
LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2007**

Company Number: 1794098

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

Company Information

| | |
|-----------------------------|---|
| Board of Trustees | Sebastian Bacon Annette Figueiredo Hugh Lyon Sam Mauger Bobbie Pote Elizabeth Sewell |
| Chair | Elizabeth Sewell |
| Treasurer | Hugh Lyon |
| 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 2007

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 2007.

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 March 2005.

The Trustees commend the staff for not only managing to maintain Lasa's key services but also to develop new initiatives. The Trustees 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.

Principal activities

Following a review of Lasa's governance in 2006 the Company registered a number of significant amendments to its Memorandum and Articles of Association so as to better reflect the evolving work of Lasa and the environment in which it operates.

In particular there were substantive changes to the membership clauses and the objects clause.

The new objects clause reads as follows:

The objects for which the Company is established are to further the interests of charitable legal and advice services, primarily in the Greater London area, and in particular:-

- a) to promote the development, improvement and co-ordination of charitable legal and advice services and to encourage co-operation between agencies providing such services;
- b) to promote and assist in the introduction and application of information technology in charitable agencies providing legal and advice services;
- c) to make grants toward the establishment, maintenance and support of such charitable agencies providing legal and advice services;
- d) 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 mission and aims

Lasa's mission statement reads:

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
- Promoting and developing new approaches to the use of ICT in voluntary and community organisations
- Being a source of good practice and innovation.

Background

Lasa was established in 1984 to provide specialist support 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.

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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.

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

Governance issues

The affairs of Lasa are governed by the Board of Trustees who met four times 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 and begin the development of a Strategic Plan for the next three year period.

During the year Liz Sewell continued as Chair of the Board with Hugh Lyon as Vice Chair and Noeleen Adams as Honorary Treasurer. During the year John Walsh resigned from the Board due to ill-health. Sadly, he died later in the year and will be greatly missed across London's legal advice sector. Samantha Mauger joined the Board in December 2006.

As part of its regular discussions about the governance of Lasa, the Board continued its procedure for declaring and recording conflicts of interest. Regular risk analyses were carried out by the Board covering both financial and other risk areas for Lasa. In addition to regular Board meetings the Finance and resources sub committee continued to meet five times in the year.

During the year Lasa budgeted in order to make a contribution to its reserves and we will continue in future years to build up our reserves so as to move towards our policy of holding three months running costs in reserve.

During the year it was decided that the Directorate and the Senior Management Team would meet on alternate weeks and that Lasa would initiate a programme to support and develop its middle managers. A schedule to review all Lasa's policies and procedures was also set up and the process of review has begun on a rolling basis with the assistance of an outside consultant.

Overview of the work of Lasa in 2006-7

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. 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.

We continue to be closely involved in the Voluntary Sector Forum and Third Sector Alliance and work closely with all the advice networks as well as key agencies such as London Voluntary Services Council, Government Office for London, Advice Services Alliance, NAVCA and NCVO

During the last 2 years we have developed our involvement in the Change Up/Capacity Builder 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 Chair the London Advice Forum which is the advice subgroup of the London Regional Consortium as well as hosting the ICT sub group. In 2006 we published an important study on the Infrastructure needs of London's Voluntary Advice Agencies and launched it at City Hall. We campaigned actively in Parliament and elsewhere around Access to Justice and the implications of the Carter Report for London's not for profit advice sector

Lasa is involved in two partnerships funded by the ESF EQUAL budget line – EASI which provides a wide range of support activities to asylum seekers and PRESTO which provides a range of pathways into employment and self-employment for refugees.

Welfare Rights Support Services

Appeals representation

Lasa's Appeals team has provided free and expert 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. The work of the Appeals Team is funded by a Contract from the Legal Services Commission (LSC) and funding from London Councils.

