and activities	18	14
Administration	5	2

All employees are employed by the Charity.

Key management personnel
Advice UK considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and the Executive Director. The aggregate remuneration including employer pension contributions of those personnel for services to the Charity and Group, in the year amounted to £119,617 (2024: £200,103). Of these amounts £Nil (2024: £Nil) related to the Trustees.

During the year, travelling and subsistence expenses amounting to £6,071 (2024: £6,927) were reimbursed to Trustees.

11. INTANGIBLE ASSETS

GROUP AND CHARITY

	Computer Software
	£
Cost	
At 1 April 2024	133,699
Additions	28,132
At 31 March 2025	161,831
Amortisation	
At 1 April 2024	112,598
Amortisation charge	29,601
At 31 March 2025	142,199
NBV at 31 March 2025	19,630
NBV at 31 March 2024	21,101

The intangible assets relate to capitalised software development costs. They have been capitalised on the basis the software is used in the design of the CRM system from which the Group generates its income.

12. TANGIBLE ASSETS

GROUP AND CHARITY

	Leasehold Building Improvements	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£
Cost				
At 1 April 2024	-	35,125	-	35,125
Additions	-	6,226	-	6,226
Disposals	-	(41,352)	-	(41,352)
At 31 March 2025	-	-	-	-
Depreciation				
At 1 April 2024	-	26,538	-	26,538
Charge for the year	-	4,969	-	4,969
Disposals	-	(31,507)	-	(31,507)
At 31 March 2025	-	-	-	-
NBV at 31 March 2025		-	-	-
NBV at 31 March 2024	-	8,587	-	8,587

13. FIXED ASSET INVESTMENTS

CHARITY

Cost

	Subsidiaries	Associates	Listed Investments	Total
	£	£	£	£
At 1 April 2024	100,000	40	1,196,874	1,297,914
Net losses on change in fair value	-	-	-	-
Additions	-	250,000	-	250,000
At 31 March 2025	100,000	250,040	1,197,874	1,547,914

In the year, the charity acquired a £250,000 investment in Wyser Ventures Ltd. This will support its members to access the benefit of artificial intelligence (AI) products for their advice services at a discount and, over time, further improve how AI can be used to support advice giving.

As at 31 March 2025 the Charity's subsidiary was:

	Country of Incorporation	Activity	Proportion of Ordinary Shares Held and voting rights
VCS Insurance Company Limited (Registered number: GG44303)	Guernsey	Insurance	100%

The financial results of the subsidiary were:

	Income	Expenditure	Surplus/(deficit) for the year	Net assets/ (liabilities)
	£	£	£	£
VCS Insurance Company Limited	437,754	(386,509)	51,245	241,717

As at 31 March 2025 the Charity's Associates were:

The Charity holds a 50% shareholding in the Ordinary shares of Advanced Case Management Solutions Limited (Company number: SC392229), a software trading company registered in Scotland.

The charity holds a 20% (rounded to nearest percent) shareholding in the Ordinary shares of Wyser Ventures Ltd (Company number: 15455450), a company specialising in artificial intelligence registered in Wales.

13. FIXED ASSET INVESTMENTS (CONTINUED)

GROUP

Cost

	Associates	Listed Investments	Total
	£	£	£
At 1 April 2024	584,495	1,197,874	1,782,369
Change in fair value	-	-	-
Additions	250,000	-	250,000
Share of profit of associate			
-Operating Profit	554,336	-	554,336
-Taxation	(59,240)	-	(59,240)
-Dividends	(480,000)	-	(480,000)
At 31 March 2025	849,592	1,197,874	2,047,465

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2025 was £191,584 (2024: £268,989)

Wyser Ventures Ltd

As at 11th September 2024, Wyser Ventures Ltd became an associate of the group.

The aggregate of the share capital and reserves as at 31 March 2025 was £760,083.

Advice UK results excluding subsidiary companies

	2025	2024
	£	£
Total income	5,053,034	4,363,079
Total expenditure	(5,195,404)	(3,974,280)
	(142,370)	388,799
Net gains on investment	-	144,341
Net income	(142,370)	533,140
Fund balances brought forward at 1 April 2024	2,194,261	1,661,121
Fund balances carried forward at 31 March 2025	**2,051,889**	**2,194,261**

14. DEBTORS

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	875,618	524,593	875,618	524,593
Amounts owed by subsidiary undertakings	-	-	251,684	254,198
Amounts owed by participating interest	-	-	-	-
Other debtors	45,603	77,204	2,433	24,322
Prepayments and accrued income	897,856	837,342	897,856	837,342
	1,819,077	1,439,140	2,027,591	1,640,455

Included within amounts owed by subsidiary undertakings is a £150,000 (2024: £150,000) unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares and this loan to Advice UK. A new loan agreement dated the same date was entered into on the same terms. The loan is unsecured and bears interest at 1% over base rate, which is payable annually in arrears. 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. The remaining balance is commission due from VCS which is interest free and repayable on demand.

15. CREDITORS

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	121,230	32,506	121,230	32,506
Amounts owed to subsidiary undertakings	-	-	-	100,000
Amounts owed to participating interest	668,308	316,963	668,308	316,963
Other taxation and social security	78,523	39,515	78,523	39,515
Other creditors	156,334	160,550	48,744	44,486
Accruals	40,715	54,285	40,715	54,285
Deferred income	1,779,865	1,490,569	1,779,865	1,490,569
	2,844,975	2,094,388	2,737,385	2,078,324

Included within amounts owed to subsidiary in undertakings in 2024 is a £100,000 unsecured loan from VCS Insurance Company Limited. The loan is repayable on demand and bears interest at 0.75% over the base rate per annum payable in arrears and accrued on a daily basis. This amount was paid of within the 2025 year. The remaining balance is a trading balance to ACMS and is interest free and repayable on demand.

16. DEFERRED INCOME

	2025 £	2024 £
At 1 April 2024	1,490,569	1,420,677
Income deferred in the current year	1,779,865	1,490,569
Amounts released from previous years	(1,490,569)	(1,420,677)
At 31 March 2025	1,779,865	1,490,569

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

17. PROVISION FOR LIABILITIES

CHARITY

Dilapidations Provision	2025 £	2024 £
At 1 April 2024	-	13,667
Expensed in the year	-	(13,667)
At 31 March 2025	-	-

GROUP

Dilapidations Provision	2025 £	2024 £
At 1 April 2024	-	13,667
Expensed in the year	-	(13,667)
At 31 March 2025	-	-
Technical reserves		
Outstanding claims reserve at 1 April 2024	117,009	8,000
Movement in prior years' claim provisions	(111,009)	(8,000)
Provisions for new claims	31,000	117,009
Outstanding claims reserve at 31 March 2025	37,000	117,009
IBNER reserve	32,807	30,616
Provision for liabilities at 31 March 2024	69,807	147,625

The dilapidation provision is management's best estimate of the potential costs that may be incurred at the end of the property lease to return the property to is original state.

The Group has a stop-loss policy to cover claims arising in any one year in excess of £125,000.

17. PROVISION FOR LIABILITIES (CONTINUED)

Insurance claims development triangle

	2020	2021	2022	2023	2024	2025	Cumulative
In year of claim (or brought forward)	24,930	14,946	9,070	24,298	90,667	54,093	218,004
One year later	202	16,275	25,820	(7,518)	(32,481)	-	2,298
Two years later	(775)	(13,273)	(3,878)	(6,261)	-	-	(24,187)
Three years later	(9,065)	(4,594)	(506)	-	-	-	(14,165)
Four years later	50,000	-	-	-	-	-	50,000
Five year later	(50,000)	-	-	-	-	-	(50,000)
Current estimate of ultimate claims	15,292	13,354	30,506	10,519	58,186	54,093	181,950
Cumulative payments	(15,292)	(13,354)	(30,506)	(4,249)	(38,223)	(10,519)	(112,143)
In balance sheet	-	-	-	6,270	19,963	43,574	69,807

18. FINANCIAL RISK MANAGEMENT

The Charity monitors and manages its financial risks relating to insurance contracts. The Group's only assets held for insurance purpose consist of cash held in pound sterling by the its subsidiary undertaking, VCS Insurance Company Limited, therefore there is no currency or market price risk. The Group considers the credit worthiness of the reinsurance underwriter before renewing its policy. The liquidity of the subsidiary is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

19. STATEMENT OF FUNDS - GROUP

	Opening Balance	Income	Expenditure	Net losses on investments and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Projects on behalf of members	206,600	277,413	(328,763)	-	155,250
Scotland activities	86,859	-	-	-	86,859
Advice in Accessible Settings	-	1,469,497	(1,460,550)	-	8,947
Total Restricted funds	293,459	1,746,910	(1,789,313)	--	251,056
UNRESTRICTED FUNDS					
General fund	1,850,519	3,640,424	(3,674,090)	(278,479)	1,538,374
Designated funds					
Premises fund	-	-	-	-	-
Foundation fund	111,066	-	-	-	111,066
Fixed asset fund	614,144	-	-	278,479	892,623
Total Unrestricted funds	2,575,729	3,640,424	(3,674,090)	-	2,542,063
TOTAL FUNDS	**2,869,188**	**5,387,334**	**(5,463,403)**	-	**2,793,119**

STATEMENT OF FUNDS - CHARITY

	Opening Balance	Income	Expenditure	Net losses on investments and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Projects on behalf of members	206,600	277,413	(328,763)	-	155,250
Scotland activities	86,859	-	-	-	86,859
Advice in Accessible Settings	-	1,469,497	(1,460,550)	-	8,947
Total Restricted funds	293,459	1,746,910	(1,789,313)	-	251,056
UNRESTRICTED FUNDS					
General fund	1,660,008	3,306,124	(3,406,093)	(239,943)	1,320,096
Designated funds					
Premises fund	-	-	-	-	-
Foundation fund	111,066	-	-	-	111,066
Fixed asset fund	129,727	-	-	239,943	369,670
Total Unrestricted funds	1,900,801	3,306,124	(3,306,124)	-	1,800,832
TOTAL FUNDS	**2,194,260**	**5,053,034**	**(5,195,404)**	**-**	**2,051,888**

19. STATEMENT OF FUNDS – (CONTINUED)

Designated funds

The Foundation fund is an amount that was designated to make future grants to members.

The Fixed Asset fund is represented by the tangible fixed assets and unlisted investments used by the Charity on an on-going basis to meet the Charity's objects.

Restricted funds
Restricted funds were used on one category categories of activity, Projects on behalf of members.

Projects on behalf of members

A grant of £16,538 was received from Aviva for a project to improve the financial wellbeing of households living in an area of high deprivation in Bristol and the dissemination of learning from the project to other independent providers of advice and social welfare support across the UK. The project will work with individuals and households using a systems-thinking approach to understand how current services operate and how they can be redesigned for improved financial capability and inclusion.

A grant of £29,350 was received from the City Bridge Trust, the funding arm of The City of London Corporation's charity. The grant supported Advice UK to build a partnership with 11 London based Advice UK members using the Whole Person/Whole Community approach to start to understand the impact of monitoring and evaluation on their ability to do the right thing for their clients.

A grant of £205.375 was received from Skilling Up for Justice. The grant is used to enhance the skills and training of individuals and workforces within the justice and associated sectors to improve service delivery and achieve better outcomes for minority ethnic communities and vulnerable groups.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Fixed assets	2,067,095	-	2,067,095	1,812,058
Current assets	3,389,750	251,056	3,640,806	3,592,710
Current liabilities	(2,844,975)	-	(2,844,975)	(2,094,388)
Provision for Liabilities	(69,807)	-	(69,807)	(147,625)
	2,542,063	251,056	2,793,119	3,162,754

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Fixed assets	1,567,543	-	1,567,543	1,327,602
Current assets	2,970,674	251,056	3,221,730	2,944,983
Current liabilities	(2,737,385)	-	(2,737,385)	(2,078,324)
Provision for liabilities	-	-	-	-
	1,800,832	251,056	2,051,888	2,051,888

21. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
Net (expenditure)/income for the year	(76,069)	475,091
Adjustments for:		
Depreciation charges	4,969	4,201
Amortisation charges	29,601	26,786
Loss on disposal of tangible fixed assets	9,845	-
(Losses)/Gains on investments	-	(144,341)
Share of profits of associated undertaking	(15,058)	(15,431)
Interest from investments	(13,414)	(9,494)
Decrease/(increase) in debtors	(379,975)	(71,935)
Increase in creditors	750,588	(149,387)
Increase in provision	(77,818)	97,925
Net cash provided by operating activities	232,669	213,415

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Total cash and cash equivalents	1,821,729	1,860,004

23. ANALYSIS OF NET FUNDS

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash in hand	1,860,004	(38,275)	1,821,729
	1,860,004	(38,275)	1,821,729

24. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments (2024: £Nil).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2025 the Group and the Charity had total future minimum lease payments under non-cancellable operating leases was:

	2025 £	2024 £
Amounts due within one year	39,693	29,348
Amounts due between 1 and 5 years	356	-
Total	40,049	29,348

26. RELATED PARTY TRANSACTIONS

Advanced Case Management Solutions Limited

The Charity was charged £1,590,778 (2024 - £1,721,949) for the provision of AdvicePro software and consultancy services by Advanced Case Management Solutions Limited. A balance of £668,308 (2024 - £316,963
No amounts were outstanding (2024 - £ Nil) as at 31 March 2025 and included within amounts owed by participating interest.

The Charity received a gift aid donation from Advance Case Management Solutions Limited of £450,000 during the year (2024 - £400,000).

In 2024 the following transactions took place between the Charity and its wholly owned Subsidiaries:

VCS Insurance Company Limited

Commissions were received of £101,648 (2024 - £104,198). The Charity charged interest on loans of £ Nil (2024 - £9,064).

The Charity was charged interest on loans of £5,697 (2024 - £5,792).

At 31 March 2025, £251,648 was owed to the Charity (2024 - £254,198). In addition to this, £ Nil was owed by the Charity (2024 - £100,000).

27. 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 provided by a subsidiary company. The Trustees 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.

ADVICE UK

England & Wales - Charity number 299342

Accounts

advice UK



ANNUAL REPORT
& CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

advice UK

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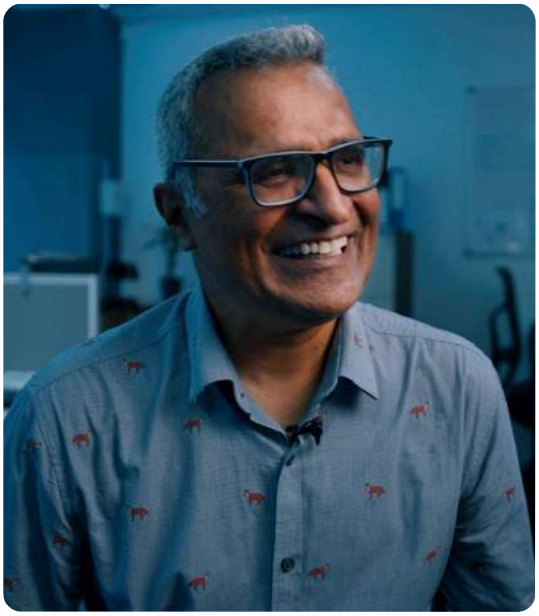
Reference and Administrative Details

For the year ended 31 March 2024

Trustees	B Badesha V Greenwood J Ipyana H Kendall A Mandalia A Quinn N Sombu (appointed 18 May 2023) C White (appointed 18 May 2023) T Evans (appointed 28 September 2023)
Chair	B Badesha
Chief Executive	L Bayram
Company Secretary	L Bayram
Company Number	02023982 (England & Wales)
Charity Number	299342
Registered Office	Suite 610 150 Minories London EC3N 1LS
Website	www.adviceuk.org.uk
Auditor	Sumer AuditCo Limited Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

Report of the Trustees

Introduction from the Chair



Welcome to our 2023/24 annual report. For our members, and indeed the wider independent advice sector, it has been yet another challenging year. I am proud of how our diverse membership community has continued to offer high quality, free, independent advice that so many individuals and communities desperately need. Demand for their advice services has increased significantly, as more clients are struggling with the rising cost of living; our complex welfare system as well as growing concerns around housing, immigration and more.

So, I want to start this annual report by recognising and celebrating the resilience and determination of our members, as they respond to growing demand for their advice. The vast majority are doing so against a backdrop of reducing funding levels and the challenges this brings to delivering sustainable services. In particular, this year, our members who rely on local authority support have struggled, facing service restructure and sadly, for a few, closure.

Against this backdrop AdviceUK has continued to offer support, advice and guidance to our members. And, to advocate on their behalf with funders, policymakers; regulators and others who influence the environment in which our members provide their services.

This year has also been one of change for AdviceUK as we welcomed Liz Bayram as our new Chief Executive in April 2023. We said a fond farewell to Steve Johnson, her predecessor, who left after over 20 successful years at AdviceUK.

Liz has taken time in her first year to work with members, staff and trustees to reflect on how best to build on AdviceUK's success to date and ensure we are delivering what matters most to our members and the communities they serve.

As a result, the Board of Trustees now has a new three-year strategy that will guide our work until 2027; we have backed that up with additional investment to support us to further improve our support; our reach and our impact.

We are all excited for the future and what more AdviceUK can do to deliver its mission. I am grateful to the staff team for all their hard work and support through this period of change. I would also like to thank my fellow trustees who have done so much more than is expected of most trustees; sharing their time, expertise and support with the staff team. Most of all I want to thank our members. Whether you have attended a forum; volunteered for a working group or simply read our newsletter and sought our advice, I want to thank you for your continued support of AdviceUK.

As we look forward to the coming financial year that will - no doubt - bring with it challenges; I know that everyone at AdviceUK will do their best to support our members and the wider independent advice sector so that 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.

Best wishes



Baljit Badesha
Chair of AdviceUK Board of Trustees

Why we exist

We exist to improve the lives of people in need of advice. We do this by supporting our members, so it is easier for them to help their clients, and by directly influencing policy-makers, decision-makers and funders who have influence over the environment in which free, independent advice services operate.

Our Vision

Our vision is 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.

Our Mission

Our mission is 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.

Our Values

Our values, which underpin all that we do, are:

WE ARE FAIR

We support people and show empathy

We are open, transparent and responsible

We promote diversity and inclusion

WE ARE INDEPENDENT

We challenge where change is needed

We stand up for what we believe in

We celebrate the uniqueness of AdviceUK and our members

WE ARE COLLABORATIVE

We work together to achieve shared goals

We build trusted relationships

We listen with an open mind, adopt a flexible and pragmatic approach

WE ARE CREATIVE

We are bold and dynamic in our approach

We reflect and learn from experience

We develop solutions and support based on evidence

Our impact

We are a small charity that makes a big impact.
In 2023 we have, among many things:

Welcomed **47 new members** who now benefit from the support and expertise of our network.

Retained 93% of our members, with those who left doing so because of closure or funding constraints.

Secured and directly **delivered £1.3m of funding to advice services** including some of our members.



Our members tell us our support has helped them to reach over

1.7m clients in 2023;

providing free, independent advice and support with debt and social welfare issues; housing; immigration problems and much more.

Most often their clients are dealing with complex issues and we encourage our members to take a "whole person approach". In this way they can understand all of a client's challenges and how best to support them. In doing so, advice services can try to support the underlying causes of their client's problems so they are less likely to need support in the future.

Our impact (continued)

Saffron Resource Centre is just one example of one of our member organisations using the "whole person approach":



Saffron Resource Centre (SRC)– Leicester

Originally set up in 1976 by a group of mums who saw the need for a community centre and independent local advice service; SRC has always been dedicated to working in partnership with statutory and voluntary organisations to improve the health, education, and well-being of the local community; by improving the lives of disadvantaged residents.

SRC provides free, specialist, independent, quality assured advice, information and advocacy on welfare benefits — including welfare and disability rights, debt - including insolvency procedures, money advice and financial capability, general advice regarding housing and access to other service providers. They have a reputation for being friendly and non-judgemental, where everyone is made welcome and feels valued. Their work changes the lives of individuals in need.

One young woman (not a UK citizen) who had three children and had been suffering from domestic abuse reached out to SRC. Her immigration status made it difficult for her to access support. So SRC put her in touch with The British Red Cross and helped her achieve a legal right to remain in the UK. They also provided vital food parcels for her and her children whilst they worked to ensure her access to Universal Credit; Child Benefit and secure a reduction in Council Tax. As her rented home's tenancy was in her abusive husband's name; SRC also helped her to deal with this.

Our achievements and activities

Our new strategy sets out how we will deliver AdviceUK's vision and mission. Working with our members, staff and the Board, we have agreed the following key strategic objectives that will guide all of our work.

SUPPORT



our members and, through them, the communities they serve

We do this by

- Listening to and involving members in how we shape the support we provide for their advice-giving needs
- Providing benefits and services that strengthen and sustain community-based advice giving

ADVOCATE



for our members and through them, the communities they serve

We do this by

- Working with members and stakeholders; understanding what's important to them and, where needed, championing change
- Representing and raising awareness of our members collectively: in ways that value their diversity and independence.

INNOVATE



lead change that improves people's lives and strengthens community advice

We do this by

- Developing and facilitating better ways of giving and resourcing advice that improve the lives of people with legal and social welfare problems.
- Providing members with advice and insight into new ideas and emerging trends

CONNECT



members with each other and key stakeholders

We do this by

- Nurturing collaboration, peer support and shared learning, building long-term partnerships.
- Developing and sustaining diverse networks that benefit members and stakeholders.

Support

This year we have supported our members and, through them, the communities they serve in many ways.

We have advised new members on how best to set up their advice service. Our membership team provide one-to-one advice that covers everything from insurance and regulatory requirements to funding opportunities; supervision support and required policies and procedures. Current members have also sought advice and support on varied issues including pro-bono; client journey mapping and, as funding pressures increases; how to source new support and cope with reductions in income.



We have also run our popular member forums for England, Wales and Scotland. This year they have covered a wide range of issues including advice on making funding applications; how to manage safeguarding in your service and the potential opportunities and risks of using Artificial Intelligence to support your advice workers.

Member forums have also provided opportunities for members to share experiences with each other as well as to talk to key stakeholders such as Social Security Scotland.

Our forums along with our regular member and funding newsletters continue to be much valued and relied upon by our members.

Support (continued)

Last but by no means least, through our involvement in a number of different grant funding programmes, we have supported some of our members as well as other independent advice services to secure funding to support their work.

We want to thank all our funding partners who we have worked with this year in support of our members. Together they have not only provided sustainable funding but have also supported funded services to reach more people in need of support and to innovate how they deliver that support.

The Scottish Government's Funding in Accessible Settings is just one such example. This is the first year that the funding has been made available. AdviceUK was asked to administer the programme on behalf of the Scottish Government and we are proud of the 40 services who secured funding in the first year of the programme. It has helped address some of the severe pressure they are under as funding reduces whilst more people seek advice each year.



Southside Housing Association - Glasgow

One service that has been funded is the Welfare Rights & Money Advice Service, run collectively by a number of housing associations, including Southside Housing Association. Through a programme of home visits to Southside tenants who they were aware were in debt with their heating, SHA staff have uncovered other debts and unclaimed benefits. Their visits are also reaching clients who normally do not ask for help until they are in crisis.



Susan Lavelle, an SMA explains. “Once such family with four children, who were in gas heating arrears of over £2,000, were visited. The visit made clear they also had electricity arrears of over £3000, rent arrears of over £2,500, consumer debt of over £7000, as well as Council Tax Arrears. The father was self-employed, his earnings were approximately £600 per month. The mother had just finished a university course, but was struggling to find work. They were in receipt of child tax credits of £58 pw, child benefit £55pw and had no other income, their rent is over £500 per month. So we applied for Universal Credit which now covers their rent and pays something towards their arrears, so preventing any eviction action from the housing association.

We assisted them to apply for Scottish Child Payment. The Energy Goods project is providing some items to improve the energy efficiency of their home, and we have referred them to the Energy Advice Project for advice on behavioural changes that will help reduce their bills. They are now being supported to apply for any available grants and provide information on options available for their remaining debt. We will assist them through the process and provide advocacy with their creditors. We have also referred them to Jobs and Business Glasgow for assistance to find employment. This whole person approach has generated a significant amount of work, it is a slow process, and is staff resource intensive but it generates excellent outcomes and helps educate and promote future resilience.”

Advocate

This year we have advocated for our members and, through them, the communities they serve by building and maintaining positive relationships with key grant funders. Most notably, this year we successfully secured three years of funding from London Legal Support Trust to work with London's minority ethnic and migrant communities, AdviceUK members, and those resourcing them. Together we will co-design Workforce Pathways that understand and improve the experiences of people as they start working or volunteering in the advice sector and progressing their careers. The £600,000 funding for the Skilling Up for Justice programme will be used to develop workforce pathways for different advice sector roles, including entry level volunteering, adviser progression and people moving into management and leadership.



3 YEARS OF FUNDING

from London Legal Support Trust to work with London's minority ethnic and migrant communities

We will also explore different models of owning and delivering these pathways, for example, achieving scale through networks of place or communities served. Vocational qualifications and targeted training delivery will all help ensure a healthy and robust advice sector that improves people's lives. Whilst the funding is for London-based services, AdviceUK will ensure the learning from this programme will be shared across the sector.

AdviceUK also successfully advocated that the next round of grant funding from the National Lottery Community Fund should ensure its criteria is inclusive of independent advices services. This support will be available in the second year of the NLCF's three-year programme.

Finally, we have worked with around 40 members who are part of our Independent Reference Group to develop our plan for our new #AdviceSaves campaign. This will launch in 2024 and aims to increase the profile of the work our members do, and raise awareness of their services. There will be a strong focus on how advice service saves people from debt, homelessness etc. The campaign will call for more to be done to value how advice workers provide advice and support for people dealing with life-changing challenges and what policy-makers, regulators, funders and others could do to recognise the vital role that advice services play. A centrepiece of the campaign will be the first ever Advice Week in October 2024. It will be an opportunity not only to raise the profile of advice services but also for our members and the wider sector to celebrate all that it does to support it's communities.

Connect

This year we have connected our members with each other and, as already shared, with funders in so many ways. From simply encouraging members to talk to each other about shared areas of interest (through our member forums as well as through direct one-to-one connections) we have also commenced a pilot of an online community. This Community of Practice has involved 14 members who regularly meet online to share ideas and experiences with each other on a wide range of issues including supervision and, staff retention. Early feedback has been positive and we plan to learn from this experience and use it to develop more online member communities next year.



