
LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2006**

Company Number: 1794098

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

Company Information

Board of Trustees

Noeleen Adams
Sebastian Bacon
Annette Figueiredo
Hugh Lyon
Bobbie Pote
Elizabeth Sewell
John Walsh

Chair

Elizabeth Sewell

Treasurer

Noeleen Adams

Secretary

Andrew Gregg

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 2006

The Board of Trustees present the Annual Report and the financial statements of the London Advice Services Alliance Company Limited, Lasa, for the year ended 31 March 2006.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in February 2005.

The Trustees commend the staff for their continued hard work and support in maintaining Lasa's key services and also developing new initiatives.

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 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's Mission Statement:

Lasa provides strategic and innovative services to support the provision of expert independent advice for all.

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.

Lasa operates in three core areas.

- Welfare Rights support and training,
- ICT services and other support to advice agencies and
- Policy development support to London's advice sector.

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, many services are primarily delivered in the London region but publications, websites,

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software and consultancy services are accessed by organisations throughout the UK.

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.

Governance issues

The affairs of Lasa are governed by the Board of Trustees who held five Board meetings during the reporting period. In addition to these and the AGM, there was also a full day Strategic Planning Awayday which allowed the Board and the Senior Management Team to revisit and review the mission of Lasa, conduct a SWOT analysis of the organization, determine a number of Strategic Aims and plan for the development of a full Strategic Plan that will commence in 2007. In 2005 we conducted a full external recruitment to the post of Chair, which culminated in the selection of Liz Sewell who took up the post from 1st April 2005. During the year Barbara Meridith, James Kenrick, Ruth Power and Sola Oyebade all left the Board.

As part of its regular discussions about the governance of Lasa, the Board continued its procedure for declaring and recording conflicts of interest. In addition to regular meetings of the Finance and Resources sub committee the Board established a Governance sub committee and an Equal Opportunities sub committee. Regular Risk Analyses were carried out by the Board covering both financial and other risk areas for Lasa.

We are at present starting the process of developing our Strategic Plan for the next 3 years period and have reviewed our constitution and mission statement which now reads:

Lasa provides strategic and innovative services to support the provision of expert independent advice for all.

The Senior Management Team continued to meet on a weekly basis and also established a schedule of two monthly Awaydays to discuss strategic and longer-term issues. At the end of February Jacky Bourke-White (Director of Welfare Rights Support Services) resigned from the organisation. We are continuing the process of restructuring Lasa's advice and training services so as to ensure they remain fit for purpose and to continue to improve our income generation abilities.

Overview of the year

Lasa has had a successful year and we have been able to develop our services and provide expert resources and support in each of our agreed outcome areas. During the year Lasa held its 21st Birthday celebration with a well attended reception at London's City Hall addressed by Clare Rayner and Claude Moraes MEP. We have developed a number of new initiatives and have secured funding for these as well as finding new ways to generate income from services.

During the year we have developed our involvement in the Change Up programme at all levels - national, London-wide, sub regional and borough levels. We are the lead agency in a project with London's CVS to develop plans to improve ICT infrastructure across London.

We continue to be closely involved in the Voluntary Sector Forum (Paul Treloar, Lasa's Policy Development Officer Chairs this Forum). We convene and Chair the London Advice Forum and work closely with all the advice networks as well as key agencies such as LVSC.

Lasa is involved in three partnerships funded by the ESF EQUAL budget line - EASI which provides a wide range of support activities to asylum seekers, PRESTO which provides a range of pathways into employment and self-employment for refugees and SIED which provides business development advice for Black and Minority Ethnic Refugees.

We have introduced a number of new ICT approaches during the year in order to increase our efficiency.

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We have successfully introduced the SUN5 accountancy package and we have also developed an entirely new database (LID).

Welfare Rights Support Services

Appeals representation

Lasa's Appeals team has provided free and expert case preparation and representation at social security appeal tribunals and to the Commissioners for claimants referred by London advice agencies since 1984. The team has the equivalent of 4 full time posts. In 2005-6 the team provided 5,880 hours of advocacy services at social security tribunals.

In 2005-6 the Advocacy Team received 586 referrals and of these, was able to take on 252 cases. The team had an 85.3% success rate resulting in £433,937.11 in lump sums and a further £399,121.32 in extra annual income being gained for clients. 67% of 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.

Feedback from clients included the following comments

'The Quality of Service we got from you was exceptional not just because we won the appeal but because our representative was thorough, meticulous and to the point'

'The service I received was excellent and I would definitely recommend the service to anyone who found themselves in my position. I couldn't have done it without your help, My representative was there for me all the way.'

'I found the appeals representative very easy to talk to and very honest. I rarely feel comfortable with people I don't know because of my speech but I found that my representative was very kind and listened. These are qualities I'm not always used to finding.'

Furthermore, workers regularly receive 'off the record' compliments from Tribunal Chairs indicating acknowledgement of and respect for the high levels of skill, expertise and professionalism that the team maintain.

