

South East Advocacy Projects

(A company limited by guarantee)

Report and Financial Statements

31 March 2005

Charity no: 1080679

Company no: 3963421

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Reference and Administrative Details

Trustees	D. Broadley (retired 16/7/2004) B. Browning M. Casey A. Heslop S. Holmes-Smith (appointed 3/11/2004) J. Langley B. Pearse (retired 31/8/2004) A. Voyce (retired 14/5/2004)
Chief Executive	J. Miles
Company Secretary	C. Whelan
Registered Office	The Advocacy Centre 42 Robertson Street Hastings East Sussex TN34 1HL
Auditors	Ashdown Hurrey 20 Havelock Road Hastings Sussex TN34 1BP
Bankers	Lloyds TSB Bank PLC 17 Wellington Place Hastings East Sussex TN34 1NX
Solicitors	Heringtons 84 Battle Road St. Leonards-on-Sea East Sussex TN37 7XL

Report of the trustees for the year ended 31 March 2005

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of South East Advocacy Projects for the year ended 31 March 2005. The trustees have opted for early adoption of *Accounting and Reporting by Charities, Statement of Recommended Practice (2005)* in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

South East Advocacy Projects is a charitable company limited by guarantee, incorporated on 3 April 2000 and registered as a charity on 11 May 2000. It was established under a memorandum of association, which establishes its objects and powers and is governed under its articles of association which were last amended on 11 July 2000.

The charity is governed by a board of trustees, who are members of an executive committee that meets regularly to manage and control the resources administered by the charity. The executive committee now numbers 12 people, and includes the project manager of each advocacy service, service user representatives, specialist advisors, the chief executive and the company secretary. The project managers submit reports to all committee meetings and attend personally in rotation to allow in depth consideration of each advocacy service by the trustees throughout the year.

Trustees are elected at the annual general meeting of the charity; at each such meeting one third of the trustees are subject to retirement by rotation and are eligible for re-election. At the fourth annual general meeting of the charity in November 2004, two trustees were elected; one was a new trustee and one was re-elected for a further term of three years. The names of the trustees at the date the accounts were signed are set out on the schedule of reference and administrative details on page 1. They all served during the year under review, except as follows: A. Voyce retired on 14 May 2004, D. Broadley retired on 16 July 2004 and B. Pearse retired on 31 August 2004.

The charity's trustees are recruited in such a way as to bring expertise in advocacy, governance and management to the charity. Induction and training are given to new trustees so that they become familiar with their role.

During the year the trustees met on seven occasions with the executive committee to decide on practical measures for the charity's strategic development, risk management, finances, policies & procedures and project management. The trustees met on several occasions in closed session for decision making on personnel matters and an organisational salary review.

During the year the trustees appointed a full-time chief executive, a part-time personal assistant and a part-time human resources officer to strengthen the central administration of the charity. This largely explains a significant increase in support costs within the general fund. The charity's expansion also incurred greater costs for external audit, legal expenses and insurance cover.

Report of the trustees for the year ended 31 March 2005

Trustees' responsibilities statement

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

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- ◆ the charity is operating efficiently and effectively;
- ◆ its assets are safeguarded against unauthorised use or disposition;
- ◆ proper records are maintained and financial information used within the charity or for publication is reliable; and
- ◆ the charity complies with relevant laws and regulations.

The trustees are pleased to report that the charity's internal financial controls conform with guidelines issued by the Charity Commission.

Risk Management

The trustees continued with their risk management exercise, in line with Charity Commission recommendations, to identify the risks to which the charity is exposed and to assess the likelihood of such risks occurring and the potential impact on the charity. The risks that the trustees have considered are those relating to financial, operational, governance, external and compliance issues. Each risk has been rated as high, medium or low and appropriate measures have been taken to minimise the risks.

During the year the trustees reviewed additional procedures recommended by the auditor to improve the effectiveness of the charity in preventing fraud.

South East Advocacy Projects has insurance policies in place for protection in the event of a person being injured at the charity's premises or in the event of a claim in relation to services provided by volunteers, staff and trustees of the charity.

