
LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2004**

Company Number: 1794098

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

Company Information

Board of Directors

Noeleen Adams
Sebastian Bacon
Richard Hill
James Kenrick
Hugh Lyon
Vernica Massiah
Barbara Meredith
Sola Oyebade
Bobbie Pote
Ruth Power

Secretary

Kathleen Walsh

Company Number

1794098

Charity Number

800140

Registered Office

Universal House
88-94 Wentworth Street
London E1 7SA

Independent Auditors

John Ellis & Company
Chartered Accountants
240 High Holborn
London WC1V 7DN

Bankers

National Westminster Bank plc
130 Whitechapel High Street
London E1 7PS

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ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2004

The Board of Directors present the Annual Report and the financial statements of the London Advice Services Alliance Company Limited, Lasa, for the year ended 31 March 2004.

The Directors commend the staff for not only managing to maintain key services but also to develop new initiatives. The Directors recognise that to achieve growth and further diversify the income base is a significant achievement in a period when many voluntary sector organisations are facing reductions in grant and other income.

Margie Butler left the organization at the end of March 2004. Margie had worked for Lasa since 1990 in various roles and since August 2000 as Director. The Board of Directors would like to thank Margie for all her hard work on behalf of the organization over the last fourteen years and wish her well in the future. The Directors are very pleased to announce the appointment of Andy Gregg as the new Chief Executive of Lasa. Andy takes up his post in May 2004. Andy was formerly Director of RETAS (Refugee Education Training Advisory Service).

Principal activities

The objectives for which the charity was established are defined in the Memorandum of Association and are to further the interests of legal and advice services, and include:-

- to promote the development, improvement and co-ordination of legal and advice services and to encourage co-operation between agencies providing such services;
- to promote and assist in the introduction and application of information technology in agencies providing legal and advice services;
- to make grants towards the establishment, maintenance and support of agencies providing legal and advice services;
- to carry out and commission studies and research into the provision of legal and advice services and to publish the useful results of such studies and research.

Lasa's vision and aims

Lasa aims to see good advice available to all who need it and works to secure this by:

- providing high quality support services to legal advice and information providers
- promoting access to advice
- being a source of good practice and innovation.

Background

Lasa was established in 1984 to provide specialist support services to advice and information providers. These services include advice, information and training in the field of information technology and welfare benefits support. In addition, Lasa undertakes policy work to promote the role of advice services with policy makers, central and regional government bodies and funders.

An independent organisation, Lasa provides services to organisations that include the main advice networks, national and regional organisations with an advice and information function, local community based organisations (especially those working with minority ethnic and refugee communities) as well as public sector organisations such as housing associations and local authorities.

Based in London, services are primarily delivered in the London region but increasingly publications, websites, software and consultancy services are accessed by organisations throughout the UK.

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Lasa has 35 staff (27 full-time and 8 part-time) who operate in specific teams and projects supported by the Central Services Team who provide key administrative and financial support.

Welfare Benefit Support Services

Appeals representation

The Advocacy Team provides free representation at social security appeal tribunals to claimants referred by London advice agencies. The team has the equivalent of 4 full time posts.

In 2003-4 the appeals team took on 229 cases out of the 350 referred. Most of the cases related to Disability Living Allowance and Incapacity Benefit but the team also dealt with a significant number of backdating, overpayment and habitual residence test cases.

The team achieved a high rate of success in both appeals to tribunals and to the Social Security Commissioners.

Example of cases dealt with:

·The Local Authority decided that an elderly disabled woman had deliberately deprived herself of £150,000 when she refused to accept that sum from her landlord as an inducement to move out of her protected tenancy. This meant that she had no entitlement to help with her rent costs for the foreseeable future. The Appeals Team successfully argued that she had no absolute legal entitlement to the sum and therefore should not be considered to have deprived herself of it.

·A thirty-year old woman with learning difficulties left her residential care home to stay with her seventy-year old mother because of poor standards in the home. The mother went to her local Benefits Agency office to inform them that her daughter had moved but was told to return in three weeks when the office would have more staff. Because of this delay, the Department of Work and Pensions found that there had been an overpayment of all of the residential allowance for the period since the daughter left the home. The tribunal accepted that the Department of Work and Pensions had not followed the correct procedures and that the overpayment was not recoverable.

The work of the Advocacy Team is funded by a Contract from the Legal Services Commission (LSC) and funding from the Association of London Government (ALG). The current contract runs until March 2006.

rightsnet website

rightsnet (www.rightsnet.org.uk) is an interactive welfare benefits website for advisers that includes, an on-line discussion forum; daily news, a Q &A's section; leaflets, and benefit rates.

