

**South of England Advocacy Projects
Financial Statements
Year ended 31 March 2009**

Charity No: 1080679

Company No: 3963421

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Reference and Administrative Details

Trustees B. Browning
M. Casey (resigned as Chair on 19th June 2009)
A. Heslop (appointed Chair on 19th June 2009)
S. Holmes-Smith
A. Bird (appointed as a Trustee on 25th April 2008)
E. McCreadie (appointed as a Trustee on 25th April 2008)
P. Richardson (resigned 17th October 2008)

Other Board members P. Cooper
J. Weller (appointed 5th September 2008)
C. Wood (appointed 5th December 2008)

Chief Executive J. Miles

Company Secretary P. Richardson

Registered Office The Advocacy Centre
42 Robertson Street
Hastings
East Sussex
TN34 1HL

Auditors Ashdown Hurrey
20 Havelock Road
Hastings
East Sussex
TN34 1BP

Bankers The Co-operative Bank p.l.c
Head Office
P O Box 101
1 Baloon Street
Manchester
M60 4EP

Solicitors Sherrards Solicitors
Grosvenor Hall
Bolnore Road
Haywards Heath
West Sussex
RH16 4BX

Report of the Trustees for the year ended 31 March 2009

Structure, governance and management

Governing Documents

South of England 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 5 October 2007.

Responsibilities of the Board

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
- 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 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
- the charity complies with relevant legislation and good practice guidance.

The Trustees consider that the charity's internal financial controls conform to guidelines issued by the Charity Commission.

Report of the Trustees for the year ended 31 March 2009

Recruitment and Appointment of the Board

Trustees who are also directors of the charity for the purposes of the Companies Act, are elected at the Annual General Meeting of the charity; and at each such meeting one third of the Trustees are subject to retirement by rotation and are eligible for re-election. 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.

SEAP's Board are recruited in such a way as to bring expertise in advocacy, governance, specialist client groups, and related areas to the charity.

Trustee induction and training

SEAP's Board has implemented a recruitment policy, Trustee handbook, Trustee Code of Practice. As part of their induction, Trustees meet with the CEO, Finance Director, and relevant Project Managers. The Board is shortly about to adopt a policy of conducting annual appraisals with Trustees.

Organisational Structure

The charity is governed by a Board of Trustees, which meets regularly to manage and control the resources administered by the charity.

An Executive Management Team comprising the Chief Executive, Deputy Chief Executive, Finance Director, HR Manager and Business Development Manager are responsible for day to day policy and decision making. A Senior Management Team headed by the Chief Executive and service managers meet to discuss operational issues.

The Board of Trustees now numbers nine people, including six Trustees, and three co-opted Board Members.

The Chief Executive, Jill Miles, attends Board meetings and submits reports on the work of the organisation, and the Finance Director attends relevant agenda items and presents detailed financial reports and accounts.

At least once a year, the Board meet jointly with the Executive and Senior Management Teams to review the organisation's performance and achievements against the objectives laid down in the Business Plan. During the year, the Board has operated Audit, Risk Assessment and Remuneration subcommittees.

Report of the Trustees for the year ended 31 March 2009

During the year the Trustees met on thirteen occasions in both full Board meetings and sub-committee meetings. They received and considered reports relating to the management, development and finances of the organisation, and to review the strategic direction.

The Board conducted a full day review meeting with the Executive and Senior Management Teams to consider progress against the Business Plan objectives, and to agree objectives for the following year.

The Board's Chair meets regularly with SEAP's Chief Executive.

Staffing

SEAP employed 143 staff in the period – or 109 fulltime equivalent. The organisation has a total of sixteen offices across the South East and South West regions.

Related parties

The charity has entered into a partnership agreement with Kate Mercer Training for the delivery of advocacy training around the new national qualifications being developed. This work has been subjected to a separate business plan and risk assessment with a specific agreement on how work and costs are shared. Payments are made to SEAP and a specific fee agreed in advance is paid to Kate Mercer training for their contribution to the partnership.

Risk Management

The major risks to which the charity is exposed, as identified by the Board, have been reviewed, and systems have been established to mitigate those risks. Throughout the year, the Board has considered a number of risks relating to the organisational management of the charity.

These have included those concerned with:

- ICT
- Staff and volunteers
- Finance
- Premises and accommodation
- Legislative requirements
- Clients
- Income generation
- New business activity and business processes.

Report of the Trustees for the year ended 31 March 2009

The Board has a number of subcommittees, including a Risk Management Committee which will enable SEAP to ensure a systematic approach to the consideration and management of risks that could prevent the organisation from achieving its strategic objectives. The Committee's membership includes Trustees, the Board Treasurer, the Deputy Chief Executive, and the Finance Director.