Kerryn Bell from Talking Money is one of the participants:

"I have been coming to the Community of Practice Reflective Practice gatherings almost since they started. I have really valued being part of a group that is committed to helping the sector develop. The subject of reflective practice is particularly personal and important to me, so having a space focusing on this is very special. Without learning and acting on that learning (the essence of practising reflectively), the sector will not get better at what it does. So this underpins everything for me. I am also really enjoying being part of a group that is facilitated using an emergent approach, where divergent thinking and co-production are prioritised and experimented with. There are few spaces in which I am involved that are doing this – it feels cutting edge and progressive – and being exposed to ways to do this means I have more confidence and tools to try this more with my own team and in the spaces I lead."



Finally, we have also worked with groups of members to ensure they can connect with each other. One area of success has been our work with one of our members – The Trussell Trust. They support their network of over 420 foodbanks across the UK to develop financial inclusion and advice initiatives to support people in crisis. We have been working with them to support a growing number of their food banks to partner with members who are offering advice services in their local area, helping them to join up their services and provide improved support for their food bank users.



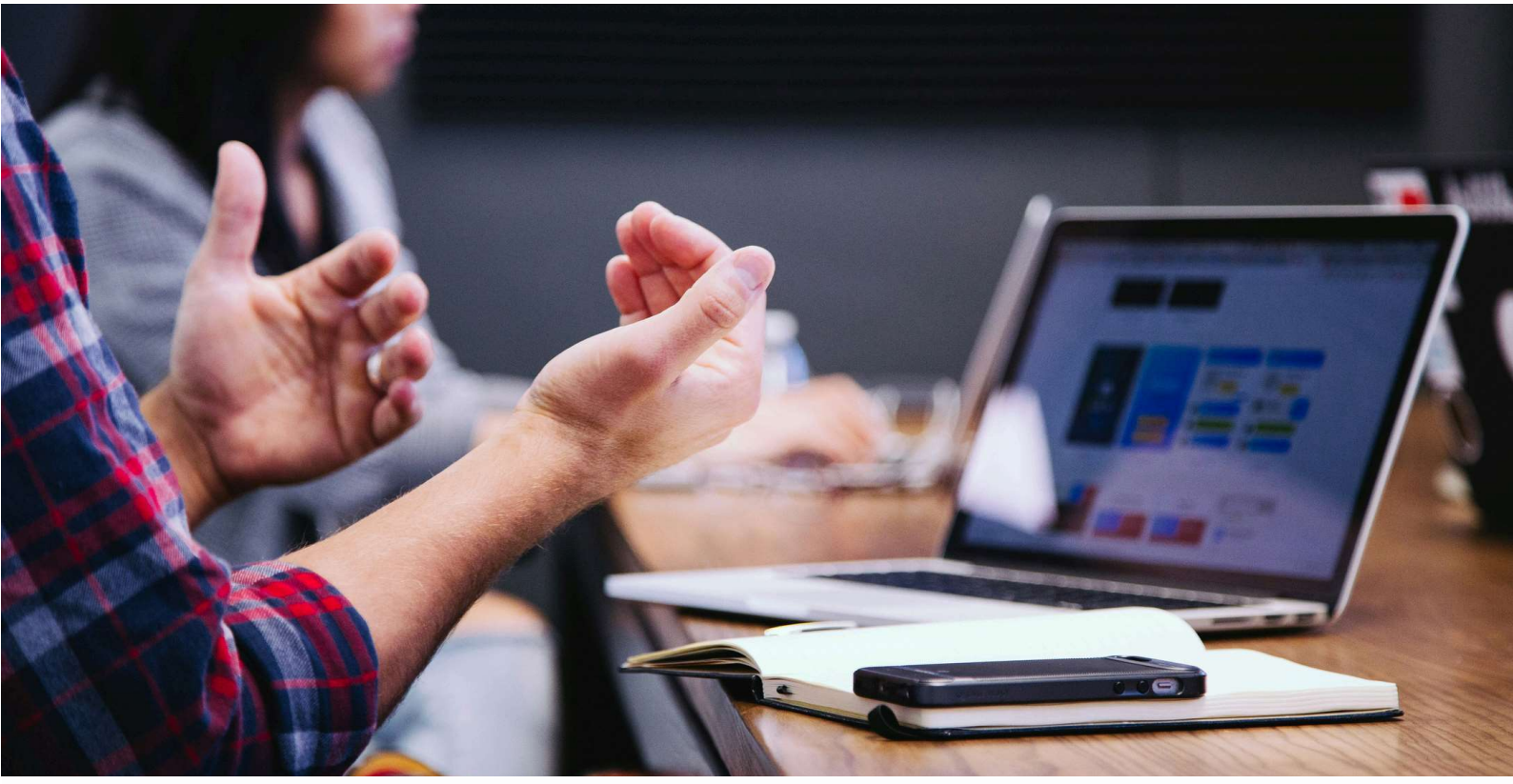
Jo Goodman, senior manager at in the financial inclusion team at Trussell Trust explains why they are AdviceUK members

"Most of our food banks partner with local advice services to support the people who seek their help with emergency food. They offer advice as part of their service because our mission is to no longer need to provide emergency food. Most people who use a food bank do so because they have underlying reasons why – these could be related to being unable to access the social welfare benefits they are entitled to or unmanageable debt. Around 40 of our food banks have decided to provide an advice service themselves and Trussell Trust help them to so do so, in part by being a member of AdviceUK. Our membership means they can access tailored advice, support and guidance; can share good practice e.g. in terms of policy and procedure and, with AdviceUK's specialist support, continuously improve their advice service."

Innovate

This year we have led change that improves people's lives and strengthens community advice by developing new training and working with partners to explore and develop new technology that enables our members to increase their capacity; either to help more clients or to deepen the quality of support they can provide. We have developed and trialled a new trauma-informed training module which will be available for members in the coming year.

Working with our partners at Trustfolio and AdvicePro, this year we have launched their instant access to client credit reports. This service enables advisers to enhance the quality and speed of service they are able to offer clients, saving time and money by removing the administrative burden of gathering clients' financial information.



Our future plans

Looking ahead to the first year of our new strategy, we will be progressing our strategic objectives in the following ways:

Support

our members and, through them, the communities they serve. We will be:



- Launching a new wellbeing and health service benefit for our members who tell us their work can be difficult and stressful.
- Growing our membership, with an initial focus on reaching more advice services in the housing sector.
- Improving our learning and skills support to members and the wider advice sector.

Advocate

for our members and through them, the communities they serve. We will be:



- Influencing funders to secure more funds for members and other advice services.
- Launching a new #AdviceSaves campaign, to raise awareness of our members' vital services and to campaign for more support. This will include the first ever Advice Week.
- Supporting a number of grant programmes, working with members, Scottish Government, London Funders and others.
- Working with members and others to provide solutions to the workforce challenges faced by the advice sector.

Connect

our members with each other and key stakeholders. We will be:



- Developing new peer-to-peer online communities for our members, so they can connect, share and learn together.
- Growing the range of online forums and face-to-face events we provide for members.

Innovate

lead change that improves people's lives and strengthens community advice. We will be:



- Growing our understanding and use of Artificial Intelligence (AI) as a charity.
- Developing AI guidance, support & services for members.
- Continuing to improve and develop the quality of the data we gather from members and potential members.
- Growing our use of personalisation within our communications with members and stakeholders.

Structure, Governance and Management

AdviceUK is a company limited by guarantee and a registered charity. It operates under governing documents last revised in May 2017. We operate as a co-ordination and support network for organisations providing independent social welfare advice and membership is open to any organisation that satisfies the membership criteria decided by the Trustees. We have two types of members – subscriber members who receive information about our work and primarily access of insurance provision and network members who are the principal beneficiaries and users of the Charity. Network Membership is separate from membership of the Charity itself. The members of the Charity are the Trustees who are also directors of the company.

Connected companies

AdviceUK also has a number of subsidiaries and associated companies. "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. AdviceUK owns 100% of the shares. Since 2006 AdviceUK 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 owns 50% of the shares.

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. AdviceUK's charitable activities are focused on enabling people, regardless of means, to access the advice they need in order to exercise their rights and deal with any legal and social welfare problems they may face. Though this is done primarily through support to advice-providing organisations, it is the general public who are our ultimate beneficiaries.

Public Benefit

The Charity's Objects, as defined in its Articles, 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".

Strategy & Plans

The Trustees review AdviceUK's vision and mission periodically (every 3-4 years) in the context of updating their strategy and plans. This year they undertook a full review as part of setting a new three-year rolling strategy to 2027. Each year the management team review the three-year strategy, consider its impact, any changes that may require change and then make recommendations to the Board at its annual Strategy Day. After this the management team develop an annual plan and budget setting out how the strategy will be delivered in the coming financial year for the Board to approve.

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 and include both independent and Network Member, ensuring a balance of skills and perspectives. All new Trustees are offered a personalised programme of induction before joining the Board. Trustees normally serve for terms of three years and may serve more than one term but usually not more than three.

The Board usually meets 6 times per year; quarterly to monitor financial and operational activity and 2 or 3 other occasions during the year to develop and approve plans, review policies and services. A Resources Committee, comprising the Chair and two Vice-Chairs usually meets once or twice annually to review staff terms and conditions and to make recommendations to the Board.

Key management and personnel

The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority from the Board. The scheme is reviewed annually. The Chief Executive may delegate areas of operation to senior managers and, through them, to the wider staff group.

A Senior Leadership Team appointed by the Chief Executive works together to support staff to deliver the Board's approved strategy and annual plan. As at the 31 March 2024 there were 19 staff, comprising 16 employees (13.2 full-time equivalents), 1 secondee and 2 regularly engaged freelancers.

Volunteers

AdviceUK primarily receives volunteer support from its Board of Trustees. A number of members will be involved in aspects of our work, sharing their insight into the development of our work.

Risks and Financial Control

The Trustees have a risk management strategy involving an annual review of the major risks to which the charity is exposed and the approval of systems and actions for managing and mitigating them. A risk register is produced, updated at least annually and reviewed at Board meetings. In 2023, the Board reviewed its risk register and identified no high-level risks affecting the charity and agreed that mitigations were adequate to maintain risks at a medium or low grade. The Board sets annual budgets and requires reporting against them at least quarterly. It monitors all aspects of financial performance and financial management through its quarterly meetings. 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.

Financial Review

The Group

Total Group income during the year was £4,681,133, an increase of £1,405,679 compared with £3,274,454 in the previous year. Total expenditure during the year was £4,350,383 an increase of £1,002,842 compared with £3,347,541 in the previous year. Overall, the Group had a surplus of £475,091 for the year (2023: deficit of £83,400). At 31 March 2024 the Group had unrestricted funds of £2,575,729 (2023: £2,221,579) and restricted funds of £293,459 (2023: £172,518). The Trustees plan to apply most of any annual surpluses to investment in staffing, equipment and product development in order to improve services to members.

The Charity

Total income for the Charity during the year to 31 March 2024 was £4,362,078 an increase of £1,375,942, compared with £2,986,136 in the previous year. Expenditure on governing the Charity increased slightly to £81,652 (2023: £38,462) but remains below 1.8% of total expenditure. The Charity's total unrestricted income during the year was £3,058,967 (2023: £2,700,186). Associated expenditure was £2,787,457 (2023: £2,713,621) Total restricted income during the year was £1,303,111 (2023: £285,950) – most of which was for distribution to members). Associated expenditure was £1,185,823 (2023: £223,772) funded by income during the year. The balance of £293,459 is carried forward for use in 2024-25.

Fundraising

Fundraising activity was restricted to project bids developed by employees. The Charity does not use the services of professional fund-raisers; neither does it have fund-raisers on staff.

Trading

AdviceUK now raises most 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, software and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Articles.

Reserves Policy

The Board has classified tangible assets and investments within its designated funds in order to show more clearly the amount of assets remaining as uncommitted and therefore available as free reserves. In accordance with this policy the Charity's free reserve at the close of the year, stood at £573,199 (2023: £1,081,021). The Board considers the amounts in reserve adequate to cover the levels of business risk inherent in its policies aimed at achieving further growth in its income to enable investment in more capacity to effectively pursue its objects.

Investments Policy

A portion of the charity's reserve has been placed on deposit with the CCLA (Churches, Charities & Local Authorities) fund managers in order to achieve a level of return. Having now substantially increased the funds on deposit with CCLA, the Board has no current plans for further investment. The Board now intends to place amounts not needed for immediate spending on short-term deposit with its principal and/or other bankers in order to achieve at least some level of return.

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

On 28 March 2024 our auditor, SB Audit LLP, merged with Sumer AuditCo Limited. Accordingly, SB Audit LLP resigned as the Company's auditor with the Directors duly appointing Sumer AuditCo Limited to fill the vacancy arising.

Auditors for 2024-25 will be appointed in accordance with section 495 of the Companies Act 2006 at a Board meeting to be held in November 2024.



Trustees' Responsibilities Statement

The Trustees (who are also Directors of AdviceUK for 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 which give a true and fair view of the state of affairs of the Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity'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 Charity'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 26/09/2024
and signed on its behalf by:



Baljit Badesha
Chair

Independent Auditor's Report

to the Trustees and Members of AdviceUK

Opinion

We have audited the financial statements of AdviceUK (the 'Charity') and its subsidiaries (together the 'Group') for the year ended 31 March 2024 which comprises of the Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account), the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 Group's and the Charity's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Charity and Group 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 Group's or the Charity'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 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity's 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; 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 Trustees' report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charity 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 Group and the Charity '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 Group and the Charity or to cease operations, or have no realistic alternative but to do so.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of the Trustees and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Group.

The following laws and regulations were identified as being of significance to the Group:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, HMRC taxation regulations and the Charities Act 2011;

- The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, safeguarding, human rights and employment law and GDPR compliance.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Group complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of Board minutes, testing the appropriateness of entries in the nominal ledger, including journal entries and the performance of analytical procedures to identify any unexpected movements in account balances which may be indicative of fraud.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the Group's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISA's (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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



John Perry, Senior Statutory Auditor

For and on behalf of
Sumer AuditCo Limited, Statutory Auditor

Date: 2 October 2024

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Consolidated Statement of Financial Activities

(including and income and expenditure account)

For the year ended 31 March 2024

	Notes	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	Total Funds 2023
INCOME FROM		**£**	**£**	**£**	**£**
Donations	**3**	414,206	-	414,206	326,049
Charitable activities	**4**	2,938,891	1,303,111	4,242,002	2,941,847
Investments	**5**	9,494	-	9,494	7,558
Share of profits of associate		15,431	-	15,431	-
Total Income		3,378,022	1,303,111	4,681,133	3,275,454
EXPENDITURE ON:					
Raising funds	**6**	10,126	-	10,126	9,389
Charitable activities	**7**	3,154,434	1,185,823	4,340,257	3,175,017
Share of losses of associate		-	-	-	163,135
Total Expenditure		3,164,560	1,185,823	4,350,383	3,347,541
Net gains/(losses) on investments	**13**	144,341	-	144,341	(11,313)
Net (expenditure)/income		357,803	117,288	475,091	(83,400)
Transfer between funds	**19**	(3,653)	3,653	-	-
Net movement in funds	**19**	354,150	120,941	475,091	(83,400)
RECONCILIATION OF FUNDS					
Fund balances brought forward		2,221,579	172,518	2,394,097	2,477,497
Fund balances carried forward		2,575,729	293,459	2,869,188	2,394,097

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 33 to 55 form part of these financial statements.

Consolidated Statement of Financial Activities

(including and income and expenditure account)

Comparitive information for the year ended 31 March 2023

	Notes	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023
INCOME FROM		**£**	**£**	**£**
Donations	**3**	326,049	-	326,049
Charitable activities	**4**	2,655,897	285,950	2,941,847
Investments	**5**	7,558	-	7,558
Total Income		2,989,504	285,950	3,275,454
EXPENDITURE ON:				
Raising funds	**6**	9,389	-	9,389
Charitable activities	**7**	2,951,245	223,772	3,175,017
Share of losses of associate		163,135	-	163,135
Total Expenditure		3,123,769	223,772	3,347,541
Net gains on investments	**13**	(11,313)	-	(11,313)
Net income		(145,578)	62,178	(83,400)
Transfer between funds	**19**	-	-	-
Net movement in funds	**19**	(145,578)	62,178	(83,400)
RECONCILIATION OF FUNDS				
Fund balances brought forward		2,367,157	110,340	2,477,497
Fund balances carried forward		2,221,579	172,518	2,394,097

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities. The notes on pages 33 to 55 form part of these financial statements.

Consolidated and Charity Balance Sheet

(including and income and expenditure account)

For the year ended 31 March 2024

	Notes	Group 2024	Group 2023	Charity 2024	Charity 2023
Fixed assets		**£**	**£**	**£**	**£**
Intangible assets	**11**	21,101	47,887	21,101	47,887
Tangible assets	**12**	8,587	5,122	8,587	5,122
Investments	**13**	1,782,369	822,597	1,297,914	354,573
Total fixed assets		1,812,057	875,606	1,327,602	407,582
Current assets					
Debtors	**14**	1,439,140	1,367,205	1,640,455	1,612,157
Cash at bank and in hand		1,860,004	2,444,762	1,304,527	1,923,075
Total current assets	**22**	3,299,144	3,811,967	2,944,982	3,535,232
Creditors: amounts falling due within one year	**15**	(2,094,388)	(2,243,776)	(2,078,324)	(2,268,026)
Net current assests		1,204,756	1,568,191	866,658	1,267,206
Total assets less current liabilities		3,016,813	2,443,797	2,194,260	1,674,788
Provisions for liabilities	**17**	(147,625)	(49,700)	-	(13,667)
Total net assets		2,869,188	2,394,097	2,194,260	1,661,121
Funds					
Restricted funds	**19**	293,459	172,518	293,459	172,518
Unrestricted funds					
Designated funds	**19**	638,382	831,090	240,793	263,066
General funds	**19**	1,937,347	1,390,489	1,660,008	1,225,537
Total unrestricted funds	**19**	2,575,729	2,221,579	1,900,801	1,488,603
Total Charity funds	**19,20**	2,869,188	2,394,097	2,194,260	1,661,121

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The surplus of the Charity for the year ended 31 March 2024 was £533,140 (2023: £37,430).

Approved and authorised for issue by the Board of Trustees on 26/09/2024 and signed on its behalf.



B Badesha – Director

The notes on pages 33 to 55 form part of these financial statements.

Consolidated Statement of Cashflows

For the year ended 31 March 2024

	Notes	2024	2023
Cash flows from operating activities:		**£**	**£**
Net cash provided by operating activities	**21**	213,415	352,530
Cash flows from investing activities:			
Interest received		9,494	7,558
Purchase of investments		(800,000)	-
Purchase of property, plant and equipment		-	(4,186)
Purchase of computer software		(7,666)	(16,940)
Change in cash and cash equivalents in the year		(584,758)	338,962
Cash and cash equivalents at the beginning of the year		2,444,762	2,105,800
Cash and cash equivalents at the end of the year	**22**	1,860,004	2,444,762

The notes on pages 33 to 55 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

AdviceUK (the "Charity" is a public benefit entity and a private company limited by guarantee, company number 02023982 registered in England and Wales. AdviceUK is also a Charity registered with the Charity Commission (charity registration number 299342). The registered office and its principal place of business is Suite 610, 150 Minories, London EC3N 1LS.

Advice UK operates as a co-ordination and support network for organisations that provide independent social welfare advice to the public.

The Trustees have concluded that the activities of the Charity's subsidiary are not significant in the context of the whole. The Trustees do not believe the Group meets the definition of an insurance Group and therefore the insurance formats and disclosures set out in Schedule 3 of the large and medium size Companies and Groups.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated:

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy notes and 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) - (Charities SORP (FRS 102),the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The financial statements are prepared in round pounds, and the reporting currency is pound sterling
(£).

1.3 Going concern

The financial statements have been prepared a going concern basis.

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Group's and the Charity's ability to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, its Corporate Plan, and its reserves position. Based upon their assessment the Trustees consider that the Charity will be able to continue to meets its liabilities as they fall due and continue to trade for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1.4 Consolidation

The consolidated financial statements incorporate the financial statements of AdviceUK and its wholly owned subsidiaries, VCS Insurance Company Limited and Independent Advice Services Limited on a line-by-line basis using the Group's accounting policies. The subsidiary companies have the same reporting date as Advice UK of 31 March.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Investments in associates have been accounted for under the equity method and included within investments.

The Group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.5 Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

- Training and membership subscription income is deferred when received in advance of the training taking place or the subscription being used. Training income is recognised when the training occurs. Membership subscription income is recognised over the period of the agreement.

- Insurance premium 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). In respect of insurance premium, premiums are earned proportionately over the period of cover. The proportion of premium recovered or receivable on in force contracts that relates to unexpired risks at the balance sheet is treated as unearned and reported as deferred income.

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.6 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.

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. 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. Grants received on behalf of delivery partners are accrued to equate to the percentage of grant income to be distributed.

- Costs of raising 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.

- Claims incurred represent claims and related expenses paid in the year and changes in the provision for outstanding claims including change in the provision for IBNER together with any other adjustments for claims in prior years.

- 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.

1 ACCOUNTING POLICIES (CONTINUED)

1.8 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 subsidiary 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 subsidiary 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 subsidiary company 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 reported ('IBNER') is calculated based on net earned premium less claims paid, less specific reserves by an agreed stepped reducing percentage for each year, 15% in year one, 10% in year two, 5% 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.

1.9 Investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment.

1.10 Investments in associated entities

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Charity's share of the profits or losses, other comprehensive income and equity of the associate after acquisition.

1 ACCOUNTING POLICIES (CONTINUED)

1.11 Investments in securities

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price.

All gains and losses are taken to the Consolidated Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Consolidated Statement of Financial Activities based on the market value at the year end

1.12 Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life which is deemed to be 5 years.

1.13 Tangible 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 improvements Over the lease term on a straight line basis
Computer equipment 33% to 100% Straight line basis
Furniture & equipment 20% Straight line basis

1 ACCOUNTING POLICIES (CONTINUED)

1.14 Cash and cash equivalents

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

1.15 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.

1.16 Financial instruments

The only financial instruments held by Advice UK are debtors, creditors, loans and investments. Investments are referred to in Note 1.9, 1.10 and 1.11 above and, the remaining are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at transaction price less any impairment.

1.17 Pensions

The Group 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 Group, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable during the year.

1 ACCOUNTING POLICIES (CONTINUED)

1.18 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.

2 SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical judgements in applying the Group's policies:
In preparing these financial statements, the Trustees have made the following judgement and estimates:

Money and Pensions Service distribution
During the year and prior year, restricted income in the form of a grant was received from the Money and Pensions Service (MaPS) in relation to the administration of Debt Relief Orders (DRO). Under the agreement with MaPS, Advice UK are required to distribute 90% of the funding to recipients. At the year end, the distribution had not occurred (2023 – not occurred), therefore the Trustees have made a judgement to recognise £36,327 (2023: £148,276) as an expense for the year to reflect the contractual obligation to distribute the funds. These amounts are included in restricted expenditure with the liability included as other creditors in the Balance Sheet.

Technical provisions
Provision is made for the estimated cost of settling all known claims at the balance sheet date of 31 March 2024 of the Charity's subsidiary. Judgement is applied as outlined in the accounting policy, in determining the appropriate level of provision because the actual outcome of the claim can be uncertain until the case is determined and an agreement to settle has been made.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not enough reported (IBNR) at the statement of financial position date. The estimate of IBNER is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the subsidiary company uses estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. Subsequent information and events may result in the ultimate liability being greater or less than the amount provided. The carrying amount for insurance contract liabilities in the Balance Sheet is £147,625 (2023: £36,033).

Format of Financial Statements
The Trustees consider the primary activity of the Group to be that of a charity because the majority of the groups transactions and balances relate to this activity. Therefore the financial statements have not been prepared in accordance with the provisions that relate to insurance groups. The financial statements do include relevant additional disclosures that relate to VCS Insurance Company Ltd including the claims development triangle disclosed in note 17.

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Donations	414,206	-	414,206	326,049

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Member services	2,927,616	-	2,927,616	2,644,639
Policies and campaigns	9,450	-	9,450	9,883
Projects on behalf of members grant income	-	1,303,111	1,303,111	285,950
Other income	1,825	-	1,825	1,375
	2,938,891	1,303,111	4,242,002	2,941,847

5 INVESTMENT INCOME

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Bank interest receivable	9,494	-	9,494	7,558

6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Staff costs	9,893	-	9,893	9,196
Other costs	233	-	233	193
	10,126	-	10,126	9,389

7 EXPENDITURE ON CHARITABLE ACTIVITIES

Year ended 31 March 2024

	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2024 £
Members services	263,333	2,199,008	209,054	2,671,395
Policy and campaigns	185,515	4,419	106,106	296,040
Projects on behalf of members	74,844	1,067,024	43,955	1,185,823
Development	102,824	8,025	76,150	186,999
	626,516	3,278,476	435,265	4,340,257

Year ended 31 March 2023

	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2024 £
Restricted fund expenditure				
Project on behalf of members	74,844	1,067,024	43,955	1,185,823
	626,516	3,278,476	435,265	4,340,257

	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2024 £
Members services	223,227	1,963,404	194,442	2,381,073
Policy and campaigns	187,520	4,590	111,356	303,466
Projects on behalf of members	24,247	183,895	15,630	223,772
Development	135,338	8,218	123,150	266,706
	570,332	2,160,107	444,578	3,175,017
Restricted fund expenditure				
Projects on behalf of members	24,247	183,895	15,630	223,772

7 EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Year ended 31 March 2024

	Staff costs £	Premises £	Governance costs £	Other £	Total Funds 2024 £
Members services	85,068	12,893	81,652	29,441	209,054
Policy and campaigns	59,929	9,083	-	37,094	106,106
Projects on behalf of members	24,178	3,664	-	16,113	43,955
Development	33,216	5,034	-	37,900	76,150
	202,391	30,674	81,652	120,548	435,265

Year ended 31 March 2023

	Staff costs £	Premises £	Governance costs £	Other £	Total Funds 2024 £
Members services	65,790	43,070	38,462	47,120	194,442
Policy and campaigns	55,668	36,444	-	19,244	111,356
Projects on behalf of members	6,748	4,417	-	4,465	15,630
Development	40,486	26,505	-	56,159	123,150
	168,692	110,436	38,462	126,988	444,578

8 NET INCOME FOR THE YEAR

Year ended 31 March 2024

	2024 £	2023 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
Owned by the Charity	4,201	4,768
Loss on disposal of tangible fixed assets	1,000	-
Amortisation of intangible assets	26,786	26,788
Auditor's remuneration		
Audit fees	14,000	14,000
Accountancy fees	1,250	1,100
Tax Services	500	575
Subsidiary auditor's fees	7,544	10,000
Operating leases:		
Lands and buildings	29,125	27,863

9 TAXATION

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.