2003 marked rightsnet's 5th year of operation and use of the web site continued to increase. The site received more than 32 ½ million hits during the year from almost 400,000 visits. Users represent more than 4000 advice organisations across the UK.

Over 750 news stories were published to rightsnet during 2003-04, with summaries of and links (within 24 hours of their issue), to new legislation, case law and court decisions, official guidance, and policy documents. In April and October 2003 new on-line resources were developed to support advice and information providers in dealing with client queries relating to the new Child Tax Credit, Working Tax Credit and Pension Credit.

During the year rightsnet also delivered services under Lasa's Specialist Support Project's contract with the Legal Services Commission. The work included the development and publication of a series of online resources relating to welfare benefit decision-making and appeals; summaries of new case-law (attracting positive feedback from the Social Security and Child Support Commissioners' and the Court Service); a

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daily email newsletter; and a series of half-day training courses "Using the internet to research welfare benefit law".

In autumn 2003 work commenced on the development of a new version of the site. "rightsnet 2004", was launched in January 2004 with a brand new design, new areas and features developed in response to user feedback. The new version of the site also included other changes designed to make rightsnet easier and quicker to use and ensure that social security practitioners across the country continue to receive free access to the most up-to-date benefit and tax credit related information on the web. Since the launch of the new site, visits have increased by 50%.

The Community Fund funded the development of the site until the end of April 2003. Since April 2003 rightsnet has received funding from the Legal Services Commission. The LSC funding has been offered for a three-year period, and work to raise match funding is on-going.

Review magazine

Six editions of Lasa's bi-monthly welfare benefits publication were produced and each distributed to more than 2000 organisations in 2003-04.

Sample articles from each issue were published to the Lasa website and, from January 2004, a pdf copy of each new issue was also published to the rightsnet website. More than 1000 copies were downloaded each month.

The April 2003 issue of review included the 2003-04 benefit rates poster and together with the pocket version (containing information on the full range of Lasa services) more than 6000 copies were distributed free of charge to advisers across the UK.

Specialist Support Project

Lasa Specialist Support Project, funded by the LSC, continued to run a pilot project to explore ways of providing effective expert legal advice and mentoring to London based organisations with a LSC contract or Quality Mark. Services include casework support, a dedicated telephone advice line and training courses.

In May 2003 the project passed its first quality mark audit. The auditors found that the quality of work, its recording and organisation, and the training provided were all excellent.

2003-04 saw the further development of this well respected service. Following a successful bid the contract was extended from October 2003 until March 2004. The LSC also agreed to provide additional funds to enable the project to work with the rightsnet web site to provide organisations with summaries of Commissioners' decisions, an email newsletter, and 140 web pages of information on challenging decisions.

The project has responded to 453 advice line calls over the year and by March had taken on 72 new cases, providing supported casework to both voluntary sector advice agencies and solicitor firms. The Specialist Support Project also designed 4 new training courses and delivered 16 days of training.

We are delighted to announce that the Lasa Specialist Support Project has been awarded one of two national welfare benefits specialist support contracts from April 2004 and we will be working in partnership with CPAG to deliver this over the next three years.

Welfare Benefits Training

The Advice and Training Team provide a comprehensive programme of affordable and accessible courses for organisations offering welfare benefits advice.

In 2003-04 the team provided twenty-one different courses, including five new courses that examined the rules for benefits and young people, pension credits, overpayments, challenging benefit decisions, and

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preparing cases for appeal. These new courses proved popular - the pension credits and benefits and young people courses ran at full capacity.

The team also expanded the 3 day "basic training package" which now consists of the welfare benefits overview, income support/income-based jobseeker's allowance and a choice between tax credits / pension credits / incapacity for work and disability living allowance/attendance allowance. The package has proved very popular. All courses are regularly updated to incorporate changes in legislation.

This year 'in-house' courses were provided for a number of organisations including the Refugee Education and Training Advisory Service, the University of London (for social work students), the Office of the Parliamentary Ombudsman, several housing associations and a number of organisations working with vulnerable communities. The team also provided training courses for the Specialist Support Project.

Lasa courses are promoted through a training brochure printed twice yearly and distributed to over 2,000 contacts. A weekly "course news" item is published weekly on the Lasa website. The team have successfully increased income from training courses to underpin the provision of the service.

Welfare Benefits Advice Line

The Advice Line is provided by staff from the Advocacy Team and the Advice and Training Team for six hours each week. Callers come from a wide range of advice and information providers including a significant number from housing associations, black and minority ethnic advice organisations, student unions and independent advice agencies. The number of calls increased slightly on the previous year to 645. This was probably due to benefit changes such as the introduction of working tax /child tax credits (April 2003) and pension credits (October 2003).

Policy Work

Despite limited resources for policy work Lasa continues to use our experience, and that of our service users, to influence government policies on social security benefits and their delivery.

