The Advocacy People

England & Wales · Charity number 1080679

Details

Other names	S.E.A.P., SEAP, SOUTH OF ENGLAND ADVOCACY PROJECTS
Status	Registered
Legal form	Charitable company
Company number	03963421
Registered	2000-05-11
Register	View on the Charity Commission register

Contact

Address	Rock House 49-51 Cambridge Road Hastings East Sussex TN34 1DT
Phone	03304409000
Email	info@theadvocacypeople.org.uk
Website	www.theadvocacypeople.org.uk

Activities

Objects: TO RELIEVE PERSONS WHO ARE IN NEED BY REASON OF THEIR AGE, YOUTH, DISABILITY, ILL-HEALTH OR SOCIAL OR ECONOMIC CIRCUMSTANCES PRIMARILY THROUGH THE PROVISION OF EFFECTIVE ADVOCACY SERVICES IN ENGLAND.

Activities: The purpose of the charity 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. The charity also provides related services, including training, consultation, and client-group specific services.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

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Geography

- **Area of benefit:** ENGLAND
- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£6,018,335	£6,166,624	£1,951,396	188
2024-03-31	£6,277,676	£5,846,845	£2,099,685	194
2023-03-31	£5,366,908	£5,352,905	£1,668,854	183
2022-03-31	£5,037,602	£4,781,570	£1,654,851	167
2021-03-31	£4,699,152	£4,514,025	£1,398,819	163

Trustees

Name	Role	Appointed
Elena Raluca Nistor-Lustermans	Chair	2021-03-26
Alison Solemani		2020-03-27
Dr Niamh Lennox-Chhugani		2024-09-20
Irene Bews		2019-06-28
Neil Tarbit		2024-09-20
Sutin Yang		2021-03-26
TIM O'BRIEN		2018-10-01

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The Advocacy People

England & Wales - Charity number 1080679

Accounts

Registered number: 03963421
Charity number: 1080679

The Advocacy People

Trustees' report and financial statements

For the year ended 31 March 2025

The Advocacy People

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Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2025

Trustees	E R Nistor-Lustermans, Chair N Tarbit N Lennox-Chhugani S Yang A Solemani I Bews, Hon. Treasurer T O'Brien
Company registered number	03963421
Charity registered number	1080679
Registered office	Rock House 49-51 Cambridge Road Hastings East Sussex TN34 1DT
Company secretary	M Hilton
Chief executive officer	M Hilton
Independent auditors	Kreston Reeves Audit LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester M60 4EP Lloyds Bank 25 Gresham Street London EC2V 7HN
Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex RH16 4BX

Trustees' report
For the year ended 31 March 2025

The Trustees of The Advocacy People present their annual report for the year 1 April 2024 to 31 March 2025.

Our vision

The Advocacy People believe in a society where people feel in control of their lives and are confident to speak up, and where people who can't speak up for themselves have someone in their corner to speak for them.

It is our mission to:

- help anybody that needs independent support to speak up.
- deliver quality and innovation through our practice.
- improve people's lives individually and collectively through putting their case to policymakers.

Our Values

People are at the heart of what we do. Anyone can feel powerless and unable to speak up when faced with a difficult situation. Anyone should have access to an advocate.

People matter. In an equal society, decisions about people's lives must be made fairly, involving the person as far as possible.

People make the difference. If our staff are happy at work, they will be effective at work.

People should be heard at every level of policy and decision-making. We work hard to make this happen.

We are clear that our services – primarily of advocacy and Healthwatch - should be at the heart of how we think about public services. This is particularly true when those using services are in vulnerable situations.

It is also through these people-centred values that we can best harness the energy and ideas to be the best that we can be. We want to work with partners who bring expertise about specific things in specific areas; and we all need to work effectively together as colleagues.

We look to invest resources in monitoring and responding to key developments and initiatives in the external environment, particularly in the health and social care arena. We work to ensure that the views, concerns and experiences of the people we work with influence service policy, planning, and delivery through our local teams. Those that can flex and adapt will thrive; so, all our delivery models can and should evolve.

The Advocacy People work beyond our own direct delivery responsibilities to improve health and social services on both local and national levels through strong local relationships, effective collaborations, and appropriate contributions to wider debates. We will pursue this by seeking to improve the services we deliver and manage and by identifying opportunities for new and better services.

Scope of Operations

The Advocacy People operate mainly across the south of England.

Trustees' report (continued)
For the year ended 31 March 2025

Structure, Governance and Management

The Advocacy People 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 in 2023.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity comply with the Charities Act 2011, the Companies Act 2006, its Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 2006. 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.

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved, there is no relevant audit information of which the charity auditors are unaware, and the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisation Structure

The Board of Trustees governs the charity and meet regularly to manage and control the resources administered by the charity. The Board of Trustees now has seven members recruited from a diverse range of applicants. All trustees give their time freely and receive no remuneration.

The Senior Leadership Team comprises the Chief Executive, Chief Operating Officer, Business Development Director, Finance Director and HR Director. The Senior Leadership Team oversees day-to-day policy and decision making as well as implementation of the business plan. The Senior Leadership Team submit reports on the work of the organisation to the Board and attend relevant Board agenda items.

During the year, the Trustees met on four occasions in full Board meetings. The Board received and considered regular reports relating to the management, development and finances of the organisation, including challenging key performance indicators which allow the Board to track progress in delivering its strategic plan.

The Board has an Audit and Risk Management Sub-Committee which reviews financial matters in more detail. This Committee meets at least three times per year and its membership includes Trustees, the Chief Executive and the Finance Director.

Separately appointed advisory structures are in place for each of our Healthwatch, whose staff are managed by The Advocacy People under the auspices of the main Board of The Advocacy People.

Trustees' report (continued)
For the year ended 31 March 2025

Recruitment and Appointment of the Board

The Trustees are the directors of the charity for the purposes of the Companies Act and are elected at the meeting of the Trustees at which the accounts of the Charity are adopted. Each Trustee shall retire from office at the third such meeting following the commencement of his or her term of office. All Trustees undergo a DBS check as part of the recruitment process and receive a Trustee handbook and Trustee Code of Practice outlining their role and responsibilities. As part of their induction, Trustees meet with the CEO and other relevant managers.

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.

Risk Management and Audit

The major risks to which the charity could be exposed, as identified by the Board and the Audit and Risk Sub Committee, have been reviewed on an ongoing basis, and systems have been established to mitigate those risks.

The Senior Leadership Team regularly review and update the charity's risk register, and prioritise key risks on which to focus, and review and update identified risks and mitigations for their specific areas of responsibility. These risks include the ongoing commissioning environment which makes it challenging to develop innovative service models where costs are severely constrained; the need to ensure a balanced budget and support enhanced central services, and cyber security risks around the threat from phishing or other attacks on our ICT infrastructure.

The key risks facing the organisation are being mitigated by regular financial and performance reporting, which is reviewed by operational and senior management, as well as updates reported to each Board meeting.

Risk management practices are in place to manage risks around health and safety and human resource issues. Relevant operational procedures detailing expected practice for staff and managers, and policies and procedures have been kept under review during the year.

Compliance and quality assurance issues are reported to the local management teams who review specific areas of work, and then on to the Senior Leadership Team to maintain an overview. Reports summarising this work are also made to the Board.

The Advocacy People have insurance policies in place to satisfy contractual requirements and ensure the organisation is protected against unforeseen events, for example a person being injured at premises or a claim in relation to services provided by the charity.

Our people

The Advocacy People employed an average of 188 staff (142 full-time equivalent roles) over the past year, supported by approximately 150 dedicated volunteers, including Trustees and Healthwatch Advisory Board members. Under the leadership of Chief Executive Officer Matthew Hilton and a committed Senior Leadership Team, the organisation continues to deliver exceptional advocacy and Healthwatch services and strengthen its impact for the people we work with and communities.

The organisation is now embarked on change initiatives over the next few years which have and will continue to require investment during this period.