10 STAFF COSTS

Staff costs were as follows:

Group and Charity		
	2024 £	2023 £
Wages and salaries	651,047	447,036
Social security costs	66,625	46,013
Employer's contribution to defined contribution pension scheme	37,284	25,015
Other employee benefits	83,844	61,464
	838,800	579,528

The number of employees whose emoluments exceeded £60,000 during the year (including taxable benefits but excluding employers' pension contributions) were:

Group and Charity		
	2024	2023
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1

Pension costs paid for employees earning above £60,000 amounted to £9,996 (2022: £9,520). These employees participated in the defined contribution pension scheme.

The average number of employees, during the year was as follows:

Group and Charity		
	2024 £	2023 £
Projects and activities	14	13
Core	2	2

All employees are employed by the Charity.

10 STAFF COSTS (CONTINUED)

Key management personnel

Advice UK considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and the Executive Director. The aggregate remuneration including employer pension contributions of those personnel for services to the Charity and Group, in the year amounted to £200,103 (2023: £165,637). Of these amounts £Nil (2023: £Nil) related to the Trustees.

During the year, travelling and subsistence expenses amounting to £6,927 (2023: £5,878) were reimbursed to Trustees.

11 INTANGIBLE ASSETS

Group and Charity	
Cost	**Computer Software £**
At 1 April 2023	133,699
Additions	-
At 31 March 2024	133,699
Amortisation	**Computer Software £**
At 1 April 2023	85,812
Amortisation charge	26,786
At 31 March 2024	112,598
NBV at 31 March 2024	21,101
NBV at 31 March 2023	47,887

The intangible assets relate to capitalised software development costs. They have been capitalised on the basis the software is used in the design of the CRM system from which the Group generates its income.

12 TANGIBLE ASSETS

Group and Charity				
Cost	**Leasehold Building Improvements £**	**Computer Software £**	**Furniture & Equipment £**	**Total £**
At 1 April 2023	-	28,602	-	28,602
Additions	-	7,666	-	7,666
Disposals	-	(1,143)	-	(1,143)
At 31 March 2024	-	35,125	-	35,125
Depreciation				
At 1 April 2023	-	23,480	-	23,480
Charge for the year	-	4,201	-	4,201
Disposals	-	(1,143)	-	(1,143)
At 31 March 2024	-	26,538	-	26,538
NBV at 31 March 2024	-	8,587	-	8,587
NBV at 31 March 2023	-	5,122	-	5,122

13 FIXED ASSET INVESTMENTS

Charity				
Cost	**Subsidiaries £**	**Associates £**	**Listed Investments £**	**Total £**
At 1 April 2023	101,000	40	253,533	354,573
Additions	-	-	800,000	800,000
Disposals	(1,000)		(1,000)	(1,000)
Net (losses)/gains on change in fair value	-	-	144,341	144,341
At 31 March 2024	100,000	40	1,196,874	1,297,914

As at 31 March 2024 the Charity's subsidiaries were:

	Country of Incorporation	**Activity**	**Proportion of Ordinary Shares Held and voting rights**
VCS Insurance Company Limited (Registered number: GG44303)	Guernsey	Insurance	100%

13 FIXED ASSET INVESTMENTS (CONTINUED)

The Charity holds a 50% shareholding in the Ordinary shares of Advanced Case Management Solutions Limited (Company number: SC392229), a software trading company registered in Scotland.

The Directors of Independent Advice Services Limited (Company number: 03583609) progressed voluntary dissolution of the limited company during the year having settled all debts. The Company was dissolved on 30th January 2024.

Group			
Cost	**Associates £**	**Listed Investments £**	**Total £**
At 1 April 2023	569,064	253,533	822,597
Additions	-	800,000	800,000
Change in fair value	-	144,341	144,341
Share of profit of associate:			
- Operating profit	529,495	-	529,495
- Taxation	(64,064)	-	(64,064)
- Dividend	(450,000)	-	(450,000)
At 31 March 2024	584,495	1,197,874	1,782,369

The financial results of the subsidiaries were:

	Income £	**Expenditure £**	**Surplus/(deficit) for the year £**	**Net assets/ (liabilities) £**
VCS Insurance Company Limited	421,086	473,732	(52,646)	213,841

13 FIXED ASSET INVESTMENTS (CONTINUED)

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2024 was £268,989 (2023: £336,331)

Advice UK results excluding subsidiary companies		
	2024 £	2023 £
Total Income	4,363,079	2,986,136
Total expenditure	(3,974,280)	(2,937,393)
	388,799	48,743
Net gains on investment	144,341	(11,313)
Net income	533,140	37,430
Fund balances brought forward at 1 April 2023	1,661,121	1,623,691
Fund balances carried forward at 31 March 2024	**2,194,261**	**1,661,121**

14 DEBTORS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	524,593	547,225	524,593	546,728
Amounts owed by subsidiary undertakings	-	-	254,198	282,175
Other debtors	77,205	60,252	24,322	23,526
Prepayments and accrued income	837,342	759,728	837,342	759,728
	1,439,140	1,367,205	1,640,455	1,612,157

Included within amounts owed by subsidiary undertakings is a £150,000 (2023: £150,000) unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares and this loan to AdviceUK. A new loan agreement dated the same date was entered into on the same terms. The loan is unsecured and bears interest at 1% over base rate, which is payable annually in arrears. 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.

15 CREDITORS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	32,506	40,224	32,506	40,224
Amounts owed to subsidiary undertakings	-	-	100,000	114,000
Amounts owed to participating interest	316,963	425,221	316,963	425,221
Other taxation and social security	39,515	48,826	39,515	48,826
Other creditors	160,550	246,677	44,486	156,927
Accruals	54,285	62,151	54,285	62,151
Deferred income	1,490,569	1,420,677	1,490,569	1,420,677
	2,094,388	2,243,776	2,078,324	2,268,026

Included within other creditors is an amount of £Nil in respect of outstanding pension contributions (2023: £450).

Included within amounts owed to subsidiary undertakings is a £100,000 unsecured loan from VCS Insurance Company Limited (2023: £100,000). The loan is repayable on demand and bears interest at 0.75% over the base rate per annum payable in arrears and accrued on a daily basis.

16 DEFERRED INCOME

	2024 £	2023 £
At 1 April 2023	1,420,677	1,245,410
Income deferred in the current year	1,490,569	1,420,677
Amounts released from previous years	(1,420,677)	(1,245,410)
At 31 March 2024	1,490,569	1,420,677

Deferred income comprises fees, subscriptions and premiums received in advance of £94,817 and grants received for the next year.

17 PROVISION FOR LIABILITIES

CHARITY		
Dilapidations Provision	**2024 £**	**2023 £**
At 1 April 2023	13,667	-
Expensed in the year	(13,667)	13,667
At 31 March 2024	-	13,667
GROUP		
	2024 £	**2023 £**
Dilapidations Provision		
At 1 April 2023	13,667	-
Expensed in the year	(13,667)	13,667
At 31 March 2024	-	13,667
Technical reserves		
Outstanding claims reserve at 1 April 2016	8,000	44,302
Movement in prior years' claim provisions	(8,000)	(44,302)
Provisions for new claims	117,009	8,000
Outstanding claims reserve at 31 March 2017	117,009	8,000
IBNER reserve	30,616	28,033
Provision for liabilities at 31 March 2024	147,625	49,700

The dilapidation provision is management's best estimate of the potential costs that may be incurred at the end of the property lease to return the property to is original state.

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

17 PROVISION FOR LIABILITIES (CONTINUED)

INSURANCE CLAIMS DEVELOPMENT TRIANGLE						
	2020	**2021**	**2022**	**2023**	**2024**	**Cumulative**
In year of claim (or brought forward)	24,930	14,946	9,070	24,298	90,667	463,925
One year later	202	16,275	25,820	(7,518)		(75,650)
Two years later	(775)	(13,273)	(3,878)	-		(85,027)
Three years later	(9,065)	(4,594)	-	-		(75.686)
Four years later	50,000	-	-	-		50,000
Current estimate of ultimate claims	65,292	13,354	31,012	16,780	90,667	268,962
Cumulative payments	(15,292)	(13,354)	(25,300)	(4,249)	(11,285)	(121.337)
In balance sheet	50,000	-	5,712	12,531	56,013	147,625

18 FINANCIAL RISK MANAGEMENT

The Charity monitors and manages its financial risks relating to insurance contracts. The Group's only assets held for insurance purpose consist of cash held in pound sterling by the its subsidiary undertaking, VCS Insurance Company Limited, therefore there is no currency or market price risk. The Group considers the credit worthiness of the reinsurance underwriter before renewing its policy. The liquidity of the subsidiary is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

19 STATEMENT OF FUNDS – GROUP

	Opening Balance £	Income £	Expenditure £	Net losses on investments and transfers £	Closing Balance £
RESTRICTED FUNDS					
Projects on behalf of members	85,659	331,156	(210,225)	10	206,600
Scotland activities	86,859	971,955	(975,598)	3,643	86,859
Total Restricted funds	172,518	1,303,111	(1,185,823)	3,653	293,459
UNRESTRICTED FUNDS					
General fund	1,490,489	3,378,022	(3,164,560)	146,568	1,850,519
DESIGNATED FUNDS					
Premises fund	-	-	-	-	-
Foundation fund	109,017	-	-	2,049	111,066
Fixed asset fund	622,073	-	-	(7,929)	614,144
Total Unrestricted funds	2,221,579	3,378,022	(3,283,143)	140,688	2,575,729
TOTAL FUNDS	2,394,097	4,681,133	(4,347,383)	144,341	**2,869,188**

19 STATEMENT OF FUNDS – CHARITY

	Opening Balance £	Income £	Expenditure £	Net losses on investments and transfers £	Closing Balance £
RESTRICTED FUNDS					
Projects on behalf of members	85,659	331,156	(210,225)	10	206,600
Scotland activities	86,859	971,955	(975,598)	3,643	86,859
Total Restricted funds	**172,518**	**1,303,111**	**(1,185,823)**	**3,653**	**293,459**
UNRESTRICTED FUNDS					
General fund	1,225,537	3,058,967	(2,787,457)	162,961	1,660,008
DESIGNATED FUNDS					
Premises fund	-	-	-	-	-
Foundation fund	109,017	-	-	2,049	111,066
Fixed asset fund	154,049	-	-	(24,322)	129,727
Total Unrestricted funds	**1,488,603**	**3,058,967**	**(2,787,457)**	**140,688**	**1,900,801**
TOTAL FUNDS	**1,661,121**	4,362,078	(3,973,281)	144,341	2,194,260

Designated funds

The premises fund was maintained to cover the future cost of moving office premises at expiry or surrender of the operating lease. The Charity has moved to a small serviced office at the end of March 2023 where no commitment is required after adopting a hybrid working environment and will continue to do so for a foreseeable future. There is no plan to move to a leased property, therefore, no premises fund is required until further notice and the fund has been transferred into unrestricted general funds.

The Foundation fund is an amount that was designated to make future grants to members.

19 STATEMENT OF FUNDS - (CONTINUED)

The Fixed Asset fund is represented by the tangible fixed assets and unlisted investments used by the Charity on an on-going basis to meet the Charity's objects.

Restricted funds
Restricted funds were used on two categories of activity, Projects on behalf of members and Scotland Activities.

Projects on behalf of members

A grant of £16,726 was received from Aviva for a project to improve the financial wellbeing of households living in an area of high deprivation in Bristol and the dissemination of learning from the project to other independent providers of advice and social welfare support across the UK. The project will work with individuals and households using a systems-thinking approach to understand how current services operate and how they can be redesigned for improved financial capability and inclusion.

A grant of £88,050 was received from the City Bridge Trust, the funding arm of The City of London Corporation's charity. The grant supported AdviceUK to build a partnership with 11 London based AdviceUK members using the Whole Person/Whole Community approach to start to understand the impact of monitoring and evaluation on their ability to do the right thing for their clients.

A grant of £35,255 was received from Money and Pensions Service to support the administration of Debt Relief Orders (DROs) by AdviceUK members employing DRO intermediaries. The ultimate purpose of the grant is to increase the accessibility of DROs as a debt solution for advice centre clients. 90% of the funding is to be distributed to members with the remainder being retained towards AdviceUK's costs.

A grant of £52,850 was received from Trust for London towards the costs of a AQS programme for small groups.

A grant of £133,725 was received from London Legal Support Trust to build Workforce Pathways that strengthens 70 member organisations that serve minority ethnic communities and vulnerable migrants in London.

19 STATEMENT OF FUNDS - (CONTINUED)

Scotland Activities

Advice UK was appointed by the Scottish Government to distribute up to £1,000,000 from the Tackling Child Poverty & Financial wellbeing fund in connection with the provision of the advice in accessible settings programme.

All transfers into restricted funds in the year represent amounts to prevent funds being in deficit at the year end.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP			
	Unrestricted Funds £	**Restricted Funds £**	**Total Funds 2024 £**
Fixed assets	1,812,057	-	1,812,057
Current assets	3,299,144	293,459	3,592,710
Current liabilities	(2,094,388)	-	(2,094,388)
Provision for liabilities	(147,625)	-	(147,625)
	2,869,188	293,566	3,162,754

Charity			
	Unrestricted Funds £	**Restricted Funds £**	**Total Funds 2024 £**
Fixed assets	1,327,602	-	1,327,602
Current assets	2,651,524	293,459	2,944,983
Current liabilities	(2,078,324)	-	(2,078,324)
Provision for liabilities	-	-	-
	1,900,802	293,459	**2,194,261**

21 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
Net income/(expenditure) for the year	475,091	(83,400)
Adjustments for:		
Depreciation charges	4,201	4,768
Amortisation charges	26,786	26,788
Loss on disposal of tangible fixed assets	-	-
(Losses)/Gains on investments	(144,341)	11,313
Share of (profits)/losses of associated undertaking	(15,431)	163,135
Interest from investments	(9,494)	(7,558)
Decrease/(increase) in debtors	(71,935)	9,698
Increase in creditors	(149,387)	222,388
Increase in provision	97,925	5,398
Net cash provided by operating activities	213,415	352,530

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash at bank and in hand	1,860,004	2,444,762
Total cash and cash equivalents	1,860,004	2,444,762

23 ANALYSIS OF NET FUNDS

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash in hand	2,444,762	(584,758)	1,860,004
	2,444,762	(584,758)	1,860,004

24 CAPITAL COMMITMENTS

At the end of the year there were no capital commitments (2023: £Nil).

25 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2024 the Group and the Charity had total future minimum lease payments under non-cancellable operating leases was:

	2024 £	2023 £
Amounts due within one year	29,348	27,863
Amounts due between 1 and 5 years	-	-
Total	29,348	27,863

26 RELATED PARTY TRANSACTIONS

At 31 March 2024 the Group and the Charity had total future minimum lease payments under non-cancellable operating leases was:

Advanced Case Management Solutions Limited

The Charity was charged £1,721,949 (2023 - £1,612,758) for the provision of AdvicePro software and consultancy services by Advanced Case Management Solutions Limited. A balance of £316,963 (2023 - £425,227) was due as at 31 March 2024. A balance of £Nil was owed

No amounts were outstanding (2023 - £Nil) as at 31 March 2024 and included within amounts owed by participating interest.

The Charity received a gift aid donation from Advance Case Management Solutions Limited of £400,000 during the year (2023 - £300,000).

In 2024 the following transactions took place between the Charity and its wholly owned Subsidiaries:

VCS Insurance Company Limited

The Charity received an admin fee of £Nil (2023 - £38,000). In addition to this, commissions were received of £104,198 (2023 - £94,175). The Charity charged interest on loans of £9,064 (2023 - £4,955).

The Charity was charged interest on loans of £5,792 (2023 - £3,053).

At 31 March 2024, £254,198 was owed to the Charity (2022 - £282,175). In addition to this, £100,000 was owed by the Charity (2023 - £114,000)

27 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 provided by a subsidiary company. The Trustees 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.

The Charity participates in a multi-employer defined benefit scheme. It is not possible for the Charity to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, therefore the scheme is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The latest estimate of the liability available is £8,806 for 30 September 2023.

28 POST BALANCE SHEET EVENTS

Since the year end, the Board has agreed additional spending of c£80,000 to support the cost of the organisational change programme being implemented to support its new strategy.

It has also agreed in principle to invest £250,000 in Wyser Ventures Ltd. This will support its members to access the benefit of artificial intelligence (AI) products for their advice services at a discount and, over time, further improve how AI can be used to support advice giving.

29 INSURANCE CAPITAL MANAGEMENT

The objective of the AdviceUK's subsidiary VCS Insurance Company Limited ("the Company") in managing its capital is to ensure that it will be able to continue as a going concern and comply with the regulatory capital requirements of the Guernsey Financial Services Commission, while maximising the return to shareholders. That is achieved through regular monitoring of liquidity to ensure that the company has sufficient liquid assets to meet its requirements and to withstand the risks to which the business is subject.

There were no substantive changes made to the capital base nor the objectives, policies or processes for managing capital from the prior year. The capital requirement of the company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations.

29 INSURANCE CAPITAL MANAGEMENT (CONTINUED)

The company was in compliance with capital requirements imposed by the Guernsey Financial Services Commission throughout the financial year. The table below sets out the statutory minimum and prescribed capital requirements and the company's available capital.

	31-March-24 £	31-March-23 £
Minimum capital requirement	100,000	100,000
Regulatory available capitol resources	340,472	416,487
Solvency cover	340%	417%
	31-March-24 £	**31-March-23 £**
Prescribed capital requirement	100,000	100,000
Regulatory available capitol resources	340,472	416,487
Solvency cover	340%	417%
	31-March-24 £	**31-March-23 £**
Shareholder's funds	190,472	266,487
Subordinated loan	150,000	150,000
Regulatory available capitol resources	340,472	416,487

30 FINANCIAL RISK MANAGEMENT

The activities of VCS insurance Company Limited ("the Company") expose it to a variety of financial instrument risks. The risk management policies employed by the company to manage these risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then to ensure that exposure to risks stays within these limits.

Credit risk

The company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The company's maximum exposure to credit risk is represented by the carrying value of its financial assets, principally being the company's cash and cash equivalents and loan receivable.

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's cash and cash equivalents are invested with Lloyds Bank International Limited in Guernsey, whose parent company, Lloyds Bank plc, is a highly rated institution (rated A-1 by Standard and Poors as at 31 March 2024). The loan receivable is with Advice UK, the parent company is not rated. The directors are of the opinion that should the company request the repayment of the loan the borrower will be able to meet its obligations per the loan agreement. Comfort is given in the form of the borrower's financial position.

The following table shows. For VCS Insurance Company Limited alone, the aggregated credit risk exposure for assets with external credit ratings.

	A-1 2024 £	Not rated 2024 £	Carrying amount 2024 £
Loan receivable	-	100,000	100,000
Loan interest receivable	-	-	-
Insurance receivables	-	18,276	18,276
Short-term investments	250,000	-	250,000
Cash and cash equivalents	305,477	-	305,477
	555,477	118,276	673,753

	A-1 2023 £	Not rated 2023 £	Carrying amount 2023 £
Loan receivable	-	100,000	100,000
Loan interest receivable	-	-	-
Insurance receivables	-	13,759	13,759
Cash and cash equivalents	521,687	-	521,687
	521,687	113,759	635,446

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management framework for the management of the company's liquidity requirements.

The company manages liquidity risk by maintaining banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The company is exposed to liquidity risk arising from its insurance contracts. Liquidity management ensures that the company has sufficient access to funds necessary to cover insurance claims and maturing liabilities. All current liabilities are planned to be settled within the next financial year.

There were no substantive changes in the company's liquidity risk exposure in the financial year nor to the objectives, policies or processes for managing liquidity risk. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Market risk

Market risk comprises interest rate risk, other price risk and currency risk. As the company does not hold any investments, there is no other price risk considered. As the company maintains all its assets and liabilities in Sterling, there is no direct currency risk considered.

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The company's income and operating cash flows are substantially independent of changes in market interest rates and consequently these would not have a significant effect on the results or financial position of the company.

Suite 610, 150 Minories,
London, EC3N 1LS

adviceuk.org.uk

Registered Charity No. 299342

Company Limited by Guarantee No. 02023982

ADVICE UK

England & Wales - Charity number 299342

Accounts

ADVICE UK

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Charity Registration No. 299342

Company No. 02023982

ADVICE UK

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ADVICE UK

REFERENCE AND ADMINISTRATIVE DETAILS
For the year ended 31 March 2023

Trustees	B Badesha V Greenwood J Ipyana H Kendall A Mandalia A Quinn N Sombu (appointed 18 May 2023) N Wayne (resigned 21 July 2022) C White (appointed 18 May 2023)
Chair	B Badesha
Chief Executive	L Bayram
Company Secretary	S Johnson
Company Number	02023982 (England & Wales)
Charity Number	299342
Registered Office	Suite 610 150 Minories London EC3N 1LS
Website	www.adviceuk.org.uk
Auditor	SB Audit LLP Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

The Trustees are pleased to present their Annual Report together with the consolidated financial statements for the year ended 31 March 2023.

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 operates under governing documents last revised in May 2017.

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 its name was 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 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 owns 100% of the shares. **"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 100% 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 owns 50% of the shares.

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 primarily 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. By contrast; an inability to access help and advice when it is needed can result in problems worsening and escalating at increasing cost to the individual and, often, to third parties and to the public purse.

Principal aims
The Charity's Objects, as defined in its Articles, 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. Full reviews occur approximately once every four years with interim reviews annually. A new corporate strategy was adopted in 2014 which recognised insufficient sustainable income (mainly due to declining grant income) as the major threat and obstacle to the Charity being able to effectively pursue its Objects. The new strategy emphasised a policy of raising more income from enterprise activities in order for the Charity to both grow and be financially sustainable and thereby be successful in pursuit of its Objects. This was seen as requiring further development of a business Group around the Charity to complement and provide funds for its work. The strategy identified two guiding policies and five key objectives. A full review of the strategy was most recently carried out in November 2021 which concluded that it was still relevant and appropriate. Annual plans in furtherance of the strategy are made for each financial year and these, in turn, influence 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 for advice organisations became separate from membership of the Charity itself.

Trustee Appointment, Induction and Terms of Office
In accordance with decisions arising from a governance review commenced in 2016, the maximum size of the Board is now 15 to comprise of a blend of independent and Network Member Trustees chosen to achieve an effective balance of skills and perspectives. Most new Trustees will already be familiar with the Charity and its activities and with charitable operations in general. 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 Articles; current 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 and may serve more than one term but usually not more than three.

Governance
The Board usually meets 6 times per year. It meets quarterly to monitor financial and operational activity and on 2 or 3 other occasions during the year to approve a budget and plans; 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 once or 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.

Operations
The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority. The scheme is reviewed annually. The Chief Executive is authorised to act within the delegations defined by the scheme. He/she may delegate areas of operation to senior managers and, through them, to the wider staff group. In relation to those matters within the scheme on which the Board holds decisions to itself (for example, the approval of budgets and plans) it is the prerogative of the Chief Executive to prepare reports and make recommendations for consideration by the Trustees.

Management and Staffing
Operations are led by a Senior Management Team appointed by the Chief Executive. Total staffing at March 2023 was 18, comprising 15 employees (12.2 full-time equivalents), 1 secondee and 2 regularly engaged freelancers. This staffing level is supplemented by reliance on a growing number of freelance and micro-company trainers, consultants and technicians. The overall number of staff fell very significantly between 2009 and 2019 to only about 40% of what it had been in 2008 but in recent years that trend has at last begun to be reversed. Though staff numbers are still a fraction of what they once were, productivity has increased but staff are, nevertheless, still generally overstretched. Greater use of freelancers and contractors does at least mean that the Charity is more able to flex its costs and capacity in response to fluctuating income and commitments.

Key management personnel remuneration
Remuneration of all employees, including senior managers, is reviewed annually by a Committee of Trustees making recommendations to the Board. Non-salary terms and conditions are standard for all employees. Salary levels are reviewed with regard to market rates, inflation and affordability.

Staffing Policies
The Board periodically reviews its personnel policies, procedures, key documents and salaries & staffing structures. A full review occurred during 2021 and revised contracts were issued to all staff in January 2022. A further review was conducted in mid-2022 in light of home-working having become the effective norm during the Covid-19 pandemic and it being adjudged an agreeable success in terms of productivity, costs and staff well-being. That review resulted in staff contracts being revised again in October 2022.

Employee Involvement
Advice UK seeks to fully engage its entire staff in pursuit of its objectives. A framework of management meetings, team meetings, all-staff days, regular online meetings and a policy of openness in communications are aimed at keeping all staff fully informed, engaged, involved and empowered.

Health and Safety
Reviews of activities and risks are carried out by a designated manager who will make proposals for any necessary remedial action. The Chief Executive has overall responsibility for Health & Safety, for evaluation of proposals and for implementation of necessary actions.

Environmental Responsibility
The Charity has sought to follow environmentally responsible practices since 2006 leading to the awarding of a business "Green Mark" which has been renewed at intervals since. Staff members are active in reducing pollution and waste and recycling wherever possible.

Principal Risks and Uncertainties
The Trustees have a risk management strategy involving an annual review of the major risks to which the Charity is exposed and the approval of systems and actions for managing and mitigating them. A risk register is produced, updated at least annually and reviewed at Board meetings. In 2021 the Board also approved a new Risk Appetite Statement clarifying its risk tolerances across six categories of recognised risk and this is also now subject to annual review.

Throughout its history, the Charity has operated at significant risk of not having adequate income to pursue its objectives or even meet its commitments. None of its income sources can be regarded as secure. It has also always been under-staffed relative to the work that it wishes to do. To optimise external impact it has therefore sought to adopt lean, non-bureaucratic and flexible ways of working dependent upon high degrees of delegation. This is acknowledged to be a relatively high risk manner of operation but the known risks are continually monitored and actively managed by senior management and the Board. 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 management 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 sets annual budgets and requires reporting against them at least quarterly. It monitors all aspects of financial performance and financial management through its quarterly meetings. 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.

Review of the Year

Summary

2022-23 was one of the Charity's busiest ever years and one of its most eventful and successful. We were able to respond effectively to challenges affecting its members and conduct business as usual with the benefit of numerous process improvements. There were significant changes in the areas of governance, senior leadership, staff contracts and pay, key operating systems, investments and premises which together provide the Charity with a refreshed platform from which to continue moving forward.

