

Advising Communities

Report & Financial Statements

31st March 2017



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**Advising Communities
Charity Information
For the year ended 31 March 2017**

Status	The organisation is a charitable company limited by guarantee, incorporated on 11 February 1997 and registered as a charity on 4 March 1997.
Governing document	The organisation was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.
Company number	03316471
Charity number	1061055
Registered Office	The Hub 6-8 Westmoreland Road London SE17 2AX
Honorary officers	Chris Sanford – Chair Chris Snow – Vice Chair
Principal Staff	Helen Rice – Chief Executive Officer Kajol Kochar – Deputy Chief Executive
Bankers	Unity Trust Bank Limited Nine Brindley Place Birmingham B1 2HB
Auditors	Haines Watts, Chartered Accountants Old Station House Station Approach Newport Street Swindon Wiltshire SN1 3DU

Report of the Trustees

The trustees present its report (including the directors' report as required by company law) and the audited financial statements for the year ended 31 March 2017.

The reference and administrative information set out on the previous page forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (FRS 102) - Accounting and Reporting by Charities.

Background

Advising London became Advising Communities in May 2017. After 20 years of giving advice and support to residents of South East London, we now have a pan-London advice service for individuals and have launched our legal and technical advice and support service for organisations across the UK.

Organisational structure

The trustees delegate everyday decisions in running Advising Communities to a Chief Executive, who is supported by the senior management team. Staff are split into specialist senior casework roles, generalist advisors or operational roles.

Arrangements for setting pay and remuneration of key management posts are bench marked against the sector averages using key reports from ACEVO and NCVO. Staff roles follow NJC scales and are positioned based on levels of technical skill or management responsibility required.

Risk assessment

The trustees and staff team carry out an annual organisational risk assessment and have prioritised the risks and planned how to manage each of them. Reductions in local authority funding remains a risk to advice services; however, this is being mitigated by the introduction of new avenues of earned income and a good success rate in trust funding. Although the problems over premises have been resolved, the organisation has had to weather up front expenditure to remodel and fit out advice space. Risks around cash flow have been carefully monitored by the senior team and trustees and have largely been resolved. Nevertheless, the changes to the funding environment continually challenge the organisation, which has to continually stay ahead of the curve. We are now managing our own building again, so we have had to reinstate robust procedures and ensure wider health and safety requirements are met. Our client group are also operating in a much tougher environment leading to rising mental health problems and more complex needs. We are having to constantly redesign services to meet the needs of our clients and ensure our services remain relevant for the future.

Vision and values

Our Vision

Communities are happy, confident and capable of solving life's problems and planning a better future.

Our Values

Human - people have unique and often complex stories. We take time to listen and understand before we offer our support.

Responsive - we adapt to changes in policy and the law so that our advice and support is as helpful as it can be.

Practical - our advice and support helps people and their organisations solve urgent challenges.

Enabling - we help people and the organisations that support them develop their skills and knowledge so that they're equipped to solve their own problems and the problems of their communities.

Client-focused - our priorities are determined by the real needs of the people we serve.

Collaborative - we work with anyone who shares our vision or helps make change happen for communities and the people within them.

Non-judgmental - we focus on giving the right advice rather than judging the people or the organisations who need it.

Our work

Our work is to advise, educate and support individuals and organisations in need. We aim to improve the wellbeing of the most vulnerable in our society by tackling their most pressing problems and concerns such as work, money, housing and immigration.

- We offer 1 to 1 advice and support through our drop-in clinics, where a conversation with an adviser can help individuals create a plan of action to turn their problem around.
- We produce accessible information and self-help guides around people's everyday affairs such as welfare benefits, housing and employment rights.
- We produce and share a knowledge bank of information and provide affordable legal services to organisations.
- We aim to help individuals who are at risk of common problems to prevent them occurring.
- We aim to work with individuals and organisations at an early stage in their problems to prevent them from becoming crises.
- We understand that problems are often complex and inter-related so we work with clients to identify root causes and take the right actions, in the right order, to find a resolution.
- We take action on behalf of the people we serve, but only where our position and experience will help achieve a better outcome - for example, in negotiating debts.
- We offer training to help clients build the skills they need to engage fully in London life or to pass on these skills to others. Topics include employment rights, welfare reform, financial inclusion and digital skills.
- We offer language services so that all of our diverse communities can understand and take action on their problems. These include interpreting and translation services.
- We collaborate with other not-for-profit, public and private bodies to increase our overall impact on the community.