In 2024, work with NCVO explored ways of improving our approach within the Advocacy and volunteer space. Following this, we engaged in full consultation with staff and launched a change management initiative in July 2024, which completed in November 2024. The programme focused on strengthening communication and collaboration across teams, enhancing organisational efficiency and cross-working benefits through the introduction of new roles and realignment of other existing roles, including contract management, quality and compliance and a new Head of Operations.

Trustees' report (continued)
For the year ended 31 March 2025

We can report the investment in these roles is starting to pay dividends through improved processes in our induction of new staff, and the opportunity for delivery of more in-house face-to-face and virtual training sessions, resulting in the upskilling of new and existing staff. We will be investing in the safety of our frontline staff via use of a personal safety application which provides 24/7 coverage for them and associated training.

The collaboration across these roles continues at a pace in helping us shape our succession planning and talent pipeline strategies to deliver against our performance criteria and ensure we have the right skills for the right roles on a consistent basis.

We continued in year to provide the Real Living Wage and associated increase in salaries of 5% and therefore have been able to raise the salaries of our staff earning the least amount by 5% because of our commitment to this scheme, in line with our values of putting people at the heart of what we do.

Our staff have a wide range of skills and experiences which they bring to their work. We continue to find that there is a need to keep up with constant change in the workforce and more use of new and emerging technology such as AI. Adjusting to these changes has identified that now more than ever, we need to have digital competency as a complementary skill with others in the modern workplace.

Volunteering and student placements

We continue to develop our volunteering offer and have this year, with the support of NCVO, reviewed where we are and what we could do better. Our Contracts and Partnerships manager oversees our offer and leads our cross-organisation Volunteer Focus Group which meets quarterly to share good practice.

A significant proportion of our volunteering activity take places within local Healthwatch where there are a variety of roles, including Advisory Group membership, community outreach, research, report writing and Enter and View visits.

We continue to offer placements to social work student placements with our local advocacy teams and have built excellent relationships with a number of universities. As well as contributing to the delivery of services, students tell us they leave us with greater understanding of the advocacy remit, including the key legislation in which we operate and power of independent advocacy. They are sharing this with their peers - those who will likely be the referrers of the future.

Remuneration policy for senior staff

Any organisational uplift in salaries is agreed annually by the Board for all staff and this includes the CEO and Senior Leadership Team.

The pay of the senior staff has been set at a specific scale or at a fixed sum benchmarked against similar organisations, allowing for size, income and affordability. Any other substantial changes to remuneration within the Senior Leadership are agreed to by the Chief Executive Officer (CEO), whose own remuneration remains at the discretion of members of the Board.

Trustees' report (continued)
For the year ended 31 March 2025

Objectives and activities

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 primarily through the provision of effective advocacy services in the United Kingdom".

Activities in support of our objectives

Independent Advocacy ensures people's voices are heard when decisions are being made about their lives. Mostly concerned with health and social care decisions, our advocates support people to:

- understand information
- express their needs, views, and wishes
- secure their rights
- represent their interests
- obtain the care and support they need.

Advocates support people to speak up for themselves and speak up for them when they can't. Advocates work in partnership with the people they support in accordance with the advocacy principles of:

- Clarity of purpose
- Independence
- Confidentiality and consent
- Person led
- Empowerment
- Equality and diversity
- Accessibility
- Accountability
- Safeguarding
- Supporting Advocates.

The Advocacy People provide the following advocacy and related services:

- **One to one statutory advocacy**
  - Independent Health Complaints Advocacy
  - Independent Mental Capacity Advocacy, including Deprivation of Liberty Safeguards
  - Independent Mental Health Advocacy
  - Relevant Person's Paid Representative
  - Independent Care Act Advocacy
  - Children's Advocacy

- **One to one non-statutory advocacy**
  - Community mental health advocacy
  - General advocacy, including social care complaints and parents with learning disabilities going through child protection processes
  - Community DoLS 1.2 representative

We hold the Advocacy Quality Performance Mark (QPM) which will next be renewed in May 2026.

- **Advocacy groups** and Learning Disability Partnership Boards
- **Independent Visiting**
- **Litigation Friend**

Trustees' report (continued)
For the year ended 31 March 2025

We are also the host for **7 local Healthwatch**, the local health and social care champion. Local Healthwatch gather feedback from people who use health and social care services. Feedback is used to better understand the challenges facing health and social care and make sure people's voices are heard when decisions are being made about services. They have the power to visit health and social care settings to ask about user experience and to speak to users and make recommendations for improvements. Healthwatch also help local people get information and advice they need to make informed decisions about the support they deserve. Local Healthwatch are delivered to the Healthwatch Quality Framework.

Working in partnership with other organisations

The Advocacy People's partnership strategy is predicated on supporting the sustainability of the advocacy and wider voluntary sector. Local specialist providers help extend the reach of services into under-represented communities.

The people we work with

The Advocacy People work with people from all communities and backgrounds, many of whom are experiencing or at risk of health inequalities and/or may find themselves in a vulnerable situation.

Whilst most of our work is with adults, we have services for children and young people, including independent visiting.

How our activities deliver public benefit

The Trustees consider that they have complied with their duty under the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission.

- People benefit from our services in a number of ways, including to:
  have someone in their corner to support them to speak up or to speak for them if they cannot.
- understand their rights
- be heard and have their view, wishes and feelings taken into account when decisions are being made about them
- feel more empowered and in control of their lives, as individuals and collectively
- influence decision-makers in the design and delivery of health and social care services
- raise awareness about issues that may be overlooked or misunderstood.
- drive systemic change rather than just addressing symptoms of a problem.

Who used and benefited from our services?

Advocacy and related services
During the year we received 14,628 referrals for our services (excluding Healthwatch) and handled a further 5,388 enquiries and signposting requests.

Approximately 30% of these contacts were from people who wanted a service themselves and 60% from Local Authorities and NHS organisations. The remaining 10% were largely other voluntary organisations, including other advocacy providers.

89% of people received advocacy support and who responded to our advocacy satisfaction survey, said they would recommend The Advocacy People.

100% of professionals who responded to our satisfaction survey said the advocate engaged appropriately and effectively with the person for whom they made the referral.

Trustees' report (continued)
For the year ended 31 March 2025

Healthwatch
For information about Healthwatch activities and impact, links to their Annual Reports for the year 1 April 2024 – 31 March 2025 are provided:

Healthwatch Hampshire
Healthwatch Portsmouth
Healthwatch Reading
Healthwatch Somerset
Healthwatch Southend
Healthwatch West Berkshire
Healthwatch Wokingham Borough

Services

- During the year, the following new contracts started:
- Southwark Adult Advocacy Services
- Royal Borough of Windsor & Maidenhead Adult Advocacy Services
- Dorset, Bournemouth, Christchurch & Poole IHCA
- North Somerset Advocacy
- Reading Adult Advocacy Services

During the year, the following contracts ended:
- Wiltshire Adult Advocacy Services (we did not bid, due to budget envelope)
- Shetland Islands (did not bid)
- Bristol Advocacy Services (did not bid)
- Wokingham Adult Advocacy (lost)
- Torbay IHCA (absorbed into a larger contract which was awarded to another provider)

The following contracts were secured for start during the financial year 2025/26:
- Brighton & Hove, East Sussex & West Sussex Adult Advocacy Services (New)

Future plans

Building on our work of recent years, local advocacy and Healthwatch teams continue developing their working relationships wherever we work. The future landscape of local provision is uncertain in many ways, and we want to work as closely as possible in partnership with all those who would commission or use the sorts of services we provide.

We welcome working with partners where they can bring local or specific service user expertise that we lack. We want our staff and partners to feel empowered to innovate, to feel that The Advocacy People is a place that values their creativity. We recognise the importance of local branding for our services, where we work in tandem with partners to provide locality focused advocacy.

What we do is all about what the people we work with need, so we want to be confident and bold in building on our service offering to bring value to those who use our services. We will explore ways of building on our existing skills to provide additional services to ensure people get the information they need and can get the support they want.