Membership

Despite closures, mergers and non-renewals due to cuts in funding, there are always new members joining AdviceUK. The peak number of Network Members during 2022-23 was at the end of December 2022 when total membership stood at 781 (December 2021: 790).

New members included organisations both large (e.g. housing association advice units) and small (voluntary, community and self-help projects). Some were new organisations illustrating the vibrancy of the voluntary sector in responding to need and emergent gaps in provision. The highest concentration of members continues to be in Greater London where there were 224 member organisations (2021: 232). Distribution of Members across the four home countries was England 598 (607), Wales 32 (29), Scotland 83 (85) and Northern Ireland (passported members of Advice NI) 68 (69).

The profile of Members remained very diverse in terms of types of advice offered and communities served. Members continue to work in some of the poorest locations in the UK serving some of the most vulnerable communities and excluded groups.

Influencing & Engagement

During the year, our Influencing and Engagement team continued to engage with members and other stakeholders in the "PRESS RESET" phase of our campaign to get the Money and Pensions Service (MaPS) to change direction in relation to the central funding of debt advice services. The focus of the work now is on developing alternative proposals as a basis for a sector-wide further stage of the campaign. In August the team published its first Impact Report which referenced the success of the first "PRESS PAUSE" phase of the MaPS campaign and the outcomes of other strands of its work.

At the end of the year, the team was informed of a very successful outcome to one of those strands, namely its engagement with the London Funders group. This led to an application for funding from the group's Propel Robust Safety Net Mission, which aims to explore potential solutions to current workforce challenges in the advice sector.

The Charity has long argued that workforce development in the sector has been neglected over many years, so are excited that our application has resulted in a grant from London Legal Support Trust of £600,000 over three years. The project will support members advising minority ethnic communities and vulnerable migrants in London. The learning and resources generated through this project will also benefit Members in other parts of England, Scotland and Wales.

Almost all of the funding will be spent on covering the costs of Members' participation in the project. None of it will be applied to the Charity's own core recurring budget. This is in keeping with the Charity's policy of seeking grant funding only for its own priorities and, ideally, working together with its Members on projects that channel resources to them.

Following a successful funding distribution by AdviceUK to its members in 2020, the Head of Welfare and Debt Advice Services in the Scottish Government met with members of the Charity's Engagement and Influencing Team early in 2023 to discuss potential further funding for AdviceUK members in Scotland, as they were seeking to expand advice provision in health, education and community settings.

The Charity is administering the Advice in Accessible Settings Fund on behalf of the Scottish Government to its Members and their respective partner organisations. The agreement is between Scottish Government and AdviceUK.

The proposed funding is being offered to resource advice; to help target issues driven by the cost-of-living crisis and to increase the availability of advice in accessible settings in Scotland. The overall amount of funding that will soon be made available for AdviceUK to distribute to members and other advice services in the sector, is £1,000,000 per year over a period of two years starting in July 2023 (The funding for the second year is subject to Budgetary Approval by the Scottish Government).

Products & Services

Learning & Skills
The Learning & Skills Team consolidated the online training offer and its relationships with Crisis, Debt Free London and the Council for Somali Organisations for in-house training. Crisis added more to the qualification numbers for Advice & Guidance as well as the Education and training Award. The Team continued to offer training across a wide geographical spread of members as well as offering more face to face sessions in 2022-23. This was due to member demand for particular courses such as supervision training running in person; there was more in-house face to face training delivered as well.

The team provided 756 training places in the year (2021-22: 636) across both in-house and open courses, and continued to provide more specialist mental health courses due to member demand, working closely with the Influencing & Engagement Team to develop a trauma informed approach to advice skills training. Registrations for qualifications was a steady 95 across the financial year and NVQ support was offered to a strong cohort of advisers in Student Union advice services.

For several years, it has been acknowledged that the Learning & Skills operation would require substantial investment in order to better serve Members' needs and aspirations. Towards the end of the year the Board agreed to the commencement of a preparatory business development

project aimed at fully understanding members' needs and demands in relation to learning & skills and presenting a sound business case for investing to adequately address them. The project is expected to report towards the end of 2023.

Insurance
The insurances operation continued to offer a full range of covers to meet Members' diverse needs. Professional Indemnity insurance (PII) and Trustees, Directors & Officers' insurance continued to be sourced from the Group's insurance subsidiary, VCS Insurance Co. Ltd ("VCS"). VCS made a profit during the year of £44,319 (2021-22: £5,185). There was a 16% increase in earned premiums. Retained surpluses from previous years continued to ensure very healthy liquidity. In every year since formation in 2006 VCS either reduced or froze premiums so helping to reduce a significant element of Members' running costs. After raising premiums for the first time since 2006 by 10% across the board for 2022-23 in response to rising costs and very big increases in market premiums, the VCS Board decided on no further increases for 2023-24. VCS's premiums thus remain very competitive which is likely to continue attracting more customers in the coming year.

AdvicePro
The Charity's software operation, providing the AdvicePro on-line electronic case management system, had another very successful year. The number of organisations using the system is now 654, encompassing 11,083 individual users. Now in its sixth iteration as a product, 'AdvicePro 6', is the most widely used system in the sector. Customer satisfaction continues to be very high and re-investment in development continues apace. The current development focus continues to be on introducing further optional modules in addition

to progressive improvements to the core product. The system offers many advantages to members including better client data security, anytime-anywhere working and improved quality-control. It proved itself indispensable to many customers during Covid-19 pandemic restrictions, enabling continuation of service and seamless transition to home-working. More than 8 million cases are now held on the system with around 90,000 new ones being added each month. The Group's associate company, ACMS Ltd, which develops and supports AdvicePro, had another successful year, reporting a year-end profit before dividends of £407,728 (2022: £535,203).

Systems
Two key milestones in the Charity's ongoing systems-transformation programme were achieved during the year with the integration of both its accounting software and a more capable and automated marketing and communications system with the Charity's Salesforce database system. The accounting integration has further to go with a second phase due to be completed in the coming year. Both have changed how staff work and what they can ultimately deliver. Both represent a huge leap forward for the organisation though there is still a lot further to go.

Alongside the major integrations within our systems transformation programme the Charity completed numerous small digital automations and improvements entirely in-house and introduced systems and procedures for raising, recording, prioritising and implementing tasks. The volume of smaller improvement tasks is now such that, apart from the second phase of the Salesforce / accounting integration, the main focus in 2023 will be on smaller improvements and documenting and consolidating all of the changes made in the last two years.

Governance, Senior Leadership and Staff
The changes relating to governance and senior leadership represented the end of an era for the Charity and were the product of discussions about succession between the Trustees and the Chief Executive, Steve Johnson, dating back to early 2020. The Chief Executive at that time, having been in post for 24 years, indicated that he planned to retire. So he and the Board worked together to develop the transition arrangements needed to support his retirement; the appointment of a new Chair and the recruitment of a number of new Trustees to grow the total size of the Board. In this year, the transition plan was completed.

In July 2022, as planned, Baljit Badesha became Chair of Trustees and Naomi Wayne, the then Chair, retired. Recruitment of a new Chief Executive commenced in the autumn of 2022 and concluded with the appointment of Liz Bayram, an experienced national charity Chief Executive, in late January 2023. Steve Johnson's retirement and her appointment were announced to Members and externally in March. The Board, staff and members of AdviceUK would like to recognise and thank Steve for his long and dedicated service to AdviceUK. Liz took up her post at the start of April 2023 following a thorough handover programme.

Staff contracts were revised and re-issued twice during 2022 - in January 2022 following a full cyclical revision to reflect legislative changes and provide greater clarity and again in October when the Board confirmed that the temporary working arrangements in place since 2020 (including employees' homes being their main place of work) would remain in place for the foreseeable future. Both sets of changes were made with the agreement of all staff. The timetable for the latter changes had been set by the need to make a decision by September 2022 on whether to exercise the break clause in the lease of the current office premises; which would be larger than needed if most staff continued to work from home for most of time.

A review of the effectiveness of home-based working was therefore conducted during summer 2022. It concluded that it had been an agreeable success in terms of productivity, costs and staff well-being. Staff contracts were therefore revised again and notice to break the lease in March 2023 was served on the landlord in August 2022. The review of home-based working was carried out concurrently with a cyclical review of the salaries structure. The last such review had taken place in 2015 and it had since become clear that some re-gradings were necessary to reflect increased market rates or to restore or create appropriate differentials.

The Board pledged that no employee would be worse off as a result of the review. The opportunity was also taken to review the longstanding London weighting allowance since it had been amply demonstrated

that most staff roles do not need to be location specific, which had led to some staff being recruited on that basis and others moving out of London or intending to do so. That element of the review resulted in a new and fairer regional weightings structure (reflecting comparative costs of living across the whole of the UK) being incorporated into the new salaries structure. It is expected that the new structure will help in the recruitment and retention of the best talent in future years.

Three additional employees were recruited during 2022, all of them Member-facing and thereby significantly increasing the Charity's capacity to communicate and engage with our members. The full costs of all three were explicitly under-written for a minimum of two years from reserves as a budgetary precaution. Thankfully, however, the Charity is able to meet the costs from increased net income, thus providing the prospect of further recruitments next year.

New Address
The final major change, which occurred in March 2023, was a move to 150 Minories, Aldgate, a single office room within serviced offices with excellent shared facilities. This move brings to an end, after 25 years, the Charity's history of leased premises proportionate to the size of its staff group; something only possible thanks to digital storage of almost all records and resources and secure connected remote working. The cost savings are substantial but the Charity is conscious that other considerations might yet prompt an expectation of more office-based working or some other costly departure from the recent norm – hence the establishment of the long-term premises reserve.

Reserves
In May 2022, in the course of examining the attendant risks associated with the succession plan and future operations, the Board decided to create four designated reserve funds to hold on deposit as investments with the Churches, Charities & Local Authorities (CCLA) investment managers where they would hopefully grow over time. A general purpose wind-down / business re-direction reserve was established recognising that, in the event of one of the Charity's main income sources suddenly coming under threat, it would likely take at least two years to re-structure its finances so a fund capable of covering core costs and continued service to members for such a period would be required. This fund was established incorporating the existing funds on deposit with CCLA of approx. £240,000.

A new premises reserve was created recognising that, if a return to office-based working were to become imperative, the up-front cost to the Charity of securing premises and having options would be very considerable and it would increase over time. A new investment reserve was created to begin building a long term, potentially income-generating, endowment for the Charity and a Foundation Fund reserve was created to hold existing and expected donations received for the purpose of eventually providing hardship or development grants to members out of income. £200,000 was placed in each of the four funds bringing the total invested with CCLA to more than £1million.

The certainty of these reserves and medium-to-long term provisions means that, for the first time in its existence, the Charity does not need to set aside some or all of any annual surpluses to cover against worst eventualities. If the Charity's unrestricted income can continue to gradually grow (as it has in recent years) all of any surpluses can be applied to investment in additional capacity to deliver on its mission.

Conclusion
Aside from these major changes, there were other positives during the year which, for longer-serving staff and Trustees especially, added to the feeling that the Charity was now making steady incremental progress towards having greater capacity and being more effective.

Though the Charity's improvement programme will be the work of several years and full transition to an independent financial model capable of fully supporting adequate capacity is still a major challenge, the Charity's can already say that we are free from grant dependency and it now has a level of reserved assets that will allow it to prioritise investment.

The Charity can therefore report that, at the end of 2022-23, the Charity is, once again, in a more positive position than in previous years and, with a refreshed Board and a new Chief Executive in place, it looks forward to achieving further progress in pursuit of its objects.

Financial Review

Financial Result

The Group
Total Group income during the year was £3,275,454, an increase of £808 compared with £3,274,646 in the previous year. Total expenditure during the year was £3,347,541, an increase of £453,779 compared with £2,893,762 in the previous year. Overall, the Group had a deficit of £83,400 for the year (2022: surplus of £401,637). At 31 March 2023 the Group had unrestricted funds of £2,221,579 (2022: £2,367,157) and restricted funds of £172,518 (2022: £110,340). The Trustees plan to apply most of any annual surpluses to investment in staffing, equipment and product development in order to improve services to members.

The Charity
Total income for the Charity during the year to 31 March 2023 was £2,986,136, an increase of £149,521, compared with £2,836,615 in the previous year. Expenditure on governing the Charity increased slightly to £38,462 (2022: £28,743) but remains below 1.3% of total expenditure. The Charity's total unrestricted income during the year was £2,700,186 (2022: £2,568,865). Associated expenditure was £2,713,621 (2022: £2,436,909) Total restricted income during the year was £285,950 (2022: £267,750) – most of which was for distribution to members). Associated expenditure was £223,772 (2022: £259,210) funded by income during the year. The balance of £172,518 is carried forward for use in 2023-24.

The Charity's Income Sources
The Charity's income is highly diversified across more than twenty income streams and many hundreds of sources including Members, other advice organisations, grant funders, donors and contractual customers. By far the majority of income now comes from unrestricted sources. Within the total income of £2,986,136 only £285,950 was restricted income in the form of grants for specified activities representing just 9.6% 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 / grant funding does at least serve to underwrite its flexibility and independence.

Fundraising
Fundraising activity was restricted to project bids developed by employees. The Charity does not use the services of professional fund-raisers; neither does it have fund-raisers on staff.

Trading
The Charity now raises most 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, software and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Articles.

Reserves Policy
Since reviewing its reserves policy in 2019, the Board has classified tangible assets and investments within designated funds in order to show more clearly the amount of assets remaining as uncommitted and therefore available as free reserves. In accordance with this policy the Charity's free reserve at the close of the year, stood at £1,081,021 (2022: £1,084,026). In May 2022 the Board carried out a review of business risks on which to base a revised reserves policy. This resulted in decisions to increase the designated funds to be held on deposit as investments. These decisions were implemented in March 2023 and the Board now considers the amounts in reserve adequate to cover the levels of business risk inherent in its policies aimed at achieving further growth in its income to enable investment in more capacity to effectively pursue its objects.

- Total funds that the Charity held at the last year end;
- The mix of unrestricted and restricted funds currently held;
- The mix of immediately liquid funds and those that could only be realised by disposals of assets or investments;
- Emerging and possible calls upon reserves including transfers required to cover completion of any activities that are underfunded by restricted funds;

- Requirements for designated funds within reserves to cover costs of particular risks and future commitments; and
- Any gap between the reserves target and actual reserves and what steps might be necessary to reconcile that gap.

Plans for Future Periods
The Charity's prevailing corporate strategy resulted from a review of the much-altered operating environment affecting the Charity and its Members in the years following 2008-09. The strategy recognises the still 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 guiding policy of raising more income from enterprise activities in order for the Charity to be financially sustainable and independent in pursuit of its Objects. It was recognised that applying this policy was likely to be the work of several years and would involve, among other things, changing the governance model; reviewing and strengthening the Charity's existing primary-purpose trading activities and developing new enterprises to provide value to Members and others. Plans in recent years have prioritised a coherent set of actions in these areas. With a new Chief Executive now in post, the year ahead will provide an opportunity to reflect on progress so far and, at the Board's request, look at the current strategy with fresh eyes. The aim is to move to a three-year rolling business plan that sets out AdviceUK's priorities over that period with an underpinning financial strategy. Both will support the Board to decide where it may want to invest in the future as well as where it may want to change aspects of its current strategy. AdviceUK is in a strong, stable position now and the Board is keen to consider what more the charity can do to grow its income, so it can further improve its benefits and reach more members.

Investments Policy
Historically, aside from seeking to retain a prudent amount in reserves, most of the Charity's funds were required for spending in the short term so there were few funds available for long term investment. In recent years, however, a portion of the reserves has been placed on deposit with the CCLA (Churches, Charities & Local Authorities) fund managers in order to achieve a level of return. Having now substantially increased the funds on deposit with CCLA the Board has no current plans for further investment. The Board now intends to place amounts not needed for immediate spending on short-term deposit with its principal and/or other bankers in order to achieve at least some level of return.

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
Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

Auditors for 2023-24 will be appointed in accordance with section 495 of the Companies Act 2006 at a Board meeting to be held in November 2023.

Trustees' Responsibilities Statement

The Trustees (who are also Directors of AdviceUK for 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 which give a true and fair view of the state of affairs of the Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity'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 Charity'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 20 July 2023 and signed on its behalf by:

Baljit Badesha
Chair

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

Opinion

We have audited the financial statements of Advice UK (the 'Charity') and its subsidiaries (together the 'Group') for the year ended 31 March 2023 which comprises of the Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account), the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 Group's and the Charity's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Charity and Group 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 Group's or the Charity'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 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity's 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; 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 Trustees' report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charity 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 Group and the Charity '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 Group and the Charity or to cease operations, or have no realistic alternative but to do so.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of the Trustees and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Group.

The following laws and regulations were identified as being of significance to the Group:
• Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, taxation regulations and the Charities Act 2011;

• The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, safeguarding, human rights and employment law and GDPR compliance.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Group complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of Board minutes, testing the appropriateness of entries in the nominal ledger, including journal entries and the performance of analytical procedures to identify any unexpected movements in account balances which may be indicative of fraud.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the Group's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAS (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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

Use of our report

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



Adam Smith, Senior Statutory Auditor

For and on behalf of
SB Audit LLP, Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 25 July 2023

ADVICE UK

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

For the year ended 31 March 2023

	Notes	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
		£	£	£	£
INCOME FROM					
Donations	3	326,049	-	326,049	171,014
Charitable activities	4	2,655,897	285,950	2,941,847	2,859,095
Investments	5	7,558	-	7,558	9,334
Share of profits of associate		-	-	-	235,203
Total Income		2,989,504	285,950	3,275,454	3,274,646
EXPENDITURE ON:					
Raising funds	6	9,389	-	9,389	9,357
Charitable activities	7	2,951,245	223,772	3,175,017	2,884,405
Share of losses of associate		163,135	-	163,135	-
Total Expenditure		3,123,769	223,772	3,347,541	2,893,762
Net (losses)/ gains on investments	13	(11,313)	-	(11,313)	20,753
Net (expenditure)/income		(145,578)	62,178	(83,400)	401,637
Transfer between funds	19	-	-	-	-
Net movement in funds	19	(145,578)	62,178	(83,400)	401,637
RECONCILIATION OF FUNDS					
Fund balances brought forward		2,367,157	110,340	2,477,497	2,075,860
Fund balances carried forward		2,221,579	172,518	2,394,097	2,477,497

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 20 to 40 form part of these financial statements.

ADVICE UK

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

For the year ended 31 March 2022

	Notes	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
		£	£	£
INCOME FROM				
Donations	3	171,014	-	171,014
Charitable activities	4	2,591,345	267,750	2,859,095
Investments	5	9,334	-	9,334
Share of profits of associate		235,203	-	235,203
Total Income		3,006,896	267,750	3,274,646
EXPENDITURE ON:				
Raising funds	6	9,357	-	9,357
Charitable activities	7	2,625,195	259,210	2,884,405
Total Expenditure		2,634,552	259,210	2,893,762
Net gains on investments	13	20,753	-	20,753
Net income		393,097	8,540	401,637
Transfer between funds	19	(283)	283	-
Net movement in funds	19	**392,814**	**8,823**	**401,637**
RECONCILIATION OF FUNDS				
Fund balances brought forward		1,974,343	101,517	2,075,860
Fund balances carried forward		2,367,157	110,340	2,477,497

The Consolidated Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 20 to 40 form part of these financial statements.

BALANCE SHEET

As at 31 March 2023

	Notes	Group 2023	Group 2022	Charity 2023	Charity 2022
		£	£	£	£
Fixed assets					
Intangible assets	**11**	47,887	57,735	47,887	57,735
Tangible assets	**12**	5,122	5,704	5,122	5,704
Investments	**13**	822,597	997,045	354,573	365,886
Total fixed assets		875,606	1,060,484	407,582	429,325
Current assets					
Debtors	**14**	1,367,205	1,376,903	1,612,157	1,718,771
Cash at bank and in hand		2,444,762	2,105,800	1,923,075	1,509,817
Total current assets	22	3,811,967	3,482,703	3,535,232	3,228,588
Creditors: amounts falling due within one year	**15**	(2,243,776)	(2,021,388)	(2,268,026)	(2,034,222)
Net current assets		1,568,191	1,461,315	1,267,206	1,194,366
Total assets less current liabilities		2,443,797	2,521,799	1,674,788	1,623,691
Provisions for liabilities	**17**	(49,700)	(44,302)	(13,667)	-
Total net assets		2,394,097	2,477,497	1,661,121	1,623,691
Funds					
Restricted funds	**19**	172,518	110,340	172,518	110,340
Unrestricted funds					
Designated funds	**19**	831,090	1,003,981	263,066	372,821
General funds	**19**	1,390,489	1,363,176	1,225,537	1,140,530
Total unrestricted funds	**19**	2,221,579	2,367,157	1,488,603	1,513,351
Total Charity funds	**19,20**	2,394,097	2,477,497	1,661,121	1,623,691

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The surplus of the Charity for the year ended 31 March 2023 was £37,430 (2022: £161,249).

Approved and authorised for issue by the Board of Trustees on 20 July 2023 and signed on its behalf.



B Badesha – Director

The notes on pages 20 to 40 form part of these financial statements.

ADVICE UK

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 March 2023

	Notes	2023	2022
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	21	352,530	371,595
Cash flows from investing activities:			
Interest received		7,558	9,334
Purchase of property, plant and equipment		(4,186)	(5,527)
Purchase of computer software		(16,940)	(15,205)
Change in cash and cash equivalents in the year		338,962	360,197
Cash and cash equivalents at the beginning of the year		2,105,800	1,745,603
Cash and cash equivalents at the end of the year	22	2,444,762	2,105,800

The notes on pages 20 to 40 form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

Advice UK (the "Charity" is a public benefit entity and a private company limited by guarantee, company number 02023982 registered in England and Wales. Advice UK is also a Charity registered with the Charity Commission (charity registration number 299342). The registered office and its principal place of business is Suite 610,150 Minories, London EC3N 1LS.

Advice UK operates as a co-ordination and support network for organisations that provide independent social welfare advice to the public.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated:

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy notes and 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) - (Charities SORP (FRS 102),the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006.

The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1.3 Going concern

The financial statements have been prepared a going concern basis.

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Group's and the Charity's ability to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, its Corporate Plan, and its reserves position. Based upon their assessment the Trustees consider that the Charity will be able to continue to meets its liabilities as they fall due and continue to trade for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Consolidation

The consolidated financial statements incorporate the financial statements of Advice UK and its wholly owned subsidiaries, VCS Insurance Company Limited and Independent Advice Services Limited on a line-by-line basis using the Group's accounting policies. The subsidiary companies have the same reporting date as Advice UK of 31 March.

Investments in associates have been accounted for under the equity method and included within investments.

The Group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.5 Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

- Training and membership subscription income is deferred when received in advance of the training taking place or the subscription being used. Training income is recognised when the training occurs. Membership subscription income is recognised over the period of the agreement.

- 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, probability of receipt and the amount can be measured with sufficient reliability.

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

1.6 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. 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. Grants received on behalf of delivery partners are accrued to equate to the percentage of grant income to be distributed.

- Costs of raising 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.

1.8 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 subsidiary 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 subsidiary 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 subsidiary company 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, 15% in year one, 10% in year two, 5% 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.

ACCOUNTING POLICIES (CONTINUED)

1.9 Investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment.

1.10 Investments in associated entities

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Charity's share of the profits or losses, other comprehensive income and equity of the associate after acquisition.

1.11 Investments in securities

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price.

All gains and losses are taken to the Consolidated Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Consolidated Statement of Financial Activities based on the market value at the year end.

1.12 Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life which is deemed to be 5 years.

1.13 Tangible 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 improvements	Over the lease term on a straight line basis	
Computer equipment	33% to 100%	Straight line basis
Furniture & equipment	20%	Straight line basis

1.14 Cash and cash equivalents

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

ACCOUNTING POLICIES (CONTINUED)

1.15 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.

1.16 Financial instruments

The only financial instruments held by Advice UK are debtors, creditors, loans and investments. Investments are referred to in Note 1.9, 1.10 and 1.11 above and, the remaining are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at transaction price less any impairment.

1.17 Pensions

The Group 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 Group, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable during the year.

1.18 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.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical judgements in applying the Group's policies:
In preparing these financial statements, the Trustees have made the following judgement and estimates:

Money and Pensions Service distribution
During the year and prior year, restricted income in the form of a grant was received from the Money and Pensions Service (MaPS) in relation to the administration of Debt Relief Orders (DRO). Under the agreement with MaPS, Advice UK are required to distribute 90% of the funding to recipients. At the year end, the distribution had not occurred (2022 – not occurred), therefore the Trustees have made a judgement to recognise £148,276 (2022: £204,975) as an expense for the year to reflect the contractual obligation to distribute the funds. These amounts are included in restricted expenditure with the liability included as other creditors in the Balance Sheet.

Technical provisions
Provision is made for the estimated cost of settling all known claims at the subsidiary balance sheet date. Judgement is applied as outlined in the accounting policy, in determining the appropriate level of provision because the actual outcome of the claim can be uncertain until the case is determined and an agreement to settle has been made.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the subsidiary company uses estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. Subsequent information and events may result in the ultimate liability being greater or less than the amount provided. The carrying amount for insurance contract liabilities in the Balance Sheet is £36,033 (2022: £44,302).