Achievements and performance for the year

- Diversifying our income further to ensure our sustainability for the future;
 - Re-branding the organisation as Advising Communities
 - Further developing our offering to organisations and establishing ourselves as the go-to experts not only for Londoners but for organisations rooted in communities across the UK
 - Developing our wider consultancy and training business to ensure high level accurate advice is available to the sector and to increase our unrestricted income.
- Service redesign to meet the demands of modern commissioning and of the most vulnerable in society
 - Developing a new digital advice booking system
 - Developing new partnerships and relationships to meet the demands of welfare reform
 - Increased self-help, specialist and supports services to provide a wider range of options to meet the complex needs of our clients.
- Implementing our digital strategy;
 - Meet the demands of our growing and changing client group through an increase of digital inclusion support services through our Universal Support service
 - Adapt to changes in Londoners' needs in relation to advice and support – finding new ways to meet increased volumes through the development of our digital advice.
 - We are now completely digitally enabled, with a new website and cloud based systems.

Financial Review

The position of the charity at the yearend is set out on page 10.

We have managed to slowly grow the organisation despite a very challenging funding environment where many other organisations have reduced large amounts of services and have ever reducing income. With our buildings now fit for a purpose and meeting the high standards that our clients deserve, we are in an excellent position to grow our tradable income. The initial outlay for the building was high but having a high-quality space for 25 years provides us with an excellent opportunity to grow our client base and develop opportunities for the future.

We have developed significant channels for earned income which are now helping us weather the storm out of austerity. We expect to continue to see decreased levels of local authority income; however, our digital development, along with our rebrand, will position us well and allow us to serve across wider geographical areas, allowing us to diversify our income and develop a full advice, education and support service for individuals and organisations in need.

Objective 1 – To increase the ability of people to act on issues that directly affect them and use their experience to benefit society	
1.1 Advising	1.2 Supporting and Educating
To provide generalist advice (drop-in / triage)	Supporting
To provide specialist advice (debt, welfare benefits, housing, employment, immigration, etc.) Including booked appointments	To offer digital Take Charge services
Casework – for those clients who need it most	To signpost people to relevant services for further skills development (ESOL, writing, reading finance, etc.)
Council tax sessions and other specialist debt services in partnership with third parties e.g. local authorities and housing associations	Take action with (on behalf of) clients (e.g. budget, form filling, tribunal submission, calculation, court representation etc.)
Email advice	To provide tailored support to disadvantaged (vulnerable) and repeat clients
Outreach across a variety of geographical locations and settings	Supporting individuals to understand their rights and responsibilities through citizenship and democracy projects
	Educating
	To provide and promote wider information (fact-sheets, posters, leaflets) through a range of appropriate channels
	To provide a range of early action interventions (prevention and resilience)
	To provide training and workshops on different skills for individuals (digital skills, about the system, taking action, etc.)
	To provide tailored training workshops for specific client groups (business, claimants, residents, families, young people, workers, etc.)
	Financial Capability and inclusion
	Training individuals in the workings of the political system, policy and what it means to them e.g. welfare reform

Objective 2 – To influence the development of policies that would benefit communities	Objective 3 – To improve services and opportunities for Londoners through collaboration
2.1 Producing robust evidence	3.1 Finding common interests with other actors in the same space to create a significant impact on communities
To carry out research / surveys relating to the realities faced by the people we support and how policy affects them	Working with national, regional and local bodies to design and deliver training services
To use our unique position between policymakers and the communities we serve to create a robust evidence base and a strong argument for policy change	To train and educate front-line staff in other organisations and institutions
Using digital communications to convene and give voice to the communities we serve	To inform partners about the needs of our clients to improve third party services
	To create an evidence base to develop community-specific actions and strategies