Objectives and Activities

The general objects of the charity are expressed in the governing document as follows:

*to relieve persons who are in need
by reason of their age, youth, disability, ill-health
or social or economic circumstances
through the provision of effective advocacy services
in the south east of England.*

These objects are fulfilled through the provision of four specialist advocacy services that are available free of charge to a wide range of client groups including:

- ◆ Xpress Advocacy Service for children and young people (see page 6)
- ◆ MY CHOICE Advocacy Service for people with learning disabilities (page 7)
- ◆ The Mental Health Advocacy Service for adult users of the health service (page 8)
- ◆ Independent Complaints Advocacy Service (ICAS) for people wishing to complain about their health care within the NHS (page 9).

South East Advocacy Projects aims to ensure that people, particularly those most vulnerable in our society, are enabled to express their views, wishes and feelings, either directly or through a competent and independent voice. Advocates work to ensure that the rights of vulnerable people are safeguarded and their voices heard and genuinely considered as part of the decision making process.

Advocacy is:

- ◆ **Independent** – not part of statutory or other services
- ◆ **Confidential** – unless something of a life threatening nature is disclosed
- ◆ **Empowering** – the client is in control of the advocacy process and no decisions are ever made without their express consent
- ◆ **Not concerned with making a judgement about the person's best interests** – the client is the expert on their life and it is their view of what they wish to happen that the advocate will act upon.

The ultimate aim of advocacy is always to enable people to advocate on their own behalf, and to see statutory, voluntary and private service providers develop their services in a way which places the views, wishes and feelings of those who use them, firmly at the centre.

South East Advocacy Projects is committed to working with service providers from all sectors to this end.

South East Advocacy Projects also aims to provide training, supervision and consultancy support within the advocacy field.

Report of the trustees for the year ended 31 March 2005

The main objectives for the year were as follows:

- ◆ To strengthen the charity's management structure
- ◆ To respond to increased demands for advocacy work
- ◆ To develop the role of service users in advocacy and governance
- ◆ To strengthen the role of volunteers
- ◆ To diversify advocacy services
- ◆ To gain expertise in training

The charity's strategies for achieving the stated objectives were as follows:

- ◆ The charity recruited and appointed a full time chief executive, a part-time personal assistant and a part-time human resources officer
- ◆ The charity recruited and appointed additional advocates and support staff, increasing the number of staff to 71 (2004 – 47 staff)
- ◆ The charity hosted an annual conference on the theme *“Involving and Employing Those Who Use Services”*. More than eighty delegates representing a wide range of service providers and advocacy organisations heard three keynote speakers, and four service user presentations.
- ◆ The charity used the services of 79 volunteers (2004 – 50 volunteers) during the year. The significant contribution of the volunteers is worthy of note because they have given freely of their time and energy so that others may benefit. The volunteers are trained as advocates, independent visitors, office assistants, course co-workers and buddies for young people. Without the volunteers, the charity would not be able to undertake the range of activities that benefit so many people.
- ◆ The charity increased the number of grants to 35 for advocacy work (2004 – 23 grants) which included projects related to service user involvement, consultation and research.
- ◆ The charity involved staff teams in complex areas of advocacy practice, including child protection, secure units, family group conferences, forensic psychiatry, NHS complaints, working with both adults and children who do not communicate verbally, peer advocacy, self advocacy, advocacy for parents with learning disabilities, and child/adolescent mental health. Now the views of the projects involved in these areas are often sought by other practitioners and those involved in developing policy and practice nationally and locally. The majority of the advocacy work now carried out by the charity would be described by most mainstream advocacy providers as “complex”.
- ◆ The charity provided training to other practitioners, including those working with a wide variety of people including children/young people, adults with learning disabilities, adults with mental health problems, and those wishing to complain about their health care in the NHS.

Significant Activities (continued)



Xpress Advocacy Service for children and young people.