South of England Advocacy Projects has insurance policies in place for protection in the event of a person being injured at any of the organisation'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

Aims and Objectives

The objectives 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".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using health and social care services are promoted to service providers; and to provide advocacy support to individuals or groups who wish to resolve specific issues. It achieves this primarily in two ways:

- Advocates provide information, support and representation to clients relating to specific difficulties, concerns, or complaints
- The organisation works directly with service providers at local and national level, aiming to ensure that client experiences are at the heart of service planning, implementation and monitoring.

The organisation also provides a number of related services, including training, consultation exercises, and client-group specific services such as buddy schemes, independent visitor services, peer advocacy projects, and supporting clients to be involved in local and national groups.

Report of the Trustees for the year ended 31 March 2009

Ensuring our work delivers our aims

The charity reviews its aims, objectives and activities each year, documented in its business plan. The review looks at achievements and outcomes from the previous plan and the benefits they have brought to users and commissioners of advocacy services, as well as planning future objectives and activities. Individual SEAP services work to service-specific strategic plans which are refreshed each year and which feed into the organisation's overarching business plan.

The charity looks at guidance relating to public benefit to assess priorities when reviewing the aims and objectives and planning future activities, and how these will contribute to the aims and objectives that have been set by the trustees.

SEAP works closely with local and national colleagues within government departments and statutory and third sectors to ensure that its work priorities are informed by central and local commissioning priorities, and by ongoing changes to health, social care and other core agendas.

The focus of our work

SEAP is committed to the central advocacy principles of independence, confidentiality, best interests, and empowerment. It believes that the views, wishes and feelings of clients should be central to both its own work, and the planning and delivery of health and social care services.

SEAP staff are required to work to high standards of professionalism with both clients and service providers, building good working relationships with key stakeholders across all sectors whilst maintaining the core independence of the service.

Overall SEAP received 7,740 referrals in 2008/09 for advocacy services across all its projects as well as providing training and other services.

Our Vision Statement

Your Voice, Your Rights, Your Choice

Report of the Trustees for the year ended 31 March 2009

Our Mission Statement

To continue to develop as a leading advocacy organisation within the UK, providing client-led services which enable and empower clients, providers, planners and policy makers to:

- Support successful resolution of individual client issues.
- Ensure the experiences, views, wishes and feelings of clients impact on, improve and play a central role in service planning and delivery.

Volunteers / Service Users

The centrality of service user involvement across the organisation is a key priority and ongoing commitment, and SEAP continues to strive to ensure that service users play a significant part in planning, monitoring and delivering our services. We have appointed a Lead worker to coordinate service user activities and ensure standardisation of best practice across the organisation.

Volunteers, many of whom have used SEAP or other services in the past, play a vital role in enabling the organisation to deliver the breadth and depth of advocacy and related services which form its portfolio. SEAP provides training, supervision and support to service users and volunteers to equip them to undertake a wide variety of roles.

Volunteers are key contributors within the organisation in areas such as peer advocacy, general advocacy, recruitment, training, and evaluation of our services. Three service users currently sit on our Board of Trustees.

SEAP also supports a number of self-advocacy and rights-based groups which work to ensure that service provision reflects the needs and views of those who use them.

Sixty five volunteers were involved in helping SEAP to deliver its key priorities in the last year

How our activities deliver public benefit

SEAPs activities are designed around our twin aims of supporting successful resolution of individual client issues; and ensuring the experiences, views, wishes and feelings of clients impact on, improve, and play a central role in service planning and delivery.

Report of the Trustees for the year ended 31 March 2009

The work of SEAP's advocacy services support clients to safeguard their individual rights and resolve concerns, complaints and difficulties. The organisation's outward-facing role at national, regional and local levels, enables SEAP to influence the development and implementation of national and local agendas and commissioning priorities, to ensure that improving outcomes are at the heart of health and social care reforms.

Who used and benefited from our services

SEAP projects provide issue-based, casework advocacy and related services to a wide range of client groups including:

- Adults with mental health issues
- Children & young people
- Adults with learning disabilities
- Those wishing to make complaints about NHS healthcare
- Gypsy and Traveller Communities
- BME Communities
- Older People
- People with physical disabilities and/or sensory impairments
- People requiring Appropriate Adult support
- People with dementia-type conditions, acquired brain injury and those considered to lack capacity.

SEAP provides a range of current statutory advocacy provision

- Independent Complaints Advocacy Service (ICAS)
- Independent Mental Capacity Advocacy (IMCA)
- Independent Mental Health Advocacy (IMHA)
- Deprivation of Liberty Safeguards (DOLS) advocacy.

Advocacy is provided in a variety of settings, including:

- Secure units
- Hospitals
- Day Services
- Adolescent Psychiatric Units
- Children's Homes
- Forensic Psychiatry Units
- Care Homes
- Prisons
- Respite Units
- Community-based projects
- Residential Care Homes

Clients may also choose to meet an advocate in one of our offices or in a venue of their choosing.

Report of the Trustees for the year ended 31 March 2009

SEAP works with clients across the South East and South West regions of England.

