



advice uk



ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Table of Contents

Reference and Administrative Details	3
Report of the Trustees	4
Structure, Governance and Management	18
Financial Review	20
Trustees' Responsibilities Statement	24
Independent Auditor's Report	26
Consolidated Statement of Financial Activities	32
Balance Sheet	34
Consolidated Statement of Cashflows	36
Notes to the Financial Statements	37

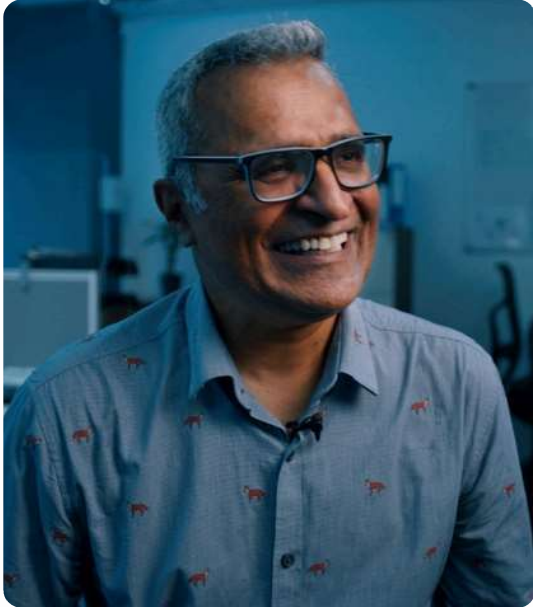
Reference and Administrative Details

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 Minorities 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

A handwritten signature in black ink, appearing to read 'Baljit Badesha', written in a cursive style.

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:



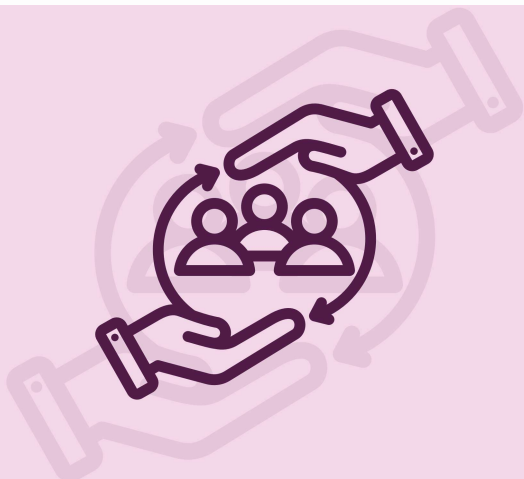
Welcomed **47 new members** who now benefit from the support and expertise of our network.