Example of cases dealt with:

Mr X has severe alcoholism. He spent several years living rough until the winter of 2004 when he entered a detoxification programme. The extent of his problems were so significant that he needed to spend 6 weeks in hospital followed by 6 months in residential care before he was able to move into supported accommodation for further therapy.

He was receiving benefit on the basis that he was unable to work. The benefits office called him for a medical and decided that he was fit for work and that he needed to show he was actively seeking work in order to get benefit. Accepting this would mean moving out of the supported accommodation and ending his therapy early (putting him at risk of relapse).

Mr X was very anxious about the appeals process. We were able to work with his key worker to reassure and support him to ensure that he felt able to attend and participate in the hearing. Drawing on past caselaw (some established by a previous Lasa case) we developed a substantial legal argument and persuaded the tribunal to allow his appeal. Recognising that this issue could affect other residents of the housing project, we have since been supporting the key worker to take the matter up with the local benefits office.

Demand for the service always outstrips supply and the team continues to work towards developing capacity in the frontline advice agencies:

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Since October the Team has been hosting a regular appeals forum for agencies across London that specialise in BME or mental health client groups. The meetings offer an opportunity to share and develop skills and experience. The team keeps in touch with attendees between meetings and encourage them to 'shadow' Lasa appeals workers at hearings and during case preparation.

The Appeals Team delivered 9 training courses for the training team during 2005-6, including 'Representation at Appeals Tribunals'. The Appeals Team and the Training Team also continue to run the advice line for advisors 3 times per week.

The work of the Appeals team is funded by a Contract from the Legal Services Commission (LSC) and funding from the Association of London Government (ALG). The current contract LSC runs until April 2007. After April 2007 the LSC will be reducing the number of organisations they deal with. The Appeals team has consistently been amongst the top 3rd of current suppliers in terms of performance and this will stand us in good stead for future negotiations. Some additional funding for the Appeals Forum is provided by the Baring Foundation.

Rightsnet website

Rightsnet (www.rightsnet.org.uk) is a welfare benefits website for advisers that includes, an on-line discussion forum; daily news and analysis, leaflets, factsheets, benefit calculators, benefit rates and the latest advice related job vacancies. During the year development of the site included the launch of a news and caselaw subscription service and new training and policy areas, to promote the work of Lasa's training team and policy officer.

2006 marked Rightsnet's 8th year of operation and use of the web site continued to increase. The site received more than 30 million hits during the year from across 790,000 visitor sessions. Users represent more than 4,000 advice organisations across the UK.

Rightsnet continued to operate under the Community Legal Service Quality Mark for websites.

844 news stories were published to Rightsnet during 2005-6, with summaries of and links (within 24 hours of their issue), to new legislation, case law and court decisions, official guidance, and policy documents.

During the year Rightsnet also delivered services under Lasa's Specialist Support Project's contract with the Legal Services Commission. This involved the launch of a new area of the site - "briefcase" - and the publication of more than 400 caselaw summaries during the year. Rightsnet's daily email newsletter is now being received by over 3,000 agencies.

During 2005-6 Rightsnet was grant funded by the Association of London Government, the Legal Services Commission and the Law Society Charity. In addition funding was obtained from the City Parochial Foundation for the launch of the new policy area of the website. Grant funding was supplemented by income generated from the news and caselaw subscription service, and from job vacancies submitted for publication to the site.

Review magazine

Six editions of Lasa's bi-monthly welfare benefits publication were produced and distributed to more than 2,500 organisations in 2005-6.

In addition a pdf copy of each new issue was also published to the Rightsnet website.

The April 2005 issue of review included the 2005-6 benefit rates poster and together with the pocket version (containing information on the full range of Lasa services) more than 6,000 copies were distributed to advisers across the UK.

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Specialist Support Project

The Specialist Support Service provides expert support and training for organisations in England with a LSC contract or a General Help with Casework Quality Mark.

During the year the service provided support for 378 organisations, developed 5 new training courses and delivered 12 days of training in the LSC regions. As part of our support for eligible organisations we have also summarised 133 Commissioners decisions, which are then published in the briefcase area of www.rightsnet.org.uk.

Our contract was due to run until May 2007. In January 2006 we were given six months notice by the LSC that it would be terminating all Specialist Support contracts, without any consultation with either the service providers or users and despite excellent evaluations of the service. The majority of the Specialist Support providers adopted a twin track approach to this decision involving campaigning and litigation. To gather support for our campaign we sent a questionnaire to 352 of our most recent users. In two weeks Lasa received 169 replies, a not inconsiderable level of response, all of which agreed that we provided clear and helpful advice that enabled advisers to provide much better advice to their clients.

Comments included -

Without this valuable asset there will be further dwindling of access to justice for those who need it most. Although an experienced advisor of 15 years there have been times when I have needed to access Specialist Support (SSS) for help and advice ... Without the SSS I would not have been in a position to proceed with a number of cases for some of my most vulnerable clients. I have had excellent advice from the SSS which has a substantial impact on the outcomes of cases and alternatively those cases without sufficient benefit have not progressed thereby reducing the LSC funding costs.