In 2006-7 we provided over 6000 hours of advocacy service and representation at social security appeals with an 85.7% success rate leading to an extra £580,256 per annum in benefit income for London claimants and a further £490,000 in one off payments. Over 316 new cases referred from all the London Boroughs with the highest number from the following boroughs: LB Brent (13.6%), Hackney (8.9%), Lambeth (19.6%) and Waltham Forest (14.6%). A total of 430 voluntary and statutory organisations and departments received in-depth telephone advice and information during the same period

Feedback from clients included the following comments:

"Clear communication and easy to use service. I felt a lot of stress was lifted from me which really helped"

"I was impressed by the attitude and work rate of your team"

"Overall, I thank God for LASA. I don't know what I would have done without it. "

"I found your advice very helpful in a situation that can seem complicated. I felt at ease and my case was in the right hands"

"You made sure I understood everything clearly even though I sometimes can't concentrate properly. Return calls were very prompt and your attitude although very professional was also caring and sincere"

"I personally think the service I received from your representative was beyond belief. My legal representative was really helpful and put all points across on the hearing. I hope others follow his example and above all your service has been excellent. Keep up the good work, folks"

The Appeals team is continuously working with BME and Mental health organisations to improve and develop knowledge and skills. At over 85%, our success rate at Appeals and Commissioners is well above the national average of 65%. Lasa is now undertaking more complex cases leading to increased representation at Commissioners and establishing new test cases in Social Welfare law. We are increasing our work with smaller agencies, especially BMER groups to encourage referrals from their communities. We provide specialist second tier support to organisations via telephone and email, including tactics in challenging negative decisions. We are actively working with other VCS organisations in recommending changes to the proposed fixed fee and unified contract by the LSC. We also provided updates and written presentations to other community groups on the impact of the proposed changes to their contracts.

Rightsnet website

Rightsnet (www.rightsnet.org.uk) is a welfare benefits and tax credits website for advisers that includes, an on-line discussion forum; daily news and analysis, caselaw summaries; leaflets, factsheets, benefit calculators, benefit rates and the latest advice related job vacancies.

Use of the web site continued to increase, attracting more than 28 million hits during the year from more than 910,000 visits. Users represent more than 4,000 advice organisations across the UK. We also launched a new tax credits website that, in the first 4 months attracted more than 50,000 visits.

More than 1,000 articles were published to Rightsnet during the last year, with summaries of and links (within 24 hours of their issue), to new legislation, case law and court decisions, official guidance, and policy documents. Peer support was delivered through the discussion forums with more than 7,500 messages posted by advice workers, viewed by others more than ½ million times.

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During the year Rightsnet supported the delivery of services under Lasa's Specialist Support Project's contract with the Legal Services Commission, involving the publication of summaries of the latest welfare benefit and tax credit caselaw. In addition Rightsnet continued to support the work of Lasa's training team - with information on our training courses and online booking available via the site - and Lasa's policy team who publish the latest advice policy news and resources to the site.

Six editions of Lasa's bi-monthly welfare rights 'Review' magazine were produced and each distributed to more than 2000 organisations in 2006/07. Review contains information and news to enable advisers to keep up to date with changes in welfare benefits and tax credits. In addition, a copy of each new issue was also published to the Rightsnet website, where more than 1000 copies are downloaded each month

2007 will mark Rightsnet's 9th year of operation and we will soon begin planning a tenth anniversary celebration for the project

Specialist Support Project

The Specialist Support Service provides expert support and training for organisations with a LSC contract or a Quality Mark in England. We provide 3 telephone advice line sessions each week for advisers, 50 weeks of the year. This is the initial method of contact for most organisations although some also chose to email us enquiries. We then resolve the query at once or offer more ongoing and in-depth support for more complex cases. In 2006-7 the Lasa Specialist Support service –

- provided support and advice in over 1,000 cases
- supported workers in over 20 cases that were taken to the Social Security Commissioners including an important test case that safeguarded seasonal workers' rights to benefits
- designed 5 new training courses
- delivered 10 days of highly valued training around England
- summarised over 150 commissioners decisions for publication on www.rightsnet.org.uk

Throughout the year there were uncertainties about the future funding of the service but it has now been agreed that funding will continue until at least March 2008 and a full evaluation of the service will be undertaken before any decisions on funding after that date are made.

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 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.

In 2006-7 the team provided more than 180 courses in welfare benefits ranging from the ever popular Welfare Benefits Overview for beginners through to the highly respected Representation at Appeals Course. These were delivered both at Lasa (in our purpose built training room) and at the organisations own premises. All trainees complete feedback forms at the end of every course and this is used to assess the effectiveness of the training, whether any adjustments need to be made in the content or delivery of courses and to assess what further training needs can be identified so new courses can be designed and delivered. Over 1220 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:- Domestic Violence and Benefits, the Children Act and Benefits, Benefits and Offenders, Community Care and Benefits, and a new skills based course "Equality; the Law – delivering services to diverse communities

Funding was received from HM Revenue and Customs to provide reduced price training on tax credits to CVS advisers and as part of this funding an independent evaluation of tax credit training has been

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undertaken.