In addition during 2003/2004 details of 18 government consultations on social security related issues were published to Lasa's rightsnet website to facilitate and encourage responses from first tier agencies.

ICT Support Services

Advice, consultancy, information and support

The Information Systems Team provides advice, information and support to help organisations make effective use of Information and Communication Technology (ICT). These services build the capacity of organisations to manage their ICT, and so enable them to deliver quality services.

Services include:

- telephone helpline
- consultancy and advice including IT Healthchecks
- an on-line ICT information resource www.lasa.org.uk/knowledgebase
- bi-monthly magazine 'Computanews'
- 'Computanews guides' for in-depth coverage of key topics
- innovative support models including Circuit Riders

Six issues of 'Computanews' were published, and in addition over 130 new articles were added to the 'knowledgebase' section of Lasa's website. We continue with our successful content sharing agreement between 'knowledgebase' and Techsoup, a similar website based in San Francisco.

The team continued to support organisations involved in the LSC Web Standards Project, and provided information and support about the technical aspects of the LSC Quality Mark for websites.

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Lasa Information Systems Team maintained its development of innovative support models to assist organisations in the management of their ICT. This included the continued promotion and development of the 'Circuit Rider Movement' in the UK - roving ICT support workers ('Circuit Riders') who meet the needs of small to medium sized organisations. Work with NCVO, NACVS and others to promote the movement continues, and in October 2003 we successfully secured funding from the Esmee Fairbairn Foundation to develop this work. The e-mail discussion forum continues to grow with well over 200 participants to date.

With funding from the Community Fund, a two-year Circuit Rider project working with twenty advice agencies in London started in September 2002. The evaluation of this project will be used to influence future developments and provide a model for UK projects.

The team has continued to engage with funders and policy makers in both central and local government to promote good practice in the use of ICT for the voluntary sector, and to develop models that deliver effective ICT support for the sector. This has included working with the Active Community Unit at the Home Office, the Greater London Assembly (through London Connects) and the Government Office for London. We have been active participants in the consultation and development of the strategy to best meet the ICT infrastructure needs of the voluntary and community sector.

AIMS Software

In the past year the second version of Lasa's Advice and Information Management System (AIMS) has been distributed to agencies throughout the UK. This version contains many changes based on feedback from users and offers increased functionality. As planned, our earlier software Time Span has now been discontinued.

In addition we have continued to develop and deliver training courses as well as commence external consultancies with 3 London Boroughs.

AIMS Version 3 is currently in development.

The Multikulti project

The project has completed its second full year of activity funded by the New Opportunities Fund. It has translated and digitised thousands of pages of advice and information, which are available in eleven languages at www.multikulti.org.uk. The information covers immigration, benefits, housing, health, employment and debt, with content provided, for example, by Shelter, Carers UK, Coventry Law Centre, Mind, National Debtline, Islington Law Centre and the London Borough of Newham.

The site receives positive feedback daily from users across the UK and is much valued by communities for whom English is not a first language as well as those agencies working with minority ethnic and refugee groups.

Due to the success of the site the New Opportunities Fund awarded Multikulti extra funds to develop a full Unicode-based content management system that went live in November 2003. This has made Multikulti a unique resource, and the most technically advanced website in the field of translated information materials.

Policy and Development

Five meetings of the London Advice Forum were facilitated during the year, with the development of terms of reference and a work programme for the Forum. A response on behalf of the Forum was submitted to the GLA's "Tackling Poverty in London" consultation in July 2003, raising the need for independent advice services in tackling poverty. Further responses were made by Lasa to:

- the Law Society's consultation on the future of publicly funded legal services;
- the GLA's children and young peoples' strategy consultation;

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- the Social Exclusion Unit's consultation on Mental Health and social exclusion;
- the Active Community Unit's consultation on voluntary sector infrastructure.

A workshop was organised by Lasa at the National Regeneration Convention highlighting the "Regeneration and Renewal" funding guide, as well as bringing in two advice agencies to talk about their experiences of garnering regeneration funds. Lasa's policy officer also took part in the LDA's workshop around promoting the Case for London.

Lasa's policy officer is the vice chair of the Voluntary Sector Forum (hosted by London Voluntary Service Council and responsible for maintaining dialogue between Association of London Government and its funded groups), representing the advice and legal sector, and helped organise the VSF annual conference. He sits on the steering group of Third Sector Alliance, the regional network of networks of voluntary and community organisations in London, again on behalf of the legal and advice sector. He was on the steering group of the Local Government Association's Quids for Kids campaign, speaking as a panel member at their conference.