We are a small, very busy team in a Carers Centre and for us specialist support service is absolutely essential. In Hackney we have many complex cases with a multitude of issues. For us the support we have had is vital to back us up as advisers and it is so helpful in clarifying complex legislation, particularly as we are an advice service that has been built up around trainees and to up skill local and bi-lingual people. We can't believe that they are thinking of withdrawing this service! It will mean that we are able to see less carers and give less vulnerable people help because we will have to spend even more time looking up and weighing complex benefit case law and legislation. A quick call to the Specialist Support service helps us by confirming how we read the law and clarifying where we have difficulties understanding the law.

The specialist support we have received from LASA has been excellent ... The service is a vital 2nd tier resource for welfare rights caseworkers

Cutting support is likely to lead to a lowering of quality, less well informed advisers and cause advisers to spend more time on cases.

The help of specialist support has been invaluable. I really don't think I could have handled some of the cases without their support. My clients would have had nowhere to turn for help

As well as responding to our questionnaire the campaign received extensive and vocal support from our service users who encouraged 175 MPs to sign Early Day Motion 1542. The Constitutional Affairs Committee was concerned enough to hold an emergency hearing and subsequently issued a highly critical report on the termination decision.

At the same time Lasa Specialist Support became a party to judicial review proceedings issued against the LSC. The combined effect of campaigning and litigation resulted in the LSC withdrawing the termination notices and it will conduct a proper consultation before making a decision on the future of

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Specialist Support.

We were able to use the threatened termination of our service to highlight the case for second tier support in welfare benefits advice while simultaneously raising the profile of Lasa Specialist Support. The encouragement, thanks and support we received from our users was very encouraging and the responses to the questionnaires will be very useful for future funding applications.

Welfare Benefits Training

The Advice and Training Team provided a comprehensive programme of affordable and accessible courses for organisations delivering welfare benefits advice. A new marketing campaign, begun in the 3rd quarter, has successfully increased income from training courses to underpin the provision of the service. This has, in part, been based upon the recognition that welfare benefits advice is given in many situations and by many professionals, not just the specialist adviser and that good quality welfare benefits training is necessary for staff working in supportive as well as advisory roles.

The team worked with Refugee Arrival Project (RAP) and provided a number of courses aimed at helping RAP staff to provide clear, accurate and up-to-date benefit information and advice. We also provided training to help staff develop interviewing and case management skills.

In 2005-6 the team provided over 200 training courses (including a combination of lasa programme and in-house courses). Over 1000 people attended Lasa courses and 62 in-house courses were arranged. Courses have been adapted/updated throughout the year. New courses have been developed and delivered:- 'disability living allowance for drug and alcohol users', 'practical solutions to common benefit problems', 'introduction to debt advice' and 'EU law, the right to reside & habitual residence test' .

The training programme provides a full range of welfare benefit training: from the introductory "welfare benefits overview" to "identifying errors of law". This enables trainees to attend training that is suitable and relevant for their benefit knowledge and jobs. The "training package" which 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 has continued to be very popular offering trainees an excellent grounding in the welfare benefits system. All courses are regularly updated to incorporate changes in legislation.

The team delivered 'In-house' courses to a number of organisations including Housing Associations, Connexions, and many organisations working with vulnerable communities. The team also provided training courses for the Specialist Support Project.

Lasa courses are promoted through our training brochure printed twice yearly and distributed to over 2,000 contacts. A "training news" item is published weekly on the Lasa website and distributed via our Training News Email Contact List (500 contacts). Information on courses is also advertised on the rightsnet homepage, and the weekly rightsnet email newsletter. Targeted information about courses is sent to certain groups, for example housing associations and Sure Starts in London.

Welfare Benefits Advice Line

During the year we provided 3 sessions per week of the welfare benefits advice line (totalling 9 hours per week for 51 weeks per year). The advice line continued to be busy with 450 enquiries from 220 different organisations received throughout the year covering queries on all benefits. The line is staffed by workers from the Advocacy Team and the Advice and Training Team who provide expert advice to callers from a wide range of London's advice and information providers including black and minority ethnic advice organisations, disability organisations, welfare rights units and independent advice agencies. The Advice Line is funded by the Association of London Government.

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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

5 issues of 'Computanews' were published, and in addition 10 new articles were added to the Knowledgebase website. Knowledgebase had an average of 17,000 visitors to the site per month. We continue with our successful content sharing agreement between Knowledgebase and Techsoup, a similar website based in San Francisco. We successfully ran the a second UK Circuit Rider Conference in London with 80 delegates from all over the UK and internationally.

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.

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, AbilityNet, IT4Communities and others to promote the movement continues. The e-mail discussion forum continues to grow with well over 300 participants to date.