Xpress is a large advocacy and children's rights service which works with children and young people aged 8 – 21 across East Sussex. Xpress was funded by a total of 16 grants and delivered the following services for local authority and private providers;

- ◆ Advocacy for children/young people who are Looked After, Leaving Care, have learning/physical disabilities or mental health difficulties (funded by Social Services)
- ◆ Independent Visitor Scheme for Looked After children/young people (funded by Social Services)
- ◆ Buddy Scheme for young people with disabilities (funded by BBC Children In Need for Hailsham and Hastings/Bexhill; SCOPE for Eastbourne)
- ◆ *Go For It*: training programme which trains young people to work as co-trainers and to be involved in recruitment processes (funded jointly by Lloyds TSB Foundation, Nationwide Foundation and the East Sussex Local Network Fund)
- ◆ Freephone help and information line (177 calls made during the year)
- ◆ *Xpress Yourself* Magazine: quarterly magazine written by and for Looked After young people (circulation of 600). This magazine won a national award from the David St. John Thomas charitable Trust in February 2005. The trustees are looking for sponsors for this magazine.
- ◆ Advocacy training in a range of advocacy related areas (some courses accredited by the Open College Network)
- ◆ Consultation exercises for Harbour Foster Carers and the local Primary Care Trust
- ◆ Research projects
- ◆ Specialist advocacy for individuals and groups in Chailey Heritage School and St. Mary's School, Bexhill
- ◆ A group of young people named *Reflect*, which presents their experiences and views to the Children and Young People's Strategic Partnership Board, and assists the Board in monitoring the implementation of the strategic plan.

Xpress is also involved in a wide range of local and national initiatives. Xpress sits on the National Advocacy Consortium and has a significant representation in some key strategic forums such as the East Sussex Identification, Referral and Tracking system, Child Protection Liaison Groups, and the Board overseeing the Clinical Services Review (Children's Services).



Significant Activities (continued)

MY CHOICE Advocacy Service for people with learning disabilities.

MY CHOICE is an East Sussex-wide advocacy service that received a total of 10 grants and provided advocacy support for:

- ◆ People living in a long-stay institution. MY CHOICE renewed a contract with Sutton and Merton Primary Care Trust for reprovision advocacy at Osborne House in Hastings.
- ◆ People living independently (funded by the Independent Living Team – Social Services).
- ◆ Those supported by private care providers (funded by Communitas Residential Homes, the Baily Thomas Charitable Trust, Maidstone Community Care Homes and Saxon Court).
- ◆ Parents with a learning disability whose children may be subject to Child Protection proceedings (funded by Comic Relief).
- ◆ Mothers with a moderate learning disability, who will be supported by trained volunteers who live in their local area, to enable them to keep and raise their family (funded by Comic Relief).
- ◆ Service users who come together to discuss their views of statutory services provided by the local authority. This is a project called *Voices For Change* and it is funded by the Hastings Community Empowerment Fund. *Voices For Change* has been influential in raising the profile of people with learning disabilities to those who develop and oversee local services. The group took video recordings of meetings to help other people understand the process of decision making. The group supported a member to put on a transport conference in conjunction with the *Valuing People* Support Team. The group also held a conference about their work.
- ◆ People with a mild learning disability (funded by the British Institute of Learning Disabilities, through the Department of Health).

In addition MY CHOICE received funding from the Woodward Trust towards developing the service in 2004 – 2005.

Significant Activities (continued)



Mental Health Advocacy Service for adult users of the health service.

This service (funded partly by the East Sussex PCTs and partly by 5 other sources) works with working age adults who have mental health issues within East Sussex, to provide a full range of advocacy and advice services to mental health service users both in-patient and in the community:

- ◆ Meeting with inpatient service users in hospital via weekly clinics and appointment
- ◆ Supporting service users at word rounds and CPA reviews
- ◆ Providing support at mental health tribunals and S117 meetings
- ◆ Assisting service users in expressing feelings and concerns to other professionals
- ◆ Providing advocacy and support at clinical appointments
- ◆ Meeting with service users in the community by appointment
- ◆ Providing telephone advocacy support for service users and carers
- ◆ Linking service users with appropriate voluntary or statutory services

There are various opportunities for service users to volunteer within the mental health advocacy service, both in administrative roles and as consultants. Recently the service has developed a peer advocacy project, which trains and supports people recovering from mental health distress themselves, to work alongside professional advocates to provide informal advocacy and advice. The idea is to empower clients through peer relationships and to empower service users to move forward in recovery by being given the tools and support to engage in advocacy work. Training courses for peer advocacy have taken place:

- ◆ Eastbourne (funded by Eastbourne Reborn *Pooling our Resources* Community Chest Global Grants)
- ◆ Hastings, two courses to cover the whole county (funded by East Sussex County Council)

As a result of these training courses, two volunteers have grown in self-confidence sufficiently to move on to full time paid employment. One employee has been partly funded by Royal British Legion Industries through the Workstep programme and partly by a transfer of monies from the charity's unrestricted funds.

