

**South of England Advocacy Projects**

**(A company limited by guarantee)**

**Report and Financial Statements**

31 March 2006

Charity no: 1080679

Company no: 3963421

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## Reference and Administrative Details

<b>Trustees</b>	B. Browning M. Casey A. Heslop S. Holmes-Smith J. Langley S. Ward
<b>Chief Executive</b>	J. Miles
<b>Company Secretary</b>	C. Whelan J Miles (Joint Company Secretaries)
<b>Registered Office</b>	The Advocacy Centre 42 Robertson Street Hastings East Sussex TN34 1HL
<b>Auditors</b>	Ashdown Hurrey 20 Havelock Road Hastings Sussex TN34 1BP
<b>Bankers</b>	Lloyds TSB Bank PLC 17 Wellington Place Hastings East Sussex TN34 1NX
<b>Solicitors</b>	Russell-Cooke 2 Putney Hill Putney London SW15 6AB

## Report of the trustees for the year ended 31 March 2006

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 of England Advocacy Projects for the year ended 31 March 2006. The trustees have prepared the annual report and financial statements of the charity in accordance with *Accounting and Reporting by Charities, Statement of Recommended Practice (2005)*.

### **Structure, Governance and Management**

South of England Advocacy Projects (formerly 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 27 January 2006. The change of name from South East Advocacy Projects to South of England Advocacy Projects has been registered with both the Charity Commission and Companies House.

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 9 people, and includes 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 fifth annual general meeting of the charity in January 2006, one trustee was re-elected for a further term of three years and one new trustee was elected. 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: Steven Ward was elected a trustee on 27 January 2006.

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 six 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, to agree a service reconfiguration of one of the projects, and to agree a proposal to expand the charity's geographical remit/name.

**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 to 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.

South of England 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 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 9)
- ◆ MY CHOICE Advocacy Service for people with learning disabilities (page 10)
- ◆ The Mental Health Advocacy Service for working age adults dealing with mental distress (page 11)
- ◆ Independent Complaints Advocacy Service (ICAS) for people wishing to complain about their NHS health care (page 13).

Further detailed information about each of the advocacy services is contained within their individual annual reports, available on request.

South of England 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 to enable people, where they wish to and are able, 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.

## **Report of the trustees for the year ended 31 March 2006**

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

South of England Advocacy Projects also aims to provide training, supervision and consultancy support within the advocacy field, and to influence local and national policy agendas. The organisation is centrally involved in a number of national fora including:

- South East Development Centre for Mental Health (SEDC), National Institute for Mental Health, England
- National Advocacy Consortium
- National Advocacy Occupational Standards / Training Qualification Steering Group (Children / Young People)
- ICAS Project Board (Department of Health)

### **THE MAIN OBJECTIVES FOR THE YEAR INCLUDED:**

- strengthen the charity's management structure
- increase the level of general reserves in the unrestricted funds of the charity, to enable development of the charity's training and consultancy services
- secure sufficient grant funding to enable the existing advocacy work to continue and develop
- strengthen the governance and strategic development of the charity
- develop a membership structure for the charity
- continue to act as a major advocacy provider in promoting the principles of advocacy and supporting service user involvement
- secure continuation funding for some of the projects run by Xpress advocacy service, especially the Buddy Scheme and the training projects
- develop a central management and development service to support the various projects run by MY CHOICE advocacy service
- develop the peer advocacy projects managed by the mental health advocacy service
- continue to influence government policy on principles of advocacy, especially in connection with the new Mental Health Act. The charity had previously had two submissions published by the Joint Committee on the Draft Mental Health Bill
- prepare an effective bid for the continuation of the ICAS service from April 2006.

## **KEY ACHIEVEMENTS AND DEVELOPMENTS RELATING TO THE ABOVE OBJECTIVES**

### **CORE DEVELOPMENTS:**

- South of England Advocacy Projects committed to identifying funding to continue to strengthen the infrastructure of the charity, to include the creation of a deputy chief executive post, together with additional human resources and administrative support.
- The charity recruited and appointed additional advocates and support staff, increasing the number of staff to 107 in April 2006 (2005 – 71 staff)
- The charity used the services of 89 volunteers (2005 – 79 volunteers) during the year.
- The charity increased the number of grants to 43 for advocacy work (2005 – 35 grants) which included projects related to service user involvement and consultation.