During the year 72 organisations were assisted by the IST team including:

- 28 Circuit Rider groups
- 10 groups funded by Islington PCT
- 10 Hammersmith and Fulham Refugee Forum
- 15 as partners in EQUAL - SIED, EASI and PRESTO partnerships

As part of the Change Up project we are working with CVS or equivalents in all 32 London Boroughs.

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. Following our success in being funded as a member of the ICT Consortium to develop a business plan for the delivery of infrastructure ICT support as part of the Home Office ChangeUp programme we have now been funded to implement this plan. We are a founding partner of the ICT Consortium with NCVO, NACVS, IT4 Communities and Ability Net who together have become the ICT Hub.

At a London wide level we have been involved in the work of the London ChangeUp Consortium and lead the Consortium's Sub groups on ICT and Advice Infrastructure.

We have been successful in securing funding from the Government Office for London during this period to work with sub-regional CVS to develop strategic ICT support with CVS's and the wider Voluntary and Community sector.

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AIMS Software

The Advice and Information Management System (AIMS) team have developed additional versions of the original Access database using SQL database platform. The new platform provides for groups wishing to expand their use of technology and take advantage of Wide Area Networks allowing remote access or the linking together of several offices or home workers.

The AIMS Team provides 297 agencies with support and free upgrades for their case recording and enquiry monitoring software, enabling them to better deliver their service and report on their work. The AIMS Team delivered 49 training courses in the period which were attended by 273 delegates, achieving a 95% occupancy rate.

The team answered 946 substantive telephone and email enquiries from users with the average contact time taking 20 minutes per enquiry. Agencies typically requested technical support, assistance with report design or wished to discuss configuration and usage issues. In the same time period approximately a thousand short enquiries were also dealt with.

The MultiKulti project

MultiKulti web resources have been maintained in 10 community languages and we have now added another 2 - Urdu and Portuguese. All content has now been reviewed and significant new content added to the site.

The information covers immigration, benefits, housing, health, employment and debt issues, new translations will focus on our 'Health' and 'Immigration' topic areas, and create a new 'Racism' topic area.

The site continues to receive positive feedback daily from users across the UK and is much valued by communities, whose first language is not English, as well as agencies working with minority ethnic and refugee groups.

The success of the site continues with over 12 million hits and 1,189,170 visitors during the year.

Policy and Development

Six meetings of the London Advice Forum were facilitated during the year. The Forum's terms of reference were rewritten to allow additional organisations to be targeted to join the Forum, in order to maintain breadth of knowledge and experience. The Forum has heard presentations from the Regional Legal Services Commission (LSC), Association of London Government (ALG), and London Civic Forum, as well as responding to a variety of consultations from key bodies.

Paul Treloar, Lasa Policy Officer, spoke on the voluntary sector perspectives about the future of the Community Legal Service at the LSC Regional Providers Meeting. He also contributed to events including a Greater London Authority/LSC seminar about young people and advice, Department for Work and Pensions child poverty forum, two ALG legal advice sectoral fora, two Access to Justice Alliance meetings, the LSC annual open meeting, LSC Making Legal Rights a Reality consultation meeting, CPAG annual conference and the Tower Hamlets Community Empowerment Network meeting.

Responses to various consultations have been drafted, including the following:

- ALG Funding for the Future consultation
- Council of Tribunals consultation on Use and Value of Oral Hearings
- ALG commissioning model consultation
- ALG Commissioning Priorities consultation
- Legal Services Commission consultation Making Legal Rights a Reality
- Local Strategic Partnerships.

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Paul is currently Chair of the Voluntary Sector Forum, which exists to represent all of the organisations funded by ALG and sits on LVSC Board. He has been a member of Age Concern London's BME information and advice advisory group, as well as Age Concern London's Advice and Information Fundraising Strategy steering group and attends London Civic Forum's policy officer meetings.

Over the first year the policy news, resources and discussion forum area of the rightsnet website has published about 200 news stories on a variety of topics. The news area is consistently the 6th most popular area of the site. The resources area has about 50 documents covering research reports, evaluation and monitoring information and organisational details. The discussion forum has been well used and is slowly but surely increasing in interest.

A new research project, funded by ChangeUp, has been investigating the infrastructure support needs of 500 London advice agencies, working with ADP consultancy and in partnership with the networks. A high-profile launch is planned for later in 2006.