Specific projects

- MY CHOICE, SEAP's learning disability project, has been providing specialist advocacy services since 1995. It provides advocacy support to clients with a range of learning disabilities, including complex and profound communication difficulties, those who intermittently lack capacity and those with acquired brain injury.
- Xpress, formed in 1994, works with children and young people up to the age of 21, including those with learning/physical disabilities and mental health issues. Xpress has considerable experience in working with young people who are Looked After by the local authority and those who have complex and profound needs. Xpress provides specialist mental health advocacy support to young people experiencing mental health issues, and works extensively with those who do not communicate verbally.
- Mental Health Advocacy was formed in 1995 and delivers extensive services in East Sussex, and East & West Berkshire, and has a range of experience with mental health clients, including those with profound and enduring mental health issues. It provides visiting advocacy services for psychiatric in-patient wards, forensic psychiatric units, specialist women's service units, prisons and private community facilities. Arising from this experience SEAP has recently been awarded a number of IMHA contracts. The service also provides support and facilitation in service user enterprises such as patient's councils, and runs successful peer advocacy projects. The service has considerable experience in working in the area of complex and multiple needs.
- ICAS (Independent Complaints Advocacy Service): SEAP has been providing a specialist service for people who wish to make a complaint about their NHS healthcare since the initial Department of Health (DH) pilot in 2002. SEAP currently holds the DH contracts to deliver an extensive ICAS service across the South East and South West regions, and provides both remote and specialist advocacy support to clients. SEAP ICAS works closely with POhWER and Carers Federation who deliver ICAS across the remaining regions in England.
- SEAP Portsmouth is a generic advocacy service that provides advocacy support to a number of client groups including mental health, learning/physical disability and sensory impairment, older people, IMCA, IMCA DOLS and IMHA. SEAP Portsmouth also provides a comprehensive Appropriate Adult service.

Report of the Trustees for the year ended 31 March 2009

- SEAP Cornwall delivers comprehensive mental health advocacy services throughout this large county, including in-patient and community advocacy support, IMHA, and IMCA and IMCA DOLS services.
- SEAP Kent and Medway – this new contract commenced in April 2009 and delivers IMCA, IMCA DOLS and Paid Representative services across Kent and Medway.
- IMCA (Independent Mental Capacity Advocate) The Mental Capacity Act created a statutory responsibility for the provision of an Independent Mental Capacity Advocate (IMCA) service. Its purpose is to support vulnerable people who are considered to lack capacity and who are facing important decisions made by the NHS and Local Authorities about serious medical treatment and changes of residence - for example, moving to a hospital or care home. NHS bodies and Local Authorities have a duty to ensure IMCAs are involved in decisions concerning people who have no family or friends able to advocate on their behalf.
- IMCA DOLS (Deprivation of Liberty Safeguards)
Deprivation of Liberty Safeguards came into force on 1st April 2009 and is an additional provision under the Mental Capacity Act 2005,. The safeguards have been created to provide protection for those who lack capacity to consent to care or treatment in either a hospital or care home and to ensure that any decision to deprive a person of their liberty is made following defined processes.

SEAP advocates work creatively to ensure that client views are sought in a variety of ways and communicated effectively to decision-makers.

SEAP has developed considerable expertise in delivering effective, sensitive and meaningful IMCA and IMCA DOLS services in the south east and south west regions.

Achievements and performance

Aims and objectives for 2008/09

- Secure Independent Mental Health Advocacy (IMHA) and further IMCA contracts
- Identify and successfully secure additional funding for SEAP's My Choice and Xpress Advocacy Services
- Continue to work alongside colleagues at national and local levels to explore the implications of the complaints reform on the future of health and social care advocacy
- Register as a National advocacy qualification training provider with one of the awarding bodies, and identify resources for all SEAP advocacy practitioners to complete the course
- To explore the organisation's potential to trade and reduce reliance on grant/contract funding
- Achieve 50% service user involvement at Board level, and parity of service user involvement across all SEAP projects/services
- Conduct reviews of the organisation's training and HR functions
- Expand SEAP's website
- Achieve EFQM (European Foundation in Quality Monitoring) Accreditation, and pursue Investors in People (IiP) Quality Mark.

How did we do?

- We were delighted to secure IMHA contracts within all areas that the organisation currently delivers mental health advocacy services
- A number of additional sources of funding have been secured for SEAP's My Choice and Xpress Services. We have also successfully applied for renewal funding to continue the important work the organisation carries out with and for children and young people and people with a learning disability

Report of the Trustees for the year ended 31 March 2009

- SEAP has been widely involved in the development of, and consultation on, the health and social care complaints reforms, which will come into force in April 2009. SEAP played a key role in Department of Health national and local consultation road show events for service users and professional stakeholders. SEAP hosted a national conference for advocacy provider organisations on the proposed reforms, and organised the only learning disability consultation event. A member of SEAP's ICAS staff was seconded to the Department of Health's Early Adopters Implementation Team, to support successful transition to the new arrangements
- SEAP has successfully launched a programme of courses delivering the new Qualifications in Independent Advocacy (QIA) in partnership with Kate Mercer Training (KMT). SEAP is committed to ensuring that its own substantial workforce receives an opportunity to benefit from the new Qualifications which are designed to recognise the expertise that exists within the advocacy sector, and to provide some standardisation of training.