Trustees' report (continued)
For the year ended 31 March 2025

Financial Review

Our total annual income decreased by 4.1% between the 2023/24 and 2024/25 financial years. This reduction was largely the result of a strategic decision not to bid for certain existing contracts that were coming to an end as their funding levels were no longer sustainable. This ensured that the organisation did not take on service delivery that would financially unviable. Over the same period, total expenditure increased by 5.5%. This was primarily driven by additional in-year expenditure relating to a planned programme of investment across the organisation, following a significant surplus of £430,831 in the previous financial year. Trustees formally designated a substantial proportion of this surplus to support strategic investment and service development in the current year and these designated reserves were deliberately applied to fund that planned activity. This planned investment focused on strengthening the internal management structure, developing ESG-related initiatives and enhancing the volunteer experience. Furthermore, some of our Healthwatch services had carried forward some underspends from the previous year (much of which were related to initial difficulties around recruitment in newer services and thus generating savings on vacancies) so these funds were then intentionally used in this financial year to deliver the activity for which funding had originally been received.

Total income received was £6,018,335 (2024 - £6,277,676) and total expenditure was £6,166,624 (2024 - £5,846,845). This resulted in a net deficit of £148,289, which represents a planned utilisation of prior-year surplus and designated reserves and does not reflect an underlying operating shortfall or deterioration in financial performance. The charity remained financially stable throughout the year, with all commitments met in full.

Movements on the balance sheet include the reclassification of £573,735 from Fixed Asset Investments (comprising of Term deposits maturing within the next 12 months) to Current Assets.

Looking ahead to 2025/26, The Advocacy People will continue to focus on strengthening organisational resilience, improving efficiency and effectiveness of service delivery and ensuring the long-term financial sustainability of the charity in a changing commissioning environment.

Principal funding sources

The Advocacy People remains primarily funded by contracts with statutory bodies, which represented 75% (2024 – 80%) of income from charitable activities relating to statutory advocacy services provided to public authorities. Funding from non-statutory advocacy represented 6% (2024 – 6%) and Healthwatch and other services contributed 19% (2024 – 14%).

The charity does not undertake public fundraising and is therefore not subject to the reporting requirements of the Charities (Protection and Social Investment) Act 2016.

Reserves policy

The Trustees have reviewed the charity's reserves requirement in light of the risks facing the organisation, including potential loss or non-renewal of contracts, cash-flow requirements and unforeseen liabilities which cannot be met from current-year income alone.

Restricted reserves of £4,022 (2024 - £1,615) are held where the purpose of the funding was granted for a specific purpose or objective and funds remained unspent by year-end. This will be drawn upon in future to fund specific work in line with their original purpose.

Designated funds of £378,353 (2024 - £424,566) represent amounts set aside by Trustees from unrestricted funds, primarily arising from prior-year underspends, to support planned future expenditure. This includes a Fixed Asset Reserve maintained at a level equivalent to net fixed assets and a Pensions Reserve to provide for a contingent liability that would arise if The Advocacy People were to withdraw from membership of the Pensions Trust.

Trustees' report (continued)
For the year ended 31 March 2025

As at 31st March 2025, the balance of the charity's free reserves was £1,569,021 (2024 - £1,673,504), which represents a reduction of £104,483. As can be seen in the Statement of Funds, some areas generated an additional surplus which were added to their reserves and other areas undertook planned expenditure utilising previous underspends. There were also some in-year transfers relating to a change in the contingent liability of the pension reserve, a reduction in the fixed asset designated fund and a reallocation of some funds whereby the Reading Connectors fund was merged with the Healthwatch Reading fund and the remaining Berkshire West fund was split across Healthwatch West Berkshire, Healthwatch Reading and Healthwatch Wokingham to simplify reporting, but keeping in line with its original purpose. The level of free reserves as at 31/03/2025 was equal to 3.1 months (2024 – 3.4 months) of operating expenditure.

It is the opinion of the Trustees that the current level of reserves is justified given the potential uncertainties facing The Advocacy People and the Trustees have taken the level of free reserves into account in their assessment of the risks facing the organisation. Furthermore, the Trustees confirm that the planned use of reserves to support the in-year operating deficit has not compromised the charity's reserves policy and that the remaining free reserves continue to provide an adequate level of financial resilience.

Investment policy

The Advocacy People hold any cash in excess of working capital requirements on deposit, this is primarily held with the Co-Operative Bank but some funds are also held with Lloyds Bank (Term Deposits). The amount of interest earned during the year was £23,359 (2024 - £31,793). This equates to a return of 1.55% based upon the average of the opening and closing bank balances (2024 – 2.34%).

Term deposits with more than 12 months remaining are shown under Fixed Asset Investments, any with less than 12 months remaining have been shown as Current Assets. Term deposits are placed for periods of up to two years.

The Advocacy People have an ethical investment policy, outlining human rights and the environmental criteria with which potential investment institutions are assessed. To meet these objectives, The Advocacy People invests only in fixed-term or call accounts with institutions that are considered to comply with our ethical criteria and have a high security rating.

Taking into consideration the overall level of reserves, and the level of reserves which are ear-marked for expenditure in the next year, the charity has a policy of investing for the short-term only.

Going concern

Given the factors reviewed above and in the light of The Advocacy People's financial position, its current range of activities linked to specific contracts and its track record of obtaining new work, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. In line with note 2.16 to these accounts the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts. In preparing this report, the Trustees have taken advantage of the small companies' exemptions available under section 415A of the Companies Act 2006, as The Advocacy People meets two of the three size criteria for a small company under section 382 of the Act.

Trustees' report (continued)
For the year ended 31 March 2025

Auditors

The audit registration of Kreston Reeves LLP was transferred to Kreston Reeves Audit LLP on 6 October 2025. Kreston Reeves Audit LLP were formally appointed as auditor to the company on 6 October 2025.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Ralu Nistor-Lustermans 01 Dec 2025 19:40:21 GMT (UTC +0)

E R Nistor-Lustermans
(Chair of Trustees)
Date: 1 December 2025

Independent auditors' report to the Members of The Advocacy People

Opinion

We have audited the financial statements of The Advocacy People (the 'charity') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the Members of The Advocacy People (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Verifying cash at bank balances to the online banking portal; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent auditors' report to the Members of The Advocacy People (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves Audit LLP

Peter Manser FCA DChA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves Audit LLP
Statutory Auditor
Canterbury

Date: 10 December 2025

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	**182**	**-**	**182**	837
Charitable activities	5	**5,970,232**	**24,562**	**5,994,794**	6,245,046
Investments	6	**23,359**	**-**	**23,359**	31,793
Total income		**5,993,773**	**24,562**	**6,018,335**	6,277,676
Expenditure on:					
Charitable activities	7	**6,144,469**	**22,155**	**6,166,624**	5,846,845
Total expenditure		**6,144,469**	**22,155**	**6,166,624**	5,846,845
Net movement in funds		**(150,696)**	**2,407**	**(148,289)**	430,831
Reconciliation of funds:					
Total funds brought forward		**2,098,070**	**1,615**	**2,099,685**	1,668,854
Net movement in funds		**(150,696)**	**2,407**	**(148,289)**	430,831
Total funds carried forward		**1,947,374**	**4,022**	**1,951,396**	2,099,685

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 37 form part of these financial statements.

The Advocacy People
Registered number: 03963421

Balance sheet
As at 31 March 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	11		**18,197**		36,833
Investments	12		**-**		604,418
			18,197		641,251
Current assets					
Debtors	14	**795,609**		1,097,642	
Investments	15	**573,735**		-	
Cash at bank and in hand	23	**961,690**		880,406	
		2,331,034		1,978,048	
Current liabilities					
Creditors: amounts falling due within one year	16	**(397,291)**		(519,390)	
Net current assets			**1,933,743**		1,458,658
Total assets less current liabilities			**1,951,940**		2,099,909
Creditors: amounts falling due after more than one year	18		**(544)**		(224)
Total net assets			**1,951,396**		2,099,685
Charity funds					
Restricted funds	19		**4,022**		1,615
Unrestricted funds	19		**1,947,374**		2,098,070
Total funds			**1,951,396**		2,099,685

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Irene Bews 01 Dec 2025 18:45:53 GMT (UTC +0)

I Bews
Hon. Treasurer
Date:1 December 2025

Ralu Nistor-Lustermans 01 Dec 2025 19:40:21 GMT (UTC +0)

E R Nistor-Lustermans
Chair

The notes on pages 19 to 37 form part of these financial statements.