Mental health users in the Hastings & Rother area have been encouraged to join FOCUS, the local service user steering group that meets regularly in the Advocacy Centre.

The mental health advocacy service has been approached by residential care units with a request to provide part-time advocacy support for residents in the units. These requests have been followed up and a service is now being provided for the residents of Ashen Hill, Southview, Amber Lodge and Lavender Lodge in Hellingly, Priory Grange in Heathfield, and the Langford Centre in Bexhill.

Significant Activities (continued)

Independent Complaints Advocacy Service (ICAS) – south east region.

ICAS provides free and professional support to people wishing to complain about the treatment or care they received under the National Health Service (NHS). ICAS is a government initiative, funded by the Department of Health, which is delivered nationally by four independent advocacy providers, the south east region being covered by South East Advocacy Projects.

The core principles of ICAS are:

- ◆ **empowerment** – ICAS empowers people by providing them with information and guidance, enabling clients to decide whether they wish to pursue a complaint about the NHS and where needed, for an advocate to support them in doing so
- ◆ **independence** – ICAS is not tied to, or controlled by the NHS, enabling ICAS to work solely on behalf of its clients
- ◆ **confidentiality** – ICAS treats all interactions between clients as confidential
- ◆ **inclusion** – ICAS respects the diversity of clients and ensures that it is accessible to all, both in terms of the physical environment where support is delivered and the mode of communication used
- ◆ **resolution** – ICAS supports clients in trying to achieve their desired resolution within the NHS complaints procedure
- ◆ **partnership** – ICAS supports the aspirations of the NHS in improving the patient experience and works with NHS colleagues to promote positive change in the NHS, whilst maintaining the independence of the service.

South East Advocacy Projects has established a network of local offices covering Kent, East and West Sussex, Brighton & Hove, Hampshire & the Isle of Wight, West Surrey, West Berkshire, Buckinghamshire, Milton Keynes and Oxfordshire to deliver the ICAS service. Clients are able to access the service by telephone help-line, by e-mail, through web based resources or by face to face meetings with an advocate.

The charity has created and strengthened relationships with patient and public involvement forums, Patient Advice and Liaison Services (PALS), and other bodies.

To facilitate the recording of data, early in 2004 South East Advocacy Projects began using a dedicated, custom built database which has proved to be very successful, both for recording of data and management reporting. Training on this database has been given to other ICAS providers. South East Advocacy Projects has also delivered training on specialist mental health issues to other ICAS providers.

The current contract for delivering the ICAS service will run until March 2006. South East Advocacy Projects will be taking part in an exercise to inform the future shape of ICAS and will also take part in a tendering process to determine the new provision of the ICAS service.

Achievements and Performance

South East Advocacy Projects monitors performance by inviting feedback from clients and by working to standards of advocacy enshrined in the charity's policies and procedures. The trustees regularly review these policies.

Xpress advocacy service works to the National Standards for the Provision of Children's Advocacy Services published by the Department of Health. These standards provide a framework to plan, develop and review advocacy practice at all levels. They are consistent with the *Quality Protects* programme, through which funding has been granted to Xpress. Xpress monitors its performance in agreement with East Sussex Social Services, and its achievements have been recognised in the field of advocacy for children and young people. Several Social Services staff regularly attend advocacy training courses and *Total Respect* training courses run by Xpress.

MY CHOICE advocacy service works to the standards of advocacy contained in the Department of Health's *Valuing People: a new strategy for learning disability for the 21st century*. The performance of MY CHOICE has been recognised by a growing number of care providers in East Sussex who are funding specific projects run by MY CHOICE. MY CHOICE has also hosted two conferences, one about the Hastings and Rother service user group *Voices For Change* and the other on local transport issues as part of the *Voices For Change* project.