### **Volunteers / Service Users**

The significant contribution of volunteers and service users is a vital element in South of England Advocacy Projects' continuing to deliver high quality services to both clients and service providers.

Volunteers / service users assist the charity by undertaking a wide variety of roles and act as; advocates, independent visitors, office assistants, co-trainers, and buddies for young people. They are also centrally involved in the charity's recruitment and governance processes. Without volunteers / service users, the charity would not be able to undertake the range of activities that benefit so many people.

### **Training**

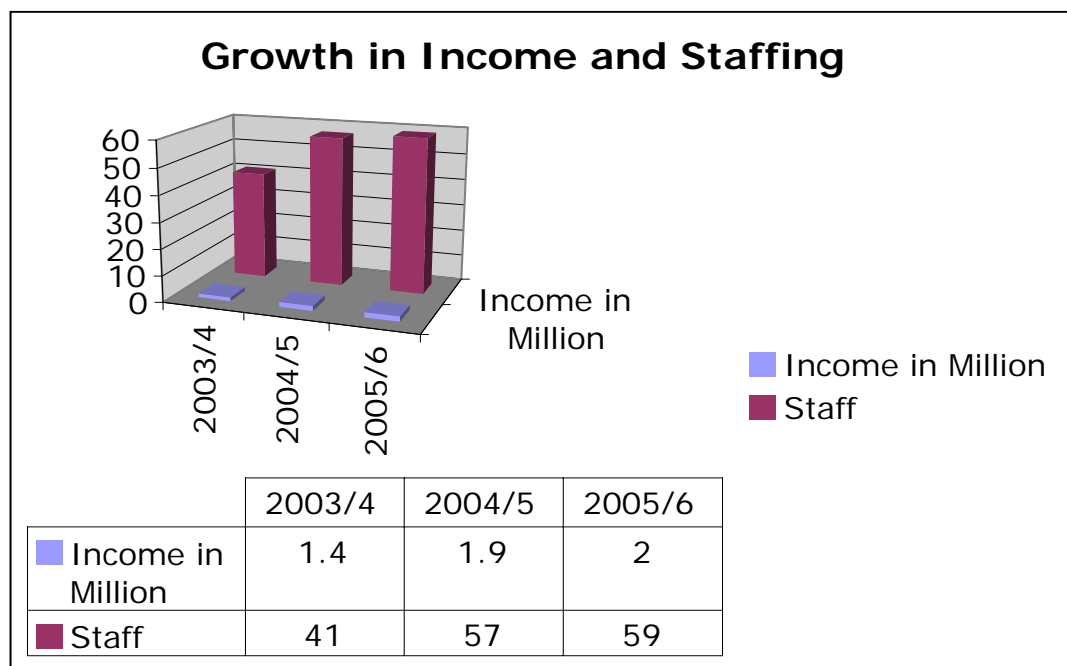
A comprehensive training programme of short workshops and courses was developed and marketed to statutory and voluntary agencies.

South of England Advocacy Projects continued to play a major role in the delivery of advocacy training both in-house and to a wide variety of external providers. Training programmes included:

- Peer Advocacy (Mental Health)
- Generalist and Specialist Basic Advocacy (Children / Young People, Mental Health, Learning Disability, ICAS)
- Total Respect (Children / Young People)
- Go For It (Children / Young People)

### Executive Committee Away Day

In addition to their regular meetings, the Executive Committee met for a day in March 2006 to consider a number of issues relating to the governance and future development of the organisation. The impact of a sizeable increase in staffing, income and geographical remit over the last three years, were explored in detail, and the organisation's strategic direction was further refined, with plans for future developments.



### Whole Organisation Away Day

SEAP held its annual staff Away Day in March 2006, providing an opportunity for staff, executive committee members, and senior managers to meet together to review work of the organisation over the previous year, explore current challenges and developments, and enable staff from the different projects to meet together.