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Statistical Information April 2005 to March 2006

Service	2005-6	2004-5	2003-4
Welfare Benefit Support Services			
Advice Line calls	450	603	645
Representation			
Cases taken on	252	218	229
Average success rate	85%	86%	80%
Lump sum awards	£433,937	£500,037	£367,254
Extra weekly benefit	£399,121	£464,068	£6,693
Training:			
Types of courses provided	23	17	21
Training days	234	181	161
Rightsnet web site -			
Hits per year	32,000,000	42,000,000	8,857,068
Visitor sessions per year	790,000	550,000	46,210
News stories per year	844	791	756
Review publication -			
Circulation/issue	2,100	2,050	2,024
Website downloads/issue	5,300	4,000	1,780
Specialist Support Project:			
Advice line calls	808	790	453
Supported case work	105	63	72
Courses provided	8	5	4
Training days	10	10	18
ICT Services			
Telephone Consultancies	201	171	312
Computanews circulation	2,402	2,539	2,714
Knowledgebase			
Website hits March	32,000	26,527	17,803
AIMS			
Software sales	101	105	57
Training days	49	41	47
Numbers trained	273	216	268

Financial review

The demand for Lasa's services by the voluntary sector generally and front line agencies in particular continues to grow and has been reflected by the development of the new projects and activities referred to earlier in this report. These developments have led to an increase in expenditure during the year of over 40%. With the aid of sound financial management and the support of staff Lasa has ended the year on a positive financial note.

Lasa had net incoming resources on unrestricted funds, a surplus, of £39,037 for the year. Together with the accumulated surplus brought forward from previous years, Lasa now has an accumulated surplus of £98,044 (2005 £59,007) on unrestricted funds.

Restricted funds carried forward at 31 March 2006 amounted to £230,675 (2005 £53,672). These are funds that have been received for restricted projects including Circuit Rider project, the ChangeUp Infrastructure project, the ICT consortium, legal representation, MultiKulti, policy and development and refugee and asylum seekers training and advice and is sufficient for those activities for which the funds were provided.

Principal funding sources

Lasa generates fee income from the services provided to front line advice organisations and from

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government organisations. These services are enhanced by the receipt of grants. Grants for the year, amounting to 69% (2005, 49%) of the total income, were received from the Association of London Government, The Active Community Unit, The Big Lottery Fund, the Baring Foundation, Bridge House Trust, the City Parochial Foundation, the Law Society Charity, the Legal Services Commission and the European Social Fund.

Investment Policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are no funds for long term investment. The policy of the Board of Trustees is to invest the amount that it has available and grants received in advance on the money market.

Reserves Policy

The Board of Trustees has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 months of the expenditure excluding the expenditure on finite projects. This gives a target of around £250,000 in general funds. The reserves are needed to meet the working capital requirements of the charity and the Board of Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in core funding. The present level of reserves available to the charity of £50,299 therefore falls short of this target level. This figure is the unrestricted reserves less unrestricted fixed assets. Within this the Board of Trustees have designated an amount to cover unexpected staff costs.

Although the strategy is to continue to build reserves through planned operating surpluses, the Board of Trustees is well aware that it is unlikely that the target range can be reached for at least five years. In the short term the Board of Trustees has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Risk assessment

In June 2002 the Board of Trustees 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.

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.

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Board of Trustees

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	Sola Oyebade (resigned 25/3/06)
Sebastian Bacon	Bobbie Pote
Annette Figueiredo	Ruth Power (resigned 25/3/06)
James Kenrick (resigned 12/12/05)	Elizabeth Sewell (appointed 5/4/05)
Hugh Lyon	John Walsh
Barbara Meredith (resigned 12/12/05)	

The Board of trustees 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 advice^{UK}, 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 Trustees responsibilities

Company law requires the Board of Trustees 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 Trustees 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 Trustees 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.

In determining how amounts are presented within items in the Statement of Financial Activities and Balance Sheet the Board of Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as the Board of Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Board of 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 auditors are aware of that information.

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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 Trustees on 20 June 2006 and signed by order of the Board of Trustees by:

Andrew Gregg
Secretary

**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 2006 set out on pages 16 to 28. These financial statements have been prepared under the historical cost convention, the Statement of Recommended Practice Accounting and Reporting by Charities issued in February 2005 and the accounting policies set out on pages 18 to 19.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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 independent auditors

As described in the Statement of Annual Responsibilities the company's Board of Trustees 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 International Standards on Auditing (UK and Ireland).

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 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 other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Trustees 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.

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, 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

20 June 2006

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income		-	-	-	531
Investment income		6,341	-	6,341	8,462
Incoming resources from charitable activities		1,018,386	1,312,704	2,331,090	1,226,061
Total Incoming Resources	2	1,024,727	1,312,704	2,337,431	1,235,054
Resources Expended					
Charitable activities		972,951	1,135,701	2,108,652	1,361,222
Grants made	5	-	-	-	106,591
Governance	7	12,739	-	12,739	12,007
Total Resources Expended	4	985,690	1,135,701	2,121,391	1,479,820
Net Incoming/(Outgoing) Resources					
Net income for the year		39,037	177,003	216,040	(244,766)
Total fund balances brought forward at 1 April 2005		59,007	53,672	112,679	357,445
Total fund balances carried forward at 31 March 2006		£ 98,044	£ 230,675	£ 328,719	£ 112,679

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.

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 18 to 28 form part of these financial statements.