Statement of cash flows
For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by operating activities	22	**27,242**	236,401
Cash flows from investing activities			
Deposit interest received		**23,359**	31,793
Payments to acquire intangible fixed assets		**-**	(17,628)
Payments to acquire fixed asset investments		**(310,000)**	(883,918)
Disposals of fixed asset investments at cost		**340,683**	279,500
Net cash provided by/(used in) investing activities		**54,042**	**(590,253)**
Change in cash and cash equivalents in the year		**81,284**	**(353,852)**
Cash and cash equivalents at the beginning of the year		**880,406**	1,234,258
Cash and cash equivalents at the end of the year	23	**961,690**	880,406

The notes on pages 19 to 37 form part of these financial statements

Notes to the financial statements
For the year ended 31 March 2025

1. General information

The charity is a company limited by guarantee incorporated in England and Wales 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.

The registered office and principal place of business of the charity is:

Rock House
49-51 Cambridge Road
Hastings
East Sussex
TN34 1DT

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in UK pound sterling, which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

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.

Investment income comprises solely of interest on cash deposits.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

2.3 Expenditure

Cost of raising funds i.e. those costs incurred in attracting voluntary income are no longer considered significant and there are no costs incurred in trading activities that are purely to 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.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.3 Expenditure (continued)

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.

Expenditure is 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 8) 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 Trustees' meetings, and other costs involved with the charity's strategic management.

2.4 Pensions

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this 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.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charitable company is a registered charity and is exempt from the taxation of income falling within chapter 3 part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this Income Is used to achieve its charitable objectives. No charge to taxation for the year has arisen as a result of the activities of the charity.

Value Added Tax is not recoverable by the charitable company and is included within the relevant costs in the statement of financial activities.

2.7 Intangible assets and amortisation

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for The Advocacy People - principally software. For intangible assets over £2,000 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

Amortisation is provided on the following basis:

Software developed in house	-	20 %	Straight line
Software purchased	-	20 %	Straight line

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.8 Fixed asset investments

Investments are stated at cost plus accrued interest at the balance sheet date. The statement of financial activities includes the interest arising on fixed asset investments throughout the year. Investments are made purely in fixed term deposits with Lloyds Bank, there are no investment management costs.

2.9 Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Creditor liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial Instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Fund 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.

2.14 Services provided by volunteers

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

2.15 Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced at the end of the economic life of such equipment which is normally five years. Operating leases payable for the use of premises are charged on a straight line basis over the term of the lease.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.16 Going concern

The Board of Trustees have taken account of The Advocacy People's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and exposure to price and cash flow risks as described in the Report of the Trustees on pages 2-11. In particular by preparing multi-year budgets and forward looking cashflow analysis and projections.

The Advocacy People has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas such as Healthwatch provision. As a consequence, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

3. Critical accounting estimates and areas of judgment

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

Critical accounting estimates and assumptions:

- the useful economic lives attributed to the intangible fixed assets to determine the appropriate depreciation and amortisation charges;
- the basis on which support costs have been allocated across expenditure headings;
- the estimated value of accrued income and work in progress;
- the recoverability of trade debtors.

4. Income from donations and legacies

	Unrestricted funds 2025 £	**Total funds 2025 £**
Donations	182	**182**

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	837	837

No restricted income from donations was received in 2025 and 2024.

Notes to the financial statements
For the year ended 31 March 2025

5. Income from charitable activities

The income, surplus for the year and net assets are attributable to the principal activity, which is primarily to provide advocacy services and the provision of Healthwatch. The charity operates in, and the whole of its income is derived from, the United Kingdom.

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**
Statutory Advocacy	4,489,727	-	**4,489,727**
Non-Statutory Advocacy	357,942	24,562	**382,504**
Healthwatch	1,122,563	-	**1,122,563**
	5,970,232	24,562	**5,994,794**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Statutory Advocacy	4,968,592	-	4,968,592
Non-Statutory Advocacy	348,581	25,976	374,557
Healthwatch	901,897	-	901,897
	6,219,070	25,976	6,245,046

6. Investment income

	Unrestricted funds 2025 £	**Total funds 2025 £**
Interest receivable	23,359	**23,359**

	Unrestricted funds 2024 £	Total funds 2024 £
Interest receivable	31,793	31,793

Notes to the financial statements
For the year ended 31 March 2025

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Statutory Advocacy	4,687,928	-	**4,687,928**
Non-Statutory Advocacy	390,028	22,155	**412,183**
Healthwatch	1,036,058	-	**1,036,058**
Governance	30,455	-	**30,455**
	6,144,469	22,155	**6,166,624**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Statutory Advocacy	4,778,539	-	4,778,539
Non-Statutory Advocacy	374,050	27,574	401,624
Healthwatch	636,116	-	636,116
Governance	30,566	-	30,566
	5,819,271	27,574	5,846,845

8. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Statutory Advocacy	3,926,469	761,459	**4,687,928**
Non-Statutory Advocacy	352,180	60,003	**412,183**
Healthwatch	952,402	83,656	**1,036,058**
Governance	30,455	-	**30,455**
	5,261,506	905,118	**6,166,624**

Notes to the financial statements
For the year ended 31 March 2025

8. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Statutory Advocacy	4,160,929	617,610	4,778,539
Non-Statutory Advocacy	352,269	49,355	401,624
Healthwatch	561,039	75,077	636,116
Governance	30,566	-	30,566
	5,104,803	742,042	5,846,845

Analysis of direct costs

	Statutory Advocacy 2025 £	**Non-Statutory Advocacy 2025 £**	**Healthwatch 2025 £**	**Governance 2025 £**	**Total funds 2025 £**
Staff costs	2,912,204	224,026	753,013	17,821	**3,907,064**
Staff related costs	212,733	15,102	19,526	920	**248,281**
Rent and service costs	24,160	5,289	31,847	-	**61,296**
ICT and administration costs	276,985	25,968	78,741	607	**382,301**
Subcontractor fees	447,847	79,431	51,027	-	**578,305**
Professional fees and similar	52,540	2,364	18,248	11,107	**84,259**
	3,926,469	352,180	952,402	30,455	**5,261,506**

Notes to the financial statements
For the year ended 31 March 2025

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Statutory Advocacy 2024 £	Non-Statutory Advocacy 2024 £	Healthwatch 2024 £	Governance 2024 £	Total funds 2024 £
Staff costs	3,113,516	220,325	449,326	15,669	3,798,836
Staff related costs	222,536	14,733	15,528	629	253,426
Rent and service costs	20,714	5,853	17,148	-	43,715
ICT and administration costs	284,218	27,473	50,500	948	363,139
Subcontractor fees	475,508	81,901	580	-	557,989
Professional fees and similar	44,437	1,984	27,957	13,320	87,698
	4,160,929	352,269	561,039	30,566	5,104,803

Analysis of support costs

	Statutory Advocacy 2025 £	**Non-Statutory Advocacy 2025 £**	**Healthwatch 2025 £**	**Total funds 2025 £**
Staff costs	591,201	49,267	63,343	**703,811**
Depreciation	13,971	1,247	3,418	**18,636**
Staff related costs	12,129	969	1,727	**14,825**
Rent and service costs	763	61	109	**933**
ICT and administration costs	78,692	6,288	11,194	**96,174**
Professional fees and similar	64,703	2,171	3,865	**70,739**
	761,459	60,003	83,656	**905,118**

Notes to the financial statements
For the year ended 31 March 2025

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Statutory Advocacy 2024 £	Non-Statutory Advocacy 2024 £	Healthwatch 2024 £	Total funds 2024 £
Staff costs	481,836	38,505	55,763	576,104
Depreciation	15,695	1,254	2,233	19,182
Staff related costs	15,528	1,241	2,209	18,978
ICT and administration costs	76,113	6,082	10,827	93,022
Professional fees and similar	28,438	2,273	4,045	34,756
	617,610	49,355	75,077	742,042

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, trustee expenses totalling £226 were paid to 2 trustees (2024 - £545 paid to 3 trustees). These expenses were related to travel to trustee meetings.