Quality Development Initiative Project

QDI completed its second year in June 2003, supporting 30 advice agencies through an organisational audit and awarding 28 of those agencies a QDI bursary. A total of £147,969 was provided directly to the agencies across Bexley, Bromley, Croydon and Merton & Sutton.

In comparison to the first year, the pattern of bursary spending during the second year has changed almost entirely to address the issues of advice development, such as training and network membership. Advice development issues are central to the aims of QDI.

For the third and final year of the project (July 2003 - June 2004), 30 advice agencies have been chosen from across Barnet, Brent, Enfield and Harrow, and are each receiving support from the QDI project.

The project has organised various meetings: borough-wide meetings, development worker meetings, a review day, and two evaluation days. The aim of these meetings was to share information, learn how to measure outcomes from advice services and address the quality of advice.

During its final year, alongside evaluation work and the exploration of ways to improve the quality of development work, the main issue was the future of QDI. Ongoing evaluation and the results of the review day suggested that the project was successful. The majority of QDI's partners agreed, in principle, to seek future funding, and to continue the project if funding is achieved.

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Statistical Information April 2003 to March 2004

Service	2003-4	2002-3
Welfare Benefit Support Services		
Advice Line calls	645	629
Representation		
Cases taken on	229	165
Average success rate	80%	79%
Lump sum awards	£367,254	£517,598
Extra weekly benefit	£6,693	£5,935
Training:		
Courses provided	21	19
Training days	161	150
Numbers trained	1,817	1,710
Rightsnet web site -		
Hits/month (March)	8,857,068	974,654
Visitor sessions/month (March)	46,210	22,912
News stories/year	756	566
Review publication -		
Circulation/issue	2,024	2,051
Website downloads/issue	1,780	N/a
Specialist Support Project:		
Advice line calls	453	174 (Oct 2002-March 2003)
Supported case work	72	40 (Oct 2002-March 2003)
Courses provided	4	4 (Oct 2002-March 2003)
Training days	16	8 (Oct 2002-March 2003)
ICT Services		
Telephone Consultancies	312	190
Computanews circulation	2,714	2,671
Knowledgebase		
Website hits March	17,803	12,043
AIMS		
Software sales	57	240
Timespan users	0	0
Training days	47	53
Numbers trained	268	290

Financial review

Lasa had net outgoing resources on unrestricted funds, a deficit, of £(9,646) for the year. Together with the accumulated surplus brought forward from previous years, Lasa now has an accumulated surplus of £86,785 (2003 £96,431) on unrestricted funds. Restricted funds carried forward at 31 March 2004 amounted to £270,660 (2003 £319,938). These are funds that have been received for restricted projects including AIMS, Circuit Rider Movement and Circuit Rider Project, MultiKulti, Quality Development Initiative and rightsnet and is sufficient for those activities for which the funds were provided.

Grants for the year, amounting to 54% (2003, 61%) of the total income, were received from the Association of London Government, The Community Fund, The New Opportunities Fund, the Legal Services Commission and the Esmee Fairbairn Charitable Trust.

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Risk assessment

In June 2002 the Board of Directors agreed a risk management strategy which comprises:

- an annual review of the risks which the charity may face
- the establishment of systems and procedures to mitigate against risks identified; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A review of the plan is carried out annually.

Reserves policy

As part of the assessment of the risks the charity faces the Board of Directors review the sufficiency of the free reserves to ensure that the charity will continue to provide its services should the risks materialise. At the 31 March 2004 the Directors assess the free reserves amount should amount to £115,000. The free reserves amount to £75,251 at 31 March 2004 and the Board of Directors propose reaching the target over the next 2 years. The free reserves are the unrestricted funds carried forward less the unrestricted fixed assets.

Company status

London Advice Services Alliance Company Limited (Lasa) is a company limited by guarantee governed by its memorandum and articles of association. It is registered at Companies House under the number 1794098. The Charity Commissioners have registered the company as a charity under the number 800140. Membership of the company is open to national advice networks.

Board of Directors

The Members of the board perform the role of directors in company law and are the trustees in charity law. Those who served during the year, except where indicated, were :

Noeleen Adams	Barbara Meredith (resigned 1/10/03, re-appointed 24/3/04)
Sebastian Bacon (appointed 24/3/04)	Sola Oyebade
Richard Hill	Bobbie Pote
James Kenrick	Ruth Power
Hugh Lyon	Patricia Ryder (resigned 27/1/04)
Vernica Massiah	

The Board of directors consists of up to eighteen people, one person nominated by each membership organisation, up to six people nominated who have direct experience of advice work, up to four people who have other relevant experience and two more people can be co-opted by the Board.

Member organisations currently consist of the advice networks. These are adviceUK, Age Concern, Citizens Advice, DIAL UK, The Law Centres Federation and Youth Access.