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
	£	£	£	£
Donations	326,049	-	326,049	171,014

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
	£	£	£	£
Member services	2,644,639	-	2,644,639	2,580,393
Policies and campaigns	9,883	-	9,883	10,190
Projects on behalf of members grant income	-	285,950	285,950	267,750
Scotland activities grant income	-	-	-	-
Other income	1,375	-	1,375	762
	2,655,897	285,950	2,941,847	2,859,095

5. INVESTMENT INCOME

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
			£	£
Bank interest receivable	7,558	-	7,558	9,334

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Staff costs	9,196	-	9,196	9,307
Other costs	193	-	193	50
	9,389	-	9,389	9,357

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Year ended 31 March 2023	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2023 £
Members services	223,227	1,963,404	194,442	2,381,073
Policy and campaigns	187,520	4,590	111,356	303,466
Projects on behalf of members	24,247	183,895	15,630	223,772
Development	135,338	8,218	123,150	266,706
	570,332	2,160,107	444,578	3,175,017
Restricted fund expenditure				
Project on behalf of members	24,247	183,895	15,630	223,772

Year ended 31 March 2022	Project and activity staff costs £	Project and activity other costs £	Support costs £	Total Funds 2022 £
Members services	187,591	1,810,204	163,985	2,161,780
Policy and campaigns	142,368	2,260	81,816	226,444
Projects on behalf of members	23,367	221,726	14,117	259,210
Development	114,542	7,588	114,841	236,971
	467,868	2,041,778	374,759	2,884,405
Restricted fund expenditure				
Projects on behalf of members	23,627	221,726	14,117	259,210

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

SUPPORT COSTS

Year ended 31 March 2023	Staff costs	Premises	Governance costs	Other	Total Funds 2023
	£	£	£	£	£
Members services	65,790	43,070	38,462	47,120	194,442
Policy and campaigns	55,668	36,444	-	19,244	111,356
Projects on behalf of members	6,748	4,417	-	4,465	15,630
Development	40,486	26,505	-	56,159	123,150
	168,692	110,436	38,462	126,988	444,578

Year ended 31 March 2022	Staff costs	Premises	Governance costs	Other	Total Funds 2022
	£	£	£	£	£
Members services	62,078	36,177	28,743	36,987	163,985
Policy and campaigns	46,558	27,132	-	8,126	81,816
Projects on behalf of members	7,760	4,522	-	1,835	14,117
Development	38,799	22,610	-	53,432	114,841
	155,195	90,441	28,743	100,380	374,759

8. NET INCOME FOR THE YEAR

This is stated after charging:	2023 £	2022 £
Depreciation of tangible fixed assets:		
- owned by the Charity	4,768	5,790
Loss on disposal of tangible fixed assets	-	655
Amortisation of intangible assets	26,788	23,400
Auditor's remuneration		
- Audit fees	14,000	13,000
- Accountancy fees	1,100	1,030
- Tax Services	575	515
- Subsidiary auditor's fees	10,000	9,800
Operating leases:		
- land and buildings	27,863	66,065

9. TAXATION

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.

10. STAFF COSTS

Staff costs were as follows:

	Group and Charity	
	2023	2022
	£	£
Wages and salaries	447,036	496,139
Social security costs	46,013	48,905
Employer's contribution to defined contribution pension scheme	25,015	29,384
Other employee benefits	61,464	57,943
	579,528	632,371

The number of employees whose emoluments exceeded £60,000 during the year (including taxable benefits but excluding employers' pension contributions) were:

	2023	2022
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

Pension costs paid for employees earning above £60,000 amounted to £9,996 (2022: £9,520). These employees participated in the defined contribution pension scheme.

The average number of employees, during the year was as follows:

	Group & Charity	
	2023	2022
Projects and activities	13	10
Administration	2	2

All employees are employed by the Charity.

Key management personnel
Advice UK considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and the Executive Director. The aggregate remuneration including employer pension contributions of those personnel for services to the Charity and Group, in the year amounted to £165,637 (2022: £168,184). Of these amounts £Nil (2022: £Nil) related to the Trustees.

During the year, travelling and subsistence expenses amounting to £5,878 (2022: £2,777) were reimbursed to Trustees.

11. INTANGIBLE ASSETS

GROUP AND CHARITY

	Computer Software
	£
Cost	
At 1 April 2022	116,759
Additions	16,940
At 31 March 2023	133,699
Amortisation	
At 1 April 2022	59,024
Amortisation charge	26,788
At 31 March 2023	85,812
NBV at 31 March 2023	47,887
NBV at 31 March 2022	57,735

The intangible assets relate to capitalised software development costs. They have been capitalised on the basis the software is used in the design of the CRM system from which the Group generates its income.

12. TANGIBLE ASSETS

GROUP AND CHARITY

	Leasehold Building Improvements	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	66,773	57,888	26,117	150,778
Additions	-	4,186	-	4,186
Disposals	(66,773)	(33,472)	(26,117)	(126,362)
At 31 March 2023	-	28,602	-	28,602
Depreciation				
At 1 April 2022	66,773	52,184	26,117	145,074
Charge for the year	-	4,768	-	4,768
Disposals	(66,773)	(33,472)	(26,117)	(126,362)
At 31 March 2023	-	23,480	-	23,480
NBV at 31 March 2023	-	5,122	-	5,122
NBV at 31 March 2022	-	5,704	-	5,704

13. FIXED ASSET INVESTMENTS

CHARITY

Cost

	Subsidiaries	Associates	Listed Investments	Total
	£	£	£	£
At 1 April 2022	101,000	40	264,846	365,886
Net losses on change in fair value	-	-	(11,313)	(11,313)
At 31 March 2023	101,000	40	253,533	354,573

As at 31 March 2023 the Charity's subsidiaries were:

	Country of Incorporation	Activity	Proportion of Ordinary Shares Held and voting rights
Independent Advice Services Limited (Company number: 03583609)	England and Wales	Non-trading	100%
VCS Insurance Company Limited (Registered number: GG44303)	Guernsey	Insurance	100%

The Charity holds a 50% shareholding in the Ordinary shares of Advanced Case Management Solutions Limited (Company number: SC392229), a software trading company registered in Scotland.

GROUP

Cost

	Associates	Listed Investments	Total
	£	£	£
At 1 April 2022	732,199	264,846	997,045
Change in fair value	-	(11,313)	(11,313)
Share of profit of associate			
- Operating profit	246,508	-	246,508
- Taxation	(9,643)	-	(9,643)
- Dividend	(400,000)	-	(400,000)
At 31 March 2023	569,064	253,533	822,597

13. FIXED ASSET INVESTMENTS (CONTINUED)

The financial results of the subsidiaries were:

	Income	Expenditure	Surplus/(deficit) for the year	Net assets/ (liabilities)
	£	£	£	£
Independent Advice Services Limited	32,666	3,767	28,899	£nil
VCS Insurance Company Limited	405,713	361,393	44,320	266,488

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2023 was £338,127 (2022: £864,397)

Advice UK results excluding subsidiary companies

	2023	2022
	£	£
Total income	2,986,136	2,836,615
Total expenditure	(2,921,503)	(2,696,119)
	48,743	140,496
Net gains on investment	(11,313)	20,753
Net income	37,430	161,249
Fund balances brought forward at 1 April 2022	1,623,691	1,462,442
Fund balances carried forward at 31 March 2023	**1,661,121**	**1,623,691**

14. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	547,225	559,419	546,728	536,623
Amounts owed by subsidiary undertakings	-	-	282,175	393,394
Amounts owed by participating interest	-	1,681	-	1,681
Other debtors	60,252	53,438	23,526	24,708
Prepayments and accrued income	759,728	762,365	759,728	762,365
	1,367,205	1,376,903	1,612,157	1,718,771

Included within amounts owed by subsidiary undertakings is a £150,000 (2022: £150,000) unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares and this loan to Advice UK. A new loan agreement dated the same date was entered into on the same terms. The loan is unsecured and bears interest at 1% over base rate, which is payable annually in arrears. 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.

15. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	40,224	43,696	40,224	43,696
Amounts owed to subsidiary undertakings	-	-	114,000	108,109
Amounts owed to participating interest	425,221	360,678	425,221	360,678
Other taxation and social security	48,826	29,547	48,826	29,547
Other creditors	246,677	302,045	156,927	208,624
Accruals	62,151	40,012	62,151	38,158
Deferred income	1,420,677	1,245,410	1,420,677	1,245,410
	2,243,776	2,021,388	2,268,026	2,034,222

Included within other creditors is an amount of £450 in respect of outstanding pension contributions (2022: £457).

Included within amounts owed to subsidiary undertakings is a £100,000 unsecured loan from VCS Insurance Company Limited (2022: £100,000). The loan is repayable on demand and bears interest at 0.75% over the base rate per annum payable in arrears and accrued on a daily basis.

16. DEFERRED INCOME

	2023	2022
	£	£
At 1 April 2022	1,245,410	1,157,837
Income deferred in the current year	1,420,677	1,245,410
Amounts released from previous years	(1,245,410)	(1,157,837)
At 31 March 2023	1,420,677	1,245,410

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

17. PROVISION FOR LIABILITIES

CHARITY

Dilapidations Provision	2023 £	2022 £
At 1 April 2022	-	-
Expensed in the year	13,667	-
At 31 March 2023	13,667	-

GROUP

Dilapidations Provision	2023 £	2022 £
At 1 April 2022	-	-
Expensed in the year	13,667	-
At 31 March 2023	13,667	-
Technical reserves		
Outstanding claims reserve at 1 April 2022	44,302	30,712
Movement in prior years' claim provisions	(44,302)	(30,712)
Provisions for new claims	8,000	21,070
Outstanding claims reserve at 31 March 2023	8,000	21,070
IBNER reserve	28,033	23,232
Provision for liabilities at 31 March 2023	49,700	44,302

The dilapidation provision is management's best estimate of the potential costs that may be incurred at the end of the property lease to return the property to is original state.

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

17. PROVISION FOR LIABILITIES (CONTINUED)

Insurance claims development triangle

	2019	2020	2021	2022	2023	Cumulative
In year of claim (or brought forward)	28,160	24,930	14,946	9,070	24,298	373,258
One year later	1,061	202	16,275	25,820	-	(68,432)
Two years later	3,487	(775)	(13,273)	-	-	(81,149)
Three years later	1,412	(9,065)	-	-	-	(71,092)
Four years later	(8,300)	-	-	-	-	(8,300)
Current estimate of ultimate claims	25,820	15,292	17,948	34,890	24,298	144,285
Cumulative payments	(25,820)	(15,292)	(13,354)	(23,500)	(4,249)	(108,252)
In balance sheet	-	-	4,594	11,390	20,049	36,033

18. FINANCIAL RISK MANAGEMENT

The Charity monitors and manages its financial risks relating to insurance contracts. The Group's only assets held for insurance purpose consist of cash held in pound sterling by the its subsidiary undertaking, VCS Insurance Company Limited, therefore there is no currency or market price risk. The Group considers the credit worthiness of the reinsurance underwriter before renewing its policy. The liquidity of the subsidiary is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

19. STATEMENT OF FUNDS - GROUP

	Opening Balance	Income	Expenditure	Net losses on investments and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Projects on behalf of members	23,481	285,950	(223,772)	-	85,659
Scotland activities	86,859	-	-	-	86,859
Total Restricted funds	110,340	285,950	(223,772)	-	172,518
UNRESTRICTED FUNDS					
General fund	1,363,176	2,988,830	(3,123,769)	262,252	1,490,489
Designated funds					
Premises fund	100,000	-	-	(100,000)	-
Foundation fund	108,343	674	-	-	109,017
Fixed asset fund	795,638	-	-	(173,565)	622,073
Total Unrestricted funds	2,367,157	2,989,504	(3,123,769)	(11,313)	2,221,579
TOTAL FUNDS	**2,477,497**	**3,275,454**	**(3,347,541)**	**(11,313)**	**2,394,097**

STATEMENT OF FUNDS - CHARITY

	Opening Balance	Income	Expenditure	Net losses on investments and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Projects on behalf of members	23,481	285,950	(223,772)	-	85,659
Scotland activities	86,859	-	-	-	86,859
Total Restricted funds	110,340	285,950	(223,772)	-	172,518
UNRESTRICTED FUNDS					
General fund	1,140,530	2,699,512	(2,713,621)	99,116	1,225,537
Designated funds					
Premises fund	100,000	-	-	(100,000)	-
Foundation fund	108,343	674	-	-	109,017
Fixed asset fund	164,478	-	-	(10,429)	154,049
Total Unrestricted funds	1,513,351	2,700,186	(2,713,621)	(11,313)	1,488,603
TOTAL FUNDS	**1,623,691**	**2,986,136**	**(2,937,393)**	**(11,313)**	**1,661,121**

19. STATEMENT OF FUNDS – (CONTINUED)

Designated funds

The premises fund was maintained to cover the future cost of moving office premises at expiry or surrender of the operating lease. The Charity has moved to a small serviced office at the end of March 2023 where no commitment is required after adopting a hybrid working environment and will continue to do so for a foreseeable future. There is no plan to move to a leased property, therefore, no premises fund is required until further notice and the fund has been transferred into unrestricted general funds.

The Foundation fund is an amount that was designated to make future grants to members.

The Fixed Asset fund is represented by the tangible fixed assets and unlisted investments used by the Charity on an on-going basis to meet the Charity's objects.

Restricted funds
Restricted funds were used on one category categories of activity, Projects on behalf of members.

Projects on behalf of members

A grant of £15,000 was received from Aviva for a project to improve the financial wellbeing of households living in an area of high deprivation in Bristol and the dissemination of learning from the project to other independent providers of advice and social welfare support across the UK. The project will work with individuals and households using a systems-thinking approach to understand how current services operate and how they can be redesigned for improved financial capability and inclusion.

A grant of £106,200 was received from the City Bridge Trust, the funding arm of The City of London Corporation's charity. The grant supported Advice UK to build a partnership with 11 London based Advice UK members using the Whole Person/Whole Community approach to start to understand the impact of monitoring and evaluation on their ability to do the right thing for their clients.

A grant of £164,750 was received from Money and Pensions Service to support the administration of Debt Relief Orders (DROs) by AdviceUK members employing DRO intermediaries. The ultimate purpose of the grant is to increase the accessibility of DROs as a debt solution for advice centre clients. 90% of the funding is to be distributed to members with the remainder being retained towards AdviceUK's costs.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fixed assets	875,606	-	875,606
Current assets	3,639,449	172,518	3,811,967
Current liabilities	(2,243,776)	-	(2,243,776)
Provision for liabilities	(49,700)	-	(49,700)
	2,220,903	173,194	2,394,097

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fixed assets	407,582	-	407,582
Current assets	3,362,714	172,518	3,535,232
Current liabilities	(2,268,026)	-	(2,268,026)
Provision for liabilities	(13,667)	-	(13,667)
	1,488,603	172,518	1,661,121

21. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
Net (expenditure)/income for the year	(83,400)	401,637
Adjustments for:		
Depreciation charges	4,768	5,790
Amortisation charges	26,788	23,400
Loss on disposal of tangible fixed assets	-	655
(Losses)/Gains on investments	11,313	(20,753)
Share of profits of associated undertaking	163,135	(235,203)
Interest from investments	(7,558)	(9,334)
Decrease/(increase) in debtors	9,698	(114,884)
Increase in creditors	222,388	306,697
Increase in provision	5,398	13,590
Net cash provided by operating activities	352,530	371,595

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,444,762	2,105,800
Total cash and cash equivalents	2,444,762	2,105,800

23. ANALYSIS OF NET FUNDS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash in hand	2,105,800	338,962	2,444,762
	2,105,800	338,962	2,444,762

24. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments (2022: £Nil).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the Group and the Charity had total future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	27,863	69,685
Amounts due between 1 and 5 years	-	-
Total	27,863	69,685

26. RELATED PARTY TRANSACTIONS

Advanced Case Management Solutions Limited

The Charity was charged £1,612,758 (2022 - £1,513,066) for the provision of AdvicePro software and consultancy services by Advanced Case Management Solutions Limited. A balance of £425,227 (2022 - £360,678) was due as at 31 March 2023. A balance of £Nil was owed

No amounts were outstanding (2022 - £1,681) as at 31 March 2023 and included within amounts owed by participating interest.

The Charity received a gift aid donation from Advance Case Management Solutions Limited of £300,000 during the year (2022 - £144,000).

In 2023 the following transactions took place between the Charity and its wholly owned Subsidiaries:

VCS Insurance Company Limited

The Charity received an admin fee of £38,000 (2022 - £38,000). In addition to this, commissions were received of £94,175 (2022 - £90,265). The Charity charged interest on loans of £4,955 (2022 - £1,789).

The Charity was charged interest on loans of £3,053 (2022 - £943).

At 31 March 2023, £282,175 was owed to the Charity (2022 - £358,593). In addition to this, £114,000 was owed by the Charity (2022 - £101,793).

Independent Advice Services Limited

The Charity charged interest on loans of £1,900 (2022 - £1,900).

At 31 March 2023, £Nil was owed to the Charity (2022 - £98,700). The Charity recognised a provision in the previous year against this balance reducing the balance recoverable to £34,801 at 31 March 2022. On 31 March 2023, Advice UK waived the loan and the assets of Independent Advice Services Limited were transferred to Advice UK. In addition to this, £Nil was owed by the Charity (2022 - £6,316).

27. 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 provided by a subsidiary company. The Trustees 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.

The Charity participates in a multi-employer defined benefit scheme. It is not possible for the Charity to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, therefore the scheme is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The latest estimate of the liability available is £11,122 for 30 September 2022.

28 POST BALANCE SHEET EVENTS

Since the year end, Advice UK have invested a further £800,000 with CCLA. This amount was committed to at the year end 31 March 2023.

ADVICE UK

England & Wales - Charity number 299342

Accounts

ADVICE UK

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Charity Registration No. 299342

Company No. 02023982

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ADVICE UK

REFERENCE AND ADMINISTRATIVE DETAILS
For the year ended 31 March 2022

Trustees	B Badesha V Greenwood (appointed 25 November 2021) J Ipyana (appointed 15 July 2021) H Kendall J Kennedy (resigned 25 November 2021) A Mandalia (appointed 25 November 2021) A Quinn (appointed 15 July 2021) N Wayne (resigned 21 July 2022)
Chair	B Badesha
Chief Executive and Company Secretary	S Johnson
Company Number	02023982 (England & Wales)
Charity Number	299342
Registered Office	101E, Universal House 88 - 94 Wentworth Street London E1 6LS
Website	www.adviceuk.org.uk
Auditor	Scrutton Bland LLP Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

The Trustees are pleased to present their annual report together with the consolidated financial statements for the year ended 31 March 2022.

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 operates under governing documents last revised in May 2017.

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 / charity name was 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 Limited"** is a private company limited by shares formed in 1998 to facilitate non primary-purpose trading activities. Advice UK owns 100% of the shares. **"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 100% 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 Limited"**, 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. The AdvicePro case management intellectual property rights are owned by the Charity. Advice UK owns 50% of the shares.

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 primarily 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. By contrast; an inability to access help and advice when it is needed can result in problems worsening and escalating at increasing cost to the individual and, often, to third parties and to the public purse.

Principal aims

The Charity's Objects, as defined in its Articles, 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. Full reviews occur approximately once every four years with interim reviews annually. A new corporate strategy was adopted in 2014 recognising insufficiency of sustainable income (mainly due to declining grant income) as the major threat to the Charity being able to effectively pursue its Objects. The new strategy emphasised a policy of raising more income from enterprise activities in order for the Charity to be financially sustainable and successful in pursuit of its Objects. This was seen as requiring the further development of a business group around the Charity to complement and provide funds for its work. The strategy identifies two guiding policies and five key Objects. The strategy was most recently reviewed in November 2021 and deemed to be still relevant and appropriate. Annual plans in furtherance of the strategy are made for each financial year and these, in turn, influence 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 for advice organisations became separate from membership of the Charity itself.

Trustee Appointment, Induction and Terms of Office

In accordance with decisions arising from a governance review commenced in 2016, the maximum size of the Board is now 15 to comprise of a blend of independent and Network Member Trustees chosen to achieve an effective balance of skills and perspectives. Most new Trustees will already be familiar with the Charity and its activities and with charitable operations in general. 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 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 and may serve more than one term but usually not more than three.

Governance

The Board usually meets 6 times per year. It meets quarterly to monitor financial and operational activity and on 2 or 3 other occasions during the year to approve the budget and plans; 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. The Chief Executive also currently serves as the Company Secretary.

Operations
The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority. The scheme is reviewed annually. The Chief Executive is authorised to act within the delegations defined by the scheme. He may delegate areas of operation to senior managers and, through them, to the wider staff group. In relation to those matters within the scheme on which the Board holds decisions to itself, for example the approval of budgets and plans, it is the prerogative of the Chief Executive to prepare reports and make recommendations for consideration by the Trustees.

Management and Staffing
Operations are led by a Senior Management Team appointed by the Chief Executive. Total staffing at March 2022 was 16, comprising 13 employees (10.6 full-time equivalents), 1 secondee and 2 regularly engaged freelancers. This staffing level is supplemented by reliance on a growing number of freelance and micro-company trainers, consultants and technicians. The overall number of staff has fallen significantly in the past decade, now standing at approximately 40% of what it was in 2008. While numbers have decreased, productivity has increased but employees are still generally overstretched. Greater use of freelancers and contractors does at least mean that the Charity is more able to flex its costs and capacity in response to fluctuating income and commitments.

Key management personnel remuneration
Remuneration of all employees, including senior managers, is reviewed annually by a Committee of Trustees making recommendations to the Board. Non-salary terms and conditions are standard for all employees. Salary levels are reviewed with regard to market rates, inflation and affordability.

Staffing Policies
The Board periodically reviews its personnel policies, procedures, key documents and salaries and staffing structures. A full review occurred during 2021 and revised contracts were issued to all staff in January 2022.

Employee Involvement
Advice UK seeks to fully engage its entire staff in pursuit of its Objects. A framework of management meetings, team meetings, all-staff days, regular online meetings and a policy of openness in communications are aimed at keeping all staff fully informed, engaged, involved and empowered.

Health and Safety
Reviews of activities and risks are carried out by a designated manager who will make proposals for any necessary remedial action. The Chief Executive has overall responsibility for Health & Safety, for evaluation of proposals and for implementation of necessary actions.

Environmental Responsibility
The Charity has sought to follow environmentally responsible practices since 2006 leading to the awarding of a business "Green Mark" which has been renewed at intervals since. Staff members are active in reducing pollution and waste and recycling wherever possible.

Principal Risks and Uncertainties
The Trustees have a risk management strategy involving an annual review of the major risks to which the Charity is exposed and the approval of systems and actions for managing and mitigating them. A risk register is produced, updated at least annually and reviewed at Board meetings. In 2021 the Board also approved a new Risk Appetite Statement clarifying its risk tolerances across six categories of recognised risk. The Charity has always operated at significant risk of not having adequate income to meet its commitments and pursue its Objects. 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 senior management and the Board. 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 sets annual budgets and requires reporting against them at least quarterly. It monitors all aspects of financial performance and financial management through its quarterly meetings. 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.

Review of the Year

Summary

Like so many other organisations, we endured in 2021-22; having survived in 2020-21. Fortunately, we endured quite successfully and managed to press on with our planned workstreams as well as respond effectively to issues affecting our members. Staff continued to perform magnificently in the circumstances and productivity continued to improve as we built upon our smooth transition to remote working in the previous year and the benefits of our systems improvements programme. All staff continued to work mostly or entirely from home in what increasingly became our "new normal" working arrangements. By autumn 2021 the Board had agreed a 9 months' trial of ultra-flexible working in order to prepare for a decision in summer 2022 on whether to retain our hardly-used office premises or exercise the break clause in the lease and make alternative plans for the longer term. The trial arrangements proved to be productive and without detriment so the decision was taken in July 2022 to adopt them as the basis for future working and to exercise the break clause in the lease. The current premises will therefore be vacated by the end of March 2023 at the latest and a much smaller central London drop-in facility sought instead.

There were many positives during the year which, for longer-serving staff and Trustees especially, contributed to a feeling that the long years of difficulty after 2008-09 were finally well behind us. These positives were afforded by increasingly sound finances giving confidence and security to our staff and enabling us to continue investing in improvements. The financial surpluses achieved in recent years, built on gradually rising unrestricted income, allowed us to continue thinking of increasing, rather than maintaining or reducing, staff numbers for the first time in many years. Recruitment to three new roles began towards the end of the financial year. These member-facing roles will enable us to increase communications and engagement with members. The Charity was also able to continue, as planned, with its programme of developing and integrating our internal and member-facing systems. This included a complete re-design of our main website with full integration of our members' portal for renewals, bookings and purchases. The Charity combined this with a full Advice UK re-brand including adoption of a new logo. Membership renewals for 2022 via the portal went more smoothly and quickly than ever before while automated reminders meant less work for staff. 15% more renewals were completed within 10 weeks compared with 2021. In the last quarter of the year, plans were finalised and contracts let for the next 2022-23 phases of the improvements programme which will include further work on websites, adoption of a more integrated and automated marketing and communications system and integration of our accounting software with Salesforce. The staff appointments that we made in 2020 and 2021 are enabling us to do a great deal of the work in-house including process changes, automations and reporting enhancements while keeping the overall project approximately on time and on budget.

During 2021 our Influencing and Engagement team, in particular, spent a great deal of time transferring recording of their contacts and activities onto Salesforce in order to enhance their communications, analysis and reporting capabilities in preparation for publishing a first annual Impact Report in 2022. In the autumn of 2021 they needed to step up their engagement with our specialist debt advice members over the long-delayed new contracting proposals announced by the Money and Pensions Service (MaPS). The Charity, most of our members and most other organisations involved in debt advice found the proposals deeply flawed and felt that they would be damaging to the interests of people seeking debt advice. In consultation with our members and others we launched the first "PRESS PAUSE" phase of what we anticipated would be a long campaign to change the proposals. In January 2022, MaPS did indeed pause their proposals and the team embarked on a second "PRESS RESET" phase of the campaign which at the time of writing still continues. They are now working with affected members and other stakeholders to develop alternative proposals which will form the basis of a further phase of the campaign. This will be pursued alongside work with members that we know will be arising from the current cost of living crisis affecting so many families' finances and increasing the demand for advice.

Overall, 2021-22 has been a successful year for the Charity. The Charity responded effectively to challenges affecting its members and conducted business as usual while still working through a programme of planned change that is likely to continue for some years to come. Besides the digital and systems improvements intended to improve productivity and effectiveness, that programme includes governance succession arrangements which were stalled in 2020-21 due to two untimely deaths. Four new Trustees were welcomed onto the Board during the year and in November 2021 a timetable was agreed for a handover of Chairmanship from Naomi Wayne to Baljit Badesha in July 2022. This will be accompanied by further additions to the Board arising from the advertisement of vacancies about to begin now. Our change programme also includes completion of the transition from one financial model to another with a high reliance on earned income and an absence of grant dependency, progress towards greater pro-activity in the way that we develop and offer the Charity's services to members and a more focused and better-resourced approach to influencing public policy in collaboration with our members. We continued to make reasonable progress in all of these areas during 2021-22 but eventual success will be the work of several years not one. Achieving it will require the sound finances that the Charity continues to maintain and gradually build but at the close of 2021-22 the Charity can look forward with some optimism and say that once again, it is in a more positive position than in previous years and better placed to pursue its Objects in what continues to be a challenging environment for the whole of the UK charity sector.