Lasa courses are promoted through our training brochure printed twice yearly and distributed to over 2000 contacts. A "course news" item is published weekly on the Lasa website and distributed to our Training News Email Contact List (500 contacts). Information on courses is also advertised on the Rightsnet homepage, and the weekly Rightsnet email newsletter.

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 ICT Healthchecks
- an on-line ICT information resource www.ictHubknowledgebase.org.uk
- an online directory of suppliers of ICT services to the voluntary and community sector:
<http://directory.ictHub.org.uk>
- bi-monthly magazine 'Computanews'
- 'Computanews guides' for in-depth coverage of key topics
- The promotion and development of the Circuit Riders model

Computanews is Lasa's non technical guide to ICT focussing on the needs of Voluntary and Community Organisations. It continues to be a popular source of ICT information for the sector receiving positive feedback from our online readership surveys. 5 issues were published in 2006 Circulated to approx. 2500 individuals and organisations.

Knowledgebase continues into its 8th year to provide a unique resource for small and medium sized VCOs to access relevant information on ICT queries. During the year we secured substantial funding via the ICT Hub to expand and improve the resources available. Work on the significant new website development was completed and the new site was launched with 188 articles in June 2006. A number of Discussion forums were launched in December 2006. 247 articles are now published on the knowledgebase website including 66 new articles and 188 revised / updated articles. Average visits per month in 2006 were over 18,865; average hits per month 350,000. The Discussion Forums have average visits per month of over 1000 with average hits per month of over 6600. During the same time we also developed and launched the Suppliers Directory that now has over 150 entries with 250 services covering the whole of England.

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, NAVCA and others to promote the movement continues. The e-mail discussion forum continues to grow with well over 200 participants to date. Lasa has widened the number and types of groups to whom we provide a Circuit Rider service as well as building the capacity of a larger number of organisations able to provide this service. We are currently working with 28 advice centres in the London area on our second Circuit Rider Project. As part of the ChangeUp project we are working with CVS or equivalents in all 33 London Boroughs. In the last year we published 3 guides including a new Circuit Rider Guide. An ICT Security Guide is in progress.

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

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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. Our role in this work has been recognized by our securing the role of ICT Champion for London.

The IST team continues to provide one to one ICT advice service to London voluntary organisations. 72 organisations were assisted including: 28 Circuit Rider groups: (10 groups funded by Islington PCT, 10 Hammersmith and Fulham Refugee Forum, 15 as partners in EQUAL EASI and Presto partnerships). 49 telephone advice calls were delivered to London Agencies, 6 Seminars, 47 on site visits and 77 support calls were made.

We have also worked nationally as part of the ICT Hub in partnership with NCVO, NAVCA, IT4C and AbilityNet to promote the importance of ICT to the voluntary and community sector.

AIMS Software

The Advice & Information Management System (AIMS) is a contact management database that can be configured to meet the needs of a wide range of organisations. The database is available in two formats (Core & Extra) and operates on both SQL and Access platforms. AIMS Extra is currently in use across a number of metropolitan authorities and London boroughs, as well as larger voluntary sector organisations. The more compact AIMS Core is suitable for smaller groups needing to collect less complex data. We have approximately 100 users in each category. The small two person AIMS team operates a telephone support line, provides training and consultancy support.

The AIMS team sold 47 new packages in the previous year, and provided 152 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 training courses to 171 trainees and answered over 500 substantive telephone enquiries from agencies with the average contact time taking 17 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 email and short enquiries were also dealt with.

During the year the AIMS team came to the decision that it could no longer support agencies in their Legal Service Commission (LSC) compliance requirements. AIMS had been involved in LSC reporting from its inception and it was with great sorrow that users were informed the database would not be undertaking the programming changes required to meet the October 2007 contract reporting requirements.

The Multikulti project

The Multikulti website provides information on social welfare law translated into 12 community languages available 24/7 at www.multikulti.org.uk. All content has now been reviewed with significant new content added to the site. Agency data sources have been updated. Our involvement with the Presto and EASI projects includes the implementation of an ICT section on the Multikulti-website offering translation of the projects' Evaluation reports and methods and effects of refugee support through translating and providing ICT materials. 15 new documents have been published on health, immigration, racism and discrimination. The website received almost 15 million hits and over 2 million visitors during the year. This is over 100% increase in visitors compared to the previous year.