SEAP is delivering these modular qualifications in venues across the country and has a public course calendar which enables SEAP staff and those of other advocacy provider organisations to share the learning experience. The qualifications were approved by City & Guilds earlier this year and include both taught modules and a comprehensive workplace assessment element.

SEAP has committed resources to ensuring that its practitioner and practitioner manager workforce achieve the qualifications within the next 2-3 years.

- The organisation is continuing to explore ways in which it can reduce its reliance on grant/contract funding. It has particularly considered ways in which it would wish to progress the development of social business and/or social enterprise initiatives.
- SEAP's Board has one third of its membership comprising service users. As part of its intention to increase this to 50%, it has researched successful models of involving other service user groups, including those who communicate differently, to ensure both non-tokenistic participation and enable the Board to successfully meet its legal obligations.

Report of the Trustees for the year ended 31 March 2009

- The organisation commissioned an external audit of its HR Department which has supported internal identification of the need for a further HR Officer role. Significant financial investment in a comprehensive HR database system with additional payroll functions will enable efficiencies across departments.
- The ICT team began work to expand and redesign the SEAP website in 2008, looking particularly at adding more information about SEAP and its services, allowing those who wish to make a donation to do so online and giving clients the opportunity to contact us through the website and provide feedback on the service they have received. This work is continuing and its completion is due by the end of 2009.
- SEAP successfully achieved EFQM Committed to Excellence Award for its ICAS services, and has an active internal QA working group working towards wider accreditation (see Quality Assurance section).

Aims and objectives for 2009/10

Consolidation

The organisation's consolidation programme will continue with work in 2009 focussing on:

- HR Audit (completed January 2009). Ongoing implementation of recommendations
- Review of core departments
- Review of administration
- Policy and procedure review
- Review of existing and development of additional whole-organisation strategy documents
- Identification of areas which would benefit from standardisation
- Sharing best practice across SEAP services
- Management restructure of Mental Health Advocacy and ICAS, the latter introducing new Deputy Manager roles
- Head Office premises relocation.

ICT

The ICT team will be involved in a number of projects including the launch of a new HR system, improvements to the SEAP intranet, and the viability of video conferencing technology within the organisation.

Report of the Trustees for the year ended 31 March 2009

Complaints Reform

SEAP will continue to contribute to the ongoing consideration of the extension of advocacy support in relation to joint complaints in 2009. SEAP will contribute to discussion at national level regarding our experience of the implementation of the reforms at local level, and its impact on client experience.

Impact Assessment

The three ICAS provider organisations have committed resources to conducting a national impact assessment on their work. The assessment will take account of the experiences of professional stakeholders, clients and advocacy staff, and will look at the impact on individuals and the wider difference ICAS has made to organisational learning and service improvement.

Personalisation Agenda

As the personalisation agenda advances, the role of advocacy and support brokerage will be of increasing importance. SEAP will be working closely with local authorities as they seek to implement all aspects of this far-reaching initiative, and with health colleagues as personal health budgets emerge, to ensure that service users are enabled to gain full and informed access, and that their rights are protected. SEAP is concerned to ensure that service users are empowered and not exposed to further vulnerability by the implementation of the personalisation initiatives.

SEAP has identified funding for a secondment opportunity to take forward its work in this area.

Qualifications in Independent Advocacy

SEAP is committed to its advocacy practitioner and advocacy manager workforce achieving the Certificate in Independent Advocacy within the next three years. SEAP will ensure relevant staff achieve the Diploma in Independent Advocacy, which requires completion of all four core modules, plus IMCA and IMCA DOLS specialist modules.

A new website advertising these courses was setup at <http://www.advocacytraining.org.uk/>

Management Training

The organisation will invest in a Chartered Management Institute Diploma programme for its Senior and Middle Management Teams, commencing April 2009.

Report of the Trustees for the year ended 31 March 2009

Business Development

The organisation will continue to pursue relevant business opportunities where these are in line with its objectives. SEAP will continue to ensure that all opportunities are subject to risk assessment to ensure a reasonable balance between consolidation and growth.

Social Enterprise

SEAP will actively explore the potential for establishing a social enterprise across one or more areas of its activity, working with Business Link consultants to develop this project.

Quality Assurance

SEAP was delighted to be awarded the Committed to Excellence Award this year for its SEAP ICAS services. SEAP is continuing to work towards achieving the Committed to Excellence Award across the whole organisation, aiming to achieve accreditation by end of August 2009.