Specific areas addressed included:

- *Development of the Staff Consultative Committee*
- *Data Protection*
- *Expansion of SEAP into the South West Region.*

## Report of the trustees for the year ended 31 March 2006

### Staff Consultation

- As part of its commitment to involving staff in the development of the organisation, the Executive Committee approved the establishment of a *Staff Consultation Committee*. The Committee will include elected representatives from each of SEAP's projects, and will provide a mechanism through which staff can be consulted on major areas of policy, development or change.
- *Consultation Days*: two consultation days were held with staff of the ICAS project to debate the reconfiguration of the service in the South East, and to discuss service model proposals for both the South East and South West regions, prior to the submission of tender applications.

### AGM

The organisation held its Annual General Meeting on 27 January 2006 at which a resolution was agreed to change the charity's name to South of England Advocacy Projects, and to expand its geographical remit to include the South West of England region. Charity Commission consent was received for the changes.



## INDIVIDUAL PROJECT HIGHLIGHTS

**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 12 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 contracts with a variety of statutory and other providers)
- ◆ **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 to October 2005; Big Lottery from March 2006)
- ◆ **Freephone help and information line; 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.
- ◆ **Training** in a range of advocacy and rights-related areas for professionals, volunteers and young people (some courses accredited by the Open College Network)
- ◆ **Consultation exercises** – young people's views have been sought in a variety of ways via workshops and through structured and semi-structured questionnaires and interviews. Individual pieces of work have included Old Roar Children's Home, Palliative Care and Right to the Top meetings with the Assistant Director of Children's Services.
- ◆ **Reflect:** A group of young people who use services that the local authority provide, work in partnership with the Participation Unit to ensure that their voice is heard at a strategic level.

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 Child Protection Liaison Groups and East Sussex Information Sharing and Assessment Steering Group.

**Xpress Advocacy Service** for children and young people (continued).

#### **MAIN ACHIEVEMENTS**

- Go For It, an Open College Network accredited user trainer course, was successful in securing three year funding from the Big Lottery, Young Peoples Fund.
- Young people's involvement has increased considerably in all areas of the work that Xpress provides, e.g. training, consultation and participation.
- The Buddy Scheme was filmed by BBC Children in Need, their funder, at a bowling event and subsequently shown on South East News during its autumn fund raising campaign. The film highlighted the importance of inclusion for disabled young people.



**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 a reprovision advocacy service at Osborne House in Hastings. The advocate is supporting residents to consider their options for a future move into homes in the community, and has supported people to access new opportunities off-site and to develop their self-advocacy skills.
- ◆ People living independently (funded by the Independent Living Team – Social Services). Currently this contract is to provide independent advocacy support to one person, who has an acquired brain injury.
- ◆ Those supported by private care providers (funded by Communitas Residential Homes, the Baily Thomas Charitable Trust and Saxon Court). This includes a contract to provide independent advocacy support to people with autism or asperger's syndrome who live in three homes in Hastings, and a contract to facilitate an advocacy group in a large residential home.
- ◆ 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).

**MY CHOICE Advocacy Service** for people with learning disabilities (continued)

- ◆ Service users from Hastings & Rother, who come together to discuss their views of statutory services provided by the local authority and any other issues which may affect them or their peers. This is a project called *Voices For Change* and was funded by MY CHOICE this year. In previous years voices for change has received funding from 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 and has representatives attending a number of key groups and meetings.
- ◆ People with a mild learning disability living independently and/or who are not eligible for specialist learning disability services from the local authority (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 this year.

MY CHOICE has been involved in the development of two documents, through its Parent Project; these are a **Vulnerable Parent manual** and a **Joint Working Protocol**, designed to guide specialist teams in working together to maximise specialist knowledge, skills, support and opportunities. These two documents are expected to be launched by the local authority in 2006-2007.

## Mental Health Advocacy



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

This service (financed through a range of funding streams) works with working age adults who have mental health issues within East Sussex and Berkshire, 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

**Mental Health Advocacy Service (continued)**

- ◆ 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
- ◆ Work within secure forensic and prison setting (one of 2 pilot programmes in the UK)
- ◆ Facilitation of the development of Patients Councils and user empowerment initiatives
- ◆ Development of a seven module basic advocacy course that has been accredited by Sussex University, and has been run in Hastings
- ◆ A four day Peer Advocacy training has been run in Hastings, Eastbourne and Lewes with plans for a further course in Crowborough. Five attendees have found employment as a result of attending this course.
- ◆ There are various opportunities for service users to volunteer within the mental health advocacy service, both in administrative roles and as consultants. The Peer Advocacy project 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.

