

Company Registration Number: 06820227

USER VOICE

**A COMPANY LIMITED BY GUARANTEE
(CHARITY NO. 1136047)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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USER VOICE

**A COMPANY LIMITED BY GUARANTEE
(CHARITY NO. 1136047)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Index	Page
Report of the Board	1 – 9
Independent auditors' report	10 - 11
Statement of financial activities	12
Balance sheet	13
Cash Flow statement	14
Notes to the financial statements	15 – 25

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

The Board is pleased to present its report and financial statements for the year ended 31 March 2016.

Reference and administrative information

Directors	Paul Cavadino	Resigned 12 November 2015
	David Harrison	Treasurer
	Mark Johnson	
	Noel Gordon	Chair
	Jane Pound	
	Daniel Baltzer	Resigned 12 April 2016
	Patricia Hamzahee	Appointed 12 November 2015
	Max Kelly	
Company Secretary	Daniel Hutt	
Chairman	Noel Gordon	
Chief Executive Officer	Mark Johnson	
Senior Management Team	CEO	
	Head of Policy	
	Head of Operations	
	Head of People	
Company Number	06820227	
Registered Charity Number	1136047	
Registered Office	20 Newburn Street, London, SE11 5PJ	
Auditors	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD	
Accountants	JS2 Limited, One Crown Square, Woking, Surrey, GU21 6HR	
Bankers	Coutts and Co, 440 Strand, London WC2R 0QS	

Structure, governance and management

User Voice became registered as a charity with the Charity Commission for England and Wales on 21 May 2010. It is a charitable company limited by guarantee, with no share capital and is governed by its Memorandum and Articles of Association dated 16 February 2009, as amended by special resolution on 7 May 2010. The liability of each member in the event of winding up is limited to a maximum of £10.

In accordance with the governing document, there shall be not less than two directors at any one time. The directors, who are also the charity trustees, are normally elected by the members of the company in a general meeting. The Board may appoint any member of the company as a director either as an additional director or to fill a casual vacancy. Any member so appointed must retire at the next annual general meeting but is eligible for re-election. The trustees delegate the day to day management to the senior management team.

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

Each new trustee will receive an induction session with the Chairman and Chief Executive, where they are provided with the background to the charity and its work and receive guidance on their role as a director and trustee of the charity.

The Trustees delegate the day to day management of the Charity to the Senior Management Team.

Risk management

The directors have reviewed the major and financial risks that impact on the work of the charity. The systems that have been established enable the directors to review and take necessary steps to lessen these risks.

The principal risks identified include:

- Loss of funding from one of User Voice's principal contracts. However, User Voice has grown significantly in recent years and has enough contracts across the country for this not to have a significant overall impact on its financial sustainability.
- Ensuring appropriate and robust human resources processes and procedures are consistently followed as the organisation continues to expand. The importance of embedding these processes has been recognised by creating a new senior management human resources post which is responsible for this.
- Continued budget reductions and uncertainty due to the reforms to the criminal justice system, User Voice's primary commissioner. While this is a risk it also presents an opportunity with the recently announced 'reform prisons' in which prison governors will be given greater financial autonomy. User Voice is also diversifying its income streams into areas such as health, reducing the reliance on the criminal justice system.

Objectives and activities

The object of User Voice is to advance education for the public benefit in criminal justice and the rehabilitation of offenders by conducting study and research and disseminating the useful results of that research to the public.

Public benefit

The directors have complied with section 17(5) of the 2011 Charities Act, having due regard for the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: running a charity (PB2)', when reviewing the trust's aims and objectives.

Why We Exist

We believe that the fundamental issue that causes the stubbornly high rates of re-offending and all the other associated problems is the 'us vs. them' culture.

Society feels frustrated with those who re-offend repeating cycles of behaviour and not engaging with rehabilitation services. Yet people with convictions feel marginalised by society, with rehabilitation services which are often inaccessible and unhelpful and a system that doesn't value their input.

Whatever the truth, we won't reduce crime unless we deal with this division. User Voice's core belief is that rehabilitation only happens when everyone in the criminal justice system shares responsibility for transforming the 'us vs. them' division into real collaboration.

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

Our Role

Our role is to improve rehabilitation through collaboration.