10. Staff costs

	2025 £	2024 £
Wages and salaries	**4,160,122**	3,950,734
Social security costs	**337,145**	320,652
Employer pension contributions	**113,608**	103,554
	4,610,875	4,374,940

The average number of persons employed by the Charity during the year was as follows:

	2025 No.	2024 No.
Advocacy Services	**128**	146
Healthwatch and Contact Centre	**40**	29
Management and Administration	**20**	19
	188	194

Notes to the financial statements
For the year ended 31 March 2025

10. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Fulltime equivalent staff	**142**	142

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	**-**	1
In the band £70,001 - £80,000	**1**	-

The remuneration and benefits received by the Charity's Key management personnel, during the financial year, including employer's national insurance contributions, amounted to £316,241 (2024: £289,808).

11. Intangible assets

	Software developed in house £	Software purchased £	Total £
Cost			
At 1 April 2024	**57,960**	**35,809**	**93,769**
At 31 March 2025	**57,960**	**35,809**	**93,769**
Amortisation			
At 1 April 2024	**42,502**	**14,434**	**56,936**
Charge for the year	**11,594**	**7,042**	**18,636**
At 31 March 2025	**54,096**	**21,476**	**75,572**
Net book value			
At 31 March 2025	**3,864**	**14,333**	**18,197**
At 31 March 2024	15,458	21,375	36,833

Notes to the financial statements
For the year ended 31 March 2025

12. Fixed asset investments

	Investments £
At 1 April 2024	**604,418**
Additions	**310,000**
Disposals	**(340,683)**
Transfer to current	**(573,735)**
At 31 March 2025	**-**

Net book value

At 31 March 2025	**-**
At 31 March 2024	604,418

All investment assets were held in the UK as fixed term deposits of up to two years.

13. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**13,950**	13,200

14. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	**493,294**	759,978
Prepayments and accrued income	**302,315**	337,664
	795,609	1,097,642

15. Current asset investments

	2025 £	2024 £
Transfer from non-current	**573,735**	-

Notes to the financial statements
For the year ended 31 March 2025

16. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	**80,313**	103,968
Taxation and social security	**102,382**	99,382
Accruals and deferred income	**214,596**	316,040
	397,291	519,390

17. Deferred income

	2025 £	2024 £
Deferred income at 1 April 2024	**62,323**	60,409
Resources deferred during the year	**61,484**	62,323
Amounts released from previous periods	**(62,323)**	(60,409)
Deferred income at 31 March 2025	**61,484**	62,323

Deferred income as at 31 March 2025 comprises advanced income in relation to advocacy services.

18. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Pension liability	**544**	224

Pension liability is to provide for an identified liability relating to a shortfall on the employee pension scheme.

Notes to the financial statements
For the year ended 31 March 2025

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
(d) Fixed Assets	36,833	-	(18,636)	-	18,197
(e) Pension Reserve	41,575	-	-	1,838	43,413
(f) Strategic Reserve	108,755	-	(82,747)	-	26,008
(g) Healthwatch Hampshire	64,492	22,677	-	-	87,169
(g) Healthwatch Portsmouth	41,915	-	11,196	-	53,111
(g) Healthwatch Reading	5,253	-	(15,774)	12,778	2,257
(g) Healthwatch Southend	35,078	-	(9,229)	-	25,849
(g) Healthwatch West Berkshire	11,158	-	(7,709)	-	3,449
(g) Healthwatch Wokingham	22,603	18,646	-	-	41,249
(h) Reading Connectors	12,778	-	-	(12,778)	-
(i) Berkshire West	42,962	-	-	(42,962)	-
(j) Donations	1,164	182	-	-	1,346
(g) Healthwatch Somerset	-	16,808	-	-	16,808
(k) Contingent funding	-	-	(71,365)	130,862	59,497
	424,566	58,313	(194,264)	89,738	378,353
General funds					
General Funds	1,673,504	5,935,460	(5,950,205)	(89,738)	1,569,021
Total Unrestricted funds	2,098,070	5,993,773	(6,144,469)	-	1,947,374
Restricted funds					
(a) Berkshire West CCG	-	24,562	(22,155)	-	2,407
(b) West Berkshire Council	1,615	-	-	-	1,615
	1,615	24,562	(22,155)	-	4,022
Total of funds	2,099,685	6,018,335	(6,166,624)	-	1,951,396

Notes to the financial statements
For the year ended 31 March 2025

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
Designated funds					
(d) Fixed Assets	38,387	17,628	(19,182)	-	36,833
(e) Pension Reserve	53,420	-	-	(11,845)	41,575
(f) Strategic Reserve	108,755	-	-	-	108,755
(g) Healthwatch Hampshire	-	64,492	-	-	64,492
(g) Healthwatch Portsmouth	18,000	37,248	(13,333)	-	41,915
(g) Healthwatch Reading	-	5,253	-	-	5,253
(g) Healthwatch Southend	21,204	13,874	-	-	35,078
(g) Healthwatch West Berkshire	-	11,158	-	-	11,158
(g) Healthwatch Wokingham	6,000	16,603	-	-	22,603
(h) Reading Connectors	-	12,778	-	-	12,778
(i) Berkshire West	-	42,962	-	-	42,962
(j) Donations	327	837	-	-	1,164
	246,093	222,833	(32,515)	(11,845)	424,566
General funds					
General Funds	1,419,215	6,028,867	(5,786,423)	11,845	1,673,504
Total Unrestricted funds	1,665,308	6,251,700	(5,818,938)	-	2,098,070
Restricted funds					
(a) Berkshire West CCG	-	24,756	(24,756)	-	-
(b) West Berkshire Council	1,546	1,220	(1,151)	-	1,615
Portsmouth	2,000	-	(2,000)	-	-
	3,546	25,976	(27,907)	-	1,615
Total of funds	1,668,854	6,277,676	(5,846,845)	-	2,099,685

Notes to the financial statements
For the year ended 31 March 2025

19. Statement of funds (continued)

Purposes of Fund balances

(a) The Berkshire West CCG - fund relates to grant funding for Learning Disability services.

(b) The West Berkshire Council - fund relates to grant funding for Learning Disability services.

(c) The Portsmouth Healthwatch - fund relates to grant funding for development work.

(d) Fixed Assets - represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They are expended when the relevant fixed assets are fully depreciated.

(e) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 25 which includes detailed information.

(f) Strategic Reserve - represents an amount allocated to provide funding to promote the development of The Advocacy People.

Healthwatch Hampshire, Healthwatch Reading, Healthwatch Southend, Healthwatch West Berkshire and Healthwatch Wokingham, Healthwatch Somerset

(g) Designated - reserves have been established for each Healthwatch service to support project and development work.

(h) Funding - received for the Core20Plus Connectors Programme carried forward for expenditure in the following financial year.

(i) Funding - received for the three Healthwatch forming the Berkshire West element of the Berkshire, Oxfordshire and Buckinghamshire ICB from funding received from that organisation.

(j) Donations - This represents nonspecific donations which have been allocated to organisational development.

(k) Contingent Funding - this represents planned expenditure to be financed from reserves.