The networks are asked to confirm or replace their representatives every two years. Co-opted members retire at the Annual General Meeting following their co-option and may be co-opted again. The ten other board members retire after two years service with two members retiring each year. Each Board member has one vote and the Chair has a second casting vote.

Statement of the Board of Directors responsibilities

Company law requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Board of Directors are required to:

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

The Board of Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

The independent auditors, John Ellis & Company, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the Board of Directors on 14 July 2004 and signed on its behalf by:

Richard Hill
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

We have audited the financial statements of London Advice Services Alliance Company Limited for the year ended 31 March 2004 set out on pages 11 to 24. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 14 to 15.

Respective responsibilities of directors and independent auditors

As described in the Statement of Annual Responsibilities the company's Board of Directors is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John Ellis & Company

Chartered Accountants
and Registered Auditors
240 High Holborn
London WC1V 7DN

21 July 2004

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2004

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Income and Expenditure					
Incoming Resources					
Activities to further the charity's objects:					
Advice, information, training, policy and resource services:					
Grants	3	321,000	510,400	831,400	954,906
Other earned		688,537	-	688,537	595,694
Investment income and interest		11,349	-	11,349	12,457
Total Incoming Resources	2	1,020,886	510,400	1,531,286	1,563,057
Resources Expended					
Charitable expenditure:					
Advice, information, training, policy and resource services					
Grants made	5	-	147,969	147,969	196,185
Management and administration	6	12,007	-	12,007	11,781
Total Resources Expended	4	871,360	718,850	1,590,210	1,616,129
Net Incoming/(Outgoing) Resources before transfers					
		149,526	(208,450)	(58,924)	(53,072)
Transfers between funds	1,15	(159,172)	159,172	-	-
Net Incoming/(Outgoing) Resources					
Net income for the year					
		(9,646)	(49,278)	(58,924)	(53,072)
Transfer (to)/from designated funds:					
Research and development					
Staff costs		18,000	-	18,000	(30,000)
		(18,000)	-	(18,000)	(14,000)
Net inflow/(outflow) after transfers					
to designated funds		£ (9,646)	£ (49,278)	£ (58,924)	£ (97,072)

The notes on pages 14 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES CONTINUED
For the year ended 31 March 2004

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
Note	£	£	£	£
Summary of balances				
At 1 April 2003				
General	24,431	-	24,431	20,837
Designated	72,000	-	72,000	28,000
Restricted	-	319,938	319,938	420,604
	<u>£ 96,431</u>	<u>£ 319,938</u>	<u>£ 416,369</u>	<u>£ 469,441</u>
Net inflow/(outflow) for the year				
General	(9,646)	-	(9,646)	3,594
Designated	-	-	-	44,000
Restricted	-	(49,278)	(49,278)	(100,666)
	<u>£ (9,646)</u>	<u>£ (49,278)</u>	<u>£ (58,924)</u>	<u>£ (53,072)</u>
At 31 March 2004				
General	14,785	-	14,785	24,431
Designated	72,000	-	72,000	72,000
Restricted	-	270,660	270,660	319,938
Fund balances at 31 March 2004	<u>15</u> <u>£ 86,785</u>	<u>£ 270,660</u>	<u>£ 357,445</u>	<u>£ 416,369</u>

The balance on restricted funds represents the amount of funds available for specific projects or activities which were not finished at the year end. These funds are therefore necessary to complete the project or activity in the next year and are not a surplus available to the charity for other purposes. A condition of funding these projects or activities is that if the project was not completed for any reason the remaining funds are required to be repaid to the donor or grantor.

There were no acquisitions or discontinued operations during 2004 or 2003. There were no recognised gains and losses or movement on reserves for 2004 or 2003 other than those included in the Statement of Financial Activities.

The notes on pages 14 to 24 form part of these financial statements.

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

**BALANCE SHEET
As at 31 March 2004**

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible fixed assets	11		13,842		25,411
CURRENT ASSETS					
Debtors	12	123,489		184,825	
Cash at bank and in hand		493,176		516,988	
		<u>616,665</u>		<u>701,813</u>	
CREDITORS: amounts falling due within one year	13	(157,332)		(214,460)	
NET CURRENT ASSETS			<u>459,333</u>		<u>487,353</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			473,175		512,764
DEFERRED INCOME	14		(115,730)		(96,395)
NET ASSETS			<u>£ 357,445</u>		<u>£ 416,369</u>
FUNDS					
Unrestricted funds					
General			14,785		24,431
Designated			72,000		72,000
			<u>86,785</u>		<u>96,431</u>
Restricted funds			270,660		319,938
	15, 16		<u>£ 357,445</u>		<u>£ 416,369</u>

The financial statements were approved by the Board of Directors on 14 July 2004 and signed on its behalf by:

Richard Hill
Chair

Noeleen Adams
Treasurer

The notes on pages 14 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities", issued in October 2000, and with applicable accounting standards. The financial statements include the results of the company's operations which are described in the Annual Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Total incoming resources as shown in the Statement of Financial Activities is the turnover of the company. It represents the value of fees, grants and donations receivable in the ordinary course of business excluding VAT where applicable. It includes the total amount of capital grants receivable in the year.