The Mental Health Advocacy Service works to the charity's standards of advocacy, which have been agreed with the Primary Care Trusts in East Sussex. Funding has been granted to the service in recognition of the performance of South East Advocacy Projects in the field of mental health advocacy. In particular, there has been a significant involvement of service users in the delivery of training and mental health advocacy. Service users are given ongoing support in this process and two of them who were course participants early in the year are now involved in facilitating new courses. A number of grants were awarded for further work in this field. Other organisations, local and national, have commissioned the delivery of the training programme developed by the Mental Health Advocacy Service.

For the ICAS service, the Department of Health has put in place quality assurance processes to monitor delivery and assist development of advocacy services. The ICAS service delivered by South East Advocacy Projects submits regular reports showing summary of achievements, planned work not achieved, unplanned work undertaken, and risk management strategies. This information informs regular review meetings between the Department of Health and South East Advocacy Projects. Site visits are carried out for reviewing local processes and procedures and meeting with ICAS staff. The Department of Health has shown particular interest in the database created by South East Advocacy Projects and some aspects of the training courses delivered by South East Advocacy Projects to ICAS staff.

Report of the trustees for the year ended 31 March 2005

Financial Review

The results for this period can be found on page 3 of the attached accounts. There was an overall increase in the activities of the charity compared to the previous year.

Total incoming resources were £1,865,492 compared to £1,434,294 in 2004.

Expenditure on charitable activities was £1,867,626 (2004 – £965,806). Support costs of £285,317 (2004 – £141,639) were included in this figure. Costs of generating funds were £17,450 (2004 – £15,384), and governance costs were £6,502 (2004 – £5,718).

Financial position

The balance sheet shows total funds of £612,652 (2004 – £638,738)

General funds to finance the administration headquarters and meet contingencies amount to £42,980 (2004 - £62,339).

Restricted fund balances of £569,672 (2004 – £576,399) are amounts held on trust for donors in connection with the specialist advocacy services provided by the charity. Such funds are not available to finance the general work of the charity. These funds will be utilised in the next financial year for various purposes as explained in note 14 of the accounts.

Reserves Policy

The charity needs, and has used, reserves for several reasons; to prevent serious disruption to its charitable work in the event of delays in receiving grants, to meet contingencies that cannot be met out of income; and to plan for future activities before funding is received. Other reasons are listed in note 14 of the accounts.

The trustees have reviewed the level of reserves that are freely available in the general fund of the charity, in conjunction with the nature of the income and expenditure requirements of the charity's activities. The trustees have concluded that the most appropriate level of reserves in the general fund of the charity should be approximately £100,000. At the end of the year the charity's general fund was £42,980 (2004 - £62,339).

The trustees have also reviewed the level of reserves that are held in the restricted funds of the charity, in conjunction with the nature of the income and expenditure requirements of each fund. These reserves are required for the purposes explained in note 14 of the accounts. The trustees have concluded that the most appropriate level of reserves in each of the restricted funds should be approximately 25% of the annual expenditure of each fund. During the year, three of the restricted funds had an appropriate level of reserves. The trustees aim to increase the reserves in the remaining restricted fund to ensure the future stability of the relevant advocacy service.

Investment policy

The charity has a policy of holding cash in an interest bearing account until required.

Report of the auditors

Independent auditors' report

to the trustees of

South East Advocacy Projects

We have audited the financial statements of South East Advocacy Projects for the year ended 31 March 2005 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the trustees as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees 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 Charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees of South East Advocacy Projects for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the trustees. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the report of the trustees, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 March 2005**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2005 £	Total funds 2004 £
Income and expenditure					
Incoming resources					
Voluntary income		7	2,463	2,470	265
Activities for generating funds		4,396	0	4,396	5,122
Investment income		1,726	19,194	20,920	7,205
Income from charitable activities	2	100,240	1,737,466	1,837,706	1,421,702
Total incoming resources		106,369	1,759,123	1,865,492	1,434,294
Resources expended					
Costs of generating income		1,803	15,647	17,450	15,384
Charitable activities	3	105,423	1,762,203	1,867,626	965,806
Governance costs	5	6,502	0	6,502	5,718
Total resources expended		113,728	1,777,850	1,891,578	986,908
Net incoming (outgoing) resources for the year and net income (expenditure) for the year	6	(7,359)	(18,727)	(26,086)	447,386
Transfers	9	(12,000)	12,000	0	-
Net movement in funds		(19,359)	(6,727)	(26,086)	447,386
Total funds brought forward At 1 April 2004		62,339	576,399	638,738	191,352
Total funds carried forward At 31 March 2005		42,980	569,672	612,652	638,738