Once accredited, the organisation will then jointly work towards the EFQM Recognised for Excellence Award.

SEAP has planned a further round of quality monitoring using the EFQM model, commencing in January 2009, to be completed by end of May 2009. The organisation is also considering further quality marks to ensure effective monitoring to ensure the provision of good quality services and systems throughout SEAP.

SEAP has explored a number of Quality Marks including ISO9000, IiP, and the Advocacy Quality Performance Mark (QPM). It will actively pursue IiP and QPM awards in 2009/10.

Financial Review

The charity experienced continued net growth both within its existing services and by expansion into new areas as income increased to £4,425,272, or by 4% in the financial year.

Increased resources were spent on enhancing central services, with the formation of a central ICT department, and with additional HR and Business Development resources, leading to an increase of 6% in expenditure.

However SEAP continued to maintain a surplus in expenditure and at the year end net transfers to reserves were made of £242,216 either to

Report of the Trustees for the year ended 31 March 2009

specific items of future expenditure or to increase the relatively low level of free reserves.

Cash reserves also improved to £1,765,026 at the yearend, despite an increase in debtors due primarily to late payments from one funding body which has since been resolved. Creditors also increased although this primarily related to paying social security costs which were paid early the previous year.

Principal funding sources

The charity is primarily funded by contracts with public authorities, with 76% of charitable income coming from two contracts with the Department of Health, 13% from primary care trusts and 8% from local government. However the charity also works with a number of private and charitable bodies which provide contract funding, and also received grant funding, including from the Big Lottery Fund, the Garfield Weston Foundation and several other grant making bodies.

Reserves Policy

The Board have examined the charity's requirement for reserves in the light of the main risks facing the organisation such as 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 current income; and to plan for future activities before funding is received.

At the end of the year the balance of the charity's free reserves was £652,028 (2008 - £397,399) as the level of specific designated reserves was reviewed during the year resulting in transfers to free reserves where these were no longer required.

The level of free reserves is equivalent to less than two months operating expenditure and it is the opinion of the trustees that the charity should aim for three months operating expenditure to provide for the possibility of disruption in funding. The trustees therefore have taken the relatively low level of free reserves into account in their assessment of the risks facing the organisation.

The charity holds designated funds of £981,363 which have been allocated for the use of specific enhancements in services, where appropriate after consultation with the funding or contracting body. Restricted reserves are held, where the purpose of the funding was for a specific purpose or objective, of £280,199.

Investment policy

The charity holds any cash in excess of working capital requirements on deposit with the major banks. The amount of interest earned during the year in both high interest and current accounts was £85,627 (2008 - £73,247). This equates to a return of 4.89% based upon the average of the opening and closing bank balances (2007 - 4.92%)

The charity has an ethical investment policy which details human rights and environmental criteria with which potential investment institutions are measured.

Taking into account the relatively low level of reserves, and the amount of designated reserves which are earmarked for expenditure in the next year, the charity has a policy of investing for the short term only. Therefore its objectives are to maintain high liquidity, ensure maximum security and achieve the highest possible return in line with its ethical standards.

To meet these objectives SEAP invests in fixed-term or call accounts with institutions that are considered to comply with SEAP's ethical criteria and have a high security rating.

Independent auditors' report

To the trustees of South of England Advocacy Projects Limited

We have audited the financial statements of South of England Advocacy Projects Limited for the year ended 31 March 2009 which comprise a Statement of Financial Activities, Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Annual Report is consistent with those financial statements. 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 of 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.

Independent auditors' report

To the trustees of South of England Advocacy Projects Limited

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Charity in the preparation of the 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 as to whether 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 31 March 2009, and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Companies Act 1985 and the information given in the Trustees' Annual Report is consistent with the financial statements.

Ashdown Hurrey

Accountants and Business Advisers
20 Havelock Road
Hastings
East Sussex TN34 1BP

Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 March 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Incoming resources					
Incoming resources from generated funds:					
Donations	2	406	639	1,045	2,843
Investment income	3	85,627	-	85,627	73,247
Incoming resources from					
Provision of advocacy services	4	849,929	3,488,671	4,338,600	4,167,318
Total incoming resources		<u>935,962</u>	<u>3,489,310</u>	<u>4,425,272</u>	<u>4,243,408</u>
Resources expended					
Cost of generating	5	39,533	-	39,533	7,500
Charitable activities	6	1,196,420	2,880,832	4,077,252	3,890,101
Governance costs	7	19,219	47,052	66,271	63,345
Total resources expended	8	<u>1,255,172</u>	<u>2,927,884</u>	<u>4,183,056</u>	<u>3,960,946</u>
Net (Outgoing)/Incoming	9	(319,210)	561,426	242,216	282,462
	16	556,410	(556,410)	-	-
Net movement in funds		<u>237,200</u>	<u>5,016</u>	<u>242,216</u>	<u>282,462</u>
Funds at 1 April 2008		<u>1,396,197</u>	<u>275,177</u>	<u>1,671,374</u>	<u>1,388,913</u>
Funds at 31 March 2009		<u><u>1,633,397</u></u>	<u><u>280,193</u></u>	<u><u>1,913,590</u></u>	<u><u>1,671,375</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Balance Sheet