Objective 4 – To improve Londoner’s access to (and engagement with) the help they need, when they need it	
4.1 Physical access, prevention and early intervention	4.2 Language
To provide our services in a range of settings to reach specific target groups with common problems before they become crises, such as: <ul style="list-style-type: none"> - Banks - Supermarkets - Businesses (work places) - Schools - Faith organisations - GP Surgeries - Hostels - Libraries - etc. 	To offer our services in different languages and to particular target groups: <ul style="list-style-type: none"> - Translation - Interpretation - Context-specific
4.3 Tailored services for specific target groups	4.4 Digital Services
To adapt our services to reach specific groups: <ul style="list-style-type: none"> - Migrants, Asylum Seekers + Refugees - Disability (Physical and Mental Health) - Single parents - Elderly people - Under 25s - Homeless people - Unemployed people 	To offer a wide range of services through digital tools and channels: <ul style="list-style-type: none"> - Email - Website - Social media - Mobile apps

Objective 5 – To develop, launch and sustain income-generating services	
5.1 Explore generalist advice to employees	5.3 Chargeable immigration and employment Services
To offer generalist advice to employees in their places of work through: <ul style="list-style-type: none"> - Telephone triage - Email advice services - Workplace seminars 	To provide cost-effective legal advice and services relating to immigration and employment: <ul style="list-style-type: none"> - Direct to migrants who would otherwise seek expensive services elsewhere - To businesses on behalf of their employees - Fee-charging employment work - Clients using legal expense insurance
5.2 Legal Support for small businesses, charities and community organisations	5.4 Language Services
Providing cost-effective legal advice, consultancy and training to charities and local businesses, covering: <ul style="list-style-type: none"> - Employment Law - Leases - Licences - Commercial disputes - Etc. 	To develop fee-charging language services: <ul style="list-style-type: none"> - Direct to individuals who can afford to pay - To businesses proprietors and their employees - To providers of public services e.g. GP surgeries, CCGs, Police etc.

Principle funding sources:

London Borough of Southwark (Generalist Advice Service) and (Community Languages)
London Borough of Lambeth (Financial Education), (Council Tax), (Digi Buddies Project)
Money Advice Service (Toynbee Hall)
Big Lottery Fund
United St Saviour’s Charity
Trust for London
Walcot Foundation
City Bridge Trust
Big Potential Fund

Plans for the Future

We are presently redrafting our strategic plan now that we are a national charity and we expect this new strategy to include;

- Positioning ourselves strategically for a changing and challenging future.
- Embedding and communicating our evolving brand and enhancing our wider marketing activities so that more people can understand, engage with and support our work.
- Development of our consultancy and affordable legal advice service across the UK.
- Developing our organisational capacity so that we invest in greater impact.
- Implementing a digital advice service to help us categorise the needs of the people we serve so that we can give the right attention to all of the people we help, however complex their needs may be.
- Developing our employment work to help Londoners build confidence and wellbeing through work and financial stability.
- Increasing our geographic impact through events roadshows and wider support for regional events.

Reserves policy

At the year end the charity held total funds of £79,728 (2016 £102,434, of these £50,000 represent designated funds (see below). No restricted funds are held at the yearend (2016 £nil).

During the next financial year, we will be restructuring the organisation to meet the new strategic plan for 2017-2020. Over the next three years we will be focusing on the diversification of income, including trading income, with plans to grow in direct relation to client need.

Our reserves are designated at £50K for unforeseen staffing costs such as maternity leave, recruitment, sickness etc. We are working towards 3 months running cost with a minimum of a 10% reserve level. We have made important decisions to prioritise our new advice space and ensure an excellent centre is available to launch many of our paid-for services to provide us with new opportunities for the future.

Free reserves (unrestricted funds not tied up in fixed assets) at the yearend amounted to £33,049. Due to our office move and premises challenges, this is presently below our targets. The board took the decision to take social investment to meet the needs of the premises redevelopment and to help bridge this upfront investment. This decision has provided the organisation with a cash injection to support the necessary innovations which will rebuild reserve levels.

Our fixed assets have now risen to £160,261 as we rebuild an organisation that had been stripped of assets. We now have security and a fixed place to grow from.

Public benefit

The objectives and activities, and achievement and performance sections of this report set out clearly that the activities which the charity undertakes are for public benefit.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by Advising Communities.

Responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Advising Communities Report and Financial Statements 31st March 2017

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Members of the trustee board

The following served as trustees up to and during the year of this report unless otherwise indicated:

Alexandra Xanthaki
Andrew Brookes
Chris Sanford (Chair)
Chris Snow (Vice Chair)
Denise Owusu-Ansah
Magdalena Nikolova
Emma Willing (appointed 11th October 2017)

Trustees members have no beneficial interest in the company and are not remunerated.