Membership

The Network Membership year runs from January to December. Members join and leave at all points during the year. The peak number of Network Members during 2021-22 was at the end of December 2021 when total membership stood at 790 (31 December 2020: 753). Though we continue to lose some members due to closures, mergers and non-renewals due to cuts in funding, there are always new members joining. New members included organisations both large (e.g. housing association advice units) and small (voluntary, community and self-help projects). Some were new organisations illustrating the vibrancy of the voluntary sector in responding to need and emergent gaps in provision. The highest concentration of members continues to be in Greater London where there were 232 member organisations 31 (December 2020: 229). Distribution of members across the four home countries was England 607 (592), Wales 29 (24), Scotland 85 (68) and Northern Ireland (passported members of Advice NI) 69 (69). The profile of members remained very diverse in terms of types of advice offered and communities served. Members continue to work in some of the poorest locations in the UK serving some of the most vulnerable communities and excluded groups.

Other activities and achievements

Our Learning & Skills operation continued to build the online training offer and develop new relationships, such as with Crisis and the Thomas Pocklington Trust, for qualifications and training. A members' survey in the autumn confirmed satisfaction with the continued online/face-to-face blended training approach. The geographical reach of online learning is obviously far greater than that of face-to-face so we are already serving a broader section of our membership which is very pleasing. The team provided 636 training places in the year (2020-21: 697) across both in-house and open courses. These included more specialist mental health courses as well as a bespoke "Managing under Pressure" course. The number of new registrations for qualifications showed a welcome increase to 120 (2020-21: 75). The new registrants joined more than 200 continuing learners throughout the country (2020-21:150) being supported towards vocational qualifications.

Our insurances operation continued to offer a full range of covers to meet members' diverse needs. Professional Indemnity Insurance (PII) and Trustees, Directors & Officers' insurance continued to be sourced from our own insurance subsidiary, VCS Insurance Company Limited (VCS). VCS made a small profit during the year of £5,185 (2019-20: £11,449). There was a 15% increase in earned premiums. Retained surpluses from previous years continued to ensure very healthy liquidity. In every year since formation in 2006 VCS either reduced or froze premiums so helping to reduce a significant element of members' running costs. In July 2021, it was decided to increase premiums by 10% for 2022-23 in response to rising costs and very big increases in market premiums during the past three years. Our premiums still remain very competitive which is likely to continue attracting more customers in the coming year.

Our software operation, providing the AdvicePro on-line electronic case management system, had another very successful year. The number of organisations using the system is now almost 620, encompassing nearly 10,000 individual users. Now in its sixth iteration as a product, 'AdvicePro 6', is the most widely used system in the sector. Customer satisfaction continues to be very high and re-investment in development continues apace. The development focus is currently on further optional modules in addition to progressive improvements to the core product. The system offers many advantages to members including better client data security, anytime-anywhere working and improved quality-control. It proved itself indispensable to many customers during Covid restrictions, enabling continuation of service and seamless transition to home-working. More than 6 million cases are now held on the system with around 60,000 new ones being added each month. Our associate company, Advanced Case Management Solutions Limited, which develops and supports AdvicePro, had another successful year, reporting a year-end profit of £535,203 (2021: £501,679).

Financial Review

Financial result

The Group

Total Group income during the year was £3,274,646, a decrease of £185,517 compared with £3,460,163 in the previous year. Total expenditure during the year was £2,893,762, a decrease of £209,552 compared with £3,103,314 in the previous year. Overall, the Group had a surplus of £407,720 for the year (2021: £404,966). At 31 March 2022 the Group had unrestricted funds of £2,367,157 (2021 as restated: £1,974,343) and restricted funds of £110,340 (2021: £101,517). The Trustees plan to continue applying some portion of surpluses to investment in staffing, equipment and product development in order to improve services to members.

The Charity

Total income for the Charity during the year to 31 March 2022 was £2,836,615, a decrease of £245,401, compared with £3,082,016 in the previous year. Expenditure on governing the Charity increased slightly to £28,743 (2021: £23,908) but remains below 1.0% of total expenditure. The Charity's total unrestricted income during the year was £2,568,865 (2021 as restated: £2,215,316). Associated expenditure was £2,436,909 (2021: £2,045,616). Total restricted income during the year was £267,750 (2021: £866,700 – most of which was for distribution to members). Associated expenditure was £259,210 (2021: £895,677) funded by income during the year. The balance of £8,540 is carried forward for use in 2022-23.

The Charity's income sources

The Charity's income is highly diversified across more than twenty income streams and many hundreds of sources including members, other advice organisations, grant funders, donors and contractual customers. By far the majority of income now comes from unrestricted sources. Within the total income of £2,836,615 only £267,750 was restricted income in the form of grants for specified activities representing just 9.3% 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 / grant funding does at least serve to underwrite its flexibility and independence.

Fundraising

Fundraising activity was restricted to project bids developed by employees. The Charity does not use the services of professional fund-raisers; neither does it have fund-raisers on staff.

Trading

The Charity now raises most 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, software and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Articles.

Reserves Policy

When reviewing its reserves policy in 2019, the Board of Trustees decided that it would henceforth classify tangible assets and investments within designated funds in order to show more clearly the amount of assets remaining as both liquid and uncommitted and therefore immediately available as free reserves. In accordance with this policy the Charity's free reserve at the close of the year, stood at £1,084,026 (2021 £943,240). This exceeds an amount equivalent to 6 months expenditure on staff and overheads (currently approx. £500,000) which, in recent years, the Board has decided it would be prudent to hold as a free reserve. In November 2020 the Board decided to carry out a review of business risks on which to base a revised reserves policy. This review eventually occurred in May 2022 resulting in decisions to increase the designated funds to be held on deposit as investments. These decisions will be implemented during the remainder of the 2022 calendar year. In the meantime, the Board considers the current free reserve adequate to cover its business risks and support its policies of aiming to achieve at least balanced budgets while investing in capacity to raise income and facilitate growth.

- Total funds that the Charity held at the last year end;
- The mix of unrestricted and restricted funds currently held;
- The mix of immediately liquid funds and those that could only be realised by disposals of assets or investments;
- Emerging and possible calls upon reserves including transfers required to cover completion of any activities that are underfunded by restricted funds;
- Requirements for designated funds within reserves to cover costs of particular risks and future commitments; and
- Any gap between the reserves target and actual reserves and what steps might be necessary to reconcile that gap

Plans for future periods

The Charity's prevailing corporate strategy resulted from a review of the much-altered operating environment affecting the Charity and its Members in the years following 2008-09. The strategy recognises the still 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 guiding policy of raising more income from enterprise activities in order for the Charity to be financially sustainable and independent in pursuit of its Objects. It was recognised that applying this policy was likely to be the work of several years and would involve, among other things, changing the governance model; reviewing and strengthening the Charity's existing primary-purpose trading activities and developing new enterprises to provide value to Members and others. Plans in recent years have prioritised a coherent set of actions in these areas and, for the foreseeable future, annual plans are likely to contain similar priorities consistent with the strategy and the guiding policy.

Investments Policy

Historically, aside from seeking to retain a prudent amount in reserves, most of the Charity's funds were required for spending in the short term so there were few funds available for long term investment. In recent years, however, a portion of the reserves has been placed on deposit with the CCLA (Churches, Charities & Local Authorities) fund managers in order to achieve a level of return. The Board now intends to increase the funds on deposit with CCLA. Shorter term investment options for relatively small amounts have been very limited while both inflation and bank interest rates have been very low but that is changing now that inflation and interest rates are rising. The Board now intends to place amounts not needed for immediate spending on short-term deposit with its principal and/or other bankers in order to achieve at least some level of return.

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 at the date of this report and the insurance provides cover up to £1,000,000 on any one claim.

Appointment of Auditor

The auditor for 2022-23 will be appointed in accordance with section 495 of the Companies Act 2006 at a Board meeting to be held in November 2022.

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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.

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 1st November 2022 and signed on its behalf by:

Steve Johnson

S Johnson
Secretary

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

Opinion

We have audited the financial statements of Advice UK (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprises the Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account), the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 Group's and the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Parent 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 Group's or the Parent 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 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the Parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Trustees' report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Parent 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 Parent 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 Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of the Trustees and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Group.

The following laws and regulations were identified as being of significance to the Group:
• Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, taxation regulations and the Charities Act 2011;

• The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, safeguarding, human rights and employment law and GDPR compliance.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Group complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of entries in the nominal ledger, including journal entries and the performance of analytical procedures to identify any unexpected movements in account balances which may be indicative of fraud.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the Group's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAS (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent 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.



Adam Smith, Senior Statutory Auditor

For and on behalf of
Scrutton Bland LLP, Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 3 November 2022

ADVICE UK

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

For the year ended 31 March 2022

	Notes	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021 (as restated see note 28)
		£	£	£	£
INCOME FROM					
Donations	3	171,014	-	171,014	90,427
Charitable activities	4	2,591,345	267,750	2,859,095	3,155,913
Investments	5	9,334	-	9,334	9,146
Share of profits of associate		235,203	-	235,203	204,677
Total Income		3,006,896	267,750	3,274,646	3,460,163
EXPENDITURE ON:					
Raising funds	6	9,357	-	9,357	17,158
Charitable activities	7	2,625,195	259,210	2,884,405	3,086,156
Total Expenditure		2,634,552	259,210	2,893,762	3,103,314
Net gains on investments	13	20,753	-	20,753	35,796
Net income		393,097	8,540	401,637	392,645
Transfer between funds	19	(283)	283	-	-
Net movement in funds	19	**392,814**	**8,823**	**401,637**	**392,645**
RECONCILIATION OF FUNDS					
Fund balances brought forward		1,974,343	101,517	2,075,860	1,683,215
Fund balances carried forward		2,367,157	110,340	2,477,497	2,075,860

The Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 19 to 40 form part of these financial statements.

ADVICE UK

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

For the year ended 31 March 2021

	Notes	Unrestricted Funds 2021 (as restated see note 28) £	Restricted Funds 2021 £	Total Funds 2021 (as restated see note 28) £
INCOME FROM				
Donations	3	85,427	5,000	90,427
Charitable activities	4	2,294,213	861,700	3,155,913
Investments	5	9,146	-	9,146
Share of profits of associate		204,677	-	204,677
Total Income		2,593,463	866,700	3,460,163
EXPENDITURE ON:				
Raising funds	6	17,158	-	17,158
Charitable activities	7	2,190,479	895,677	3,086,156
Total Expenditure		2,207,637	895,677	3,103,314
Net gains on investments	13	35,796	-	35,796
Net income		421,622	(28,977)	392,645
Transfer between funds	19	(10,794)	10,794	-
Net movement in funds	19	**410,828**	**(18,183)**	**392,645**
RECONCILIATION OF FUNDS				
Fund balances brought forward		1,563,515	119,700	1,683,215
Fund balances carried forward		1,974,343	101,517	2,075,860

The Statement of Financial Activities includes all gains and losses recognised in both the current and prior years. All income and expenditure derive from continuing activities.

The notes on pages 19 to 40 form part of these financial statements.

ADVICE UK

Company No. 02023982

BALANCE SHEET

As at 31 March 2022

	Notes	Group 2022	Group 2021 (as restated see note 28)	Charity 2022	Charity 2021 (as restated see note 28)
		£	£	£	£
Fixed assets					
Intangible assets	11	57,735	65,930	57,735	65,930
Tangible assets	12	5,704	6,622	5,704	6,622
Investments	13	997,045	741,089	365,886	345,133
Total fixed assets		1,060,484	813,641	429,325	417,685
Current assets					
Debtors	14	1,376,903	1,262,019	1,718,771	1,497,083
Cash at bank and in hand		2,105,800	1,745,603	1,509,817	1,303,070
Total current assets		3,482,703	3,007,622	3,228,588	2,800,153
Creditors: amounts falling due within one year	15	(2,021,388)	(1,714,691)	(2,034,222)	(1,755,396)
Net current assets		1,461,315	1,292,931	1,194,366	1,044,757
Total assets less current liabilities		2,521,799	2,106,572	1,623,691	1,462,442
Provisions for liabilities	17	(44,302)	(30,712)	-	-
Total net assets		2,477,497	2,075,860	1,623,691	1,462,442
Funds					
Restricted funds	19	110,340	101,517	110,340	101,517
Unrestricted funds					
Designated funds	19	1,003,981	744,249	372,821	348,293
General funds	19	1,363,176	1,230,094	1,140,530	1,012,632
Total unrestricted funds	19	2,367,157	1,974,343	1,513,351	1,360,925
Total Charity funds	20	2,477,497	2,075,860	1,623,691	1,462,442

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The surplus of the Parent Charity for the year ended 31 March 2022 was £161,249 (2021 as restated: £176,519).

Approved and authorised for issue by the Trustees on 1st November 2022 and signed on its behalf.

B Badesha – Director

The notes on pages 19 to 40 form part of these financial statements.

ADVICE UK

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 March 2022

	Notes	2022	2021
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	21	371,595	569,282
Cash flows from investing activities:			
Interest received		9,334	9,146
Purchase of property, plant and equipment		(5,527)	(5,476)
Purchase of computer software		(15,205)	(13,096)
Change in cash and cash equivalents in the year		360,197	559,856
Cash and cash equivalents at the beginning of the year		1,745,603	1,185,747
Cash and cash equivalents at the end of the year	22	2,105,800	1,745,603

The notes on pages 19 to 40 form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

Advice UK is a public benefit entity and a company limited by guarantee, company number 02023982 registered in England and Wales. Advice UK is also a Charity registered with the Charity Commission (charity registration number 299342). The registered office and its principal place of business is 101E, Universal House, 88 - 94 Wentworth Street, London, E1 6LS.

Advice UK operates as a co-ordination and support network for organisations that provide independent social welfare advice to the public.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated:

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy notes and 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) - (Charities SORP (FRS 102),the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006.

The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1.3 Going concern

The financial statements have been drawn up on a going concern basis.

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Group's and the Charity's ability to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, its Corporate Plan, and its reserves position. For this reason, the going concern basis continues to be adopted in the preparation of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Consolidation

The consolidated financial statements incorporate the financial statements of Advice UK and its wholly owned subsidiaries, VCS Insurance Company Limited and Independent Advice Services Limited on a line-by-line basis using the Group's accounting policies. The subsidiary companies have the same reporting date as Advice UK of 31 March.

Investments in associates have been accounted for under the equity method and included within investments.

The Group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.5 Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

- Training and membership subscription income is deferred when received in advance of the training taking place or the subscription being used. Training income is recognised when the training occurs. Membership subscription income is recognised over the period of the agreement. (see note 28).

- 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, probability of receipt and the amount can be measured with sufficient reliability.

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

1.6 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. 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. Grants received on behalf of delivery partners are accrued to equate to the percentage of grant income to be distributed.

- Costs of raising 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.

1.8 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 subsidiary 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 subsidiary 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 subsidiary company 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, 15% in year one, 10% in year two, 5% 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.

ACCOUNTING POLICIES (CONTINUED)

1.9 Investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment.

1.10 Investments in associated entities

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Charity's share of the profits or losses, other comprehensive income and equity of the associate after acquisition.

1.11 Investments in securities

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

1.12 Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life which is deemed to be 5 years.

1.13 Tangible 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 improvements	Over the lease term on a straight line basis	
Computer equipment	33% to 100%	Straight line basis
Furniture & equipment	20%	Straight line basis

1.14 Cash and cash equivalents

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

ACCOUNTING POLICIES (CONTINUED)

1.15 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.

1.16 Financial instruments

The only financial instruments held by Advice UK are debtors, creditors, loans and investments. Investments are referred to in Note 1.9, 1.10 and 1.11 above and, the remaining are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at transaction price less any impairment.

1.17 Pensions

The Group 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 Group, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable during the year.

1.18 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.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical judgements in applying the Group's policies:
In preparing these financial statements, the Trustees have made the following judgement and estimates:

Money and Pensions Service distribution
During the year and prior year, restricted income in the form of a grant was received from the Money and Pensions Service (MaPS) in relation to the administration of Debt Relief Orders (DRO). Under the agreement with MaPS, Advice UK are required to distribute 90% of the funding to recipients. At the year end, the distribution had not occurred (2021 – not occurred), therefore the Trustees have made a judgement to recognise £204,975 (2021 - £75,600) as an expense for the year to reflect the contractual obligation to distribute the funds. These amounts are included in restricted expenditure with the liability included as other creditors in the balance sheet.

Technical provisions
Provision is made for the estimated cost of settling all known claims at the subsidiary balance sheet date. Judgement is applied as outlined in the accounting policy, in determining the appropriate level of provision because the actual outcome of the claim can be uncertain until the case is determined and an agreement to settle has been made.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the subsidiary company uses estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. Subsequent information and events may result in the ultimate liability being greater or less than the amount provided. The carrying amount for insurance contract liabilities in the Balance Sheet is £44,302 (2021: £30,712).

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£	£
Donations	171,014	-	171,014	90,427

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021 (as restated see note 28)
	£	£	£	£
Member services	2,580,393	-	2,580,393	2,306,038
Policies and campaigns	10,190	-	10,190	9,210
Projects on behalf of members grant income	-	267,750	267,750	140,000
Scotland activities grant income	-	-	-	700,000
Other income	762	-	762	665
	2,591,345	267,750	2,859,095	3,155,913

The restricted funds for Member services relates to a grant received of £nil (2021: £21,700).

5. INVESTMENT INCOME

	Total Funds 2022	Total Funds 2021
	£	£
Bank interest receivable	9,334	9,146

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Staff costs	9,307	-	9,307	17,003
Other costs	50	-	50	155
	9,357	-	9,357	17,158

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Year ended 31 March 2022	Project and activity staff costs	Project and activity other costs	Support costs	Total Funds 2022
	£	£	£	£
Members services	187,591	1,810,204	163,985	2,161,780
Policy and campaigns	142,368	2,260	81,816	226,444
Projects on behalf of members	23,367	221,726	14,117	259,210
Scotland activities	-	-	-	-
Development	114,542	7,588	114,841	236,971
	467,868	2,041,778	374,759	2,884,405
Restricted fund expenditure				
Project on behalf of members	23,627	221,726	14,117	259,210

Year ended 31 March 2021	Project and activity staff costs	Project and activity other costs	Support costs	Total Funds 2021 (as restated see note 28)
	£	£	£	£
Members services	217,713	1,561,567	234,767	2,014,047
Policy and campaigns	118,705	2,687	76,867	198,259
Projects on behalf of members	26,895	85,461	17,986	130,342
Scotland activities	42,407	668,027	33,074	743,508
	405,720	2,317,742	362,694	3,086,156
Restricted fund expenditure				
Members services	11,863	9,897	67	21,827
Projects on behalf of members	26,895	85,461	17,986	130,342
Scotland activities	42,407	668,027	33,074	743,508
	81,164	763,385	51,127	895,677

Included in the Project and activity other costs for Scotland activities, a sum of £nil was paid to 29 separate money advice agencies as part of the Debt Advice Project (2021: £654,502).

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

SUPPORT COSTS

Year ended 31 March 2022	Staff costs	Premises	Governance costs	Other	Total Funds 2022
	£	£	£	£	£
Members services	62,078	36,177	28,743	36,987	163,985
Policy and campaigns	46,558	27,132	-	8,126	81,816
Projects on behalf of members	7,760	4,522	-	1,835	14,117
Scotland activities	-	-	-	-	-
Development	38,799	22,610	-	53,432	114,841
	155,195	90,441	28,743	100,380	374,759

Year ended 31 March 2021	Staff costs	Premises	Governance costs	Other	Total Funds 2021
	£	£	£	£	£
Members services	90,326	46,036	23,908	74,497	234,767
Policy and campaigns	48,508	24,723	-	3,636	76,867
Projects on behalf of members	11,709	5,968	-	309	17,986
Scotland activities	16,727	8,525	-	7,822	33,074
	167,270	85,252	23,908	86,264	362,694

8. NET INCOME FOR THE YEAR

This is stated after charging:	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the Charity	5,790	5,112
Loss on disposal of tangible fixed assets	655	-
Amortisation of intangible assets	23,400	17,932
Auditor's remuneration		
- Audit fees	13,000	12,700
- Accountancy fees	1,030	1,000
- Other services	515	500
- Subsidiary auditor's fees	9,800	7,950
Operating leases:		
- land and buildings	66,065	62,445

9. TAXATION

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.

10. STAFF COSTS

Staff costs were as follows:

	Group and Charity	
	2022	2021
	£	£
Wages and salaries	496,139	455,162
Social security costs	48,905	45,774
Employer's contribution to defined contribution pension scheme	29,384	27,641
Other employee benefits	57,943	61,413
	632,371	589,990

The number of employees whose emoluments exceeded £60,000 during the year (including taxable benefits but excluding employers' pension contributions) were:

	2022	2021
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

Pension costs paid for employees earning above £60,000 amounted to £9,520 (2021: £9,426). These employees participated in the defined contribution pension scheme.

The average number of employees, during the year was as follows:

	Group & Charity	
	2022	2021
Projects and activities	10	10
Administration	2	2

All employees are employed by the Charity.

Key management personnel
Advice UK considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and the Executive Director. The aggregate remuneration including employer pension contributions of those personnel for services to the Charity and Group, in the year amounted to £168,184 (2021: £166,519). Of these amounts £nil (2021: £Nil) related to the Trustees.

During the year, travelling and subsistence expenses amounting to £2,777 (2021: £458) and training expenses of £nil (2021: £50) were incurred by the trustees.

11. INTANGIBLE ASSETS

GROUP AND CHARITY

	Computer Software
	£
Cost	
At 1 April 2021	101,554
Additions	15,205
At 31 March 2022	116,759
Amortisation	
At 1 April 2021	35,624
Amortisation charge	23,400
At 31 March 2022	59,024
NBV at 31 March 2022	57,735
NBV at 31 March 2021	65,930

The intangible assets relate to capitalised software development costs. They have been capitalised on the basis the software is used in the design of the CRM system from which the Group generates its income.

12. TANGIBLE ASSETS

GROUP AND CHARITY

	Leasehold Building Improvements	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£
Cost				
At 1 April 2021	66,773	53,246	26,117	146,136
Additions	-	5,527	-	5,527
Disposals	-	(885)	-	(885)
At 31 March 2022	66,773	57,888	26,117	150,778
Depreciation				
At 1 April 2021	66,773	46,700	26,041	139,514
Charge for the year	-	5,714	76	5,790
Disposals	-	(230)	-	(230)
At 31 March 2022	66,773	52,184	26,117	145,074
NBV at 31 March 2022	-	5,704	-	5,704
NBV at 31 March 2021	-	6,546	76	6,622

13. FIXED ASSET INVESTMENTS

CHARITY

Cost

	Subsidiaries	Associates	Listed Investments	Total
	£	£	£	£
At 1 April 2021	101,000	40	244,093	345,133
Net gains	-	-	20,753	20,753
At 31 March 2022	101,000	40	264,846	365,886

As at 31 March 2022 the Charity's subsidiaries were:

	Country of Incorporation	Activity	Proportion of Ordinary Shares Held and voting rights
Independent Advice Services Limited (Company number: 03583609)	England and Wales	Non-trading	100%
VCS Insurance Company Limited (Registered number: GG44303)	Guernsey	Insurance	100%

The Charity holds a 50% shareholding in the Ordinary shares of Advanced Case Management Solutions Limited (Company number: SC392229), a software trading company registered in Scotland.

The Charity also holds 111 shares (1.3% shareholding) of £1 each in Change Account Limited (Company number: 08425566), a prepaid card trading company registered in England and Wales.

GROUP

Cost

	Associates	Listed Investments	Total
	£	£	£
At 1 April 2021	496,996	244,093	741,089
Change in fair value	-	20,753	20,753
Share of profit of associate			
- Operating profit	588,325	-	588,325
- Taxation	(53,122)	-	(53,122)
- Dividend	(300,000)	-	(300,000)
At 31 March 2022	732,199	264,846	997,045

13. FIXED ASSET INVESTMENTS (CONTINUED)

The financial results of the subsidiaries were:

	Income	Expenditure	Surplus/(deficit) for the year	Net assets/ (liabilities)
	£	£	£	£
Independent Advice Services Limited	1,750	5,554	(3,804)	(63,899)
VCS Insurance Company Limited	333,975	328,790	5,185	222,168

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2022 was £864,397 (2021: £708,317)

Advice UK results excluding subsidiary companies

	2022	2021 (as restated see note 28)
	£	£
Total income	2,836,615	3,082,016
Total expenditure	(2,696,119)	(2,941,293)
	140,496	140,723
Net gains on investment	20,753	35,796
Net income	161,249	176,519
Fund balances brought forward at 1 April 2021	1,462,442	1,285,923
Fund balances carried forward at 31 March 2022	**1,623,691**	**1,462,442**

14. DEBTORS

	Group		Charity	
	2022	2021 (as restated see note 28)	2022	2021 (as restated see note 28)
	£	£	£	£
Trade debtors	559,419	454,145	536,623	443,175
Amounts owed by subsidiary undertakings	-	-	393,394	265,344
Amounts owed by participating interest	1,681	92,400	1,681	92,400
Other debtors	53,438	43,563	24,708	24,253
Prepayments and accrued income	762,365	671,911	762,365	671,911
	1,376,903	1,262,019	1,718,771	1,497,083

Included within amounts owed by subsidiary undertakings is a £150,000 (2021: £150,000) unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares and this loan to Advice UK. A new loan agreement dated the same date was entered into on the same terms. The loan is unsecured and bears interest at 1% over base rate, which is payable annually in arrears on or before the year end date of 31 March 2022. 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.

15. CREDITORS

	Group		Charity	
	2022	2021 (as restated see note 28)	2022	2021 (as restated see note 28)
	£	£	£	£
Trade creditors	43,696	14,258	43,696	14,258
Amounts owed to subsidiary undertakings	-	-	108,109	107,166
Amounts owed to participating interest	360,678	294,224	360,678	294,224
Other taxation and social security	29,547	57,007	29,547	57,007
Other creditors	302,045	147,215	208,624	80,754
Accruals	40,012	44,150	38,158	44,150
Deferred income	1,245,410	1,157,837	1,245,410	1,157,837
	2,021,388	1,714,691	2,034,222	1,755,396

Included within other creditors is an amount of £457 in respect of outstanding pension contributions (2021: £452).