Notes to the financial statements
For the year ended 31 March 2025

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Designated funds	**424,566**	**58,313**	**(194,264)**	**89,738**	**378,353**
General funds	**1,673,504**	**5,935,460**	**(5,950,205)**	**(89,738)**	**1,569,021**
Restricted funds	**1,615**	**24,562**	**(22,155)**	**-**	**4,022**
	2,099,685	**6,018,335**	**(6,166,624)**	**-**	**1,951,396**

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Designated funds	246,093	222,833	(32,515)	(11,845)	424,566
General funds	1,419,215	6,028,867	(5,786,423)	11,845	1,673,504
Restricted funds	3,546	25,976	(27,907)	-	1,615
	1,668,854	6,277,676	(5,846,845)	-	2,099,685

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Intangible fixed assets	18,197	-	**18,197**
Current assets	2,327,012	4,022	**2,331,034**
Creditors due within one year	(397,291)	-	**(397,291)**
Creditors due in more than one year	(544)	-	**(544)**
Total	1,947,374	4,022	**1,951,396**

Notes to the financial statements
For the year ended 31 March 2025

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Intangible fixed assets	36,833	-	36,833
Trade investments	604,418	-	604,418
Current assets	1,976,433	1,615	1,978,048
Creditors due within one year	(519,390)	-	(519,390)
Creditors due in more than one year	(224)	-	(224)
Total	2,098,070	1,615	2,099,685

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(148,289)**	430,831
Adjustments for:		
Depreciation and amortisation	**18,636**	19,182
Investment Income	**(23,359)**	(31,793)
(Increase)/decrease in debtors	**302,033**	(207,060)
Increase/(decrease) in creditors	**(121,779)**	25,241
Net cash provided by operating activities	**27,242**	236,401

23. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	**961,690**	880,406

Notes to the financial statements
For the year ended 31 March 2025

24. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	**880,406**	**81,284**	**961,690**

25. Pension commitments

The Advocacy People participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme from 1 April 2025 to 31 March 2028 of £2,100,000 per annum, payable monthly.

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme from 1 April 2022 to 31 January 2025 of £3,312,000 per annum, payable monthly.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. An amount has been recognised in the accounts to provide for this liability (see Note 18). The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Notes to the financial statements
For the year ended 31 March 2025

25. Pension commitments (continued)

	2025 £	2024 £
Provision at start of period	**224**	480
Unwinding of the discount factor (interest expense)	**6**	18
Deficit contribution paid	**(229)**	(274)
Remeasurements - impact of any change in assumptions	**3**	-
Remeasurements - amendments to the contribution schedule	**540**	-
Provision at end of period	**544**	224

Assumes discount rates of 4.84% (31/03/25), 5.31% (31/03/24) and 5.52% (31/03/23) which are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The charity has also established a designated reserve to provide for the contingent liability that would arise if The Advocacy People were to decide to withdraw from the Pensions Trust, which is estimated at £43,413. (see Note 19). However, there are no plans currently to exit the scheme.

26. Operating lease commitments

At 31 March 2025 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	**44,241**	21,772
Later than 1 year and not later than 5 years	**81,604**	23,603
	125,845	45,375

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2025 £	2024 £
Operating lease rentals	**21,772**	14,391

27. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2025.

The Advocacy People

England & Wales - Charity number 1080679

Accounts

The Advocacy People

Financial Statements

Year ended 31 March 2024

Charity No: 1080679

Company No: 03963421

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Reference and Administrative Details

Trustees	J. Dodson	Chair
	I. Bews	Hon. Treasurer
	T. O'Brien	
	A. Solemani (nee Steel)	
	C. Bates (retired 23 June 2023)	
	S. Gandhi-Whitaker (retired 26 January 2024)	
	E. Nistor-Lustermans	
	S. Yang	
	N. Tarbit (joined 20 September 2024)	
	N. Lennox-Chhugani (joined 20 September 2024)	
Chief Executive & Company Secretary	M. Hilton	
Registered Office	Rock House 49-51 Cambridge Road Hastings East Sussex	TN34 1DT
Auditors	Kreston Reeves LLP 37 St Margaret's Street, Canterbury	CT1 2TU
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester	M60 4EP
	Lloyds Bank 25 Gresham Street London	EC2V 7HN
Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex	RH16 4BX

Report of the Trustees for the year ended 31st March 2024

The Trustees of The Advocacy People present their annual report for the year 1st April 2023 to 31st March 2024.

Our vision

The Advocacy People believe in a society where people feel in control of their lives and are confident to speak up, and where people who can't speak up for themselves have someone in their corner to speak for them.

It is our mission to:

help anybody that needs independent support to speak up.
deliver quality and innovation through our practice.
improve people's lives individually and collectively through putting their case to policymakers.

Our Values

- People are at the heart of what we do. Anyone can feel powerless and unable to speak up when faced with a difficult situation. Anyone should have access to an advocate.

- People matter. In an equal society, decisions about people's lives must be made fairly, involving the person as far as possible.

- People make the difference. If our staff are happy at work, they will be effective at work.

- People should be heard at every level of policy and decision-making. We work hard to make this happen.

We are clear that the people-centred fundamentals of advocacy and the related services we deliver and manage should be at the heart of how we think about public services. This is particularly true when those using services are in vulnerable situations.

It is also through these people-centred values that we can best harness the energy and ideas to be the best that we can be. We want to work in concert with partners who bring expertise about specific things in specific areas; and we all need to work effectively together as colleagues.

We look to invest resources in monitoring, influencing, and responding to key developments and initiatives in the external environment, particularly in the health and social care arena. We work to ensure that client views, concerns and experiences influence service policy, planning, and delivery through our local teams. Those that can flex and adapt will thrive; so, all our delivery models can and should evolve.

The Advocacy People work beyond our own direct delivery responsibilities to improve health and social services on both local and national levels through strong local relationships, effective collaborations, and appropriate contributions to wider debates. We will pursue this by seeking to improve and grow the services we deliver and manage and by identifying opportunities for new and better services.

Scope of Operations

The Advocacy People work mainly across the south of England, with services from Cornwall to Kent, and from Southampton to Milton Keynes.

Structure, Governance and Management Governing Documents

The Advocacy People 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 in 2023.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity comply with the Charities Act 2011, the Companies Act 2006, its Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 2006. 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.

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved: there is no relevant audit information of which the charity auditors are unaware, and the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisation Structure

The Board of Trustees governs the charity and meet regularly to manage and control the resources administered by the charity. The Board of Trustees now has eight members recruited from a diverse range of applicants. All trustees give their time freely and receive no remuneration.

The Senior Leadership Team comprises the Chief Executive, Chief Operating Officer, Business Development Director, Finance Director and HR Director. The senior team oversee day-to-day policy and decision making as well as implementation of the business plan. The Senior Leadership Team submit reports on the work of the organisation to the Board and attend relevant Board agenda items.

During the year, the Trustees met on four occasions in full Board meetings. The Board received and considered regular reports relating to the management, development, and finances of the organisation, including challenging key performance indicators which allow the Board to track progress in delivering its strategic plan.

The Board has an Audit and Risk Management Sub-Committee which reviews financial and strategic matters in more detail and reviews risks that could prevent the organisation from achieving its strategic objectives. This Committee meets at least three times per year and its membership includes Trustees, the Chief Executive and the Finance Director.

Separately appointed advisory structures are in place for each of our Healthwatch, whose staff are managed by The Advocacy People under the auspices of the main Board of The Advocacy People.

Recruitment and Appointment of the Board

The Trustees are the directors of the charity for the purposes of the Companies Act and 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.

All trustees undergo a DBS check as part of the recruitment process and receive a Trustee handbook, and Trustee Code of Practice outlining their role and responsibilities. As part of their induction, Trustees meet with the CEO and other relevant managers.

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.

Risk Management and Audit

The major risks to which the charity could be exposed, as identified by the Board and the Audit and Risk Sub Committee, have been reviewed on an ongoing basis, and systems have been established to mitigate those risks.

Senior leadership regularly review and update the charity's risk register, and prioritise key risks on which to focus, and review and update identified risks and mitigations for their specific areas of responsibility. These risks include the ongoing commissioning environment which makes it challenging to develop innovative service models where costs are severely constrained; the need to ensure a balanced budget and support enhanced central services, and cyber security risks around the threat from phishing or other attacks on our ICT infrastructure.