At User Voice we know that the criminal justice system needs to be improved. It is not delivering what it can deliver. We are optimistic that change is possible and we know that we have the experience and insight to contribute to making it better.

At User Voice we know that rehabilitation is possible and that people with convictions can turn their lives into an active force for good in society. Rehabilitation is the goal of all our work, a process which goes deeper than reducing offending, although that is an important outcome.

At User Voice we build the structures that enable productive collaboration between service users and service providers. We are able to do this because our work is led and delivered by ex-offenders. This gives us the special ability to gain the trust of, access to, and insight from people within the criminal justice system.

The entrenched exclusion of some of the people we work with can be a huge obstacle to service providers. The involvement of ex-offenders has many benefits, not least of which is the power of a narrative of success; working with ex-offenders can be a powerful way of motivating people who often have little self-belief that they can overcome the barriers they face. All the work User Voice has done suggests offenders want to talk to people who have 'walked in their shoes' and experienced similar life events.

What We Do

In order to achieve this we do the following:

- User Voice **Councils**, which provide a platform for service users to have a voice. They have been developed for use within prisons and in the community for probation, youth offending teams and other related services. Their democratic processes enable voices to be heard and focus on collective challenges and solutions.
- User Voice **consultations**, which are bespoke projects that help service providers and commissioners access, hear and act upon the insight of their users. These include research and specifically designed workshops ranging from working with drug users on recovery services, to engaging with excluded and vulnerable young people on the future of social work.
- User Voice **peer support**, in which we recruit and train peer supporters to deliver mentoring services for other providers. Our peer supporters are uniquely placed to promote and ignite real change, as advocates and role models.

Impact

There are two sides to User Voice's impact:

1. Improving Services – with service user insight and experience, services can become more effective and accessible for hard-to-reach groups.
2. Promoting active citizenship – as service users engage with improving the services they access, they develop the skills and behaviours to become contributing members of society.

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

This can be summarised in User Voice's Theory of Change, validated at Level 1 by Nesta. A Theory of Change explains how a programme has an impact on its beneficiaries. It outlines all of the things that a programme does for its beneficiaries, the ultimate impact that it aims to have on them, and all the separate outcomes that lead or contribute to that impact.

The outcomes detailed in User Voice's Theory of Change are:

- Increased levels of positive engagement with health services
- Increased personal development, such as self-confidence and self-worth
- Increased skills development, such as communication and leadership
- Increased access to positive role models and positive networks
- More (cost) effective services, such as prison, probation and health

As a result the ultimate goals are improved services and more active citizens in society. Both are important to our beneficiaries, services users and service providers.

Councils

During the year User Voice has established and continues to support elected Councils based on our model of service user engagement in the following areas:

- HM Prison Maidstone, a Category C training prison holding 600 adult male prisoners
- HM Prison Aylesbury, holding up to 444 of the longest sentenced young adult males in the English prison system.
- HM Prison Birmingham, a Category B prison holding 1450 adult remand and sentenced male prisoners
- HM Prison Wormwood Scrubs, a local category B prison holding up to 1279 adult male prisoners
- HM Prison Pentonville, a local prison holding up to 1310 adult male prisoners
- HM Prison Northumberland, a prison holding up to 1348 adult male prisoners
- HM Prison Durham, a Category B local prison holding up to 1017 adult male prisoners
- HM Prison Onley, a Cat C Training prison holding up to 742 adult male prisoners
- HM Prison Oakwood, a Category C prison holding up to 1,605 adult male prisoners
- Bedfordshire, Northamptonshire, Cambridgeshire & Hertfordshire Community Rehabilitation Company
- Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company
- Cheshire & Greater Manchester Community Rehabilitation Company
- Cumbria and Lancashire Community Rehabilitation Company
- Essex Community Rehabilitation Company
- Hampshire & Isle of Wight Community Rehabilitation Company
- Humberside, Lincolnshire & North Yorkshire
- Kent, Surrey and Sussex Community Rehabilitation Company
- London Community Rehabilitation Company
- Merseyside Community Rehabilitation Company
- Norfolk & Suffolk Community Rehabilitation Company
- Northumbria Community Rehabilitation Company
- Southwark Youth Offending Team
- South Yorkshire Community Rehabilitation Company
- Staffordshire and West Midlands Community Rehabilitation Company
- Tower Hamlets Youth Offending Team
- West Yorkshire Community Rehabilitation Company

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

At the end of this period User Voice had **representative structures for nearly 1 in 4 people** in the adult criminal justice system through its Council model, engaging with a significant number of people, including:

- 398 new Council members
- 793 total Council members
- 3,629 service users consulted
- 3,613 votes cast in Prison Council elections
- 65.5% turnout across 6 Prison Council elections

In terms of the **impact** on individual Council members, there are two main areas in which they were asked to self-report on progress over time – personal development and skills development.