Included within amounts owed to subsidiary undertakings is a £100,000 unsecured loan from VCS Insurance Company Limited (2021: £100,000). 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

	2022	2021 (as restated see note 28)
	£	£
At 1 April 2021	1,157,837	719,834
Income deferred in the current year	1,245,410	1,157,837
Amounts released from previous years	(1,157,837)	(719,834)
At 31 March 2022	1,245,410	1,157,837

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

17. PROVISION FOR LIABILITIES

GROUP ONLY

Technical reserves	2022 £	2021 £
Outstanding claims reserve at 1 April 2021	30,712	20,750
Movement in prior years' claim provisions	(30,712)	(20,750)
Provisions for new claims	21,070	13,000
Outstanding claims reserve at 31 March 2022	21,070	13,000
IBNER reserve	23,232	17,712
	44,302	30,712

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

Insurance claims development triangle

	2018	2019	2020	2021	2022	Cumulative
In year of claim (or brought forward)	48,905	28,160	24,930	14,946	9,070	348,960
One year later	(43,915)	1,061	202	16,275	-	(94,252)
Two years later	(2,301)	3,487	(775)	-	-	(67,876)
Three years later	(2,355)	1,412	-	-	-	(62,027)
Current estimate of ultimate claims	344	34,120	24,357	31,221	9,070	124,805
Cumulative payments	(334)	(25,820)	(15,292)	(13,354)	-	(80,503)
In balance sheet	**-**	**8,300**	**9,065**	**17,867**	**9,070**	**44,302**

18. FINANCIAL RISK MANAGEMENT

The Charity monitors and manages its financial risks relating to insurance contracts. The Group's only assets held for insurance purpose consist of cash held in pound sterling by the its subsidiary undertaking, VCS Insurance Company Limited, therefore there is no currency or market price risk. The Group considers the credit worthiness of the reinsurance underwriter before renewing its policy. The liquidity of the subsidiary is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

19. STATEMENT OF FUNDS - GROUP

	Opening Balance (as restated see note 28)	Income	Expenditure	Gains, losses and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Members services	-				
Projects on behalf of members	14,658	267,750	(259,210)	283	23,481
Scotland activities	86,859	-	-	-	86,859
Total Restricted funds	101,517	267,750	(259,210)	283	110,340
UNRESTRICTED FUNDS					
General fund	1,230,094	3,006,587	(2,634,552)	(238,953)	1,363,176
Designated funds					
Premises fund	66,667	-	-	33,333	100,000
Foundation fund	108,034	309	-	-	108,343
Fixed asset fund	569,548	-	-	226,090	795,638
Total Unrestricted funds	1,974,343	3,006,896	(2,634,552)	20,470	2,367,157
TOTAL FUNDS	**2,075,860**	**3,274,646**	**(2,893,762)**	**20,753**	**2,477,497**

STATEMENT OF FUNDS - CHARITY

	Opening Balance (as restated see note 28)	Income	Expenditure	Gains, losses and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Members services	-				
Projects on behalf of members	14,658	267,750	(259,210)	283	23,481
Scotland activities	86,859	-	-	-	86,859
Total Restricted funds	101,517	267,750	(259,210)	283	110,340
UNRESTRICTED FUNDS					
General fund	1,012,632	2,568,556	(2,436,909)	(3,749)	1,140,530
Designated funds					
Premises fund	66,667	-	-	33,333	100,000
Foundation fund	108,034	309	-	-	108,343
Fixed asset fund	173,592	-	-	(9,114)	164,478
Total Unrestricted funds	1,360,925	2,568,865	(2,436,909)	20,470	1,513,351
TOTAL FUNDS	**1,462,442**	**2,836,615**	**(2,696,119)**	**20,753**	**1,623,691**

19. STATEMENT OF FUNDS – (CONTINUED)

Designated funds
The premises fund is maintained to cover the future cost of moving office premises at expiry or surrender of the current lease. The cost of moving is estimated to be approx. £100,000. The earliest point at which the lease could end is in two years' time (March 2023). It is therefore intended to increase the fund by £33,333 in each year to meet the estimate and then, if not used, maintain it at the cumulative level until at least expiry of the lease in 2025.

The Foundation fund is an amount that had been designated in the prior year to make future grants to members.

The Fixed Asset fund is represented by the tangible fixed assets and unlisted investments used by the Charity on an on-going basis to meet the Charity's objects.

Restricted funds
Restricted funds were used on one category categories of activity, Projects on behalf of members.

Projects on behalf of members

A grant of £15,000 was received from Aviva for a project to improve the financial wellbeing of households living in an area of high deprivation in Bristol and the dissemination of learning from the project to other independent providers of advice and social welfare support across the UK. The project will work with individuals and households using a systems-thinking approach to understand how current services operate and how they can be redesigned for improved financial capability and inclusion.

A grant of £25,000 was received from the Cornerstone Fund through the City Bridge Trust as a stage 1 grant to scope the possibility of a larger Stage 2 piece of work. The grant supported Advice UK to build a partnership with 11 London based Advice UK members using the Whole Person/Whole Community approach to start to understand the impact of monitoring and evaluation on their ability to do the right thing for their clients.

A grant of £227,750 was received from Money and Pensions Service to support the administration of Debt Relief Orders (DROs) by AdviceUK members employing DRO intermediaries. The ultimate purpose of the grant is to increase the accessibility of DROs as a debt solution for advice centre clients. 90% of the funding is to be distributed to members with the remainder being retained towards AdviceUK's costs.

All transfers into restricted funds in the year represent amounts to prevent funds being in deficit at the year end.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fixed assets	1,060,484	-	1,060,484
Current assets	3,372,363	110,340	3,482,703
Current liabilities	(2,021,388)	-	(2,021,388)
Provision for liabilities	(44,302)	-	(44,302)
	2,367,157	110,340	2,477,497

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fixed assets	429,325	-	429,325
Current assets	3,118,248	110,340	3,228,588
Current liabilities	(2,034,222)	-	(2,034,222)
	1,513,351	110,340	1,623,691

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021 (as restated see note 28)
Net income for the year	401,637	392,645
Adjustments for:		
Depreciation charges	5,790	5,112
Amortisation charges	23,400	17,932
Loss on disposal of tangible fixed assets	655	-
Gains on investments	(20,753)	(35,796)
Share of profits of associated undertaking	(235,203)	(204,677)
Interest from investments	(9,334)	(9,146)
Increase in debtors	(114,884)	(320,406)
Increase in creditors	306,697	713,656
Increase in provision	13,590	9,962
Net cash provided by operating activities	371,595	569,282

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	2,105,800	1,745,603
Total cash and cash equivalents	2,105,800	1,745,603

23. ANALYSIS OF NET FUNDS

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash in hand	1,745,603	360,197	2,105,800
	1,745,603	360,197	2,105,800

24. CAPITAL COMMITMENTS

At the end of the year there were capital commitments of £nil for which full provision has not been made in these financial statements (2021: £9,254).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Group and the Charity had total future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	69,685	66,065
Amounts due between 1 and 5 years	-	69,685
Total	69,685	135,750

26. RELATED PARTY TRANSACTIONS

Advanced Case Management Solutions Limited

The Charity was charged £1,513,066 (2021 - £1,400,206) for the provision of AdvicePro software and consultancy services by Advanced Case Management Solutions Limited. A balance of £360,678 (2021 - £294,224) was due as at 31 March 2022.

The Charity received a management fee from Advanced Case Management Solutions Limited, of £nil (2021 - £66,000) during the year. £1,681 (2021 - £79,200) was outstanding as at 31 March 2022 and included within amounts owed by participating interest.

The Charity received a gift aid donation from Advance Case Management Solutions Limited of £144,000 during the year (2021 - £84,000).

In 2022 the following transactions took place between the Charity and its wholly owned Subsidiaries:

VCS Insurance Company Limited

The Charity received an admin fee of £38,000 (2021 - £38,000). In addition to this, commissions were received of £90,265 (2021 - £76,889). The Charity charged interest on loans of £1,789 (2021 - £1,650).

The Charity purchased £nil during the period (2021 - £nil). The Charity was charged interest on loans of £943 (2021 - £850).

At 31 March 2022, £358,593 was owed to the Charity (2021 - £228,539). In addition to this, £101,793 was owed by the Charity (2021 - £100,850).

Independent Advice Services Limited

The Charity charged interest on loans of £1,900 (2021 - £1,900).

At 31 March 2022, £98,700 was owed to the Charity (2021 - £96,900). The Charity has recognised a provision against this balance reducing the balance recoverable to £34,801 (2021 - £36,805). In addition to this, £6,316 was owed by the Charity (2021 - £6,316).

27. 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 provided by a subsidiary company. The Trustees 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.

The Charity participates in a multi-employer defined benefit scheme. It is not possible for the Charity to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, therefore the scheme is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The latest estimate of the liability available is £15,996 for 30 September 2021.

28. PRIOR YEAR ADJUSTMENT

During the year the Charity reviewed the accounting policy relating to the recognition of income arising from membership subscriptions and determined that in prior years it had not been recognised in accordance with FRS 102. In prior years the income and associated costs had been recognised fully at the start of the contract with the customer, whereas UK accounting standards required that the income is recognised across the term of the subscription. Accordingly, the comparatives have been restated for this material error. The restatement has resulted in prepayments as at 31 March 2021 increasing by £610,825, deferred income as at 31 March 2021 increasing by £699,052, opening unrestricted reserves as at 1 April 2020 decreasing by £75,906, income for the year ended 31 March 2021 decreasing by £133,425 and expenditure for the same period decreasing by £121,104. These financial statement impacts were the same for the Charity and the Group.

ADVICE UK

England & Wales - Charity number 299342

Accounts

ADVICE UK

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration No. 299342

Company No. 02023982

ADVICE UK

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ADVICE UK

REFERENCE AND ADMINISTRATIVE DETAILS
For the year ended 31 March 2021

Trustees

S Azimi (until 06.01.2021)
A Bearn (resigned 20.10.2020)
B Badesha
H Kendall
D Mulling (resigned 12.10.2020)
J Kennedy
W Palmer (resigned 11.11.2020)
N Wayne
P Whittle (resigned 31.07.2020)
J Ipyana (appointed 15.07.2021)
A Quinn (appointed 15.07.2021)

Chair	N Wayne
Chief Executive and Company Secretary	S Johnson
Company Number	02023982 (England & Wales)
Charity Number	0299342
Registered Office	101E, Universal House 88 - 94 Wentworth Street London E1 6LS
Website	www.adviceuk.org.uk
Auditors	Scrutton Bland LLP Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

The trustees are pleased to present their annual report together with the consolidated financial statements for the year ending 31 March 2021.

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 operates under governing documents last revised in May 2017.

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 was 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 owns 100% of the shares. **"VCS Insurance Company Limited"** based in Guernsey, is a private company limited by shares formed by AdviceUK in 2006 as a specialist insurer (underwriter) for organisations working in and with the voluntary and community sector. Advice UK owns 100% of the shares. Since forming the company, Advice UK has sourced some of the insurances that 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 owns 50% of the shares and this is treated as an associate.

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 primarily 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. By contrast; an inability to access help and advice when it is needed can result in problems worsening and escalating at increasing cost to the individual and, often, to third parties and to the public purse.

Principal aims
The Charity's Objects, as defined in its Articles, 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. Full reviews occur approximately once every four years with interim reviews annually. A new corporate strategy was adopted in 2014 recognising insufficiency of sustainable income (mainly due to declining grant income) as the major threat to the Charity being effective in pursuit of its Objects. The new strategy emphasised a policy of raising more income from enterprise activities in order for the Charity to be financially sustainable and successful 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 two guiding policies and five key objectives. The strategy was reviewed in November 2018 and deemed to be still relevant and appropriate. Annual plans in furtherance of the strategy are made for each financial year and these, in turn, influence 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 for advice organisations became separate from membership of the Charity itself.

Trustee Appointment, Induction and Terms of Office
In accordance with decisions arising from a governance review commenced in 2016, the maximum size of the Board is now 15 to comprise of a blend of independent and Network Member Trustees chosen to achieve an effective balance of skills and perspectives. Most new Trustees will already be familiar with the Charity and its activities and with charitable operations in general. 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 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 and may serve more than one term but usually not more than three.

Governance
The Board usually meets 6 times per year. It meets quarterly to monitor financial and operational activity and 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. The Chief Executive also currently serves as the Company Secretary.

Operations
The Chief Executive is responsible for the Charity's operations through a scheme of delegated authority. The scheme is reviewed annually. The Chief Executive is authorised to act within the delegations defined by the scheme. He/she may delegate areas of operation to senior managers and, through them, to the wider staff group. In relation to those matters within the scheme on which the Board holds decisions to itself, for example the approval of budgets and plans, the Chief Executive will prepare reports and make recommendations for consideration by the Trustees.

Management and Staffing
Operations are led by a Senior Management Team comprising the Chief Executive and the Executive Director. Total staffing at March 2021 was 15, comprising 12 employees (10.8 full-time equivalents), 1 secondee and 2 regularly engaged freelancers. This staffing level is supplemented by reliance on a growing number of freelance and micro-company trainers, consultants and technicians. The overall number of staff has fallen significantly in the past decade, now standing at approximately 40% of what it was in 2008. While numbers have decreased, productivity has increased but employees are still generally overstretched. Greater use of freelancers and contractors does at least mean that the Charity is more able to flex its costs and capacity in response to fluctuating income and commitments.

Key management personnel remuneration
Senior management remuneration is reviewed annually, in the same way as remuneration of all other employees, by a Committee of Trustees making recommendations to the Board. Non-salary terms and conditions are standard for all employees. Salary levels are reviewed with regard to market rates, inflation and affordability.

Staffing Policies
The Board periodically reviews its personnel policies and procedures, including current salary levels and the salary structure.

Employee Involvement
Advice UK seeks to fully engage its entire staff in pursuit of its objectives. An information and communication policy sets out the organisation's values and the routine communication methods which include management meetings, all-staff events, team meetings and internal e-mails.

Health and Safety
Reviews of activities and risks are carried out by a designated manager who will make proposals for any necessary remedial action. The Chief Executive has overall responsibility for Health & Safety, for evaluation of proposals and for implementation of necessary actions.

Environmental Responsibility
The Charity has sought to follow environmentally responsible practices since 2006 leading to the awarding of a business "Green Mark" which has been renewed at intervals since. Staff members are active in reducing pollution and waste and recycling wherever possible.

Principal Risks and Uncertainties
The Trustees have a risk management strategy involving an annual review of the major risks to which the Charity is exposed and the approval of systems and actions for managing and mitigating them. A risk register is produced, updated at least annually and reviewed at each Board meeting. 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.

Review of the Year

Summary

The year under review has, of course, been a year like no other due to measures in response to the Covid 19 pandemic. All staff have been working from home for the whole of the year following closure of the AdviceUK office on 17th March 2020 at the commencement of the first "lock-down". At the time of writing (June 2021), the lifting of all Covid restrictions has just been delayed for a further few weeks and we, like so many other organisations, are not anticipating a return to office working until the autumn. During the past fifteen months our working patterns and arrangements have changed so significantly and, for the most part, so successfully that when we do return to using our premises it will be in ways that are different from before. The details of our particular "new normal" working arrangements have yet to be decided. They will take account of changed practices and expectations all around us but they will mostly be determined by the accelerated shifts in our capabilities that have occurred in the past year, by the requirements of our beneficiaries and by the preferences of our staff – who have performed magnificently in changed circumstances. They have remained buoyant throughout and their "can-do" attitude has been exemplary. They have looked on difficulties as opportunities, turned problems into improvements and generally done whatever it took to get things done. Productivity has not dipped but increased. This has more than borne out our belief that capable, motivated people will not just embrace but shape change and drive improvements in a system that authorises them to do so. Underpinned by the digital developments we have continued to implement during the year, we expect that whatever "new normal" arrangements we decide upon will deliver further improvements.

Our smooth transition to remote working last year was partly enabled by having the necessary infrastructure already in place and some experience of using it. Crucially, it was also afforded by sound finances, built over several years, enabling us to guarantee security to our staff beyond one year, no matter what the impact on our income might be as a result of the pandemic. None of our staff were furloughed, enabling us to proceed with planned developments as well as respond to the effects of Covid restrictions on our members' activities – which were much more significant for them than for us. Many of our members' finances were severely affected by government restrictions, especially among those reliant on contract income tied to volumes of people being seen. Many faced immediate cash-flow crises and a high risk of closure. This being most acute amongst casework agencies of all types, it threatened to permanently injure the whole of the advice sector. Commendably, a co-ordinated effort by relevant foundations and other funders, supported by government, raised several millions of pounds in emergency funding which then had to be distributed. The major part of our work during the year, all unplanned, then became engagement with funders, influencing proposed grants schemes, gathering data on members' needs, advocacy on behalf of our members, support to members around funding sources and applications and, in Scotland, becoming a grant-making organisation for the first time as the most efficient means of getting supplementary funding to front-line agencies. Working at high intensity, we hit every deadline we committed to. To achieve all of this we needed to engage temporary freelance capacity for which we received some supplementary funding. This, plus grant funds received for distribution and little effect on our main income streams as a result of Covid meant that our overall income actually increased compared with the previous year. This may turn out to be a temporary 'blip' or it might continue if we are a preferred distribution route for additional funding to support responses to the expected tsunami of demand for advice once the Treasury's household income and business support packages and debt recovery and housing eviction restrictions come to an end. The important achievement of the past year, though, is that most of the advice sector remains intact, ready to try to meet that challenge when it comes and we have played our part in that. We have done so alongside the planned work of continuing to digitise, integrate and develop our internal and member-facing systems. We set on two additional staff during the year, as planned, to progress that project. It remains on-time and broadly on-budget and has delivered the expected benefits to date. One of these is an online booking system for training courses and events which were the areas of our 'business as usual' activities that were most affected by Covid restrictions. The shift to online provision has effectively been accelerated thanks to the sterling efforts of both staff and freelance trainers, who are to be commended. Take-up is currently

increasing with online already being the preferred booking channel. The next phase of the project, running into 2022, is currently being planned.

Overall, although 2020-21 has been the strangest of years, we can say that we managed to meet every challenge we could conceivably have met while continuing with business as usual *and* working through a programme of planned change that is likely to continue for some years to come. That programme includes governance succession arrangements which is an area in which we suffered two tragic set-backs occasioned by the deaths of two highly respected and much loved individuals. Firstly Kathryn Burgess, a former trustee who was due to return to the Board as Chair in November but who died very suddenly a few days before she was due to take office. Secondly, serving trustee Simin Azimi, who died unexpectedly on 6th January. Both are sadly missed and still deeply mourned by the many scores of people in the advice sector who knew them. Their deaths prompted renewed attempts to recruit additional trustees which resulted in the selection of four candidates for appointment in the current financial year. Our change programme also includes the challenging transition from one financial model to another with a high reliance on earned income and an absence of grant dependency; movement towards greater pro-activity in the way that we develop and offer our services to members and a more focused and better-resourced approach to public policy work aimed at engaging with members to influence decisions in those spheres which affect advice provision and the need and demand for advice. We made reasonable progress in all of these areas during 2020-21 but eventual success will be the work of several years not one. Achieving it will require the sound finances that we continue to maintain and gradually build. We can thereby look forward to making further progress in years to come. At the close of 2020-21 the Charity was, once again, in a more positive position than in previous years and better placed than many to pursue its objects in what continues to be a challenging environment for the whole of the UK charity sector.

Membership

The Network Membership year runs from January to December. Members join and leave at all points during the year. The peak number of Network Members during 2020-21 was at the end of December 2020 when total membership stood at 753 (December 2019: 743). Though we continue to lose some members due to closures, mergers and non-renewals due to cuts in funding, there are always new members joining. New members included organisations both large (e.g. housing association advice units) and small (voluntary, community and self-help projects). Some were new organisations illustrating the vibrancy of the voluntary sector in responding to need and emergent gaps in provision. The highest concentration of members continues to be in Greater London where there were 229 organisations (December 2019: 220). Distribution of members across the four home countries was England 592 (590), Wales 24 (22), Scotland 68 (60) and Northern Ireland 69 (71). The profile of members remained very diverse in terms of types of advice offered and communities served. Members continue to work in some of the poorest locations in the UK serving some of the most vulnerable communities and excluded groups.

Other activities and achievements

Our Learning & Skills operation experienced a year of severe disruption due to Covid following two successive years of difficulties due to a down-turn in demand for training which appeared to be cyclically related to downward pressure on members' budgets. The team, nevertheless, provided 697 training course places in the year (2019-20 742; 2018-19 842), by accelerating the conversion of course contents to make them suitable for online delivery. The number of new registrations for qualifications was 75 (2019-20 60; 2018-19 395). This signalled the beginnings of a recovery from a dip in 2019 due to a partnership with another national charity coming to an end. The new registrants joined more than 150 continuing learners throughout the country (2019-20 150) being supported towards vocational qualifications.

Our insurances operation continued to offer a full range of covers to meet members' diverse needs. Professional Indemnity insurance (PII) and Trustees, Directors & Officers' insurance continued to be sourced from our own insurance subsidiary, VCS Insurance Co. Ltd. VCS made a small profit during the year of £11,449 (2019-20 a loss of £13,835). There was a 13% increase in the number of customers. Retained surpluses from previous years continued to ensure very healthy liquidity. In every year since formation VCS has been able to reduce or freeze premiums so helping to reduce a significant element of members' running costs. This is likely to attract more customers in the coming year since market premiums for PII have increased sharply during the past two years.

Our software operation, providing the AdvicePro online electronic case management system, had another very successful year. The number of organisations using the system now exceeds 550, encompassing more than 7,000 individual users. It is now the most widely used system in the sector. Customer satisfaction continues to be excellent. Re-investment in development of the product also continues apace. The sixth iteration of the product, 'AdvicePro 6', has now been rolled-out to all existing customers. The system offers many advantages to members including better client data security, anytime-anywhere working and improved quality-control. It proved itself indispensable to many customers during Covid restrictions, enabling continuation of service and seamless transition to home-working. More than 5.5 million cases are now held on the system with around 60,000 new ones being added each month. A significant data set is being accumulated so that the strategic goal of consistent data reporting across our membership is coming into view. Our associate company, ACMS Ltd, which develops and supports AdvicePro, had another successful year, reporting a year-end profit before dividends of £499,353 (2020 £322,503).

Financial Review

Financial result

The Group
Total group income during the year was £3,593,588, an increase of £1,016,755 compared with £2,576,833 in the previous year. Total expenditure during the year was £3,224,418, an increase of £891,391 compared with £2,333,027 in the previous year. Overall, the group had a surplus of £404,966 for the year (2020: £233,491). At 31 March 2021 the group had unrestricted funds of £2,062,570 (2020: £1,759,421) and restricted funds of £101,517 (2020: £119,700). The Directors plan to continue applying some portion of surpluses to investment in staffing, equipment and product development in order to improve services to members.

The Charity
Total income for the Charity during the year to 31 March 2021 was £3,215,441, an increase of £951,245, compared with £2,264,196 in the previous year. Expenditure on governing the Charity increased slightly to £23,908 (2020: £22,194) but remains below 0.8% of total expenditure. The Charity's total unrestricted income during the year was £2,348,741. Associated expenditure was £2,166,720. Total restricted income during the year was £866,700 (2020: £141,400). Associated expenditure was £895,677 funded by income during the year and a balance of £119,700 brought forward. The balance of £101,517 is carried forward for use in 2021-22.

The Charity's income sources
The Charity's income is highly diversified across more than twenty income streams and many hundreds of sources including members, other advice organisations, grant funders, donors and contractual customers. By far the majority of income now comes from unrestricted sources. Within the total income of £3,215,441 only £866,700 was restricted income in the form of grants for specified activities representing just 27.0% 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 consisted of project bids developed by employees as part of their wider duties. The charity does not use the services of professional fund-raisers; neither does it have specialist fund-raisers on staff.

Trading
The Charity now raises most 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, software and insurances) to the intended beneficiaries of the Charity in accordance with the objects of the Charity set out in the Articles.

Reserves Policy
The Board of Trustees reviewed its reserves policy in November 2019 and decided that it would henceforth classify tangible assets and investments within designated funds in order to show more clearly the amount of assets remaining as both liquid and uncommitted and therefore immediately available as free reserves. In accordance with this policy the Charity's free reserve at the close of the year, stood at £1,100,859 (2020: £918,832). This exceeds an amount equivalent to 6 months expenditure on staff and overheads (currently approx. £400,000) which, in recent years, the Board has decided it would be prudent to hold as a free reserve. In November 2019 the Board decided to carry out a review of business risks in 2020 to arrive at a detailed statement on the basis of which a new free reserve target would be set. Other priorities in 2020, and to date, meant that the review did not occur. It is now likely to be undertaken in 2022 with the benefit of reflection on all that has happened in 2020-21. While the free reserves that were in place prior to the pandemic proved adequate to meet the ensuing challenges, it might easily have been otherwise. The review might conclude that changes to the current policy are required. In the meantime, the policy of aiming to achieve at least balanced budgets in order to build reserves while not precluding investment in capacity to raise income or facilitate growth will continue to apply. In advance of the full business risks review, there will be the usual annual review of the reserves position in November 2021. This will have regard to a range of factors including:

- Total funds that the Charity held at the last year end;
- The mix of unrestricted and restricted funds currently held;
- The mix of immediately liquid funds and those that could only be realised by disposals of assets or investments
- Emerging and possible calls upon reserves including transfers required to cover completion of any activities that are underfunded by restricted funds;
- Requirements for designated funds within reserves to cover costs of particular risks and future commitments
- Any gap between the reserves target and actual reserves and what steps might be necessary to reconcile that gap

Plans for future periods

The Charity's prevailing corporate strategy resulted from a review of the much-altered operating environment affecting the Charity and its Members and having reached a number of conclusions. The strategy recognises the still 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 guiding policy of raising more income from enterprise activities in order for the Charity to be financially sustainable and independent in pursuit of its Objects. It was recognised that applying this policy was likely to be the work of several years and would involve, among other things, changing the governance model; reviewing and strengthening the Charity's existing primary-purpose trading activities and developing new enterprises to provide value to Members and others. Each Annual Plan in recent years has prioritised a coherent set of actions in these areas and, for the foreseeable future, annual plans are likely to contain similar priorities consistent with the strategy and the guiding policy.

Investments Policy

Historically, aside from seeking to retain a prudent amount in reserves, most of the charity's funds were required for spending in the short term so there were few funds available for long term investment. In recent years, however, a portion of the reserves has been placed on deposit with the CCLA (Churches, Charities & Local Authorities) fund managers. Short term investment options for relatively small amounts are very limited at the present time and the Board considers that the return on balances obtained from its principal bankers are the best that can be obtained in the circumstances.

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

Scrutton Bland were re-appointed as auditors in accordance with section 495 of the Companies Act 2006 at a Board meeting held in January 2021. This was for a three-year term spanning 2020-21, 2021-22 and 2022-23.

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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 14 October 2021 and signed on its behalf by:

Steve Johnson

S Johnson
Secretary

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

Opinion

We have audited the financial statements of Advice UK (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprises the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Group's or the parent 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 Annual Report, other than the financial statements and our Auditors' 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 trustees' 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' report and from the requirement to prepare a Group strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of Trustees and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the company.