Policy Development

Six meetings of the London Advice Forum (LAF) were facilitated during the year, with the development of terms of reference and a work programme for the Forum. The profile of the Forum has been raised quite significantly over the last 12 months and is increasingly recognised as a key body to consult on issues affecting advice provision across London. Lasa's policy function allows us to maintain an influential role in London developments concerning the advice sector with policy makers, regional and central government and funders. Lasa continues to play a central role in the development of legal advice services within

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London, through its partnership work with the other major advice networks and organisations, via the London Advice Forum and Oby developing relationships with London Region Legal Services Commission. Also through our interaction and engagement with funders including London Councils, Big Lottery Fund, the Baring Foundation, City Parochial Foundation, and by way of involvement with the Voluntary Sector Forum, MPs, MEPs, GLA etc.

London Advice Forum is now also the London Regional ChangeUp Consortium's sub group on Advice. This necessitated substantial work changing the Terms of Reference and expanding the membership of the Forum. We have organised meetings for LAF with London Funders, London MPs, the GLA and the Mayor's Office and have spoken at London Councils advice sector meetings. We contributed to the planning and presentation of London Council's legal advice sectoral forum on two occasions. Our Policy Development Officer project managed important ChangeUp research on the infrastructure support needs of London advice agencies, in partnership with the advice networks. This was launched in November at City Hall. Lasa's Policy Officer responded to over 100 telephone and over 40 mail requests for information and advice around legal advice services.

Lasa supports the London advice networks and frontline agencies in maintaining a policy influence. During the year we developed advice policy news, and a resources and discussion forum website area with funding from City Parochial Foundation. We maintain close links with new Advice UK policy and development staff, Age Concern London, Youth Access, Citizens Advice London and the Law Centres Federation. Lasa is involved in and aware of many of the developments around legal advice provision within London through dialogue with partner networks and associated initiatives and events. The new website area is proving to be a valuable resource in spreading information relevant to advice agencies in a timely and accessible format. In the year to February 2007 we published details of 20 social security government consultation documents on the 'rightsnet' website to facilitate responses from 1st tier agencies.

Lasa responds to all regional and central government consultations on issues affecting advice and legal services. In the year we coordinated responses to the following: London Council's commissioning, Lord Carter's Report, London Councils and Big Lottery Fund consultations. We also attended a wide variety of meetings, seminars and presentations at GoL, LDA, Capacity Builders, Age Concern, LVSC, ACEVO and NCVO. We helped organise an adjournment debate called by Karen Buck MP to discuss the effects of the LSC's fixed fee on London's advice agencies. 12 London MPs attended. We have raised advice related issues with GoL, LDA, GLA, Mayors Office, London Funders, LSC, Law Society etc.

Lasa has had a considerable input into the Voluntary Sector Forum which allows us a real input into London Council's policies and procedures. In particular we have been closely involved in consultations on the London Council's new commissioning process which is now underway

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

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 £93,531 for the year. Together with the accumulated surplus brought forward from previous years, Lasa now has an accumulated surplus of £191,575 (2006 £98,044) on unrestricted funds.

Restricted funds carried forward at 31 March 20078 amounted to £305,937 (2006 £230,675). These are

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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 government organisations. These services are enhanced by the receipt of grants. Grants for the year, amounting to 66% (2006, 69%) 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, HM Revenue and Customs, 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 funds used for core Lasa projects and not committed or invested in tangible fixed assets held by the charity should be 3 months expenditure. This gives a target of around £325,000 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 £47,558 therefore falls short of this target level. This figure is the unrestricted reserves £191,575 less the designated funds £100,000 less the unrestricted fixed assets £44,017.

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.

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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 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 (resigned 27/3/07)
Sebastian Bacon
Annette Figueiredo
Hugh Lyon

Sam Mauger (appointed 5/12/06)
Bobbie Pote
Elizabeth Sewell
John Walsh (resigned 26/9/06)

Membership of Lasa is now open to:

- a) any organisation which supports and accepts the objects of the company and that its own objects and activities are consistent with the Companies objects
- b) not less than four or more than 18 persons nominated or co-opted to serve on the Board of Directors by virtue of their particular skills, experience or other such qualification (up to 10 persons), their direct experience of advice work (up to 6 persons) and up to 2 people co-opted by the Board of Directors.

Organisations who are members 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.

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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.

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 19 June 2007 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 2007 set out on pages 13 to 22. 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 15 to 16.