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**

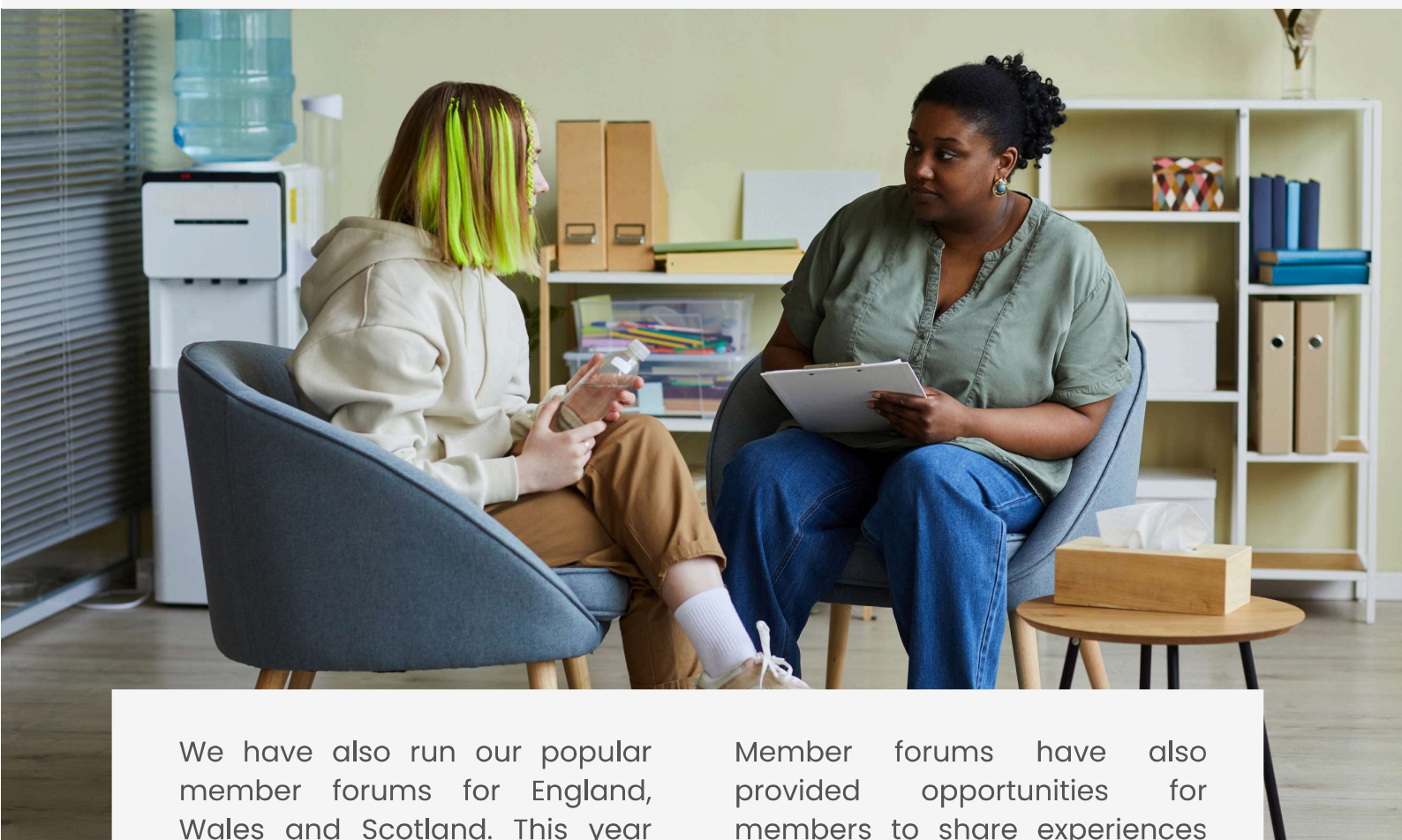
We do this by

- 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 advice 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 its 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.”

Connect (continued)



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

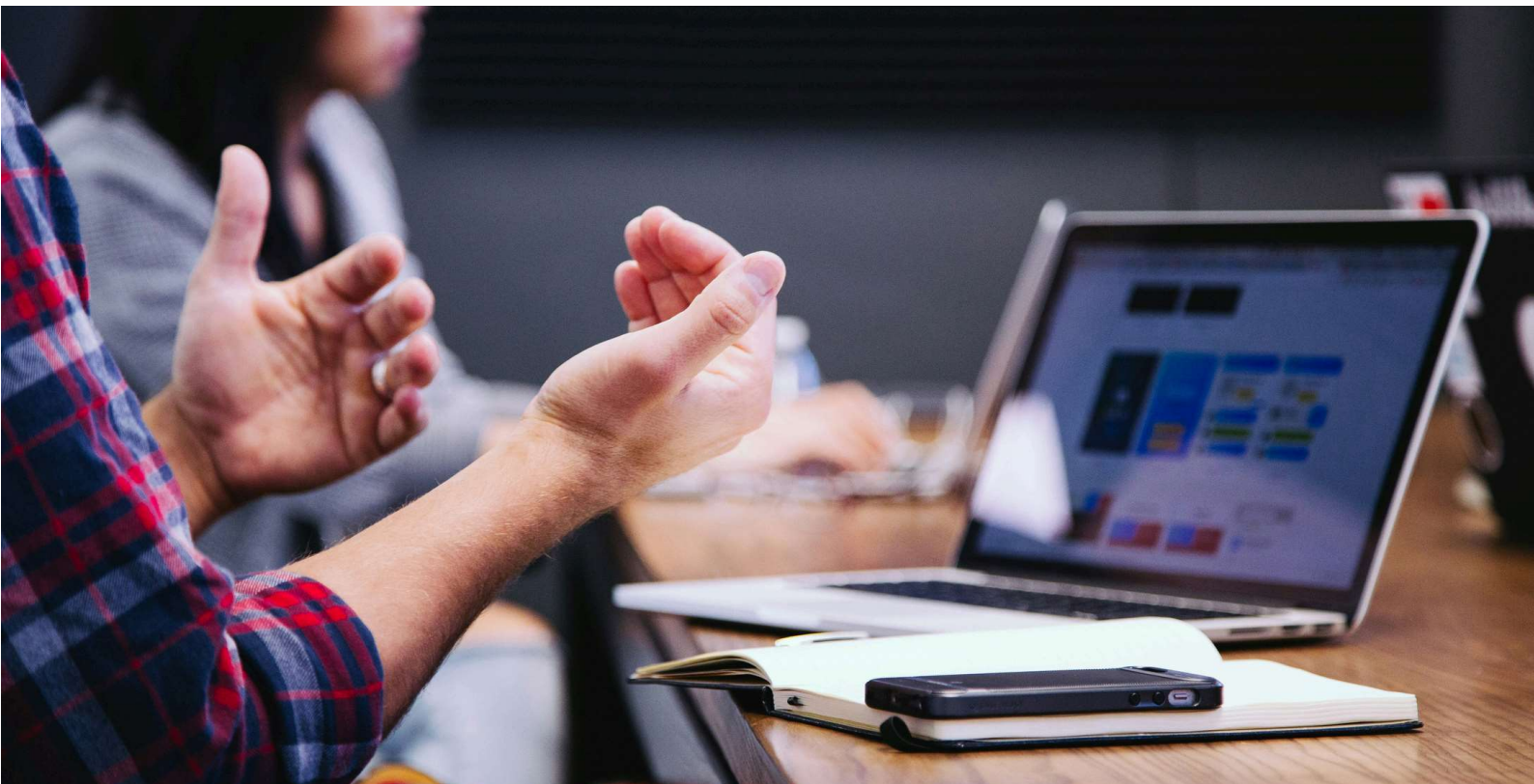
“Most of our food banks partner with local advice services to support the people who seek their help with emergency food. They offer advice as part of their service because our mission is to no longer need to provide emergency food. Most people who use a food bank do so because they have underlying reasons 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)

Comparative 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 assets		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.

A handwritten signature in black ink, appearing to read 'B Badesha', is written over a light blue rectangular background.

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 meet 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 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 £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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

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 its 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 capital resources	340,472	416,487
Solvency cover	340%	417%
	31-March-24 £	31-March-23 £
Prescribed capital requirement	100,000	100,000
Regulatory available capital 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 capital 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