Membership of the trustee board

At each Annual General Meeting, all members must retire. All are eligible for re-election provided that no one serves for more than six consecutive years without vacating for at least one year. No person or body is entitled to appoint a Board Member.

Members are recruited to provide the skills and experience needed to run the charity. Advising Communities uses open recruitment processes and seeks to fill vacancies where there are specific skills deficits on the board. The Chief Executive Officer (CEO) and Chair meet with prospective trustees and provide an organisational brief, ensuring that all financial, HR and strategic issues are covered. Prospective trustees are then invited to attend a board meeting as an observer. The prospective trustee then indicates if they would like to join the board and at the next board meeting the trustees take a vote on prospective new board members. A full induction is prepared by the CEO and senior management team and training is provided as requested by trustees to ensure that all board members are properly supported to undertake their role.

Auditors

Haines Watts, Chartered Accountants were re-appointed as auditors and have expressed their willingness to continue in that capacity.

Small Company Provisions

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

Approved by the trustees on 29th November 2017 and signed on its behalf by



Chris Sanford, Chair.

Independent Auditor's Report to the members of Advising Communities

We have audited the financial statements of Advising Communities for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members, those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities) and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 company's regime and take advantage of the small company's exemption in preparing the directors' report and take advantage of the small company's exemption from the requirement to prepare a strategic report.

Susan Plumb Senior Statutory Auditor

Haines Watts, Chartered Accountants, Old Station House Station Approach, Newport Street, Swindon SN1 3DU

Signed



Date 29 November 2017

Advising Communities
Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 March 2017

	Note	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Income from:					
Donations		38,671	2,917	41,588	5,789
Investments – interest		-	55	55	218
Incoming resources from charitable activities:	2				
Generalist Advice and Language Services		-	408,024	408,024	453,315
Right Reach Project		140,345	-	140,345	88,248
Emigrant Support Programme		2,500	-	2,500	10,000
Capitalise Debt Advice Project		259,212	-	259,212	242,343
Legal Certification Work		-	-	-	11,054
Money Savvy Project		25,000	-	25,000	25,000
Transition Funding Project		-	-	-	7,500
Self-Help Expansion Project		31,731	-	31,731	48,994
Digi Buddies Project		44,157	-	44,157	40,819
Council Tax Summons Support Project		60,000	-	60,000	35,000
Other Income		231,772	-	231,772	161,991
Other trading activities		-	30,940	30,940	62,743
Total Income		833,388	441,936	1,275,324	1,193,014
Expenditure:					
Charitable activities:					
Generalist Advice and Language Services		-	503,313	503,313	531,173
Right Reach Project		140,345	-	140,345	88,248
Emigrant Support Programme		2,500	-	2,500	10,000
Capitalise Debt Advice Project		259,212	-	259,212	242,343
Legal Certification Work		-	-	-	1,952
Money Savvy Project		25,000	-	25,000	25,000
Transition Funding Project		-	-	-	7,000
Self-Help Expansion Project		31,731	-	31,731	48,994
Digi Buddies Project		44,157	-	44,157	40,819
Council Tax Summons Support Project		60,000	-	60,000	35,000
Other Income Expenditure		231,772	-	231,772	161,991
Other trading activities		-	-	-	1,389
Total expenditure	3	794,717	503,313	1,298,030	1,194,409
Net (expenditure)/income	5	38,671	(61,377)	(22,706)	(1,395)
Transfers between funds	10	(38,671)	38,671	-	-
Net movement in funds		-	(22,706)	(22,706)	(1,395)
Funds 1 April 2016		-	102,434	102,434	103,829
Funds 31 March 2017		-	79,728	79,728	102,434

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 9 to the financial statements.