Voluntary income received by way of donations and gifts to the company is included in full in the Statement of Financial Activities when received. Intangible income is not included unless it represents goods or services which would have otherwise been purchased.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets with a value of £1,500 or more are capitalised at cost less depreciation. 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:

Office equipment	-	33%	Straight line
Fixtures & fittings	-	33%	Straight line

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to Statement of Financial Activities as incurred on a straight line basis.

1.5 Restricted funds

Restricted funds are incoming resources generated for the charity's purposes and which are to be used for the specified purposes as laid down by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overheads and support costs. Fund balances carried forward are those necessary to complete the project or activities for which the funds were provided. In the event of insufficient funds being raised for the project or activity a transfer is made from the unrestricted funds of the amount of the shortfall.

1.6 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charity's purposes.

1.7 Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

1.8 Pensions

The company has a defined contribution pension scheme. The company contributes 3% of gross salary to the scheme or to the employee's personal pension scheme. The charge to the Statement of Financial Activities represents the amounts payable to the funds during the year.

1.9 Grants

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund over the expected useful life of the asset.

Grants of a revenue nature are credited to incoming resources in the period in which they are receivable. Grants receivable in advance for specified future periods are carried forward as deferred income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

2. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTIVES

	Grants	Other income	Total Funds 2004	Total Funds 2003
	£	£	£	£
Advice support services				
Advocacy	130,564	118,998	249,562	231,912
Advice and training	52,898	161,010	213,908	245,882
Review	6,138	12,159	18,297	16,660
RightsNet	64,368	1,795	66,163	133,910
Specialist support	-	216,785	216,785	88,137
	<u>253,968</u>	<u>510,747</u>	<u>764,715</u>	<u>716,501</u>
Policy and development				
Policy	26,976	113	27,089	14,021
Regeneration guide	-	-	-	4,896
Heather Rainbow				
Quality development initiative	263,692	-	263,692	256,191
	<u>290,668</u>	<u>113</u>	<u>290,781</u>	<u>275,108</u>
ICT services				
Information systems	58,519	74,268	132,787	177,071
AIMS	-	102,010	102,010	133,849
Circuit Rider				
- movement	16,393	-	16,393	-
- project	60,110	-	60,110	66,835
Computanews	21,537	12,748	34,285	33,486
MultiKulti	130,205	-	130,205	142,721
Use of IT	-	-	-	17,486
	<u>286,764</u>	<u>189,026</u>	<u>475,790</u>	<u>571,448</u>
	<u>£ 831,400</u>	<u>£ 699,886</u>	<u>£1,531,286</u>	<u>£1,563,057</u>

Incoming resources in note 2 and total resources expended in note 4 include both restricted and unrestricted income and expenditure. Incoming resources for restricted funds in note 15 only includes restricted income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

3. GRANTS AND DEFERRED INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
<u>Receivable in year</u>				
Association of London Government				
Revenue	401,250	-	401,250	318,005
New Initiative Funding	-	100,000	100,000	100,000
Community Fund				
Circuit Rider	-	60,110	60,110	66,835
Quality Development Initiative	-	163,692	163,692	156,191
RightsNet	-	-	-	125,935
New Opportunities Fund				
MultiKulti	-	122,705	122,705	142,721
Esmee Fairbairn Foundation	-	16,393	16,393	-
Legal Services Commission	-	40,000	40,000	-
Other	-	7,500	7,500	-
	<u>£ 401,250</u>	<u>£ 510,400</u>	<u>£ 911,650</u>	<u>£ 909,687</u>
<u>Deferred grants</u>				
<u>Brought forward from previous year</u>				
Community Fund	-	-	-	45,219
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 45,219</u>
<u>Carried forward to next year</u>				
Association of London Government				
Revenue	80,250	-	80,250	-
Net deferred grants	<u>£ (80,250)</u>	<u>£ -</u>	<u>£ (80,250)</u>	<u>£ 45,219</u>
Total for the year	<u>£ 321,000</u>	<u>£ 510,400</u>	<u>£ 831,400</u>	<u>£ 954,906</u>

£401,250 was received from the Association of London Government as a contribution towards Lasa's range of services to advice agencies. £321,000 was applicable to 2003/2004. £80,250 has been carried forward to 2004/2005.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