Personal development:

- 30% increased belief that they are an active citizen
- 23% increased knowledge to access support
- 21% increased self esteem

Skills development:

- 22% increased confidence to stay in a job
- 22% increased confidence to speak in public

Furthermore, an **external evaluation** of the User Voice Council model in prison and the community was conducted led by leading academics in Desistance Theory – which looks into why people decide to stop offending. The project will be led by Dr Monica Barry and Dr Beth Weaver, along with Bethany Schmidt, Dr Mark Liddle, Dr Judy Renshaw and Professor Rosie Meek. The evaluation received support from Professor Shadd Maruna, who is likewise a prominent figure in Desistance Theory.

The evaluation looked at the impact on participants and policy and practice. In terms of User Voice's first group of beneficiaries, service users, it concluded:

All participants spoke very positively about the effectiveness of the Councils in building their personal and social skills, for example increasing confidence and self esteem as well as improving their skills at communication and problem solving.

With regards to the impact on User Voice's second group of beneficiaries, service providers, the evaluation highlighted that:

Impacts of User Voice Councils on services, regimes and practices were widely recognised as being positive. The qualitative data revealed a range of operational outcomes associated directly with the User Voice Councils which ranged from, for example, the provision of in-cell phones in prison and improved provision and distribution of clothing to prisoners, to changes to waiting rooms and waiting times in CRC offices and improvements to induction processes for those on supervision in the community.

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

The evaluation was also able to quantify this impact, stating:

User Voice prisons have much more positive performance than comparator prisons in relation to levels of prisoner complaints for example, and in relation to changes in levels of adjudications, the analysis suggests that User Voice activity is associated with benefits of £535,999 across the five User Voice prisons where the team was able to undertake before and after rate comparisons (with comparators, during periods of User Voice operation).

NHS England pilot

After undertaking an initial consultation with service users in secure and community health and justice services across the South East for NHS England in order to develop a Strategy for Patient and Public Voice, User Voice was commissioned to deliver this Strategy. Over the past year it has been working with the South East Health and Justice Team to pilot and develop ways on involving service users at different stages of the commissioning cycle.

In the initial stages of the pilot during the financial year 24 Peer Researchers were recruited in prisons and the community who engaged with 382 health service users in order improve healthcare for people in the justice system. The impact on both service users and service providers will be evaluated at the end of the pilot year.

Consultations

User Voice has established a strong reputation for being able to access hard to reach groups of people with experience of criminal justice gaining their insight in order to inform service improvement and policy change. During the year a total of 19 consultations were undertaken engaging with:

- 1,553 service users through questionnaires
- 91 service users through interviews
- 346 service users through focus group

These consultations included:

- A consultation with people with lived experience of severe and multiple disadvantage on models of engagement for the Lankelly Chase Foundation (February 2015)
- A consultation on the treatment of young adults in the criminal justice system in response to an inquiry from the Justice Select Committee (November 2015)
- Service users' views on the current Offender Management model to support a wider review of the model by the Offender Assessment and Management in NOMS (June 2015)
- A consultation on the views of prisoners at HMP and YOI Rochester regarding the use of New Psychoactive Substances (April 2015)
- A consultation with service users of the London Community Rehabilitation Company on its new cohort model (May 2016)
- Service users views on mental health and criminal justice for a wider report by the Centre for Mental Health and the Howard League (September 2015)
- A consultation with service users about the 'Transforming Rehabilitation' probation reforms as part of the National Audit Office's wider review (March 2016)
- The views of current service users on financial impositions in order to assist the Ministry of Justice in gaining a better understanding of behaviour and incentives (March 2016)
- A consultation with service users on pain management in the criminal justice system (October 2015)