**Advising Communities
Balance Sheet
As at 31 March 2017**

	Note	2017 £	2016 £
Tangible fixed assets	6	<u>160,261</u>	<u>22,098</u>
Current assets			
Debtors	7	75,103	149,783
Cash at bank and in hand		<u>24,514</u>	<u>9,460</u>
		99,617	159,243
Creditors: Amounts falling due within one year	8	<u>127,768</u>	<u>78,907</u>
Net current assets		<u>(28,151)</u>	<u>80,336</u>
Creditors: Amounts falling due after one year	9	<u>(52,382)</u>	-
Net assets	10	<u>79,728</u>	<u>102,434</u>
Funds			
Restricted funds		-	-
Unrestricted funds		<u>79,728</u>	<u>102,434</u>
Total funds	10	<u>79,728</u>	<u>102,434</u>

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

Approved by the management committee on 28th November 2017 and signed on its behalf by



Chris Sanford - Chair

**Advising Communities
Cash Flow Statement
As at 31 March 2017**

	2107	2016
	£	£
Cash flows from operating activities		
Net expenditure	(22,706)	(1,395)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	12,032	7,156
Other interest receivable and similar income	(55)	(218)
<i>Changes in:</i>		
Trade and other debtors	74,680	(50,270)
Trade and other creditors	(12,339)	24,821
Cash generated from operations	<u>51,612</u>	<u>(19,906)</u>
Interest received	<u>55</u>	<u>218</u>
Net cash from/(used in) operating activities	<u><u>51,667</u></u>	<u><u>(19,688)</u></u>
Cash flows from investing activities		
Purchase of tangible assets	(150,195)	(12,426)
Net cash used in investing activities	<u><u>(150,195)</u></u>	<u><u>(12,426)</u></u>
Cash flows from financing activities		
Proceeds from borrowings	156,000	–
Repayment of loans	(42,418)	–
Net cash from financing activities	<u><u>113,582</u></u>	<u><u>–</u></u>
Net increase/(decrease) in cash and cash equivalents	15,054	(32,114)
Cash and cash equivalents at beginning of year	<u>9,460</u>	<u>41,574</u>
Cash and cash equivalents at end of year	<u><u>24,514</u></u>	<u><u>9,460</u></u>

**Advising Communities
Notes to the financial statements
For the year ended 31 March 2017**

1. Accounting Policies

i) General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Advice Hub, 6-8 Westmoreland Road, London, SE17 2AX.

ii) Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011. The charity constitutes a public benefit entity.

iii) Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. No transitional adjustments were required to income or expenditure on adoption of the standard.

Going concern

There are no material uncertainties about the charity's ability to continue.

The accounts have been prepared as follows:-

- a) All incoming recourses are included in the statement of financial activities when the charity is entitled to the income and it can be quantified with reasonable accuracy. The following specific provisions are applied: -
- b) Voluntary income received by way of donations is included in full in the statement of financial activities when receivable.
- c) Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Fee income is included in the statement of financial activities on a receivable basis. Income relating to future periods is deferred.
- d) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets those criteria is identified to the fund.
- e) Designated funds are funds earmarked by the management committee for specified purposes.
- f) Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Transfers between funds are made where the income for the project is exceeded by costs incurred on the project, or where it has been agreed with the funder to use unspent balances at the end of a project on activities with a similar objective.
- g) Resources expended, which include attributable VAT that cannot be recovered, are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of

Advising Communities

Notes to the financial statements (continued)

For the year ended 31 March 2017

each activity, comprising the overhead costs of the central function, is apportioned on the basis of staff time spent on each activity.

- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:
- 3 years for computer equipment
 - 4 years for fixtures, fittings and office equipment
 - 25 years for refurbishment costs

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Trade and other debtors are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any discounts.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

- i) All leases of property and equipment are operating leases, and rental costs are recognised on a straight line basis over the period of each lease. No assets are held under hire purchase agreements.
- j) The Charity set up a pension scheme for employees to comply with the auto enrolment regulations and contributed to this as approved by the Board of Trustees. The Pension charge represents the amounts payable by the charity in respect of the year.

Advising Communities

Notes to the financial statements (continued)