The mental health advocacy service provides part-time advocacy support for residents in residential care units (Ashen Hill, Southview, Amber Lodge in Hellingly, Priory Grange in Heathfield, and Lavender Lodge in Eastbourne).

In addition, Mental Health Advocacy has been requested to provide an inpatient and community based service for West Berkshire that will cover Reading, Wokingham, Newbury and Slough, with further development planned for 2006/7 in East Berkshire (covering Windsor, Thatcham and Bracknell), which will incorporate the delivery of Peer Advocacy work in all areas.

**KEY ACHIEVEMENTS:**

**PRISON PILOT**

In October 2005, Mental Health Advocacy was funded by the South East Development Centre for Mental Health (SEDC) to pilot a 2 year generic mental health advocacy service at Lewes Prison, East Sussex. This highly innovative project provides prisoners with access to an independent advocate to raise and resolve issues which are of concern to them. Advocates bring to the project their considerable experience of delivering advocacy support within forensic settings and are excited by this opportunity to further develop best practice in the field within this highly specialised setting.

**Mental Health Advocacy Service (continued)**

**WEST BERKSHIRE**

The Mental Health Advocacy service was commissioned in October 2005 to provide an advocacy service across West Berkshire, to include visiting advocacy support to a large in-patient unit in Reading, a private psychiatric unit, and community-based outreach surgeries. A project manager was appointed in January 2006, and the service will become fully operational in April 2006. The service will operate from an office base in Reading.

**EAST BERKSHIRE**

Slough elected to go ahead with commissioning a mental health advocacy service alongside the West Berkshire service as they had already designated specific funding for service provision. An office for the advocate has been assigned at Upton Park Hospital and community based clinics are planned. The remaining three areas within East Berkshire are committed to commissioning a mental health advocacy service in 2006 / 2007.



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

ICAS provides free and independent advocacy support to people wishing to complain about the treatment or care they have received from the National Health Service (NHS). ICAS is a government initiative, funded by the Department of Health, which is delivered nationally by a number of independent advocacy providers, the South East region of which is serviced by South of England Advocacy Projects.

Throughout the last year, SEAP ICAS has consolidated the service, strengthening its relationships with local health providers, and working closely with the department of Health to ensure that trends in client complaints and broad-based areas of concern are highlighted and inform changes to service development and delivery.

SEAP ICAS has provided advocacy support to 1428 clients in the South East region during the year, offering a range of advocacy support including the provision of information through Self Help Information Packs; remote advocacy support for those able to manage their complaint individually; and more active, face to face support on an ongoing basis for those who require it.

**Independent Complaints Advocacy Service (ICAS) – south east region (continued)**

**KEY DEVELOPMENTS AND ACHIEVEMENTS**

**PRISONS**

- In September 2005, SEAP's contract was varied by the Department of Health to extend the provision of health complaints advocacy support to prisoners. This followed the transfer of responsibility for health service delivery for prisoners to PCTs. A considerable amount of work was undertaken to explore the implications of delivering ICAS in a secure setting, and a pilot service was developed in January 2005 to deliver the service, initially on a remote basis. A comprehensive ICAS service, including face-to-face advocacy support for prisoners, will be available in all 28 prisons in the South East region from April 2006.

**ICAS CONTRACT**

- The competitive tendering process for ICAS contracts across the country commenced in the summer of 2005 and began a period of intensive work. Two prospective service models were developed, refining service delivery based on the learning from previous years. This included restructuring the service in the South East region from 6 to 3 locality offices, with a greater emphasis on community-based working for advocates, enabling closer, more pro-active working with particularly vulnerable groups.
- In December 2005, SEAP were delighted to be offered a 5 year contract to continue providing ICAS in the South East region.
- In January 2006, following a further competitive tendering process, SEAP were pleased to be awarded a similar contract for the South West region. Taking over the delivery of ICAS in this region from the outgoing provider has involved a TUPE process with existing staff, and SEAP is pleased that many existing workers in the South West will be transferring to SEAP, and working with us to deliver high quality ICAS provision to clients.