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

- A consultation about volunteers in prison for the Ministry of Justice in partnership with Clinks (March 2016)
- Eight consultations with young people in contact with youth offending services in Greenwich, Cardiff, Doncaster, Swindon, Stafford, Wolverhampton, Leicester and Newcastle informing inspections undertaken by HM Inspectorate of Probation Full Joint Inspections
- Consultations with probation service users in Preston, Norwich, Stevenage, Peterborough and Southend in order to inform service improvement

One of the most significant consultations undertaken in the year was for **NHS England on the use of novel psychoactive substances (NPS)**, commonly known as former 'legal highs', in prison. User Voice engaged with 682 prisoners in nine prisons in order to gain insight from a group previously not engaged in the debates about life in prison, the criminalisation of legal highs, and the use of drugs in prison. The consultation revealed addiction, violence, bullying and mental health issues associated with the widespread availability and use of former 'legal highs' with prisoners estimating that at least one-third of all prisoners use NPS. This and the other findings and recommendations are being considered by NHS England and the National Offender Management Service, an agency of the Ministry of Justice.

Peer Support

During the year, User Voice recruited and trained peer supporters for the following programmes, benefiting both individual service users and the service providers:

- Essex Community Rehabilitation Company (formerly Probation Trust), recruiting Peer Mentors (women and men), providing OCN accredited training and assisting them in order to develop mentoring relationships, with a number of Mentors progressing to paid support Case Workers.
- Opportunity Nottingham, a community initiative dedicated to providing support and services to people who have a long-standing history of homelessness, substance misuse, mental ill health and reoffending, training ex-service users to become peer mentors.
- HM Prison Haverigg, recruiting paid peer navigators (mentors) to support prisoners returning to Cumbria on release to sustain their abstinence based recovery.

Social media

User Voice's primary social media platform is Twitter. During the year, User Voice's Twitter followers grew by 30% (1,144), from 3,763 to 4,907. In this time, User Voice tweeted 352 times, 69% of which were re-tweeted by others and 52% of which were favourited. These tweets were retweeted 1,017 times and favourited 481 times. User Voice earned 253,000 impressions (the total number of times that a tweet has been delivered to the Twitter stream of a particular account) during this period.

The hashtag most used was #HerVoiceCounts, User Voice's campaign for International Women's Day 2016. #HerVoiceCounts aimed to highlight the experiences of female services users in the criminal justice system. On the day, User Voice's 28 tweets earned 17,600 impressions, 48 link clicks, 108 retweets and 63 likes. A summary of activity can be found here <http://buff.ly/1QXxhY8>.

Financial review

User Voice recorded an unrestricted surplus of £145,804 in the year ended 31 March 2016. The impact of which had a positive effect on our accumulated unrestricted reserves, which stand at £504,391 at 31 March 2016, and this remains more than sufficient to support the running of User

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

Voice's business and meets the current reserve policy. Restricted funds stand at £36,679 (2015: £27,924).

During the year the most significant changes to the criminal justice system were enacted under the Government's Transforming Rehabilitation programme. Amongst other changes, this programme radically restructured probation services and led directly to the dissolution of Probation Trusts in England, many of whom have been User Voice's clients for some years. Given that probation is one of User Voice's major sources of income this presented real uncertainty. However, User Voice acted quickly to create new, or develop existing relationships with a number of the organisations subsequently selected by the Ministry of Justice to deliver probation services under the Transforming Rehabilitation programme. User Voice now operates as a sub-contractor to 13 of these organisations and, as a result, has successfully managed the significant business risk presenting, and, as a result, has been able to continue to demonstrate a strong financial performance. This is likely to continue given that these contracts are at minimum 3 years.

Investment policy and performance

There are no restrictions on the charity's power to invest and the current policy is to invest short term funds with the trust's bankers.

Reserves policy

The directors' aim is to maintain free reserves in unrestricted funds at a level that will provide sufficient funds to cover operational costs for four months, this is estimated at £510,000 at 31 March 2016. The actual level of these reserves at 31 March 2016 was £497,243 (2015: £345,755) which the directors consider appropriate.