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 Trustees Responsibilities the company's Board of Trustees is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice.

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 trustees report is not consistent with the financial statements, 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 trustees remuneration and transactions with the company is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements.

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 2007 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. The information given in the trustees report is consistent with the financial statements.

John Ellis & Company

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

19 June 2007

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2007

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2007 £ | Total Funds 2006 £ |
|---|------|----------------------------|--------------------------|--------------------------|--------------------------|
| Incoming Resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Investment income | | 9,432 | - | 9,432 | 6,341 |
| Incoming resources from charitable activities | 2 | 970,966 | 1,069,344 | 2,040,310 | 2,331,090 |
| Total Incoming Resources | | 980,398 | 1,069,344 | 2,049,742 | 2,337,431 |
| Resources Expended | | | | | |
| Charitable activities | | 728,773 | 1,139,163 | 1,867,936 | 2,108,652 |
| Governance | 6 | 13,013 | - | 13,013 | 12,739 |
| Total Resources Expended | 4 | 741,786 | 1,139,163 | 1,880,949 | 2,121,391 |
| Net Incoming/(Outgoing) | | | | | |
| Resources before transfers | | 238,612 | (69,819) | 168,793 | 216,040 |
| Transfers between funds | 1,15 | (145,081) | 145,081 | - | - |
| Net Incoming/(Outgoing) Resources | | 93,531 | 75,262 | 168,793 | 216,040 |
| Net income for the year | | 93,531 | 75,262 | 168,793 | 216,040 |
| Total fund balances brought forward at 1 April 2006 | | 98,044 | 230,675 | 328,719 | 112,679 |
| Total fund balances carried forward at 31 March 2007 | | £ 191,575 | £ 305,937 | £ 497,512 | £ 328,719 |

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 15 to 22 form part of these financial statements.

LONDON ADVICE SERVICES ALLIANCE COMPANY LIMITED

**BALANCE SHEET
As at 31 March 2007**

| | Note | £ | 2007 £ | £ | 2006 £ |
|---|--------|------------------|------------------|-----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 11 | | 44,017 | | 47,756 |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 256,488 | | 94,135 | |
| Cash at bank and in hand | | 418,193 | | 349,332 | |
| | | <u>674,681</u> | | <u>443,467</u> | |
| CREDITORS: amounts falling due within one year | 13 | (136,991) | | (88,623) | |
| NET CURRENT ASSETS | | | <u>537,690</u> | | <u>354,844</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 581,707 | | 402,600 |
| DEFERRED INCOME | 14 | | (84,195) | | (73,881) |
| NET ASSETS | | | <u>£ 497,512</u> | | <u>£ 328,719</u> |
| FUNDS | | | | | |
| Unrestricted funds | | | | | |
| General | | | 91,575 | | 63,561 |
| Designated | | | 100,000 | | 34,483 |
| | | | <u>191,575</u> | | <u>98,044</u> |
| Restricted funds | | | 305,937 | | 230,675 |
| | 15, 16 | | <u>£ 497,512</u> | | <u>£ 328,719</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 19 June 2007 and signed on its behalf by:

Eizabeth Sewell
Chair

Hugh Lyon
Treasurer

The notes on pages 15 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

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 2007

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 2007

2. INCOMING RESOURCES

| | Grants | Other income | Total Funds 2007 | Total Funds 2006 |
|------------------------------------|-------------------|------------------|------------------------|------------------------|
| | £ | £ | £ | £ |
| Welfare rights support services | 273,695 | 526,434 | 800,129 | 820,621 |
| Policy and development | 36,996 | 5,557 | 42,553 | 64,647 |
| ICT services | 1,079,652 | 117,976 | 1,197,628 | 1,445,822 |
| | <u>£1,390,343</u> | <u>£ 649,967</u> | <u>£ 2,040,310</u> | <u>£ 2,331,090</u> |

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 sales of software licences.