**OFFICES**

ICAS now has office bases across the South East and South West regions in:

Aylesbury, Buckinghamshire	Trowbridge, Wiltshire
Tonbridge Wells, Kent	Liskeard, Cornwall
Basingstoke, Hampshire	Taunton, Somerset
Hastings, East Sussex	

SEAP ICAS is committed to supporting the development of a patient-led NHS, improving patient experiences with regard to their healthcare, and providing support to address and resolve complaints.

## MONITORING PERFORMANCE

South of England Advocacy Projects monitors the delivery of its services in a variety of ways. These include:

- **Client Satisfaction Surveys:** clients are invited at the end of the advocacy contract to comment on their experience of receiving the service. Serious note is taken of the views of clients and they are frequently invited to be involved in subsequent improvements and changes to service delivery and development.
- Individual advocacy projects adhere to **National Advocacy Standards** where these exist. SEAP is currently involved with a number of other national providers in developing National Occupational Standards for advocates.
- **Quality Assurance Model:** SEAP has recently taken a decision to adopt a single QA model across the whole organisation. From April 2006, the EFQM Excellence Model will be implemented within all four projects.
- **Quality Mark:** The organisation has also committed to achieving the ISO 9000:2000 Quality Mark by 2008.

## **Report of the trustees for the year ended 31 March 2006**

### **Financial Review**

The results for this period can be found on page 33 of the attached accounts. There was an overall increase in the activities of the charity compared to the previous year.

Total incoming resources were £2,120,797 compared to £1,865,492 in 2005.

Expenditure on charitable activities was £2,157,823 (2005 – £1,867,626). Support costs of £258,622 (2005 – £285,317) were included in this figure. Costs of generating funds were £23,874 (2005 – £17,450), and governance costs were £5,376 (2005 – £6,502).

### **Financial position**

The balance sheet shows total funds of £546,376 (2005 – £612,652)

General funds to finance the administration headquarters and meet contingencies amount to £141,156 (2005 - £42,980).

Restricted fund balances of £405,220 (2005 – £569,672) 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 £141,156 (2005 - £42,980).

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 trustees for the year ended 31 March 2006

### Plans for Future Periods

Key aims for the forthcoming financial year include:

- ◆ strengthening the governance, infrastructure and strategic development of the organisation
- ◆ supporting individual projects in strengthening their individual infrastructures, obtaining additional development funding, and achieving their individual project objectives
- ◆ exploring potential methods of achieving financial independence from statutory funders, including areas such as Social Enterprise and developing an independent Trading Arm
- ◆ finalising work to develop a national advocacy qualification training
- ◆ strengthening the organisation's role in influencing local and national policy agendas within the field of advocacy, rights and social policy
- ◆ developing a membership structure for the charity

### A word of thanks

The trustees wish to record their recognition of the loyalty and commitment of all their staff and volunteers. At the end of the year there were 76 staff (2005 – 71) and 89 volunteers (2005 – 79). Their dedication, enthusiasm and positive approach are very much appreciated. The trustees also wish to record their recognition of the support given to South of England Advocacy Projects by other organisations and funders who have recognised the quality of the services provided by the charity.

By order of the trustees:

  
.....

Trustee

Approved on: .....

21/7/06

## **Report of the auditors**

### **Independent auditors' report**

#### **to the trustees of**

#### **South of England Advocacy Projects**

We have audited the financial statements of South of England Advocacy Projects for the year ended 31 March 2006 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 of England 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.

## Report of the auditors

### Independent auditors' report

to the trustees of

South of England Advocacy Projects (continued)

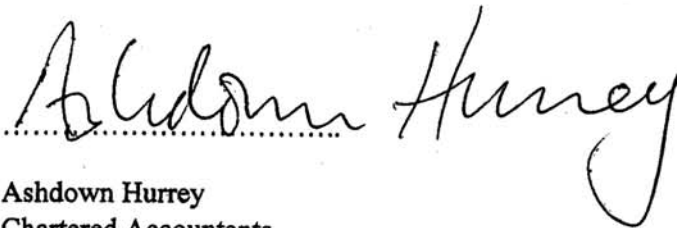
#### Basis of opinion

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

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

#### Opinion

In our opinion the financial statements give a true and fair view of the Charity's state of affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.