Future plans

Building on a solid performance in 2015/16, User Voice's strategic objectives for 2016/17 are:

- Solidify the business model
- Proactive customer retention
- Support the conclusion of an external evaluation of the Council model

This will enable User Voice to prepare to scale further when the organisation is ready.

Responsibilities of the Board

Company law requires the Board 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 profit or loss of the company for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- follow the SORP, Accounting by Charities; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

USER VOICE

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, Accounting Standards and Statements of Recommended Practice and the regulations under the Charities Act 2011. 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.

Statement of disclosure to the auditor

So far as the Board of Trustees are aware:

- a) there is no relevant audit information of which the charity's auditors are unaware; and
- b) they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditors

Kingston Smith LLP were appointed as auditors during the year and are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

By order of the Board:



Noel Gordon

Director

23 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF USER VOICE

We have audited the financial statements of User Voice on pages 12 to 25 for the year ended 31 March 2016 which comprise the statement of financial activities, the charitable company balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 auditor

As explained more fully in the Responsibilities of the Board on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

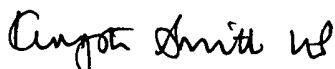
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF USER VOICE

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report, and from preparing a strategic report.



Sandra De Lord (Senior Statutory Auditor)
On behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1H 7AD

Date: 6.10.16

USER VOICE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £	Restated Total 2015 £
Income					
Income from donations	2	24,743	314,769	339,512	281,998
Income from charitable activities	3	<u>1,246,490</u>	<u>-</u>	<u>1,246,490</u>	<u>990,686</u>
Total income		<u>1,271,233</u>	<u>314,769</u>	<u>1,586,002</u>	<u>1,272,684</u>
Expenditure					
Expenditure on raising funds	5	8,741	-	8,741	8,839
Expenditure on charitable activities	6	<u>1,116,688</u>	<u>306,014</u>	<u>1,422,702</u>	<u>1,139,377</u>
Total expenditure		<u>1,125,429</u>	<u>306,014</u>	<u>1,431,443</u>	<u>1,148,216</u>
Net income/expenditure and movement in funds	4	145,804	8,755	154,559	124,468
Fund balance brought forward at 1 April		<u>358,587</u>	<u>27,924</u>	<u>386,511</u>	<u>262,043</u>
Fund balance carried forward at 31 March		<u>504,391</u>	<u>36,679</u>	<u>541,070</u>	<u>386,511</u>

The results for the period are derived from continuing operations

There were no recognised gains or losses, other than those passing through the statement of financial activities.

USER VOICE**BALANCE SHEET****AS AT 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8		7,147		12,831
Investments	9		<u>1</u>		<u>1</u>
			7,148		12,832
Current assets					
Debtors	10	571,457		550,997	
Cash at bank and in hand		<u>259,516</u>		<u>157,414</u>	
		830,973		708,411	
Creditors: amounts falling due within one year	11	<u>(297,051)</u>		<u>(334,732)</u>	
Total assets less current liabilities			533,922		373,679
Net assets			<u>541,070</u>		<u>386,511</u>
Reserves	13				
Unrestricted funds			504,391		358,587
Restricted funds			<u>36,679</u>		<u>27,924</u>
	14		<u>541,070</u>		<u>386,511</u>

The financial statements on pages 12 to 25 were approved by the Board and authorised for issue on 23 September 2016.



David Harrison
Director

Company Registration Number: 06820227

USER VOICE**STATEMENT OF CASHFLOWS****FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Net income	154,559		124,468	
Adjustments for:				
Depreciation	5,684		3,624	
(Increase)/Decrease in debtors	(20,460)		(298,710)	
(Decrease)/Increase in creditors	<u>(37,681)</u>		<u>94,649</u>	
Net cash provided by/(used in) operating activities		102,102		(75,969)
Cash flow from investing activities				
Purchase of tangible fixed assets	<u>-</u>		<u>(10,857)</u>	
Net cash (used in) investing activities		-		(10,857)
Change in cash and cash equivalents in the year		<u>102,102</u>		<u>(86,826)</u>
Cash and cash equivalents at the beginning of the year		157,414		244,240
Cash and cash equivalents at the end of the year		<u><u>259,516</u></u>		<u><u>157,414</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charities forecasts and projections and have taken account of pressures on donation and contracted income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed.