As at 31 March 2009

	Notes	£	2009 £	2008 £
Fixed Assets				
Tangible Assets	12		<u>44,491</u>	40,463
			44,491	<u>40,463</u>
Current Assets				
Debtors and Prepayments	13	432,942		112,937
Cash at Bank and in Hand		<u>1,765,026</u>		<u>1,738,270</u>
		2,197,968		1,851,207
Creditors: Amounts Falling Due Within One Year	14	<u>328,869</u>		<u>220,295</u>
Net Current Assets			<u>1,869,099</u>	<u>1,630,912</u>
Net Assets	14		<u>1,913,590</u>	<u>1,671,375</u>
Funds				
Restricted Funds	15		280,199	<u>275,177</u>
Unrestricted Funds	15			
Designated Funds		981,363		998,799
General Funds		<u>652,028</u>		<u>397,399</u>
Total Unrestricted Funds			<u>1,633,391</u>	<u>1,396,198</u>
Total Funds			<u>1,913,590</u>	<u>1,671,375</u>

Approved by the Trustees and signed on their behalf by

_____ Trustee

_____ Trustee

Notes to the Financial Statements

For the Year Ended 31 March 2009

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) and the Companies Act 1985.

b) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. 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 is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income comprises interest on cash deposits.

Income from charitable activities includes grants and contracts for the provision of services to beneficiaries as specified in contracts and service level agreements with local authorities, government bodies and other organisations. The 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.

Notes to the Financial Statements

For the Year Ended 31 March 2009

d) Expenditure

Cost of generating funds are those costs incurred in attracting voluntary income including the costs of advertising for funds and costs incurred in trading activities that raise funds.

Cost of charitable activities comprise costs incurred on the defined charitable purposes of the charity and include direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves directly produce charitable outputs. These will include the cost of central services such as general management, finance, and human resources.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on an estimate of the staff time attributable to each activity.

Governance costs (see Note 7) are costs associated with meeting the constitutional and statutory arrangements of the charity, including internal and external audit and the cost of preparing statutory accounts, the cost of Directors' meetings, and other costs involved with the charity's strategic management.

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 in independently administered funds. The main provider of these pension funds is the Pensions Trust, but other private providers are also used. 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 does not meet the threshold requirements under Financial Reporting Standard 1 - 'Cash Flow Statements'.

Notes to the Financial Statements

For the Year Ended 31 March 2009

g) **Taxation**

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

As a charity, South of England Advocacy Projects Ltd is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen as a result of activities by the Charity.

h) **Tangible fixed assets and**

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Furniture and Equipment	20% per annum straight line.
Computers	33% per annum straight line.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

i) **Funds accounting**

General funds consist of unrestricted funds which the charity may use for purposes at its discretion.

Designated funds are unrestricted funds earmarked by the trustees for a specific purpose.

Restricted funds are those where the donor has imposed restrictions on the use of the funds.

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 charity.

Notes to the Financial Statements

For the Year Ended 31 March 2009

2. Donations, legacies, gifts and similar incoming resources

	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Donations	<u>406</u>	<u>639</u>	<u>1,045</u>	<u>2,843</u>
Total	<u><u>406</u></u>	<u><u>639</u></u>	<u><u>1,045</u></u>	<u><u>2,843</u></u>

3. Investment Income

	2009 £	2008 £
Interest Receivable	<u>85,627</u>	<u>73,247</u>
	<u><u>85,627</u></u>	<u><u>73,247</u></u>

4. Income from charitable activities

The income, surplus for the year and net assets are attributable to the principal activity, which is to provide advocacy services for people of all ages throughout the South of England. The charity operates in, and the whole of its income is derived from, the UK.

	Unrestricted	Restricted	2009 Total	2008 Total
		£	£	£
Department of	0	3,270,000	3,270,000	3,216,086
Local Authorities	292,769	69,720	362,489	263,849
Primary Care Trusts	504,235	70,891	575,126	426,084
Other grants, fees and	52,925	78,060	130,985	180,929
	<u>849,929</u>	<u>3,488,671</u>	<u>4,338,600</u>	<u>4,086,948</u>
Total Incoming Resources	<u><u>849,929</u></u>	<u><u>3,488,671</u></u>	<u><u>4,338,600</u></u>	<u><u>4,086,948</u></u>

The restricted funds includes grants from the Big Lottery, BBC Children in Need and the Garfield Weston Foundation.