The key risks facing the organisation are being mitigated by regular financial and performance reporting, which is reviewed by operational and senior management, as well as updates reported to each Board meeting.

Risk management practices are in place to manage risks around health and safety and human resource issues. Relevant operational procedures detailing expected practice for staff and managers, and policies and procedures have been kept under review during the year.

Compliance and quality assurance issues are reported to the Management Team who receive regular reports from each team and review specific areas of work. Reports summarising this work or highlighting specific areas are reported to the Board.

The Advocacy People have insurance policies in place to satisfy contractual requirements and ensure the organisation is protected against unforeseen events, for example a person being injured at premises or a claim in relation to services provided by the charity.

Staffing

The Advocacy People employed an average of 194 staff (142 FTE) in the year, and an average of 140 volunteers contributed their services to the organisation.
The Organisation continues to run successfully under the direction of Matthew Hilton, Chief Executive Officer. With his Senior Leadership colleagues, wider management team and support and direction of the Trustees.

A new reward package introduced in 2022, has provided increased benefits through the improved salaries and grade structures and better sick pay under the pay and conditions review. We are a Real Living Wage employer and therefore have been able to raise the salaries of our staff earning the least amount by 10% or more because of our commitment to this scheme, in line with our values of *putting people at the heart of what do.*

The organisation turned in a strong performance this year and was able to recognise the efforts of our staff accordingly through the offer of the higher annual pay award, and an additional in-year bonus payment in January 2024.

Our staff have a wide range of skills and experiences which they bring to their work. We continue to find that there is a need to keep up with constant change in the workforce and more use of new and emerging technology such as AI, and therefore,

adjusting to these changes has identified that now more than ever, we need to have digital competency as a complementary skill with others in the modern workplace.

Last year we employed a Learning and Development specialist and in-year we recruited to new roles in both Advocacy (Business Manager) and Healthwatch (Area Directors) as part of the drive to ensure the organisation is well placed to continue its current and future journey to support clients.

We can report the investment in these roles is paying dividends through improved processes in our Induction of new staff and the opportunity for delivery of more in-house face-to-face and virtual training sessions. In Healthwatch services, there is more oversight across the local delivery and more collaborative approaches across our expanded Healthwatch portfolio.

The collaboration across these roles continues at a pace in helping us shape our succession planning and talent pipeline strategies to deliver against our performance criteria and ensure we have the right skills for the right roles on a consistent basis. There is a range of further work planned for 2024 onwards to drive through changes to maintain our competitive edge in the marketplace.

Remuneration policy for senior staff

The pay of the senior staff has been set at a specific scale or at a fixed sum benchmarked against similar organisations. Any organisational uplift in salaries is agreed annually by the Board for all staff. Any other substantial changes to remuneration within the Senior Leadership are agreed to by the Chief Executive Officer (CEO). The CEO remuneration is reserved to members of the Board.

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 United Kingdom".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using services, including but not exclusively 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, which may include complaints.

We achieve this in various ways:
Advocates and others provide information, support and representation to clients relating to specific difficulties, concerns, or complaints.
The organisation works directly with service providers and policy makers at local and national level, aiming to ensure that client experiences are at the heart of policy development and service planning, implementation, and monitoring.
The Advocacy People's delivery of Healthwatch is an integral part of our commitment to ensuring effective, locally accountable health and social services.

Ensuring our work delivers our aims

We have reviewed our underlying strategic approach and continue to build on our core strength as an advocacy organisation to find ways of bringing value to our clients in the changing world in which we live.

With the continuous reduction in public spending, the Board is committed to diversifying its funding from statutory advocacy and now host seven local Healthwatch.

We also believe that advocacy is a service that would benefit many more people and that it is a tool to promote social justice and can support vulnerable people towards living more secure, independent, and fulfilled lives. Our objectives are underpinned by operational, business, and financial plans.

The Advocacy People has set high level key performance indicators for the Board to assure themselves that the organisation is travelling in the right direction.

The Advocacy People's partnership strategy is predicated on supporting the sustainability of the advocacy sector and local specialist providers to extend the reach of services into under-represented communities. We work with a range of partner organisations to deliver statutory and non-statutory advocacy services. The partnerships allow us to tailor our services to meet the needs of a range of clients and support the diversity of the voluntary sector.

We conduct regular client and professionals' surveys to ensure that we meet stakeholder requirements. We work closely with statutory and third sector colleagues to ensure our work priorities are informed by client feedback as well as by central and local commissioning priorities, and ongoing changes to health, social care, and other core agendas. Our client impact surveys show how advocacy contributes to improving health and wellbeing.

Whilst we have always been focused on outcomes and have looked for savings in how we operate, our need to identify innovative ways of working, including remote and digital solutions and developing robust collaboration and partnership arrangements is likely to become ever more important in the future.

The focus of our work

Independent advocacy is concerned with ensuring people's voices are heard when decisions are being made about their lives. Our advocates support people with diverse needs to: understand information; express their needs, views, and wishes; secure their rights; represent their interests; and obtain the care and support they need. Advocates speak up for people when they are unable to speak up for themselves or empower them to self-advocate. Advocates work in partnership with the people they support in accordance with the advocacy principles of being person-centered, independent, confidential, and empowering.

Over the last two years the delivery of local Healthwatch has become an increasing part of our portfolio of services. Healthwatch is the local health and social care champion for people who use GPs and hospitals, dentists, pharmacies, care homes or other support services in their areas. Healthwatch are independent and have the power to make sure NHS leaders and other decision makers listen to local feedback and improve standards of care. Healthwatch also helps people find reliable and trustworthy information and advice to help them get the support they need.

Staff across all services 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.

We work hard to ensure people facing disability, health, transport, rural mobility, language, or other barriers are never excluded from receiving high-quality advocacy. Embedded in our ethos is responding to feedback, promoting reflective practice, and following the Advocacy Charter and Equality Act 2010. We work to the principles of the industry recognised NDTi Advocacy Charter and Code of Practice and hold the Advocacy Quality Performance Mark (QPM), now renewed until May 2026. Healthwatch services are delivered to the Healthwatch Quality Framework.

Service users and volunteers

We believe that service user involvement and volunteering are central to our mission and values.

Service user feedback, positive and negative, is taken seriously at all levels and used to inform continuous improvement.

We continue to develop our volunteering offer and, in the year, ahead will be fully reviewing where we are and what we could do better. We have a dedicated Volunteer Focus Group which meets quarterly to share good practice.

Our Healthwatch teams continue to be supported by volunteers in a variety of roles, including Advisory Group activities, research, community engagement, recruitment, report writing and Enter and View visits.

We continued to work with colleges and universities across our geographical patch to encourage social work student placements with our local advocacy teams. The feedback we receive is that the students take the "advocacy message" back to their peers when they return, promoting the impact of advocacy to those who will likely be the referrers of the future.

How our activities deliver public benefit

The Trustees consider that they have complied with their duty under the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission.

In addition to supporting clients to find successful resolutions to their concerns, issues, complaints or statutory rights, clients tell us that receiving advocacy support

enables them to feel more empowered and in control of their lives and leads them to develop self-advocacy skills which assist them (and in some cases, their peers) in the future. This feedback is shared with commissioners who can then see the human impact of the advocacy they are commissioning in their locality.

Taking lessons learned over recent years, we continue to offer flexible solutions to ensure continuity of our services, whilst ensuring our working practices remain as far as possible inclusive and accessible for our clients.

Who used and benefited from our services?

The Advocacy People accepted 15,342 (2023 –12,792) new advocacy cases (of which 89% were statutory referrals), as well as dealing with a further 6,139 enquiries and signposting requests. Our Contact Centre received 16,135 (2023 – 21,068) calls and handled 39,897 (2023 - 40,267) emails.