The following adjustments have been made in order to comply with the new SORP/ FRS 102. The effect on total funds or the net income and expenditure is shown in note 19. The main items were:

- Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.
- At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £11,531.

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

The principle accounting policies adopted in the preparation of the financial statements are set out below. The functional currency of the charity is sterling.

1.2 Financial Instruments

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of Uservoice after deducting all of its liabilities.

1.3 Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted funds are funds which are used in accordance with the charitable objects at the discretion of the trustees.

1.4 Incoming resources

Grants, donations and other income are credited to the statements of financial activities in the year to which they relate. Grants and donations will be recognised on an entitlement basis and when receipt is probable and the amount can be measured reliably. Other income, including investment income, is recognised on an accruals basis.

Income is credited to incoming resources when the conditions of entitlement, probability and measurement have been met, unless it relates to a specific future period, in which case it is deferred. Contract income is recognised over the life of the assignment.

1.5 Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs not directly attributable to an expenditure category are shown in note 7 and have been apportioned on the basis of staff activity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years straight line
Fixtures, fittings and equipment	4 years straight line

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

1.6 Investments

The fixed asset investment in the dormant subsidiary are stated at cost less provision for diminution in value (Note 9).

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group as the company's only subsidiary was dormant throughout the period.

1.8 Pensions

User Voice operates defined contribution pension arrangements, the assets of which are held separately from those of the Society in independently administered funds. Contributions are charged to the income and expenditure account as they become payable.

1.9 Critical accounting estimates and judgements

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.10 Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

2. Incoming resource from donations

Current Year	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Donations	3,493	-	3,493
Grants	21,250	314,769	336,019
	<u>24,743</u>	<u>314,769</u>	<u>339,512</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Donations	2,130	-	2,130
Grants	-	279,868	279,868
	<u>2,130</u>	<u>279,868</u>	<u>281,998</u>

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

3. Incoming resource from charitable activities

Current Year	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Project income	1,120,838	-	1,120,838
Consultancy & other income	125,652	-	125,652
	<u>1,246,490</u>	<u>-</u>	<u>1,246,490</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Project income	980,508	-	980,508
Consultancy & other income	9,650	-	9,650
Conferences	528	-	528
	<u>990,686</u>	<u>-</u>	<u>990,686</u>

4. Net incoming resources for the year is calculated after charging:

	2016 £	2015 £
Audit	7,150	3,400
Depreciation	5,684	3,624
Operating lease rentals	20,293	18,605

5. Costs of generating voluntary income

Current Year	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Staff costs	6,067	-	6,067
Other costs	63	-	63
Support costs (see note 7)	2,611	-	2,611
	<u>8,741</u>	<u>-</u>	<u>8,741</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Staff costs	6,039	-	6,039
Other costs	199	-	199
Support costs (see note 7)	2,601	-	2,601
	<u>8,839</u>	<u>-</u>	<u>8,839</u>

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

6. Costs of charitable activities

Current Year	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Staff costs	767,814	129,385	897,199
Travel and subsistence	120,824	88	120,913
Other costs	11,185	4,004	15,189
Impact evaluation	-	11,559	11,559
Support costs (see note 7)	216,865	160,978	377,843
	<u>1,116,688</u>	<u>306,014</u>	<u>1,422,702</u>

Prior Year	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Staff costs	548,782	150,330	699,112
Travel and subsistence	102,532	3,466	105,998
Other costs	26,178	7,074	33,252
Impact evaluation	-	34,680	34,680
Support costs (see note 7)	61,361	204,974	266,335
	<u>738,853</u>	<u>400,524</u>	<u>1,139,377</u>

7. Support costs

Current Year	Costs of Generating Funds £	Charitable Activities £	Total 2016 £
<u>Governance costs</u>			
Staff costs	-	-	-
Audit fees	48	7,102	7,150
Legal and professional fees	6	899	899
Trustee costs	-	55	55
<u>Other Support costs</u>			
Staff costs	567	83,856	84,423
Office costs	793	117,156	117,949
Travel and subsistence	366	54,065	54,431
Consultancy	714	108,930	109,644
Sundry expenses	117	5,781	5,898
	<u>2,611</u>	<u>377,843</u>	<u>380,448</u>