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

**BALANCE SHEET
As at 31 March 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	12		47,756		40,926
CURRENT ASSETS					
Debtors	13	94,135		114,214	
Cash at bank and in hand		349,332		75,265	
		<u>443,467</u>		<u>189,479</u>	
CREDITORS: amounts falling due within one year	14	(88,623)		(50,055)	
NET CURRENT ASSETS			<u>354,844</u>		<u>139,424</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			402,600		180,350
DEFERRED INCOME	15		(73,881)		(67,671)
NET ASSETS			<u>£ 328,719</u>		<u>£ 112,679</u>
FUNDS					
Unrestricted funds					
General			63,561		24,524
Designated			34,483		34,483
			<u>98,044</u>		<u>59,007</u>
Restricted funds			230,675		53,672
	16, 17		<u>£ 328,719</u>		<u>£ 112,679</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Trustees on 20 June 2006 and signed on its behalf by:

Eizabeth Sewell
Chair

Noeleen Adams
Treasurer

The notes on pages 18 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

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 historic cost convention, in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in February 2005, the Financial Reporting Standard for Smaller Enterprises (FRSSE) effective January 2005 and the Companies Act 1985. 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 Incoming resources

Voluntary income including grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods: or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support advice activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

- Training and subscription income is received in advance of the training taking place or the subscription being used.

1.3 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

- Charitable activities include expenditure associated with specialised advice, advocacy, training and ICT support services and include both the direct and support costs relating to these activities.
- Governance costs include the cost of the preparation and audit/examination of the statutory accounts, the costs of trustees meetings and the cost of any legal advice to trustees on governance or constitutional matters.
- Support costs include central functions and have been allocated to activity cost categories on the basis of staff involved in the activity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

1. ACCOUNTING POLICIES\continued

1.4 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.5 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

1.6 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.

1.7 Funds structure

The charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The trustees intend to use part of the unrestricted funds to cover redundancy, maternity and long-term staff sickness and have set up a designated fund to reflect this. The funds held in each of these categories are disclosed in note 16.

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.

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

2. INCOMING RESOURCES

	Grants	Other income	Total Funds 2006	Total Funds 2005
	£	£	£	£
Advice support services				
Appeals	174,068	128,649	302,717	258,219
Advice and training	77,599	184,085	261,684	220,307
Rightsnet and review	80,060	78,806	158,866	109,193
Specialist support	-	107,010	107,010	109,670
Training	-	-	-	4,687
	<u>331,727</u>	<u>498,550</u>	<u>830,277</u>	<u>702,076</u>
Policy and development				
Policy	36,996	8,172	45,168	43,327
Advice infrastructure	25,350	-	25,350	-
Refugee and asylum seekers training training and advice	3,167	-	3,167	-
	<u>65,513</u>	<u>8,172</u>	<u>73,685</u>	<u>43,327</u>
ICT services				
Information systems	2,000	37,157	39,157	96,348
AIMS	-	159,934	159,934	115,490
ChangeUp programme	583,561	2,584	586,145	78,372
Circuit Rider				
- conference	-	-	-	20,338
- movement	-	-	-	21,258
- project	114,500	380	114,880	-
Computanews	-	14,809	14,809	31,232
ICT consortium	350,932	9,812	360,744	-
MultiKulti (Big Lottery)	152,523	28,697	181,220	41,394
MultiKulti (NOF)	-	-	-	108,356
Refugee and asylum seekers training training and advice	15,355	-	15,355	11,932
	<u>1,218,871</u>	<u>253,373</u>	<u>1,472,244</u>	<u>524,720</u>
Less internal market	-	(38,775)	(38,775)	(35,069)
	<u>-</u>	<u>(38,775)</u>	<u>(38,775)</u>	<u>(35,069)</u>
	<u>£1,616,111</u>	<u>£ 721,320</u>	<u>£ 2,337,431</u>	<u>£ 1,235,054</u>

Lasa's projects are autonomous within the company and earn income or incur expenditure through commissions with other projects. The reduction in income and expenditure in Note 2 and 4 respectively reflects this internal market.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

2. INCOMING RESOURCES^{continued}

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

Other income includes income from commissions, training courses, publications, the sale of software and software licence renewals and other income.

3. GRANTS AND DEFERRED INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Receivable in year				
Association of London Government				
Revenue	321,000	-	321,000	240,751
Big Lottery Fund				
Circuit Rider project	-	50,500	50,500	
MultiKulti	-	130,791	130,791	35,961
New Opportunities Fund				
MultiKulti	-	-	-	83,506
Active Community Unit				
Advice infrastructure	-	25,350	25,350	-
ChangeUp programme	-	583,561	583,561	78,372
Circuit Rider conference	-	-	-	12,500
Grant panel	2,000	-	2,000	-
ICT consortium	-	350,932	350,932	17,673
European Social Fund				
EASI	-	10,887	10,887	2,823
PRESTO	-	4,468	4,468	2,993
SIED	-	3,167	3,167	150
The Baring Foundation	-	22,455	22,455	-
Bridge House Trust	-	49,000	49,000	-
City Parochial Foundation	-	12,000	12,000	-
Esmee Fairbairn Foundation	-	-	-	16,258
The Law Society Charity	-	10,000	10,000	-
Legal Services Commission	-	40,000	40,000	44,687
Lloyds TSB Foundation	-	-	-	10,000
	£ 323,000	£ 1,293,111	£ 1,616,111	£ 545,674
Deferred grants				
Brought forward from previous year				
Association of London Government	-	-	-	80,250
	£ -	£ -	£ -	£ 80,250
Total for the year	£ 323,000	£ 1,293,111	£ 1,616,111	£ 625,924