Balance Sheet as at 31 March 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets	10				
Administration Headquarters			4,098		4,800
Advocacy Services			12,067		43,416
			16,165		48,216
Current assets					
Debtors	11				
Administration Headquarters		1,000		881	
Advocacy Services		3,998		2,225	
Cash at bank and in hand					
Administration Headquarters		10,437		7,526	
Advocacy Services		51,407		367,786	
Cash on deposit					
Administration Headquarters		30,000		55,000	
Advocacy Services		505,000		510,000	
		601,842		943,418	
Creditors: amounts falling due within one year	12				
Administration Headquarters		(2,555)		(5,868)	
Advocacy Services		(2,800)		(347,028)	
Net current assets			596,487		590,522
Total net assets			612,652		638,738
Represented by:					
Funds					
Restricted	14		569,672		576,399
Unrestricted					
. Designated funds		-		-	
. General fund		42,980		62,339	
			42,980		62,339
			612,652		638,738

Approved by the Trustees
and signed on their behalf by:

M. Casey

Trustee

Approved on: *8th July 2005*

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice (2005)*, applicable accounting standards and the Companies Act 1985. Adjustments have been made to the previous year comparative figures to reflect the new categories of income and expenditure specified in the *SORP (2005)*.

(b) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(c) Income

Voluntary income includes gifts, donations, legacies, core funding grants of a general nature, and gifts in kind. This income is credited to the Statement of Financial Activities in the year in which it is received.

Activities for generating funds includes the letting of rooms held primarily for functional use by the charity but temporarily surplus to operational requirements.

Investment income includes interest on cash deposits which is credited to the Statement of Financial Activities when received and includes recoverable tax deductions.

Incoming resources from charitable activities includes grants for the provision of services to beneficiaries as specified in service level agreements with local authorities, government bodies and other organisations. This income is recognised in the Statement of Financial Activities in the period to which the provision of service relates.

Income is deferred if any conditions for use imposed by the donor have not been met.

(d) Expenditure

Costs of generating voluntary income include management time spent in researching grants of all types, preparing budgets, filling in application forms and negotiating the application itself with the grant providers. Costs are apportioned on the basis of hours spent on these tasks by each project.

Costs of charitable activities comprise direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable thereto.

Governance costs relate to the general running of the charity, and include audit, legal advice and costs associated with constitutional and statutory requirements such as the cost of trustee meetings, AGM and preparation of statutory accounts.

Notes forming part of the financial statements for the year ended 31 March 2005

Support costs include expenditure on the rental and maintenance of offices, insurances and depreciation. Costs are apportioned on the basis of office space occupied and the number of staff working in each project.

(e) Pensions

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this scheme are held separately from those of the charity, being invested with The Pensions Trust. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

(f) Cash flow

The financial statements do not include a cash flow statement, because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

(g) Value added tax

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Items of equipment are capitalised where the purchase price exceeds £500.

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives at the following rates per annum:

Office equipment and furniture	20% on cost
Computer equipment	33% on cost

In the event of a project being funded for a period of less than three years, depreciation is provided at a higher rate, to match the shorter expected useful life of the relevant equipment.

(i) Funds accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees. The restricted funds are monies raised for, and their use restricted to, a specific advocacy service.

(j) Services provided by volunteers

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by volunteers in the Advocacy Services.

2 Income from charitable activities

	General fund £	Restricted funds £	Total 2005 £	Total 2004 £
Social Services: East Sussex	10,966	183,093	194,059	187,564
Department of Health	76,761	1,340,429	1,417,190	1,065,952
Primary Care Trusts	4,985	95,813	100,798	93,630
Other grants	6,978	101,967	108,945	58,290
Fees received	550	16,164	16,714	16,266
	100,240	1,737,466	1,837,706	1,421,702

“Other grants” of £5,000 or more were received from Comic Relief, BBC Children in Need, Lloyds TSB, Nationwide Foundation, Sussex Rural Community Council Children’s Fund and the Woodward Trust. “Other grants” of less than £5,000 were received from 17 sources.