The following laws and regulations were identified as being of significance to the company:
• Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, taxation regulations and the Charities Act 2011;

• The charitable company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, safeguarding, human rights and employment law and GDPR compliance.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of entries in the nominal ledger, including journal entries and the performance of analytical procedures to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAS (UK).

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

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

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.

Scrutton Bland LLP

Sharon Gravener, Senior Statutory Auditor

For and on behalf of
Scrutton Bland LLP, Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 29 October 2021

ADVICE UK

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

For the year ended 31 March 2021

	Note	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Restated Total Funds 2020
		£	£	£	£
INCOME FROM					
Donations	3	85,427	5,000	90,427	85,908
Charitable activities	4	2,427,638	861,700	3,289,338	2,312,442
Investments	5	9,146	-	9,146	8,231
Share of profits of associate		204,677	-	204,677	170,252
Total Income		2,726,888	866,700	3,593,588	2,576,833
EXPENDITURE ON:					
Raising Funds	6	17,158	-	17,158	29,309
Charitable activities	7	2,311,583	895,677	3,207,260	2,303,718
Total Expenditure		2,328,741	895,677	3,224,418	2,333,027
Net gains/(losses) on investments	13	35,796	-	35,796	(10,315)
Net income/(expenditure)		433,943	(28,977)	404,966	233,491
Transfer between funds	19	(10,794)	10,794	-	-
Net movement in funds	19	**423,149**	**(18,183)**	**404,966**	233,491
RECONCILIATION OF FUNDS					
Fund balances brought forward		1,759,421	119,700	1,759,121	1,525,630
Fund balances carried forward		2,062,570	101,517	2,164,087	1,759,121

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 19 to 38 form part of these accounts.

ADVICE UK

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

For the year ended 31 March 2020

	Note	Restated Unrestricted Funds 2020 £	Restricted Funds 2020 £	Restated Total Funds 2020 £
INCOME FROM				
Donations	3	85,908	-	85,908
Charitable activities	4	2,171,042	141,400	2,312,442
Investments	5	8,231	-	8,231
Share of profits of associate		170,252	-	170,252
Total Income		2,435,433	141,400	2,576,833
EXPENDITURE ON:				
Raising Funds	6	29,309	-	29,309
Charitable activities	7	2,281,834	21,884	2,303,718
Total Expenditure		2,311,143	21,884	2,333,027
Net (losses)/gains on investments	13	(10,315)	-	(10,315)
Net income		113,975	119,516	233,491
Transfer between funds	19	(184)	184	-
Net movement in funds	19	**113,791**	**119,700**	**233,491**
RECONCILIATION OF FUNDS				
Fund balances brought forward		1,525,630	-	1,525,630
Fund balances carried forward		1,759,121	119,700	1,759,121

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 19 to 38 form part of these accounts.

BALANCE SHEET

As at 31 March 2021

	Notes	Group 2021	Restated Group 2020	Charity 2021	Charity 2020
		£	£	£	£
Fixed assets					
Intangible assets	11	65,930	70,766	65,930	70,766
Tangible assets	12	6,622	6,258	6,622	6,258
Investments	13	741,089	500,616	345,133	309,337
Total fixed assets		813,641	577,640	417,685	386,361
Current assets					
Debtors	14	651,194	451,892	886,258	717,365
Cash at bank and in hand		1,745,603	1,185,747	1,303,070	760,434
Total current assets		2,396,797	1,637,639	2,189,328	1,477,799
Liabilities:					
Creditors: amounts falling due within one year	15	(1,015,639)	(435,408)	(1,056,344)	(502,331)
Net current assets		1,381,158	1,202,231	1,132,984	975,468
Total assets less current liabilities		2,194,799	1,779,871	1,550,669	1,361,829
Provisions for liabilities	17	(30,712)	(20,750)	-	-
Total net assets		2,164,087	1,759,121	1,550,669	1,361,829
Funds					
Restricted funds	19	101,517	119,700	101,517	119,700
Unrestricted funds					
Designated funds	19	744,249	430,576	348,293	323,297
General funds	19	1,318,321	1,208,845	1,100,859	918,832
Total unrestricted funds	19	2,062,570	1,639,421	1,449,152	1,242,129
Total Charity Funds	20	2,164,087	1,759,121	1,550,669	1,361,829

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The surplus of the parent for the year ended 31 March 2021 was £188,840 (2020: £66,656)

Approved and authorised for issue by the Trustees on 14 October 2021 and signed on its behalf.

N.Wayne - Director

The notes on pages 19 to 38 form part of these accounts.

ADVICE UK

CONSOLIDATED STATEMENT OF CASHFLOW

For the year ended 31 March 2021

	Note	Total 2021	Total 2020
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	21	569,282	14,676
Cash flows from investing activities:			
Interest received		9,146	8,231
Purchase of property, plant and equipment		(5,476)	(8,686)
Purchase of computer software		(13,096)	(88,458)
Change in cash and cash equivalents in the reporting period		559,856	(74,237)
Cash and cash equivalents at the beginning of the reporting period		1,185,747	1,259,984
Cash and cash equivalents at the end of the reporting	22	1,745,603	1,185,747

The notes on pages 19 to 38 form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

Advice UK is a public benefit entity and a company limited by guarantee, company number 2023982 registered in England. Advice UK is also a charity registered with the Charity Commission (charity registration number 299342). The registered office and its principal place of business is 101E, Universal House, 88 - 94 Wentworth Street, London, E1 6LS.

Advice UK operates as a co-ordination and support network for organisations that provide independent social welfare advice to the public.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated:

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy notes and 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) - (Charities SORP (FRS 102),the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006.

The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1.3 Going Concern

The financial statements have been drawn up on a going concern basis.

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Charity's ability to continue in operational existence for the foreseeable future.

In arriving at this conclusion the Trustees have taken account of current and anticipated financial performance in the current economic conditions, including the impact of Covid-19, its Corporate Plan and its reserves position. For this reason, the going concern basis continues to be adopted in the preparation of the Charity's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Consolidation

The group accounts incorporate the financial statements of Advice UK and its wholly owned subsidiaries, VCS Insurance Company Limited and Independent Advice Services Limited on a line-by-line basis using the standard Group accounting policies. The subsidiary companies have the same reporting date of 31 March.

Investments in associates have been accounted for under the equity method and included within investments.

The group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.5 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Training and membership 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, probability of receipt and the amount can be measured with sufficient reliability.
- Investment income and other incoming resources are recognised on a receivable basis.

1.6 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. 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. Grants received on behalf of delivery partners are accrued to equate to the percentage of grant income to be distributed.

- Costs of raising 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.

1.8 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 subsidiary 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 subsidiary 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 subsidiary company 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, 15% in year one, 10% in year two, 5% 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.

1.9 Investments in subsidiaries

Investments in subsidiaries are held at cost

ACCOUNTING POLICIES (CONTINUED)

1.10 Investments in associated entities

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the charity's share of the profits or losses, other comprehensive income and equity of the associate after acquisition.

1.11 Investments in securities

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

1.12 Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

1.13 Tangible 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%	Over the lease term on a straight line basis
Computer equipment	33% to 100%	Straight line basis
Furniture and equipment	20%	Straight line basis

1.14 Cash and cash equivalents

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

1.15 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.

ACCOUNTING POLICIES (CONTINUED)

1.16 Financial instruments

The only financial instruments held by Advice UK are debtors, creditors, loans and investments. Investments are referred to in Note 1.9 and 1.10 above and, the remaining are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at transaction price less any impairment.

1.17 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.

1.18 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.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical judgements in applying the Group's policies:
In preparing these financial statements, the Trustees have made the following judgement and estimates:

Technical provisions
Provision is made for the estimated cost of settling all known claims at the subsidiary balance sheet date. Judgement is applied as outlined in the accounting policy, in determining the appropriate level of provision because the actual outcome of the claim can be uncertain until the case is determined and an agreement to settle has been made.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the subsidiary company uses estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. Subsequent information and events may result in the ultimate liability being greater or less than the amount provided. The carrying amount for insurance contract liabilities in the statement of financial position is £30,712 (2020: £20,750).

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations	85,427	5,000	90,427	85,908

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Member Services	2,417,763	21,700	2,439,463	2,173,392
Policies and campaigns	9,210	-	9,210	19,224
Projects on behalf of members grant income	-	140,000	140,000	-
Scotland activities grant income	-	700,000	700,000	119,700
Corporate/other income (Foundation Fund)	665	-	665	126
	2,427,638	861,700	3,289,338	2,312,442

The restricted funds for Member Services relates to a grant received of £21,700 (2020: £21,700).

5. INVESTMENT INCOME

	Total Funds 2021 £	Total Funds 2020 £
Bank interest receivable	9,146	8,231

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Staff costs	17,003	-	17,003	16,704
Other costs	155	-	155	12,605
	17,158	-	17,158	29,309

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Year to 31 March 2021	Project and activity staff costs	Project and activity other costs	Support costs	Total Funds 2021
	£	£	£	£
Members Services	217,714	1,682,671	234,767	2,135,152
Policy and Campaigns	118,705	2,687	76,867	198,259
Projects on behalf of members	26,895	85,461	17,986	130,342
Scotland Activities	42,406	668,027	33,074	743,507
	405,720	2,438,846	362,694	3,207,260

Year to 31 March 2020	Project and activity staff costs	Project and activity other costs	Support costs	Total Funds 2020
	£	£	£	£
Members Services	351,560	1,534,407	251,360	2,137,327
Policy and Campaigns	103,693	3,235	59,463	166,391
Projects on behalf of members	-	-	-	-
Scotland Activities	-	-	-	-
	455,253	1,537,642	310,823	2,303,718

Included in the Project and activity other costs for Scotland Activities, a sum of £654,502 was paid to 29 separate money advice agencies as part of the Debt Advice Project (2020 - £nil).

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

SUPPORT COSTS

Year to 31 March 2021	Staff costs	Premises	Governance costs	Other	Total Funds 2021
	£	£	£	£	£
Members Services	90,326	46,036	23,908	74,497	234,767
Policy and Campaigns	48,508	24,723	-	3,636	76,867
Projects on behalf of members	11,709	5,968	-	309	17,986
Scotland Activities	16,727	8,525	-	7,822	33,074
	167,270	85,252	23,908	86,264	362,694

Year to 31 March 2020	Staff costs	Premises	Governance costs	Other	Total Funds 2020
	£	£	£	£	£
Members Services	99,672	59,760	22,194	69,734	251,360
Policy and Campaigns	33,224	19,920	-	6,319	59,463
Projects on behalf of members	-	-	-	-	-
Scotland Activities	-	-	-	-	-
	132,896	79,680	22,194	76,053	310,823

8. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	5,112	22,360
Amortisation of intangible assets	17,932	17,692
Auditors' remuneration		
- Audit fees	12,700	13,285
- Accountancy fees	1,000	2,050
- other services	500	825
- Subsidiary auditor's fees	7,950	5,000
Operating leases:		
- land and buildings	62,445	58,405

9. TAXATION

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.

10. STAFF COSTS

Staff costs were as follows:

	Group and Charity	
	2021	2020
	£	£
Wages and salaries	455,162	495,851
Social security costs	45,774	45,555
Employer's contribution to defined contribution pension scheme	27,641	29,122
Other employee benefits	61,413	34,325
	589,990	604,853

The number of employees whose emoluments exceeded £60,000 during the year (including taxable benefits but excluding employers' pension contributions) were:

	2021	2020
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Pension costs paid for employees earning above £60,000 were £9,426 (2020: £9,241). These employees participated in a defined contribution scheme.

The average number of employees, during the year was as follows:

	Group & Charity	
	2021	2020
Projects and activities	10	12
Administration	2	2

All employees are employed by the Charity.

Key management personnel
Advice UK considers the key management personnel of the organisation to comprise the Trustees, together with the Chief Executive and the Executive Director. The aggregate remuneration including employer pension contributions of those personnel for services to the Charity and Group, in the year amounted to £166,519 (2020: £163,254). Of these amounts £Nil (2020: £Nil) related to the Trustees.

During the year, travelling and subsistence expenses totalling £458 (2020: £1,800) and training expenses of £50 (2020: £1,800) were incurred by all (2020: all) trustees.

11. INTANGIBLE ASSETS

GROUP AND CHARITY

	Computer Software	Total
	£	£
Cost		
At 1 April 2020	88,458	88,458
Additions	13,096	13,096
At 31 March 2021	101,554	101,554
Amortisation		
At 1 April 2020	17,692	17,692
Amortisation charge	17,932	17,932
At 31 March 2021	35,624	35,624
NBV at 31 March 2021	65,930	65,930
NBV at 31 March 2020	70,766	70,766

The intangible assets relate to capitalised software development costs. They have been capitalised on the basis the software is used in the design of the CRM system from which the charity generates its income.

12. TANGIBLE ASSETS

GROUP AND CHARITY

	Leasehold Buildings Improvements	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	66,773	48,710	26,117	141,600
Additions	-	5,476	-	5,476
Disposals	-	(940)	-	(940)-
At 31 March 2021	66,773	53,246	26,117	146,136
Depreciation				
At 1 April 2020	66,773	42,605	25,964	135,342
Charge for the Year	-	5,035	77	5,112
Disposals	-	(940)	-	(940)-
At 31 March 2021	66,773	46,700	26,041	139,514
NBV at 31 March 2021	-	6,546	76	6,622
NBV at 31 March 2020	-	6,105	153	6,258

13. FIXED ASSET INVESTMENTS

CHARITY

Cost

	Subsidiaries	Associates	Other	Listed Investment	Total
	£	£	£	£	£
At 1 April 2020	101,000	40	4,184	204,113	309,337
Net gains/(losses)	-	-	(4,184)	39,980	35,796
At 31 March 2021	101,000	40	-	244,093	345,133

The Charity's subsidiaries are:

	Country of Incorporation	Activity	Proportion of Ordinary Shares Held and voting rights
Independent Advice Services Limited (Company number: 03583609)	UK	Non-trading	100%
VCS Insurance Company Limited* (Registered number: GG44303)	Guernsey	Insurance	100%

The Charity holds a 50% shareholding in the ordinary shares of Advanced Case Management Solutions Limited (Company number: SC392229), a software trading company registered in Scotland.

The Charity also holds 111 shares of £1 each in Change Accounts Limited (Company number: 08425566), a prepaid card trading company registered in United Kingdom.

GROUP

Cost

	Associates	Other	Listed Investment	Total
	£	£	£	£
At 1 April 2020	292,319	4,184	204,113	500,616
Change in fair value	-	(4,184)	39,980	35,796
Share of profit of associate				
- Operating profit	359,819	-	-	359,819
- Taxation	(50,142)	-	-	(50,142)
- Dividend	(105,000)	-	-	(105,000)
At 31 March 2021	496,996	-	244,093	741,089

13. FIXED ASSET INVESTMENTS (CONTINUED)

The financial results of the subsidiaries were:

	Income	Expenditure	Surplus/(Deficit) for the period	Net assets/ (liabilities)
	£	£	£	£
Independent Advice Services Limited	1,750	4,852	(3,102)	(60,095)
VCS Insurance Company Limited	291,009	279,560	11,449	216,983

Advanced Case Management Solutions Limited

The aggregate of the share capital and reserves as at 31 March 2021 was £705,991 (2020: £416,638)

Advice UK results excluding subsidiary companies

	2021 £	2020 £
Total income	3,215,441	2,264,196
Total expenditure	(3,062,397)	(2,187,225)
	153,044	76,971
Net gain/(loss) on investment	35,796	(10,315)
Net income/(expenditure)	188,840	66,656
Fund balances brought forward at 1 April 2020	1,361,829	1,295,173
Fund balances carried forward at 31 March 2021	**1,550,669**	**1,361,829**

14. DEBTORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	454,145	292,070	443,175	274,274
Other debtors	43,563	24,236	24,253	18,970
Prepayments and accrued income	61,086	56,192	61,086	56,192
Amounts owed by subsidiary undertakings	-	-	265,344	288,535
Amount owed by participating interest	92,400	79,394	92,400	79,394
	651,194	451,892	886,258	717,365

Included within amounts owed by subsidiary undertakings is a £150,000 (2020: £150,000) unsecured loan due from VCS Insurance Company Limited. On 31 July 2014 Independent Advice Services Limited transferred their shares and this loan to Advice UK. A new loan agreement dated the same date was entered into on the same terms. The loan is unsecured and bears interest at 1% over base rate, which is payable annually in arrears on or before the year end date of 31 March 2021. 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.

15. CREDITORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	14,258	17,408	14,258	17,427
Deferred income	458,785	154,207	458,785	154,207
Other creditors	147,215	50,060	80,754	7,613
Accruals	44,150	31,783	44,150	31,783
Other taxation and social security	57,007	13,411	57,007	10,618
Amounts owed to subsidiary Undertakings	-	-	107,166	112,324
Amount owed to participating interest	294,224	168,539	294,224	168,359
	1,015,639	435,408	1,056,344	502,4331

Included within other creditors is an amount of £452 in respect of pension contributions (2020: £3,509).

Included within amounts owed to subsidiary undertakings is a £100,000 unsecured loan from VCS Insurance Company Limited (2020: £100,000). 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

	2021 £	2020 £
At 1 April 2020	154,207	262,736
Income deferred in the current year	458,785	154,207
Amounts released from previous years	(154,207)	(262,736)
At 31 March 2021	458,785	154,207

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

17. PROVISION FOR LIABILITIES

Technical reserves	2021 £	2020 £
Outstanding claims reserve at 1 April 2020	20,750	27,531
Movement in prior years' claim provisions	(20,750)	(27,531)
Provisions for new claims	13,000	8,000
Outstanding claims reserve at 31 March 2021	13,000	8,000
IBNER reserve	17,712	12,750
	30,712	20,750

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

Insurance claims development triangle

	2017	2018	2019	2020	2021	Cumulative
In year of claim (or brought forward)	47,344	48,905	28,160	24,930	14,946	339,890
One year later	(24,591)	(43,915)	1,061	202	-	(110,527)
Two years later	(2,798)	(2,301)	3,487	-	-	(67,101)
Three years later	(2,919)	(2,355)	-	-	-	(63,439)
Current estimate of ultimate claims	17,036	344	32,708	25,132	14,946	98,823
Cumulative payments	(17,036)	(334)	(25,820)	(15,292)	(962)	(68,111)
In balance sheet	**0**	**0**	**6,888**	**9,840**	**13,984**	**30,712**

18. FINANCIAL RISK MANAGEMENT

The charity monitors and manages its financial risks relating to insurance contracts. The group's only assets held for insurance purpose consist of cash held in pound sterling by the subsidiary, therefore there is no currency or market price risk. The company considers the credit worthiness of the reinsurance underwriter before renewing its policy. The liquidity of the subsidiary is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

19. STATEMENT OF FUNDS - GROUP

	Restated Opening Balance	Income	Expenditure	Gains, losses and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Members Services	-	21,700	(21,827)	127	-
Projects on behalf of members	-	145,000	(130,342)	-	14,658
Scotland activities	119,700	700,000	(743,508)	10,667	86,859
Total Restricted funds	119,700	866,700	(895,677)	10,794	101,517
UNRESTRICTED FUNDS					
General Fund	1,124,845	2,726,569	(2,328,741)	(204,352)	1,318,321
Designated funds					
Premises fund	33,334	-	-	33,333	66,667
Foundation fund	107,715	319	-	-	108,034
Fixed asset fund	373,527	-	-	196,021	569,548
Total Unrestricted funds	1,639,421	2,726,888	(2,326,991)	25,002	2,062,570
TOTAL FUNDS	**1,759,121**	**3,593,588**	**(3,224,418)**	**35,796**	**2,164,087**

STATEMENT OF FUNDS - CHARITY

	Opening Balance	Income	Expenditure	Gains, losses and transfers	Closing Balance
	£	£	£	£	£
RESTRICTED FUNDS					
Members Services	-	21,700	(21,827)	127	-
Projects on behalf of members	-	145,000	(130,342)	-	14,658
Scotland activities	119,700	700,000	(743,508)	10,667	86,859
Total Restricted funds	119,700	866,700	(895,677)	10,794	101,517
UNRESTRICTED FUNDS					
General Fund	918,832	2,348,422	(2,166,720)	325	1,100,859
Designated funds					
Premises fund	33,334	-	-	33,333	66,667
Foundation fund	107,715	319	-	-	108,034
Fixed asset fund	182,248	-	-	(8,656)	173,592
Total Unrestricted funds	1,242,129	2,348,741	(2,166,720)	25,002	1,449,152
TOTAL FUNDS	**1,361,829**	**3,215,441**	**(3,062,397)**	**35,796**	**1,550,669**

19. STATEMENT OF FUNDS – (CONTINUED)

Designated funds
The premises fund is maintained to cover the future cost of moving office premises at expiry or surrender of the current lease. The cost of moving is estimated to be approx. £100,000. The earliest point at which the lease could end is in three years' time (March 2023). It is therefore intended to increase the fund by £33,334 in each of the next three years and then, if not used, maintain it at the cumulative level until at least expiry of the lease in 2025.

The Foundation fund is an amount that had been designated in the year to make future grants to members.

The Fixed Asset fund is represented by the tangible fixed assets and investments used by the charity on an on-going basis to meet the charity's objects.

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

Members' services
A grant of £21,700 was received from Provident Financial to support our member services work including specialised support to those members that provide money advice. Such support included direct support and engagement with government, funders and the credit industry on their behalf.

Projects on behalf of members
Two grants of £20,000 and £26,000 were received from The Legal Education Foundation a donation of £5,000 was received to enable additional work by AdviceUK in response to the impact of the pandemic and government restrictions upon advice services. The grants paid for support to AdviceUK members around adjusting service delivery models and submitting bids for emergency funding and also for engagement with funders such as the combined Community Justice Fund on members' behalf.

A grant of £10,000 was received from Aviva for a project to improve the financial wellbeing of households living in an area of high deprivation in Bristol and the dissemination of learning from the project to other independent providers of advice and social welfare support across the UK. The project will work with individuals and households using a systems-thinking approach to understand how current services operate and how they can be redesigned for improved financial capability and inclusion.

A grant of £84,000 was received from Money and Pensions Service to support the administration of Debt Relief Orders (DROs) by AdviceUK members employing DRO intermediaries. The ultimate purpose of the grant is to increase the accessibility of DROs as a debt solution for advice centre clients. 90% of the funding is to be distributed to members with the remainder being retained towards AdviceUK's costs.

Scotland activities
AdviceUK was appointed by the Scottish Government to distribute up to £700,000 from the Devolved Debt Advice Levy Fund to AdviceUK members providing debt advice in Scotland. The funding was to cover activities in the period 1 October 2020 to the 31 March 2021 with approximately 5% being retained by AdviceUK towards its costs. AdviceUK instituted a grants programme resulting in 29 organisations receiving funding for 38 projects across Scotland. Collectively, the projects supported 2,630 clients, securing over £1.1 million of financial gains for them and managing over £3.6 million of debt.

All transfers into restricted funds in the year represent amounts to prevent funds being in deficit at the year end.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fixed assets	813,641	-	813,641
Current assets	2,295,280	101,517	2,396,797
Current liabilities	(1,015,639)	-	(1,015,639)
Provision for liabilities	(30,712)	-	(30,712)
	1,986,970	101,517	2,164,087

Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fixed assets	417,685	-	417,685
Current assets	2,087,811	101,517	2,189,328
Current liabilities	(1,056,344)	-	(1,056,344)
	1,449,152	101,517	1,550,669

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020 £
Net income/(expenditure) for the reporting period	404,966	233,491
Adjustments for:		
Depreciation charges	5,112	22,360
Amortisation charges	17,932	17,692
Loss/(Gain) on investments	(35,796)	10,315
Share of profits of associated undertaking	(204,677)	(170,252)
Interest from investments	(9,146)	(8,231)
Decrease/(Increase) in debtors	(199,302)	50,593
(Decrease)/Increase in creditors	580,231	(134,511)
(Decrease)/Increase in provision	9,962	(6,781)
Net cash provided by operating activities	569,282	14,676

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	1,745,603	1,185,747
Total cash and cash equivalents	1,745,603	1,185,747

23. ANALYSIS OF NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash in hand	1,185,747	559,856	1,745,603
	1,185,747	559,856	1,745,603

24. CAPITAL COMMITMENTS

At the end of the year there were capital commitments of £9,254 for which full provision has not been made in these financial statements (2020: £11,200).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the total future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	66,065	62,445
Amounts due between 1 and 5 years	69,685	135,750
Total	135,750	198,195

26. RELATED PARTY TRANSACTIONS

Advanced Case Management Solutions

The charity was charged £1,400,206 (2020 - £1,116,735) for the provision of AdvicePro software by Advanced Case Management Solutions. A balance of £294,224 (2020 - £168,539) was due as at 31 March 2021.

The charity received a management fee from Advanced Case Management Solutions, of £66,000 (2020 - £66,000) during the year. £79,200 (2020 - £79,394) was outstanding as at 31 March 2021 and included within trade debtors.

The charity received a gift aid donation from Advance Case Management Solutions of £84,000 during the year (2020 - £78,000).

26. RELATED PARTY TRANSACTIONS – (CONTINUED)

In 2021 the following transactions took place between the Charity and its wholly owned Subsidiaries:

VCS Insurance Company Limited

The charity received an admin fee of £38,000 (2020 - £38,000). In addition to this, commissions were received of £76,889 (2020 - £95,058). The charity charged interest on loans of £1,650 (2020 - £2,574).

The charity purchased £nil during the period (2020 - £44,342). The charity was charged interest on loans of £850 (2020 - £3,008)

At 31 March 2021, £228,539 was owed to the charity (2020 - £250,131). In addition to this, £100,850 was owed by the charity (2020 - £106,008).

Independent Advice Services Limited

The charity charged interest on loans of £1,900 (2020 - £1,598).

The charity purchased £nil during the period (2020 - £103,731).

At 31 March 2021, £96,900 was owed to the charity (2020 - £95,398). The charity has recognised a provision against this balance reducing the balance recoverable to £36,805 (2020 - £38,405). In addition to this, £6,316 was owed by the charity (2020 - £6,316).

27. 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 provided by a subsidiary company. The Trustees 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.

The charity participates in a multi-employer defined benefit scheme. It is not possible for the charity to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, therefore the scheme is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The latest estimate of the liability available is £23,231.02 for 30 September 2020.

28. PRIOR YEAR ADJUSTMENT

The share of profit from an associate for the year ended 31 March 2020 did not account for gift aid accrued by ACMS due to Advice UK for 2019/20 totalling £84,000, increasing the consolidated income to Advice UK by £84,000