3. GRANTS

| | Unrestricted Funds | Restricted Funds | Total Funds 2007 | Total Funds 2006 |
|--|-----------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| <u>Receivable in year</u> | | | | |
| Association of London Government Revenue | 321,000 | - | 321,000 | 321,000 |
| Big Lottery Fund Circuit Rider project | - | 52,500 | 52,500 | 50,500 |
| MultiKulti | - | 137,811 | 137,811 | 130,791 |
| Active Community Unit Advice infrastructure | - | - | - | 25,350 |
| Capacity builders | - | 29,937 | 29,937 | - |
| ChangeUp programe | - | 41,780 | 41,780 | 583,561 |
| Grant panel | - | - | - | 2,000 |
| ICT Hub | - | 544,780 | 544,780 | 350,932 |
| European Social Fund EASI | - | 95,906 | 95,906 | 10,887 |
| PRESTO | - | 74,234 | 74,234 | 448 |
| SIED | - | - | - | 3,167 |
| The Baring Foundation | - | - | - | 22,455 |
| Bridge House Trust | - | 41,000 | 41,000 | 49,000 |
| City Parochial Foundation | - | 12,000 | 12,000 | 12,000 |
| HM Revenue and Customs | - | 39,395 | 39,395 | - |
| The Law Society Charity | - | - | - | 10,000 |
| Legal Services Commission | - | - | - | 40,000 |
| | <u>£ 321,000</u> | <u>£ 1,069,343</u> | <u>£ 1,390,343</u> | <u>£ 1,612,091</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

4. TOTAL RESOURCES EXPENDED

| | Fees and staff costs | Other direct costs | Support costs | Total Funds 2007 | Total Funds 2006 |
|------------------------------------|-------------------------|-----------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ | £ |
| Welfare rights support services | 532,545 | 56,032 | 186,700 | 775,277 | 798,252 |
| Policy and development | 34,571 | 7,543 | 12,356 | 54,470 | 46,785 |
| ICT services | 822,733 | 2,201 | 226,268 | 1,051,202 | 1,276,354 |
| | <u>£1,389,849</u> | <u>£ 65,776</u> | <u>£ 425,324</u> | <u>£ 1,880,949</u> | <u>£ 2,121,391</u> |

5. SUPPORT COSTS

| | Staffing costs | IT, administration and premises | Total Funds 2007 | Total Funds 2006 |
|------------------------------------|-------------------|------------------------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Welfare rights support services | 94,593 | 92,107 | 186,700 | 207,275 |
| Policy and development | 6,237 | 6,119 | 12,356 | 11,664 |
| ICT services | 120,301 | 105,967 | 226,268 | 200,492 |
| | <u>£ 221,131</u> | <u>£ 204,193</u> | <u>£ 425,324</u> | <u>£ 419,431</u> |

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

6. GOVERNANCE OF THE CHARITY

| | Unrestricted Funds | Restricted Funds | Total Funds 2007 | Total Funds 2006 |
|-----------------------------------|-----------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Salaries and other staffing costs | 8,151 | - | 8,151 | 7,983 |
| Auditors' remuneration | 4,600 | - | 4,600 | 4,500 |
| Subsistence | 200 | - | 200 | 196 |
| Postage | 62 | - | 62 | 60 |
| | <u>£ 13,013</u> | <u>£ -</u> | <u>£ 13,013</u> | <u>£ 12,739</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

7. LOCAL GOVERNMENT AND HOUSING ACT 1989

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

£80,250 was received from a grant for the nine months to 30 June 2006 and £240,750 was received from a grant for the year to 30 June 2007 as a contribution towards Lasa's range of services to advice agencies. These grants totalled £321,000 and have been fully expended.

8. NET INCOMING/(OUTGOING) RESOURCES

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

| | 2007 | 2006 |
|---------------------------------------|---------------|-------------|
| | £ | £ |
| Depreciation of tangible fixed assets | | |
| - owned by the company | 12,489 | 10,771 |
| Auditors' remuneration | | |
| - for audit services | 4,600 | 4,500 |
| - for other services | 11,101 | 8,000 |
| Operating lease rentals | | |
| - land and buildings | 84,504 | 84,500 |
| | 84,504 | 84,500 |

No member of the Board of Trustees received any emoluments. Out of pocket expenses reimbursed were less than £100 (2006 - £100). No employee received emoluments of £60,000 per annum or more.