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

7. Support costs (continued)

Prior Year	Costs of Generating Funds £	Charitable Activities £	Total 2015 £
<u>Governance costs</u>			
Staff costs	64	7,401	7,465
Audit fees	29	3,371	3,400
Trustee costs	-	41	41
<u>Other Support costs</u>			
Staff costs	276	31,949	32,225
Office costs	740	85,484	86,224
Travel and subsistence	491	56,827	57,318
Consultancy	546	63,254	63,800
Sundry expenses	455	18,008	18,463
	<u>2,601</u>	<u>266,335</u>	<u>268,935</u>

Support costs are allocated on the basis of staff activity.

8. Tangible fixed assets

	Fixtures, fittings & equipment £	Computer Equipment £	Total £
Cost			
At 1 April 2015	10,922	15,437	26,359
Additions	-	-	-
At 31 March 2016	<u>10,922</u>	<u>15,437</u>	<u>26,359</u>
Depreciation			
At 1 April 2015	8,917	4,611	13,528
Charge for the year	<u>1,848</u>	<u>3,836</u>	<u>5,684</u>
At 31 March 2016	<u>10,765</u>	<u>8,447</u>	<u>19,212</u>
Net book value			
At 31 March 2016	<u>157</u>	<u>6,990</u>	<u>7,147</u>
At 31 March 2015	<u>2,005</u>	<u>10,826</u>	<u>12,831</u>

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

9. Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2015 & 31 March 2016	<u>1</u>
Net book value	
At 31 March 2016	<u>1</u>
At 31 March 2015	<u>1</u>

Holdings of more than 20%

The company holds more than 20% of share capital of the following companies:

Company name	County of registration or Incorporation	Share held Class	%
User Voice Trading Limited	England & Wales	Ordinary	100

User Voice Trading Limited is a dormant company and did not trade during the year.

10. Debtors

	2016 £	2015 £
Trade debtors	291,691	383,079
Other debtors	42,679	26,147
Prepayments & accrued income	237,087	141,771
	<u>571,457</u>	<u>550,997</u>
Included within debtors were financial instruments of:	565,750	547,823

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

11. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	19,300	32,400
Amounts owed to subsidiary undertakings	1	1
Taxes and social security	88,840	123,861
Accruals and deferred income	188,910	178,470
	<u>297,051</u>	<u>334,732</u>
Opening deferred income	152,729	109,041
Released in the year	(152,729)	(109,041)
Incoming resources deferred in the current year	142,124	152,729
	<u>142,124</u>	<u>152,729</u>
Included within creditors were financial instruments of:	154,927	182,005

12. Company limited by guarantee

The limit of the total guarantees of the members of the company amounted to a maximum of £70 at the beginning of the year and £70 at the end of the year.

13. Analysis of charitable funds

Current Year	Balance at 1 April 2015 £	Incoming Resources £	Resources expended £	Balance at 31 March 2016 £
Unrestricted funds	<u>358,587</u>	<u>1,271,233</u>	<u>(1,125,429)</u>	<u>504,391</u>
Staff Development Programme	-	70,800	(70,800)	-
Regional Development	-	61,469	(61,469)	-
Passport to Change	5,567	-	(5,567)	-
Through the Gate	12,659	182,500	(164,559)	30,600
Clothworkers	9,698	-	(3,619)	6,079
Restricted funds	<u>27,924</u>	<u>314,769</u>	<u>(306,014)</u>	<u>36,679</u>
Total	<u>386,511</u>	<u>1,586,002</u>	<u>(1,431,443)</u>	<u>541,070</u>

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

13. Analysis of charitable funds (continued)

Prior Year	Balance at 1 April 2014 £	Incoming Resources £	Resources expended £	Balance at 31 March 2015 £
Unrestricted funds	<u>113,463</u>	<u>992,816</u>	<u>(747,692)</u>	<u>358,587</u>
Staff Development Programme	-	58,969	(58,969)	-
Regional Development	70,800	-	(70,800)	-
Passport to Change	9,066	33,399	(36,898)	5,567
Through the Gate	61,464	171,500	(220,305)	12,659
Clothworkers	-	10,000	(302)	9,698
Reading Plan	<u>7,250</u>	<u>6,000</u>	<u>(13,250)</u>	-
Restricted funds	<u>148,580</u>	<u>279,868</u>	<u>(400,524)</u>	<u>27,924</u>
Total	<u>262,043</u>	<u>1,272,684</u>	<u>(1,148,216)</u>	<u>386,511</u>

Staff Development Programme

Funded by The Paul Hamlyn Foundation, the aim of this programme was to enable us to meet the specific training and personal development needs of those who work for us, thereby strengthening project delivery.