In 2004/2005 £321,000 was receivable from the Association of London Government as a contribution towards Lasa's range of services to advice agencies. £240,751 was received in 2004/2005. £80,250 was received in 2003/2004 for the 2004/2005 year.

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

4. TOTAL RESOURCES EXPENDED

	Fees and staff costs	Other direct costs	Support costs	Total Funds 2006	Total Funds 2005
	£	£	£	£	£
Advice support services					
Appeals	199,675	8,088	84,315	292,078	249,377
Advice and training	194,695	17,896	58,084	270,675	241,344
Rightsnet and review	98,197	7,090	38,023	143,310	110,662
Specialist support	63,994	4,049	26,854	94,897	97,013
	<u>556,561</u>	<u>37,123</u>	<u>207,276</u>	<u>800,960</u>	<u>698,396</u>
Policy and development					
Policy	25,981	1,068	9,840	36,889	49,643
Advice infrastructure	7,950	341	1,824	10,115	-
Refugee and asylum seekers training and advice	3,167	-	-	3,167	-
Quality development initiative	-	-	-	-	147,478
	<u>37,098</u>	<u>1,409</u>	<u>11,664</u>	<u>50,171</u>	<u>197,121</u>
ICT services					
Information systems	27,178	2,050	15,593	44,821	106,481
AIMS	110,019	3,094	40,234	153,347	145,470
ChangeUp programme	555,564	4,629	25,953	586,146	78,372
Circuit Rider					
- conference	-	-	-	-	20,340
- movement	6,935	-	3,732	10,667	20,715
- project	71,642	380	21,626	93,648	46,945
Computanews	635	1,352	-	1,987	19,266
ICT consortium	196,352	837	54,425	251,614	-
MultiKulti (Big Lottery)	116,121	2,473	38,928	157,522	41,394
MultiKulti (NOF)	-	-	-	-	128,457
Refugee and asylum seekers training and advice	9,283	-	-	9,283	11,932
	<u>1,093,729</u>	<u>14,815</u>	<u>200,491</u>	<u>1,309,035</u>	<u>619,372</u>
Less internal market	<u>(38,775)</u>	-	-	<u>(38,775)</u>	<u>(35,069)</u>
	<u>(38,775)</u>	-	-	<u>(38,775)</u>	<u>(35,069)</u>
	<u>£1,648,613</u>	<u>£ 53,347</u>	<u>£ 419,431</u>	<u>£ 2,121,391</u>	<u>£ 1,479,820</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

5. SUPPORT COSTS

	Staffing costs	IT, administration and premises	Total Funds 2006	Total Funds 2005
	£	£	£	£
Advice support services				
Appeals	46,928	37,387	84,315	70,165
Advice and training	32,329	25,756	58,085	63,387
Rightsnet and review	21,466	16,556	38,022	31,621
Specialist support	14,946	11,907	26,853	26,091
Policy and development				
Policy	5,477	4,363	9,840	15,254
Advice infrastructure	1,055	769	1,824	-
ICT services				
Information systems	8,679	6,914	15,593	50,813
AIMS	22,394	17,841	40,235	40,445
ChangeUp programme	15,013	10,941	25,954	4,413
Circuit Rider				
- movement	2,159	1,573	3,732	5,883
- project	12,509	9,116	21,625	6,251
ICT consortium	31,482	22,943	54,425	-
MultiKulti	22,518	16,410	38,928	28,312
Quality development	-	-	-	4,628
Refugee training	-	-	-	1,542
	<u>£ 236,955</u>	<u>£ 182,476</u>	<u>£ 419,431</u>	<u>£ 348,805</u>

Support costs are allocated to the projects or activity on the basis of staff and consultants involved in the projects or activity.

6. BURSARIES MADE FOR THE QUALITY DEVELOPMENT INITIATIVE PROJECT

The Quality Development Initiative finished in 2004/2005. No bursaries were paid in the financial year 2005/2006. Bursaries totalling £107,221 were agreed in the financial year 2004/2005.

7. GOVERNANCE OF THE CHARITY

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Salaries and other staffing costs	7,983	-	7,983	7,750
Auditors' remuneration	4,500	-	4,500	4,000
Subsistence	196	-	196	197
Postage	60	-	60	60
	<u>£ 12,739</u>	<u>£ -</u>	<u>£ 12,739</u>	<u>£ 12,007</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

8. 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.