9. STAFF COSTS

Staff costs were as follows:

| | 2007 | 2006 |
|-----------------------|--------------------|-------------|
| | £ | £ |
| Wages and salaries | 958,509 | 975,631 |
| Social security costs | 100,896 | 103,251 |
| Pension costs | 25,707 | 27,810 |
| | £ 1,085,112 | £ 1,106,692 |

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

| | 2007 | 2006 |
|------------------|-------------|-------------|
| Service delivery | 27 | 27 |
| Administration | 4 | 4 |
| | 31 | 31 |

10. 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 2007

11. TANGIBLE ASSETS

| | Office Equipment £ | Fixtures & Fittings £ | Total £ |
|-----------------------|--------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 April 2006 | 185,433 | 2,835 | 188,268 |
| Additions | 8,750 | - | 8,750 |
| Disposals | (14,195) | - | (14,195) |
| | 179,988 | 2,835 | 182,823 |
| Depreciation | | | |
| At 1 April 2006 | 137,677 | 2,835 | 140,512 |
| Charge for year | 12,489 | - | 12,489 |
| On disposals | (14,195) | - | (14,195) |
| | 135,971 | 2,835 | 138,806 |
| Net Book Value | | | |
| At 31 March 2007 | £ 44,017 | £ - | £ 44,017 |
| At 31 March 2006 | £ 47,756 | £ - | £ 47,756 |

12. DEBTORS

| | 2007 £ | 2006 £ |
|----------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 51,563 | 44,308 |
| Other debtors | 15,706 | 6,053 |
| Prepayments | 25,815 | 27,782 |
| Grants in arrears | 163,404 | 15,992 |
| | £ 256,488 | £ 94,135 |

**13. CREDITORS:
Amounts falling due within one year**

| | 2007 £ | 2006 £ |
|---------------------------------|-----------|-----------|
| Trade creditors | 120,401 | 38,445 |
| Social security and other taxes | - | 34,713 |
| Other creditors | 6,073 | 7,590 |
| Accruals | 10,517 | 7,875 |
| | £ 136,991 | £ 88,623 |

Included in other creditors is an amount of £406 in respect of pension contributions. (2006 £1,923).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

14. DEFERRED INCOME

| | 2007 | 2006 |
|--|-------------|-------------|
| | £ | £ |
| At 1 April 2006 | 73,881 | 67,671 |
| Less amount released to incoming resources | (73,881) | (67,671) |
| Plus amount deferred in the year | 84,195 | 73,881 |
| | 84,195 | 73,881 |
| At 31 March 2007 | £ 84,195 | £ 73,881 |

15. STATEMENT OF FUNDS

| | At 1 April 2006 | Income | Expenditure | Transfers | At 31 March 2007 |
|---------------------------------|--------------------|-----------|-------------|-----------|---------------------|
| | £ | £ | £ | £ | £ |
| General funds | 48,044 | 980,398 | (741,786) | (195,081) | 91,575 |
| Designated funds | | | | | |
| AIMS development | - | - | - | 50,000 | 50,000 |
| Staff costs | 50,000 | - | - | - | 50,000 |
| | 98,044 | 980,398 | (741,786) | (145,081) | 191,575 |
| Total unrestricted funds | 98,044 | 980,398 | (741,786) | (145,081) | 191,575 |
| Restricted funds | | | | | |
| Welfare rights support services | 14,970 | 39,395 | (158,318) | 103,953 | - |
| ICT support services | 199,470 | 1,017,949 | (955,566) | 40,233 | 302,086 |
| Policy and development | 16,235 | 12,000 | (25,279) | 895 | 3,851 |
| | 230,675 | 1,069,344 | (1,139,163) | 145,081 | 305,937 |
| Total restricted funds | 230,675 | 1,069,344 | (1,139,163) | 145,081 | 305,937 |
| Total funds | 328,719 | 2,049,742 | (1,880,949) | - | 497,512 |

Designated funds

Staff costs

£50,000 has been designated for unexpected staff costs such as redundancy, maternity and long term sickness.

AIMS development

£50,000 has been designated for further development work on the AIMS project.

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, tax credits training and to run the Appeals Forum.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2007

15. STATEMENT OF FUNDS\continued

ICT support Services

Undertakes specific projects and activities which receive restrictive funding. These include activities within the Circuit Rider project, the ICT hub, ICT champion, MultiKulti and EASI and PRESTO.

Policy and development

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2007 £ |
|--|----------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2007 are represented by | | | |
| Tangible fixed assets | 44,017 | - | 44,017 |
| Current assets | 367,231 | 307,450 | 674,681 |
| Current liabilities | (135,478) | (1,513) | (136,991) |
| Deferred income | (84,195) | - | (84,195) |
| | £ 191,575 | £ 305,937 | £ 497,512 |

17. OTHER COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|---------------------|--------------------|--------|------------|------|
| | 2007 | 2006 | 2007 | 2006 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within 1 year | 84,500 | 84,500 | 440 | 440 |

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 (2006 £Nil).