For the year ended 31 March 2017

2. Incoming resources from charitable activities

	Restricted	Unrestricted	2017 Total	2016 Total
	£	£	£	£
Big Lottery Fund				
Rights Reach Project	140,345	-	140,345	88,248
Department of Foreign Affairs and Trade				
Emigrant Support Programme	2,500	-	2,500	10,000
Legal Aid Agency				
Legal Certificated Work	(460)	-	(460)	11,054
Local Authority Funding				
LB of Southwark – Generalist Advice & Advice in Community Languages	-	408,024	408,024	453,315
LB of Southwark – High Street Challenge	11,623	-	11,623	-
LB of Southwark – Transition Funding	-	-	-	7,500
LB of Lambeth – Multiple Debt Project	-	-	-	20,000
LB of Lambeth – Digi Buddies Project	44,157	-	44,157	40,819
LB of Lambeth – Council Tax Summons Support Service	60,000	-	60,000	35,000
Southwark Legal Advice Network (SLAN)				
Money Savvy Project	25,000	-	25,000	25,000
Toynbee Hall				
Capitalise Debt Advice Project	259,212	-	259,212	242,343
United St Saviour’s Charity				
Self-Help Expansion	31,731	-	31,731	48,994
Other Income				
South Kilburn Trust	19,221	-	19,221	-
The A B Charitable Trust	-	-	-	10,000
Matrix Causes Fund	-	-	-	2,100
HMRC Goods Things Foundation	2,500	-	2,500	-
SEEDS	24,762	-	24,762	-
Trust for London	45,000	-	45,000	45,000
Walcot Foundation	20,000	-	20,000	20,000
City Bridge Trust	46,000	-	46,000	38,333
Big Potential Fund	-	-	-	25,141
London Legal Support Trust	945	-	945	1,417
What Works Fund	39,000	-	39,000	-
The Peter Minet Trust	4,987	-	4,987	-
The Legal Education Foundation	18,194	-	18,194	-
Other incoming trading resources				
Other	-	30,940	30,940	62,743
Total incoming resources from charitable activities	794,717	438,964	1,233,681	1,187,007

Advising Communities
Notes to the financial statements (continued)
For the year ended 31 March 2017

3. Total resources expended

	Council Tax Support project £	Generalist Advice and Language Services £	Right Reach £	Money Savvy Project £	Digi buddies Project £	Self-Help Expansion £	Emigrant Support £	Capitalise Debt Advice Project £	Other Income £	Other trading Income £	2017 Total £	2016 Total £
Staff costs (note 4)	60,000	326,168	104,005	25,000	43,639	31,731	2,500	215,464	212,788		1,021,295	916,269
Freelance and consultants		5,789	9,856						3,506		19,151	39,594
Volunteer costs			6,576		518						7,094	9,298
Other staff costs		24,134	2,326					5,605	10,000		42,065	2,633
Premises		38,293	9,000					23,111			70,404	86,884
Administration		31,842	2,100					10,392			44,334	69,972
Marketing		851	3,399								4,250	
Other		3,914	3,000						5,418		12,332	-
Client court services/disbursements		220							60		280	2,362
Subscriptions and publications		15,715	83					1,260			17,058	27,547
Depreciation		12,032									12,032	7,156
Audit		4,063						2,050			6,113	5,486
Bank charges		463									463	385
Committee expenses and training		3,433						39			3,472	11,156
Insurance		5,269						1,291			6,560	3,915
Loan interest		5,970									5,970	-
Legal & Professional		11,612									11,612	1,200
Irrecoverable VAT		13,545									13,545	10,552
Total resources expended	60,000	503,313	140,345	25,000	44,157	31,731	2,500	259,212	231,772	-	1,298,030	1,194,409

Advising Communities
Notes to the financial statements (continued)
For the year ended 31 March 2017

4. Staff costs and numbers

	2017	2016
	£	£
Salaries	923,057	833,631
Social Security costs	89,719	82,638
Pension contributions	8,519	-
	<u>1,021,295</u>	<u>916,269</u>

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2017	2016
	No.	No.
Capitalise Debt Advice Project	7.0	7.0
Lambeth Debt Service	1.0	1.0
Generalist Advice & Advice in Community Languages	14.0	15.0
Money Well Project	2.0	0.0
Latin American service	1.0	1.0
Money Savvy Project	0.5	0.5
Rights Reach Project	3.0	1.0
Sure Start Project	1.0	1.0
Employment Rights	1.0	1.0
Other	1.0	1.0
	<u>31.50</u>	<u>28.50</u>

1 employee earned remuneration in the band £60,000-£70,000 (2016: 1).

No remuneration was paid to any trustee during the year (2016 £nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £188,842 (2016: £178,505).

5. Net incoming / (outgoing) resources for the year

	2017	2016
	£	£
This is stated after charging:		
Depreciation	12,032	7,156
Auditors' remuneration	3,300	3,300

Reimbursed travel expenses were paid to one trustee amounting to £157 during the year (2016: £248).