Ashdown Hurrey  
Chartered Accountants  
20 Havelock Road  
Hastings  
East Sussex TN34 1BP

31 July 2006

**Statement of Financial Activities (including Income and Expenditure Account)  
for the year ended 31 March 2006**

	Notes	Unrestricted funds £	Restricted funds £	<b>Total funds 2006 £</b>	Total funds 2005 £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Voluntary income		-	3,502	<b>3,502</b>	2,470
Activities for generating funds		4,165	-	<b>4,165</b>	4,396
Investment income		2,025	18,898	<b>20,923</b>	20,920
Income from charitable activities	2	4,315	2,087,892	<b>2,092,207</b>	1,837,706
<b>Total incoming resources</b>		<b>10,505</b>	<b>2,110,292</b>	<b>2,120,797</b>	<b>1,865,492</b>
<b>Resources expended</b>					
Costs of generating income		10,718	13,156	<b>23,874</b>	17,450
Charitable activities	3	193,695	1,964,128	<b>2,157,823</b>	1,867,626
Governance costs	5	5,376	-	<b>5,376</b>	6,502
<b>Total resources expended</b>		<b>209,789</b>	<b>1,977,284</b>	<b>2,187,073</b>	<b>1,891,578</b>
<b>Net incoming (outgoing) resources for the year and net income (expenditure) for the year</b>	6	<b>(199,284)</b>	<b>133,008</b>	<b>(66,276)</b>	<b>(26,086)</b>
<b>Transfers</b>	9	<b>297,460</b>	<b>(297,460)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>98,176</b>	<b>(164,452)</b>	<b>(66,276)</b>	<b>(26,086)</b>
<b>Total funds brought forward At 1 April 2005</b>		<b>42,980</b>	<b>569,672</b>	<b>612,652</b>	<b>638,738</b>
<b>Total funds carried forward At 31 March 2006</b>		<b>141,156</b>	<b>405,220</b>	<b>546,376</b>	<b>612,652</b>

**Balance Sheet as at 31 March 2006**

	Notes	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>	10				
Administration Headquarters			2,581		4,098
Advocacy Services			727		12,067
			<u>3,308</u>		<u>16,165</u>
<b>Current assets</b>					
<b>Debtors</b>	11				
Administration Headquarters		0		1,000	
Advocacy Services		93,784		3,998	
Cash at bank and in hand					
Administration Headquarters		24,914		10,437	
Advocacy Services		(18,399)		51,407	
Cash on deposit					
Administration Headquarters		116,661		30,000	
Advocacy Services		585,105		505,000	
		<u>802,065</u>		<u>601,842</u>	
<b>Creditors: amounts falling due within one year</b>	12				
Administration Headquarters		(3,000)		(2,555)	
Advocacy Services		(255,997)		(2,800)	
<b>Net current assets</b>			<u>543,068</u>		<u>596,487</u>
<b>Total net assets</b>			<u>546,376</u>		<u>612,652</u>
<b>Represented by:</b>					
<b>Funds</b>					
Restricted	14		405,220		569,672
Unrestricted					
Designated funds		-		-	
General fund		141,156		42,980	
		<u>141,156</u>		<u>42,980</u>	
			<u>546,376</u>		<u>612,652</u>

Approved by the Trustees  
and signed on their behalf by:



Trustee

Approved on: 21/7/06

## 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.

### (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 that 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 include direct staff costs attributable thereto.

Governance costs relate to the general running of the charity 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 2006

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.

Notes forming part of the financial statements for the year ended 31 March 2006

**2 Income from charitable activities**

	General fund £	Restricted funds £	Total 2006 £	Total 2005 £
Social Services	-	234,350	<b>234,350</b>	194,059
Department of Health	-	1,580,175	<b>1,580,175</b>	1,417,190
Primary Care Trusts	-	136,444	<b>136,444</b>	100,798
Other grants	-	122,933	<b>122,933</b>	108,945
Fees received	4,315	13,990	<b>18,305</b>	16,714
	<b>4,315</b>	<b>2,087,892</b>	<b>2,092,207</b>	<b>1,837,706</b>

“Other grants” of £5,000 or more were received from Comic Relief, BBC Children in Need, Chailey Heritage School, Big Lottery Fund, Highglades and the South East Development Centre . “Other grants” of less than £5,000 were received from 17 sources.