4. TOTAL RESOURCES EXPENDED

	Fees & staff costs	Other direct costs	Overheads & premises	Total Funds 2004	Total Funds 2003
	£	£	£	£	£
Advice support services					
Advocacy	200,308	11,563	21,862	233,733	190,409
Advice and training	161,001	26,251	20,254	207,506	238,737
Review	7,817	6,920	-	14,737	11,629
RightsNet	96,582	14,450	2,060	113,092	173,716
Specialist support	152,145	9,481	10,087	171,713	60,997
	<u>617,853</u>	<u>68,665</u>	<u>54,263</u>	<u>740,781</u>	<u>675,488</u>
Policy and development					
Policy	29,177	668	6,921	36,766	25,464
Regeneration guide	-	-	-	-	4,896
Heather Rainbow memorial conference	-	-	-	-	4,649
Quality development initiative	104,538	160,205	-	264,743	322,478
	<u>133,715</u>	<u>160,873</u>	<u>6,921</u>	<u>301,509</u>	<u>357,487</u>
ICT services					
Information systems	149,699	8,384	19,657	177,740	99,041
AIMS	108,280	8,512	7,368	124,160	230,617
Circuit Rider					
- movement	6,166	105	-	6,271	-
- project	44,344	11,562	-	55,906	30,421
Computanews	19,411	9,976	(221)	29,166	29,190
MultiKulti	147,676	2,602	4,399	154,677	177,161
Use of IT	-	-	-	-	4,250
Webstandards	-	-	-	-	12,474
	<u>475,576</u>	<u>41,141</u>	<u>31,203</u>	<u>547,920</u>	<u>583,154</u>
	<u>£1,227,144</u>	<u>£ 270,679</u>	<u>£ 92,387</u>	<u>£ 1,590,210</u>	<u>£ 1,616,129</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

5. BURSARIES MADE FOR THE QUALITY DEVELOPMENT INITIATIVE PROJECT

	Total Funds 2004
	£
African Women's Welfare Association	5,000
Age Concern Croydon	4,944
An-Nisa	4,841
Barnet Law Service	5,000
Bexley Association of Disabled People	5,000
Bexley SNAP	5,000
Brent Community Law Centre Ltd	5,350
Bromley Association of People with Disabilities	5,000
Bromley Racial Equality Council	5,000
Bromley Youth Agency	5,000
Carers Support Harrow	2,500
Crayford Information Centre	4,954
Cricklewood Homless Concern	5,000
Croydon Community Care Service	5,000
Croydon Healthy Living Centre Network	4,795
Disability Croydon	5,000
East Finchley Advice Service	4,939
Enfield Turkish Cypriot Association	4,912
Ethnic Minority Centre	5,000
Horn of Africa Childrens Association	4,992
Hounslow joint training	1,380
Kikiwa Counselling Centre	5,000
Merton Somali Community Organisation	4,713
Refugee welfare and development	2,591
Rephael Trust	2,500
Sangat Advice Centre	5,000
South London Congolese Association	5,000
Streetwise Law Centre	1,952
Sutton Carers Centre	5,000
Sutton Racial Equality Council	40
Women's Aid Harrow	5,000
WorldWide House of Hope	4,916
Other	7,650
	£ 147,969

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

6. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Salaries and other staffing costs	7,750	-	7,750	7,524
Auditors' remuneration	4,000	-	4,000	4,000
Subsistence	197	-	197	197
Postage	60	-	60	60
	<u>£ 12,007</u>	<u>£ -</u>	<u>£ 12,007</u>	<u>£ 11,781</u>

7. LOCAL GOVERNMENT AND HOUSING ACT 1989

The company received financial assistance from the Association of London Government. As required by the Local Government and Housing Act 1989, the following information is given.

£401,250 was received as a contribution towards Lasa's range of services to advice agencies. £321,000 was applicable to 2003/2004. £80,250 has been carried forward to 2004/2005. The 2003/2004 grant has been fully expended.

£100,000 was received as a contribution towards the bursary fund for the Quality Development Initiative.

8. NET INCOMING/(OUTGOING) RESOURCES

Net incoming/(outgoing) resources is stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets		
- owned by the company	16,596	21,658
Auditors' remuneration		
- for audit services	4,000	4,000
- for other services	9,115	5,072
Operating lease rentals		
- land and buildings	<u>51,995</u>	<u>49,938</u>

No member of the Board of Directors received any emoluments. Out of pocket expenses reimbursed were less than £100 (2003 - £100). No employee received emoluments of £50,000 per annum or more.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

9. STAFF COSTS

Staff costs were as follows:

	2004 £	2003 £
Wages and salaries	922,240	888,002
Social security costs	95,188	85,597
Pension costs	36,615	22,158
	<u>£ 1,054,043</u>	<u>£ 995,757</u>

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

	2004	2003
Service delivery	27	28
Administration	4	4
	<u> </u>	<u> </u>

10. TAXATION

The company is a charity and claims exemption from corporation tax under s505(1) ICTA 1988.