3 Charitable Activities

	General fund £	Restricted funds £	Total 2005 £	Total 2004 £
Recruitment	879	26,470	27,349	36,244
Employees’ salaries	84,755	1,115,271	1,200,026	600,533
Agency staff	0	58,901	58,901	12,601
Staff training and travel	732	101,781	102,513	47,624
Volunteers’ training and travel	0	7,021	7,021	2,787
Telephones, postage and photocopying	659	57,748	58,407	37,108
Stationery and publicity materials	900	48,013	48,913	20,543
Computers and office equipment	702	51,080	51,782	50,933
Meetings and special activities	0	27,397	27,397	15,794
Support costs (note 4)	9,584	275,733	285,317	141,639
	98,211	1,769,415	1,867,626	965,806

4 Support costs

	General fund £	Restricted funds £	Total 2005 £	Total 2004 £
Rents and property maintenance	6,379	153,379	159,758	67,701
Legal and professional fees	595	59,132	59,727	23,825
Insurances	561	8,792	9,353	3,813
Depreciation	2,049	54,430	56,479	46,300
	9,584	275,733	285,317	141,639

Notes forming part of the financial statements for the year ended 31 March 2005

5 Governance of the charity

	General fund £	Restricted funds £	Total 2005 £	Total 2004 £
Trustees indemnity insurance	888	0	888	868
Trustees' travel expenses	122	0	122	212
Trustees' professional services	0	0	0	2,100
Trustees meetings & AGM	2,760	0	2,760	70
Audit fee	2,732	0	2,732	2,468
	6,502	0	6,502	5,718

6 Net incoming/(outgoing) resources for the year

This is stated after charging:

	General fund £	Restricted funds £	Total 2005 £	Total 2004 £
Staff costs (note 7)	301,990	915,486	1,276,377	628,518
Audit costs (note 5)	2,732	0	2,732	2,468
Depreciation (note 4 and note 10)	2,049	54,430	56,479	46,300

7 Staff costs and trustees' remuneration

	2005 £	2004 £
Staff costs during the year were as follows:		
Wages and salaries	1,102,064	557,142
Employer's national insurance contributions	100,530	52,659
Employer's pension contributions	14,882	6,116
Temporary staff	58,901	12,601
	1,276,377	628,518
Staff costs per function were as follows:		
Generating income	17,450	15,384
Charitable activities	1,258,927	613,134
	1,276,377	628,518

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

	2005	2004
Part time	29	12
Full time	42	35
	71	47

The whole time equivalent of employees was 57 (2004; 41)

7 Staff costs and trustees' remuneration (continued)

No employee received remuneration of more than £50,000 during the year.

Retirement benefits are accruing under money purchase schemes to 8 employees (2004: 8 employees).

Three trustees received reimbursement of travel expenses for attending meetings and training sessions amounting to £122 (2004: £212).

Trustees are not remunerated in respect of their services for management of the charity. Three trustees received remuneration amounting to £2,100 in 2004 for professional services when acting in a professional capacity on the charity's behalf as permitted by the charity's Memorandum of Association. The Charity Commission was contacted by the charity before one of the payments was made in order to establish that the payment was permissible. The payments made were as follows:

	2005	2004
	£	£
L. Fenton	-	900
M. Casey	-	900
J. Langley	-	300
	0	2,100

During the financial year, £888 was expended on the purchase of trustee indemnity insurance that indemnifies any trustee, committee member, volunteer or employee of the charity against claims for damages and legal expenses for which they may be personally legally liable by reason of any wrongful act such as breach of trust, breach of duty, error or omission, or defamation committed in the course of the activities of the charity.

8 Taxation

South East Advocacy Projects is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Transfers

The general funds of South East Advocacy Projects subsidised that portion of salary that was not covered by grant funding for one member of staff employed in the mental health advocacy service. It is anticipated that next year this salary will be covered by increased grant funding.