The grant from the Department of Health included £93,671 to cover set up costs for a new service starting in April 2006, since the costs were incurred before 31 March 2006.

**3 Charitable Activities**

	General fund £	Restricted funds £	Total 2006 £	Total 2005 £
Recruitment	5	28,065	<b>28,070</b>	27,349
Employees' salaries	125,617	1,398,556	<b>1,524,173</b>	1,200,026
Agency staff	-	17,137	<b>17,137</b>	58,901
Staff training and travel	7,931	105,730	<b>113,661</b>	102,513
Volunteers' training and travel	-	8,240	<b>8,240</b>	7,021
Telephones, postage and photocopying	4,602	57,296	<b>61,898</b>	58,407
Stationery and publicity materials	5,073	39,209	<b>44,282</b>	48,913
Computers and office equipment	1,762	71,559	<b>73,321</b>	51,782
Meetings and special activities	-	28,419	<b>28,419</b>	27,397
Support costs (note 4)	48,705	209,917	<b>258,622</b>	285,317
	<b>193,695</b>	<b>1,964,128</b>	<b>2,157,823</b>	<b>1,867,626</b>

**4 Support costs**

	General fund £	Restricted funds £	Total 2006 £	Total 2005 £
Rents and property maintenance	28,051	154,538	<b>182,589</b>	159,758
Legal and professional fees	6,607	44,039	<b>50,646</b>	59,727
Insurances	11,732	-	<b>11,732</b>	9,353
Depreciation	2,315	11,340	<b>13,655</b>	56,479
	<b>48,705</b>	<b>209,917</b>	<b>258,622</b>	<b>285,317</b>

Notes forming part of the financial statements for the year ended 31 March 2006

**5 Governance of the charity**

	General fund £	Restricted funds £	Total 2006 £	Total 2005 £
Trustees indemnity insurance	600	-	<b>600</b>	888
Trustees' travel expenses	187	-	<b>187</b>	122
Trustees meetings & AGM	1,589	-	<b>1,589</b>	2,760
Audit fee	3,000	-	<b>3,000</b>	2,732
	<b>5,376</b>	-	<b>5,376</b>	6,502

**6 Net incoming/(outgoing) resources for the year**

This is stated after charging:

	General fund £	Restricted funds £	Total 2006 £	Total 2005 £
Staff costs (note 7)	136,335	1,428,849	<b>1,565,184</b>	1,276,377
Audit costs (note 5)	3,000	-	<b>3,000</b>	2,732
Depreciation (note 4 and note 10)	2,315	11,340	<b>13,655</b>	56,479

**7 Staff costs and trustees' remuneration**

	2006 £	2005 £
Staff costs during the year were as follows:		
Wages and salaries	<b>1,395,259</b>	1,102,064
Employer's national insurance contributions	<b>131,144</b>	100,530
Employer's pension contributions	<b>21,644</b>	14,882
Temporary staff	<b>17,137</b>	58,901
	<b>1,565,184</b>	1,276,377
Staff costs per function were as follows:		
Generating income	<b>23,874</b>	17,450
Charitable activities	<b>1,541,310</b>	1,258,927
	<b>1,565,184</b>	1,276,377

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

	2006	2005
Part time	<b>36</b>	29
Full time	<b>40</b>	42
	<b>76</b>	71

The whole time equivalent of employees was 59 (2005; 57)

**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 19 employees (2005: 8 employees).

One trustee received reimbursement of travel expenses for attending meetings and training sessions amounting to £187 (2005: £122).

During the financial year, £600 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 of England 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 fund of South of England Advocacy Projects is used to pay centrally for support costs and central functions that are required by the advocacy services, such as office rent, property maintenance, insurances, and the central functions of management, development, human resources and finance. These costs are then apportioned between the advocacy services to achieve full cost recovery, and transfers of funds are made from the restricted funds to the general fund to match the apportioned costs.

- Office rents and property maintenance costs are apportioned on the basis of actual office space occupied by each of the advocacy services,
- Other support costs such as insurance are apportioned on the basis of staffing levels in each of the advocacy services,
- Salaries and office running costs for central functions of management, development, human resources and finance are apportioned on the basis of staffing levels in each of the advocacy services.