11. TANGIBLE ASSETS

	Office Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2003	145,774	2,835	148,609
Additions	5,027	-	5,027
Disposals	(24,263)	-	(24,263)
At 31 March 2004	<u>126,538</u>	<u>2,835</u>	<u>129,373</u>
Depreciation			
At 1 April 2003	120,363	2,835	123,198
Charge for year	16,596	-	16,596
On disposals	(24,263)	-	(24,263)
At 31 March 2004	<u>112,696</u>	<u>2,835</u>	<u>115,531</u>
Net Book Value			
At 31 March 2004	<u>£ 13,842</u>	<u>£ -</u>	<u>£ 13,842</u>
At 31 March 2003	<u>£ 25,411</u>	<u>£ -</u>	<u>£ 25,411</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

12. DEBTORS

	2004 £	2003 £
Due within one year		
Trade debtors	60,428	61,617
Other debtors	6,553	4,138
Prepayments	4,756	10,388
Grants in arrears	51,752	108,682
	<u>£ 123,489</u>	<u>£ 184,825</u>

13. CREDITORS:
Amounts falling due within one year

	2004 £	2003 £
Trade creditors	61,439	74,761
Social security and other taxes	37,207	41,157
Other creditors	52,340	89,743
Accruals	6,346	8,799
	<u>£ 157,332</u>	<u>£ 214,460</u>

Included in other creditors is an amount of £618 in respect of pension contributions. (2003 £13,512).

14. DEFERRED INCOME

	2004 £	2003 £
At 1 April 2003	96,395	86,916
Less amount released to incoming resources	(92,427)	(82,948)
Plus amount deferred in the year	111,762	92,427
At 31 March 2004	<u>£ 115,730</u>	<u>£ 96,395</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

15. STATEMENT OF FUNDS

	At 1 April 2003 £	Income £	Expenditure £	Transfers £	At 31 March 2004 £
General funds	24,431	1,020,886	(871,360)	(159,172)	14,785
Designated funds					
Research and development	30,000	-	-	(18,000)	12,000
Staff costs	42,000	-	-	18,000	60,000
Total unrestricted funds	<u>96,431</u>	<u>1,020,886</u>	<u>(871,360)</u>	<u>(159,172)</u>	<u>86,785</u>
Restricted funds					
AIMS	88,610	-	(124,160)	104,869	69,319
Circuit Rider movement	-	16,393	(6,271)	-	10,122
Circuit Rider project	36,414	60,110	(55,906)	-	40,618
MultiKulti	3,008	130,205	(154,678)	24,588	3,123
Quality Development Initiative	148,529	263,692	(264,743)	-	147,478
RightsNet	43,377	40,000	(113,092)	29,715	-
Total restricted funds	<u>319,938</u>	<u>510,400</u>	<u>(718,850)</u>	<u>159,172</u>	<u>270,660</u>
Total funds	<u><u>416,369</u></u>	<u><u>1,531,286</u></u>	<u><u>(1,590,210)</u></u>	<u><u>-</u></u>	<u><u>357,445</u></u>

Designated funds

Research and development

£12,000 has been designated for research and development on the use of information technology for advice and information providers.

Staff costs

£60,000 has been designated for unexpected staff costs such as redundancy, maternity and long term sickness.

Incoming resources for restricted funds in note 15 only includes restricted income. Incoming resources in note 2 and total resources expended in note 4 include both restricted and unrestricted income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £
Fund balances at 31 March 2004 are represented by			
Tangible fixed assets	11,534	2,308	13,842
Current assets	300,139	316,526	616,665
Current liabilities	(125,458)	(31,874)	(157,332)
Deferred income	(99,430)	(16,300)	(115,730)
	£ 86,785	£ 270,660	£ 357,445

RESTRICTED FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Net Current Liabilities and Deferred Income £	Total £
AIMS	-	69,319	-	69,319
Circuit Rider movement	1,013	10,309	(1,200)	10,122
Circuit Rider project	-	40,618	-	40,618
Multikulti	250	9,550	(6,677)	3,123
Quality Development	862	162,388	(15,772)	147,478
RightsNet	183	24,342	(24,525)	-
	£ 2,308	£ 316,526	£ (48,174)	£ 270,660

17. OTHER COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within 1 year	50,000	50,000	440	440
Between 2 and 5 years	50,000	100,000	-	-

18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the year there were no other capital commitments, contingent liabilities or other financial commitments for which full provision has not been made in these financial statements (2003 £Nil).