Notes to the Financial Statements

For the Year Ended 31 March 2009

5. Cost of generating funds	2009	2008
	£	£
Staff Costs	12,366	-
Staff related costs	1,198	-
Rent and associated service	-	-
Office running costs	3,988	-
Other service costs	21,981	7,500
Depreciation	-	-
	<hr/>	<hr/>
Total Charitable Expenditure	<u>39,533</u>	<u>7,500</u>

6. Analysis of Charitable Activities

	Unrestricted	Restricted	Total	Total
	£	£	£	£
Staff Costs	981,958	2,248,572	3,230,530	2,944,875
Staff related costs	74,130	184,751	258,881	348,737
Rent and associated service	65,016	181,896	246,912	224,360
Office running costs	43,328	173,205	216,533	220,735
Other service costs	26,181	66,187	92,368	121,546
Depreciation	5,807	26,221	32,028	29,848
	<hr/>	<hr/>	<hr/>	<hr/>
Total Charitable Expenditure	<u>1,196,420</u>	<u>2,880,832</u>	<u>4,077,252</u>	<u>3,890,101</u>

7. Governance costs

	Unrestricted	Restricted	Total	Total
	£	£	£	£
Staff Costs	15,006	36,740	51,746	47,595
Staff related costs	525	1,284	1,809	714
Rent and associated service	597	1,463	2,060	1,589
Office running costs	412	1,007	1,419	1,199
Other service costs	2,679	6,558	9,237	12,248
Depreciation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>19,219</u>	<u>47,052</u>	<u>66,271</u>	<u>63,345</u>

Notes to the Financial Statements

For the Year Ended 31 March 2009

8. Total Resources Expended

	Basis of allocation	ICAS	Mental Health	My Choice	Xpress	Cornwall and Portsmouth	Trading income	Governance	2009 Total	2008 Total
		£	£	£	£	£	£	£	£	£
Costs directly allocated to activities										
Staff Costs	Direct	1,925,575	305,717	93,639	140,521	307,638	12,366	51,746	2,837,202	2,776,380
Staff related costs	Direct	161,991	24,872	2,981	11,299	26,997	1,198	1,809	231,147	287,302
Rent and associated service	Direct	166,154	25,111	3,958	15,389	22,666	-	2,060	235,338	221,774
Office running costs	Direct	150,344	11,021	2,338	5,339	14,592	3,988	1,419	189,041	199,268
Professional fees and similar	Direct	37,115	1,031	6	15,670	1,411	21,981	9,237	86,451	111,759
Depreciation	Direct	24,275	551	203	215	3,303	-	-	28,547	26,748
		<u>2,465,454</u>	<u>368,303</u>	<u>103,125</u>	<u>188,433</u>	<u>376,607</u>	<u>39,533</u>	<u>66,271</u>	<u>3,607,726</u>	<u>3,623,232</u>
Support costs allocated to activities										
Staff Costs	Staff time	327,818	52,710	12,618	22,478	41,816	-	-	457,440	216,090
Staff related costs	Staff time	22,030	3,542	848	1,511	2,810	-	-	30,741	62,149
Rent and associated service	Staff time	9,771	1,571	376	670	1,246	-	-	13,634	4,175
Office running costs	Staff time	23,577	3,791	907	1,617	3,007	-	-	32,899	22,666
Professional fees and similar	Staff time	26,612	4,279	1,024	1,825	3,395	-	-	37,135	29,535
Depreciation	Staff time	2,495	401	96	171	318	-	-	3,481	3,100
		<u>412,303</u>	<u>66,294</u>	<u>15,869</u>	<u>28,272</u>	<u>52,592</u>	<u>-</u>	<u>-</u>	<u>575,330</u>	<u>337,715</u>
Total		<u><u>2,877,757</u></u>	<u><u>434,597</u></u>	<u><u>118,994</u></u>	<u><u>216,705</u></u>	<u><u>429,199</u></u>	<u><u>39,533</u></u>	<u><u>66,271</u></u>	<u><u>4,183,056</u></u>	<u><u>3,960,947</u></u>

Notes to the Financial Statements

For the Year Ended 31 March 2009

9. Net Incoming Resources for the Year

This is stated after charging:

	2009	2008
	£	£
Depreciation:		
Provision for the year	33,039	18,496
Auditors' Remuneration:		
Audit	5,000	4,931
Operating Lease Rentals:		
Property	<u>158,623</u>	<u>43,292</u>

10. Trustee Remuneration & Related Party Transactions

No trustees received any remuneration from the company. Reimbursement of travel and training costs amounting to £2,048 (2008 - £1,747) were reimbursed to 5 (2008 - 3 trustees).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 - nil).

11. Staff Costs and Numbers

	2009	2008
	£	£
Staff costs were as follows:		
Wages and Salaries	2,936,916	2,722,229
Benefits in Kind	-	63
Social Security Costs	284,652	232,751
Employer Pension Contributions	<u>72,921</u>	<u>37,427</u>
	<u>3,294,489</u>	<u>2,992,470</u>

No employee earned more than £60,000 during the year.