Advising Communities
Notes to the financial statements (continued)
For the year ended 31 March 2017

6. Tangible fixed assets

	Equipment/Fixtures	Total
	£	£
COST		
At 1 April 2016	43,022	43,022
Additions in year	150,195	150,195
Disposals	(-)	(-)
At 31 March 2017	<u>193,217</u>	193,217
DEPRECIATION		
At 1 April 2016	20,924	20,924
Charge for year	12,032	12,032
Disposals in year	(-)	(-)
At 31 March 2017	<u>32,956</u>	32,956
NET BOOK VALUE		
At 31 March 2017	<u>160,261</u>	160,261
At 31 March 2016	<u>22,098</u>	22,098

Investments – during the year a 100% owned trading subsidiary (Innovating Communities Limited, co number 10186586 incorporated in England and Wales) was set up. It was dormant throughout the year to 31 March 2017.

7. Debtors

	2017	2016
	£	£
Accrued income	37,440	101,364
Prepayments	14,057	19,876
Trade debtors	6,167	18,436
Other debtors	17,439	10,107
	<u>75,103</u>	<u>149,783</u>

8. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Loans	61,200	-
Taxation & Social Security	33,646	39,951
Accruals	8,505	4,000
Other creditors and deferred income	24,417	34,956
	<u>127,768</u>	<u>78,907</u>

Included in other creditors and deferred income above is £8,613 (2016 £10,167) of deferred income. All deferred income is released in the following period.

9. Creditors; Amounts falling due after one year

	2017	2016
	£	£
Loans	52,382	-
	<u>52,382</u>	<u>-</u>

Advising Communities
Notes to the financial statements (continued)
For the year ended 31 March 2017

10. Movement in funds

	At 1 April	Incoming	Outgoing	Transfers	At 31 March
	2016	Resources	resources		2017
	£	£	£	£	£
Restricted Funds:					
Capitalise Debt Advice Project	-	259,212	(259,212)	-	-
Emigrant Support Programme	-	2,500	(2,500)	-	-
Self-Help Expansion	-	31,731	(31,731)	-	-
Digi Buddies Project	-	44,157	(44,157)	-	-
Council Tax Summons Support	-	60,000	(60,000)	-	-
Money Savvy Project	-	25,000	(25,000)	-	-
Rights Reach Project	-	140,345	(140,345)	-	-
Other Funds	-	270,443	(231,772)	(38,671)	-
Total Restricted Funds	-	833,388	(794,717)	(38,671)	-
Unrestricted Funds:					
General Funds	52,434	441,936	(503,313)	38,671	29,728
Designated Reserves – staffing	50,000	-	-	-	50,000
Total Unrestricted Funds	102,434	441,936	(503,313)	38,671	79,728
Total Funds	102,434	1,275,324	(1,298,030)	-	79,728

Purposes of restricted funds:

Capitalise Debt Advice Project	To provide debt advice in Southwark. The partnership is funded by Toynbee Hall, the project is funded by the Money Advice Service.
Emigrant Support Programme	Advice and advocacy services for members of the Irish community.
Rights Reach Project	Advice services to improve our reach into migrant communities. Funded by Big Lottery Fund.
Money Savvy Project	Delivering financial education to high risk social tenants in Southwark.
Self-Help Expansion	To expand our successful self-help model into new locations across North Southwark and Bermondsey.
Digi Buddies Project	A digital inclusion volunteering programme to support vulnerable Londoners to get on line and build confidence to allow them to solve their day-to-day problems.
Council Tax Summons Support	Partnership programme providing advice and support to Lambeth residents in council tax arrears to negotiate an affordable repayment schedule.
Other funds	L B of Lambeth – Multiple Debt Project, Trust for London, Walcot Foundation, City Bridge Trust, Money Advice Service, South Kilburn Trust and London Legal Support Trust.
Designated funds	Details of designated funds are given in the reserves policy in the Trustees' Report.

Advising Communities
Notes to the financial statements (continued)
For the year ended 31 March 2017

11. Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	2017
	£	£	£
Tangible fixed assets	-	160,261	160,261
Current assets	-	99,617	99,617
Current liabilities	-	(127,768)	(127,768)
Long term liabilities	-	(52,382)	(52,382)
Net Assets at 31 March 2017	-	79,728	79,728

12. Taxation and Controlling Interest

The charitable company is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes. The charitable company was under the control of the trustees throughout the period.

13. Related Party Transactions

No related party transactions took place during the year.

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