Regional Development

The Esmée Fairbairn Foundation are funding two regional manager posts in order to support the development of User Voice's regional infrastructure.

Passport to Change

Funded by the Northern Rock Foundation, this project enables ex-offenders to support people currently in the criminal justice system in their rehabilitation journey.

Through the Gate

With the support of the Cabinet Office's Centre for Social Action and Nesta, User Voice will be piloting its Council model through the gate in 3 regions of England.

Clothworkers

A capital grant for computer equipment for the User Voice Peer Support Centre opposite Pentonville Prison.

Reading Plan

The Reading Plan is a peer mentoring project that enables ex-offenders to support their peers and help them improve their reading and writing capabilities. Anyone at a moderate reading level can support and help teach others to read on an individual level. The Lloyds TSB Foundation are part-funding this project contributing to salary costs.

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

14. Analysis of net assets between funds

Current Year	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Fixed assets	7,148	-	7,148
Debtors	571,457	-	571,457
Bank & cash	222,837	36,679	259,516
Creditors less than one year	297,051	-	297,051
	<u>504,391</u>	<u>36,679</u>	<u>541,070</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Fixed assets	12,832	-	12,832
Debtors	550,997	-	550,997
Bank & cash	129,490	27,924	157,414
Creditors less than one year	(334,732)	-	(334,732)
	<u>358,587</u>	<u>27,924</u>	<u>386,511</u>

15. Analysis of staff costs

	2016 £	2015 £
Salaries and wages	910,008	682,574
Social security costs	77,681	62,267
	<u>987,689</u>	<u>744,841</u>

No employee had emoluments in between £70,000 and £80,000 (2015: one). The number of employees during the period was as follows:

	2016 No.	2015 No.
Support	2	2
Charitable activities	37	27
	<u>39</u>	<u>29</u>

The Senior Management Team are considered to be the key management personnel and the total fees and employee benefits paid to them were £177,661 (2015: £148,470).

Included within staff costs are costs totalling £10,000 (2015: £nil) in relation to redundancy and termination payments.

USER VOICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

16. Directors' remuneration

One of the directors, Mark Johnson, received employment remuneration of £54,150 during the period. (2015: £70,700) in accordance with the company's Memorandum and Articles of Association. He was also reimbursed expenses totalling £246 (2015: £75). In addition, with effect from 1 January 2016 he received payments totalling £15,390 from his role as self-employed consultant to the charity.

17. Related party relationships and transactions

At the year end the company owed £1 (2015: £1) to User Voice Trading Limited, its subsidiary undertaking.

During the year, the company also entered into certain transactions with CanDo Coffee Limited, a social-purpose company created to support the employment of ex-offenders. One of User Voice's Directors, Mark Johnson, also sits as a director and was a shareholder of CanDo Coffee Limited, gifting all the shares to the charity, CanDo Foundation, on 20 July 2015. During the year, User Voice supplied £13,865 (2015: £14,247) of services to CanDo Coffee Limited. As at 31 March 2016, £25,643 (2015: £11,778) was outstanding. All such transactions were conducted on an arm's length basis.

18. Taxation

As a charity the organisation is exempt from UK corporation tax to the extent that its income is applied to its charitable objects. No liability arose in the period.

19. Impact of transition to FRS 102 and SORP 2015

Reserves position	At 31.03.15	At 01.04.14
	£	£
Funds previously reported	398,042	273,574
Adjustments on transition		
Holiday pay provision	(11,531)	(11,531)
Funds restated on transition	386,511	262,043
Impact on income and expenditure		
Net income / (expenditure) as previously reported	124,468	
Adjustments on transition		
Holiday pay provision	-	
Net income / (expenditure) as restated	124,468	