£160,500 was received from a grant for the year to 30 September 2005 and £160,500 was received from a grant for the nine months to 30 June 2006 as a contribution towards Lasa's range of services to advice agencies. These grants totalled £321,000 and have been fully expended.

9. NET INCOMING/(OUTGOING) RESOURCES

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

	2006	2005
	£	£
Depreciation of tangible fixed assets		
- owned by the company	10,771	14,210
Auditors' remuneration		
- for audit services	4,500	4,000
- for other services	8,000	5,743
Operating lease rentals		
- land and buildings	84,500	72,005
	84,500	72,005

No member of the Board of Trustees received any emoluments. Out of pocket expenses reimbursed were less than £100 (2005 - £100). No employee received emoluments of £60,000 per annum or more.

10. STAFF COSTS

Staff costs were as follows:

	2006	2005
	£	£
Wages and salaries	975,631	938,752
Social security costs	103,251	91,742
Pension costs	27,810	25,223
	£ 1,106,692	£ 1,055,717

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

	2006	2005
Service delivery	27	27
Administration	4	4
	4	4

11. TAXATION

As a charity, the London Advice Services Alliance Company Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

12. TANGIBLE ASSETS

	Office Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2005	167,832	2,835	170,667
Additions	17,601	-	17,601
At 31 March 2006	<u>185,433</u>	<u>2,835</u>	<u>188,268</u>
Depreciation			
At 1 April 2005	126,906	2,835	129,741
Charge for year	10,771	-	10,771
At 31 March 2006	<u>137,677</u>	<u>2,835</u>	<u>140,512</u>
Net Book Value			
At 31 March 2006	<u>£ 47,756</u>	<u>£ -</u>	<u>£ 47,756</u>
At 31 March 2005	<u>£ 40,926</u>	<u>£ -</u>	<u>£ 40,926</u>

13. DEBTORS

	2006 £	2005 £
Due within one year		
Trade debtors	44,308	62,797
Other debtors	6,053	5,908
Prepayments	27,782	27,072
Grants in arrears	15,992	18,437
	<u>£ 94,135</u>	<u>£ 114,214</u>

14. CREDITORS:
Amounts falling due within one year

	2006 £	2005 £
Trade creditors	38,445	27,629
Social security and other taxes	34,713	9,929
Other creditors	7,590	5,866
Accruals	7,875	6,631
	<u>£ 88,623</u>	<u>£ 50,055</u>

Included in other creditors is an amount of £1,923 in respect of pension contributions. (2005 £199).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

15. DEFERRED INCOME

	2006	2005
	£	£
At 1 April 2005	67,671	115,730
Less amount released to incoming resources	(67,671)	(115,730)
Plus amount deferred in the year	73,881	67,671
	73,881	67,671
At 31 March 2006	£ 73,881	£ 67,671

16. STATEMENT OF FUNDS

	At 1 April 2005	Income	Expenditure	Transfers	At 31 March 2006
	£	£	£	£	£
General funds	24,524	1,024,727	(985,690)	(15,517)	48,044
Designated funds					
Staff costs	34,483	-	-	15,517	50,000
	59,007	1,024,727	(985,690)	-	98,044
Restricted funds					
Welfare rights support services	3,668	72,455	(61,153)	-	14,970
ICT support services	50,004	1,202,899	(1,053,433)	-	199,470
Policy and development	-	37,350	(21,115)	-	16,235
	53,672	1,312,704	(1,135,701)	-	230,675
Total funds	112,679	2,337,431	(2,121,391)	-	328,719

Designated funds

Staff costs

£50,000 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.

Restricted funds

Welfare Rights Support Services

Restricted funds are received for particular activities within the Rightsnet project and to run the Appeals Forum.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

16. STATEMENT OF FUNDS\continued

ICT support Services

Undertakes specific projects and activities which receive restrictive funding. These include activities within the 'Circuit Rider movement', the ICT hub, AIMS and MultiKulti.

Policy and development

Restricted funds are received towards the policy officer's salary and investigating the infrastructure support needs of London advice agencies.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £
Fund balances at 31 March 2006 are represented by			
Tangible fixed assets	47,756	-	47,756
Current assets	177,433	266,034	443,467
Current liabilities	(53,264)	(35,359)	(88,623)
Deferred income	(73,881)	-	(73,881)
	£ 98,044	£ 230,675	£ 328,719

RESTRICTED FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Net Current Liabilities and Deferred Income £	Total £
Welfare rights support services	-	24,390	(9,420)	14,970
ICT support services	-	225,409	(25,939)	199,470
Policy and development	-	16,235	-	16,235
	£ -	£ 266,034	£ (35,359)	£ 230,675

18. OTHER COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Expiry date:				
Within 1 year	84,500	50,000	440	440
Between 2 and 5 years	-	84,500	-	-
	84,500	134,500	440	440

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

19. 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 (2005 £Nil).