Notes forming part of the financial statements for the year ended 31 March 2005

10 Tangible fixed assets

Fixtures, fittings and equipment

	Charity Admin £	Advocacy Services £	Total £
Cost or valuation			
At 1 April 2004	8,510	93,411	101,921
Additions	1,347	23,081	24,428
Disposals	0	(2,805)	(2,805)
At 31 March 2005	<u>9,857</u>	<u>113,687</u>	<u>123,544</u>
Accumulated depreciation			
At 1 April 2004	3,710	49,995	53,705
Charge for year	2,049	54,430	56,479
Disposals	0	(2,805)	(2,805)
At 31 March 2005	<u>5,759</u>	<u>101,620</u>	<u>107,379</u>
Net book values			
At 31 March 2005	<u>4,098</u>	<u>12,067</u>	<u>16,165</u>
At 1 April 2004	<u>4,800</u>	<u>43,416</u>	<u>48,216</u>

The net book value at 31 March 2005 represents fixed assets used for:

	Computers £	Office Equipment £	Total £
Direct charitable expenditure	8,385	7,780	16,165
Governance	0	0	0
	<u>8,385</u>	<u>7,780</u>	<u>16,165</u>

11 Debtors

	2005 £	2004 £
Fees and grants receivable	4,998	0
Prepayments and other debtors	0	3,106
	<u>4,998</u>	<u>3,106</u>

Notes forming part of the financial statements for the year ended 31 March 2005

12 Creditors: amounts falling due within one year

	2005 £	2004 £
Audit fees	2,732	2,468
Deferred income (note 13)	0	340,248
Accruals	2,623	10,180
	5,355	352,896

13 Deferred income

	2005 £	2004 £
Balance at 1 April 2004	340,248	-
Grants received in advance		340,248
Grants released	(340,248)	-
Balance at 31 March 2005	0	340,248

14 Restricted funds

	At 1 April 2004 £	Incoming resources £	Resources expended £	At 31 March 2005 £
Xpress Advocacy Service	88,807	265,519	(298,694)	55,632
MY CHOICE Advocacy Service	24,976	91,704	(71,356)	45,324
Mental Health Advocacy Service	29,927	90,239	(91,827)	28,339
ICAS	432,689	1,411,351	(1,403,663)	440,377
	576,399	1,858,813	(1,865,540)	569,672

The restricted funds comprise the unexpended balances of grants, service agreements, donations and fees received for the specific purpose of each advocacy service, together with reserves that are used for the following purposes within each advocacy service:

- to resolve cash flow problems due to delays in receiving grants,
- to meet the cost of redundancies,
- to meet the cost of providing cover in the event of staff sickness,
- to meet the cost of arrangements for the transfer of services for clients to other offices in the event of closure of a project,
- to meet the cost of contingencies that cannot be met out of income,
- to meet the cost of planning for future developments before funding is received,
- to cover a shortfall in funding.

Notes forming part of the financial statements for the year ended 31 March 2005

15 Analysis of net assets between funds

	Unrestricted Funds		Restricted	Total
	General £	Designated £	Funds £	2005 £
Fund balances at 31 March 2005				
are represented by:				
Tangible fixed assets	4,098	-	12,067	16,165
Current assets	41,437	-	560,405	601,842
Creditors: amounts falling due within one year	(2,555)	-	(2,800)	(5,355)
Total net assets	42,980	-	569,672	612,652

16 Leasing commitments

Future commitments under operating leases payable in the next 12 months are as follows	Buildings £	Other £
On leases expiring		
- between 1 and 2 years	94,980	-
- between 2 and 5 years	12,500	1,827
	107,480	1,827

17 Contingent liabilities

In the event of the charity not having service contracts renewed, or not receiving the full grant funding that was agreed in original budgets, the charity may have to end projects early and become liable for redundancy pay to employees who have to be laid off. In these circumstances the charity may also become liable to pay outstanding rent on premises that are occupied subject to a fixed term rent agreement. It is not possible to quantify such contingent liabilities, but in recognition of the risk, the trustees have decided to hold some monies in reserve from one year to the next for each advocacy service and for the administration headquarters.