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

	2009	2008
	No.	No.
Advocacy Services	96	95
Management and Administration	<u>13</u>	<u>9</u>
	<u>109</u>	<u>104</u>

Notes to the Financial Statements

For the Year Ended 31 March 2009

12. Tangible Fixed Assets

	Computer equipment £	Office equipment £	Total £
COST			
At 1 April 2008	69,786	81,217	151,003
Additions in Year	4,496	32,572	37,068
Disposals in Year	<u>(5,854)</u>	<u>(1,148)</u>	<u>(7,002)</u>
At 31 March 2009	<u>68,428</u>	<u>112,641</u>	<u>181,069</u>
DEPRECIATION			
At 1 April 2008	48,096	62,445	110,541
Charge for the Year	20,137	12,902	33,039
Disposals in Year	<u>(5,854)</u>	<u>(1,148)</u>	<u>(7,002)</u>
At 31 March 2009	<u>62,379</u>	<u>74,199</u>	<u>136,578</u>
NET BOOK VALUE			
At 31 March 2009	<u>6,049</u>	<u>38,442</u>	<u>44,491</u>
At 1 April 2008	<u>21,690</u>	<u>18,772</u>	<u>40,462</u>

All tangible fixed assets are used for the furtherance of the charity's charitable objectives.

13. Debtors and Prepayments

	2009 £	2008 £
Debtors	382,634	91,061
Prepayments	22,898	21,876
Accrued income	<u>27,410</u>	-
	<u>432,942</u>	<u>112,937</u>

14. Creditors : Amounts Falling Due Within One Year

	2009 £	2008 £
Taxation and Social Security Creditors	106,600	2,054
Accruals	64,666	146,775
Deferred income	28,607	57,988
	<u>128,996</u>	<u>13,478</u>
	<u>328,869</u>	<u>220,295</u>

Notes to the Financial Statements

For the Year Ended 31 March 2009

15. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Assets £	At 31 March £
Restricted funds			
Xpress Advocacy Service	215	60,498	60,713
My Choice Advocacy Service	-	31,651	31,651
Mental Health Advocacy Service	741	61,896	62,637
Independent Complaints Advocacy Service	33,179	92,019	125,198
Total Restricted Funds	34,135	246,064	280,199
Unrestricted Funds:			
Designated Funds	-	981,363	981,363
General Funds	10,356	641,672	652,028
Total Unrestricted Funds	10,356	1,623,035	1,633,391
Total Funds	44,491	1,869,099	1,913,590

16. Movements in Funds

	At 1 April 2008 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March £
Restricted Funds:					
Xpress Advocacy Service (a)	79,097	74,509	(92,893)	-	60,713
My Choice Advocacy Service (b)	37,820	32,820	(38,989)	-	31,651
Mental Health Advocacy Service (c)	90,636	111,777	(123,978)	(15,798)	62,637
Independent Complaints Advocacy Service (d)	61,128	3,270,165	(2,665,483)	(540,612)	125,198
Cornwall Advocacy Service (e)	6,496	40	(6,536)	-	-
Total Restricted Funds	275,177	3,489,311	(2,927,879)	(556,410)	280,199
Unrestricted Funds:					
Designated Funds (g)	998,798	-	(117,024)	99,589	981,363
General Fund	397,399	935,961	(1,138,153)	456,821	652,028
Total Unrestricted Funds	1,396,197	935,961	(1,255,177)	556,410	1,633,391
Total Funds	1,671,374	4,425,272	(4,183,056)	-	1,913,590

Purposes of Funds

- (a) The General Fund represented funds received for an ICAS conference which has been transferred to the relevant designated reserve.
- (b) Xpress Advocacy Service relates to grants and contract income received for the advocacy and childrens rights service which works with children and young people, aged 8-21.

Notes to the Financial Statements

For the Year Ended 31 March 2009

- (c) My Choice Advocacy Service relates to grants and contract income received for the charity's advocacy service for people with learning difficulties.
- (d) The Mental Health Advocacy Service relates to grants and contract income received for services for working age adults in East Sussex and Berkshire.
- (e) The Independent Complaints Advocacy Service relates to contractual income received under a Department of Health contract to provide free and independent advocacy support for complaints about NHS services in the South East and South West of England. This also includes additional donations and small grants.
- (f) Cornwall and Portsmouth Advocacy Services relate to contractual income received to provide advocacy services in these areas.
- (g) Designated funds have been allocated by the trustees for specific purposes.

17. Operating Lease Commitment

The Company had an annual commitment under operating leases expiring as follows:

	2009	2008
	£	£
Leases of land and buildings expiring under one year	87,694	34,719
Leases of land and buildings expiring between one and five years	70,929	70,929

18. Contingent Liabilities

In the opinion of the trustees there are no significant contingent liabilities.