Notes forming part of the financial statements for the year ended 31 March 2006

**10 Tangible fixed assets**

Fixtures, fittings and equipment

	Charity Admin £	Advocacy Services £	Total £
<b>Cost or valuation</b>			
At 1 April 2005	9,857	113,687	<b>123,544</b>
Additions	798	-	<b>798</b>
Disposals	(510)	-	<b>(510)</b>
At 31 March 2006	<u>10,145</u>	<u>113,687</u>	<u><b>123,832</b></u>
<b>Accumulated depreciation</b>			
At 1 April 2005	5,759	101,620	<b>107,379</b>
Charge for year	2,315	11,340	<b>13,655</b>
Disposals	(510)	-	<b>(510)</b>
At 31 March 2006	<u>7,564</u>	<u>112,960</u>	<u><b>120,524</b></u>
<b>Net book values</b>			
At 31 March 2006	<u>2,581</u>	<u>727</u>	<u><b>3,308</b></u>
At 1 April 2005	<u>4,098</u>	<u>12,067</u>	<u><b>16,165</b></u>

The net book value at 31 March 2006 represents fixed assets used for:

	Computers £	Office Equipment £	Total £
Direct charitable expenditure	1,708	1,600	<b>3,308</b>
Governance	-	-	-
	<u>1,708</u>	<u>1,600</u>	<u><b>3,308</b></u>

**11 Debtors**

	2006 £	2005 £
Fees and grants receivable	-	4,998
Prepayments and other debtors	113	-
Accrued income for ICAS set up costs	93,671	-
	<u><b>93,784</b></u>	<u>4,998</u>

Notes forming part of the financial statements for the year ended 31 March 2006

**12 Creditors: amounts falling due within one year**

	2006 £	2005 £
Deferred income (note 13)	249,686	-
Accruals (including audit fees)	9,311	5,355
	<b>258,997</b>	<b>5,355</b>

**13 Deferred income**

	2006 £	2005 £
Balance at 1 April 2005	-	340,248
Grants received in advance	249,686	-
Grants released	-	(340,248)
Balance at 31 March 2006	<b>249,686</b>	<b>-</b>

**14 Restricted funds**

	At 1 April 2005 £	Incoming resources £	Resources expended £	At 31 March 2006 £
Xpress Advocacy Service	55,632	269,671	(296,172)	<b>29,131</b>
MY CHOiCE Advocacy Service	45,324	92,776	(87,588)	<b>50,512</b>
Mental Health Advocacy Service	28,339	171,793	(154,731)	<b>45,401</b>
ICAS	440,377	1,576,052	(1,736,253)	<b>280,176</b>
	<b>569,672</b>	<b>2,110,292</b>	<b>(2,274,744)</b>	<b>405,220</b>

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.

**15 Analysis of net assets between funds**

	Unrestricted Funds		Restricted	Total 2006 £
	General £	Designated £	Funds £	
<b>Fund balances at 31 March 2006 are represented by:</b>				
Tangible fixed assets	2,581	-	727	<b>3,308</b>
Current assets	141,575	-	660,490	<b>802,065</b>
Creditors: amounts falling due within one year	(3,000)	-	(255,997)	<b>(258,997)</b>
<b>Total net assets</b>	<b>141,156</b>	<b>-</b>	<b>405,220</b>	<b>546,376</b>

**16 Leasing commitments**

Future commitments under operating leases payable in the next 12 months are as follows	Buildings £	Other £
On leases expiring		
- within 1 year	<b>52,708</b>	
- between 1 and 2 years	-	<b>1,827</b>
- between 2 and 5 years	<b>13,000</b>	<b>1,827</b>
- over 5 years	<b>62,569</b>	-
	<b>128,277</b>	<b>3,654</b>

**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.

The charity is planning to relocate from several smaller offices in Hastings to one larger building that will house the central administration and many of the staff from the advocacy services, and there will also be room for future expansion of the charity. The contingent liabilities associated with the relocation, such as the quantifying of the removal costs, installation of new equipment and the uncertainty of future levels of expansion requiring unused office space to be let to suitable tenants, are being considered by the trustees. In recognition of these risks, the trustees have included strategic development costs in the current budgets for the charity.