The Advocacy People provide services to a range of people including:
Adults with mental health issues
Parents going through Child Protection legal process
Adults with learning disabilities
Complaints about NHS care or treatment
Social Care complaints
Gypsy and Traveller Communities
Older People
People with physical disabilities and/or sensory impairments
People with dementia-type conditions and acquired brain injury
Prisoners
Children Young People & Families

As well as non-statutory advocacy provision, eg community advocacy, self-advocacy groups, The Advocacy People provides statutory advocacy including:
Independent Health Complaints Advocacy
Independent Mental Capacity Advocacy
Independent Mental Health Advocacy
Deprivation of Liberty Safeguards
Independent Care Act Advocacy
Statutory Children's Advocacy

For information about Healthwatch activities and impact, please refer to their Annual Reports for the year April 2023 – March 2024:
Healthwatch Portsmouth Annual Report 23-24
Annual report 2023/2024 (healthwatchreading.co.uk)
Annual report 2023/24: What we've been doing over the last year (healthwatchsouthend.co.uk)
Healthwatch West Berks Annual Report 2023-2024
Our annual report 2023-24 is out now (healthwatchwokingham.co.uk)
Annual report 2023/24 (healthwatchhampshire.co.uk)

Achievements and Performance

Outcomes and impact

Overall, 79% (2023 - 85%) of instructed clients would recommend The Advocacy People to others.

Services

During the year, the following contracts started:
Southampton Adults and Children's Advocacy Services
Healthwatch Hampshire
Kent Adult Advocacy Services
Healthwatch West Berkshire (including, IHCA & LDPB)
Milton Keynes Adult Advocacy Services
West Sussex – Support to Adults undergoing Child Care proceedings

During the year, the following Contract ended:
West Berkshire Adult Advocacy

The following contracts were secured for start during the financial year 2024/25:
Healthwatch Somerset (new)
Southwark Adult Advocacy Services (new)
Windsor & Maidenhead Advocacy Services

Plans for the future

Building on our work of recent years, local advocacy and Healthwatch teams continue developing their working relationships wherever we work. We believe that the best way of delivering our services to those who need them the most is by working alongside and in partnership with community organisations.

We welcome working with partners where they can bring local or specific service user expertise that we lack. We want our staff and partners to feel empowered to innovate, to feel that The Advocacy People is a place that values their creativity. We recognise the importance of local branding for our services, where we work in tandem with partners to provide locality focused advocacy.

What we do is all about what the clients need, so we want to be confident and bold in building on our service offering to bring value to those clients. We will explore ways of building on our existing skills to provide additional services to ensure clients get the information they need and can get the support they want.

Financial Review

Actual income increased by 17% (2022 – 6%) due to additional contract income from new services primarily relating to additional Healthwatch but also advocacy services such as a new contract in Southampton and particularly increased spot purchase for "out of area work". Savings from staff vacancies and subcontracted work also contributed to a significant surplus despite payment of a significant additional unconsolidated payment to staff to recognise the year's achievements.

By comparison with 2023 overall staff costs increased by 6% due to increased staffing from additional services but noting difficulties recruiting on some of the newer services reduced the level of increase. Staff-related costs particularly increased due to additional expenditure on training, recruitment and additional travel costs, with staff prioritising greater face-to-face time with clients.

Further savings were achieved on rent and service charges with our central services now completely operating on a home working basis with our main office base utilised by our contact centre. However additional Healthwatch offices may see expenditure on office premises increase in future years.

There was continued investment in new equipment and software, with continued investment in data security, use of Power BI for internal dashboards and new staff expenses software purchased. The increase in the threshold for capital items also meant increased revenue expenditure but reduced depreciation charges.

Total income received was £6,277,676 (2023 - £5,366,908) and total expenditure incurred during the year was £5,846,845 (2023 - £5,352,905). This resulted in a net inflow of funds of £430,831 (2023 - £14,003). This was split between a net outflow of funds from restricted reserves of £1,931 (2023 - £11,075); and a net inflow on unrestricted reserves of £432,762 (2023 – £25,078).

Net cash generated by operating activities was £236,401 (2023 - £45,309), and after investing £604,418 (2023 – zero) in fixed asset investments (which comprise solely of term deposits), the cash at bank was £880,406 (2023 £1,234,258) at the year-end. Debtors and prepayments at the year-end were £1,097,642 (2023 - £890,582), and creditors and accruals were £519,390 (2023 - £493,893).

Looking forward to 2024/25, The Advocacy People will continue to consolidate its work across advocacy and Healthwatch and ensure it is equipped to deal with the challenges ahead.

Principal funding sources

The charity is primarily funded by contracts with statutory bodies, with 80% (2023 - 89%) of income from charitable activities relating to statutory advocacy services provided to public authorities. Funding for non-statutory advocacy decreased to 6% of income (2023 - 10%). Healthwatch and other services provided 14% (2023 - 10%) of income.

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 cover any costs that might arise from the sudden end of a contract, and to ensure sufficient cash flow to finance current operations or meet other contingencies that cannot be met out of current income.

Restricted reserves of £1,615 (2023 - £3,546) are held, where the purpose of the funding was granted for a specific purpose or objective, and funds remained unspent by the yearend. This will be drawn upon to fund specific work in line with their original purpose.

Designated funds of £424,566 (2023- £246,094) have been allocated by the Board for specific purposes such as investment to develop new services. This includes a Fixed Asset Reserve which is set at a level equivalent to net fixed assets representing the capital investment made in computers, software, furniture, and equipment; and a Pensions Reserve to provide for a contingent liability which would arise if The Advocacy People were to withdraw from membership of the Pensions Trust.

At the end of the year the balance of the charity's free reserves was £1,673,504 (2023 - £1,419,215), an increase for the year of £254,289. This is after a transfer of £11,845 from the pension reserve relating to a reduction in the contingent liability being reported for the scheme, as well as a net transfer of £1,554 from the fixed asset designated fund. The level of free reserves at 31/03/24 was equal to 3.4 months (2023 – 3.2 months) of operating expenditure.

It is the opinion of the trustees that the current level of reserves is justified given the significant uncertainties facing The Advocacy People. The Trustees therefore have taken the level of free reserves into account in their assessment of the risks facing the organisation.

Investment Policy

The Advocacy People hold any cash in excess of working capital requirements on deposit primarily with the Co-operative Bank but also uses Lloyds Bank for term deposits. The amount of interest earned during the year was £31,793 (2023 - £9,252). This equates to a return of 2.34% based upon the average of the opening and closing bank balances (2023- 0.76%).

Term deposits which are for three months or more are shown under Fixed Asset Investments and are placed for periods of up to two years.

The Advocacy People have an ethical investment policy outlining human rights and environmental criteria with which potential investment institutions are assessed. To meet these objectives, The Advocacy People invests only in fixed-term or call accounts with institutions that are considered to comply with our ethical criteria and have a high security rating.

Taking into consideration the overall level of reserves, and the level of reserves which are ear-marked for expenditure in the next year, the charity has a policy of investing for the short term only.

Going Concern

Given the factors reviewed above and in the light of The Advocacy People's financial position, its current range of activities linked to specific contracts and its track record of obtaining new work, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. In line with note 1(p) to these accounts the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.



Jane Dodson
Chair
29th November 2024

Independent Auditors' Report to the Members of The Advocacy People

Opinion

We have audited the financial statements of The Advocacy People (the 'Charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of the Charity's income and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Independent Auditors' Report to the Members of The Advocacy People (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non- compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law; and

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Manser FCA DChA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date:

Statement of Financial Activities (Incorporating an Income & Expenditure Account)

For the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	**2024 Total funds £**	2023 Total funds £
Income from:					
Donations	2	837	-	**837**	2,977
Charitable activities	3	6,219,070	25,976	**6,245,046**	5,354,679
Investment income		31,793	-	**31,793**	9,252
Total income		**6,251,700**	**25,976**	**6,277,676**	5,366,908
Expenditure on:					
Charitable activities	4	**5,818,938**	**27,907**	**5,846,845**	5,352,905
Total expenditure		5,818,938	27,907	**5,846,845**	5,352,905
Net income		432,762	(1,931)	**430,831**	14,003
Funds at 1 April 2023		1,665,308	3,546	**1,668,854**	1,654,851
Funds at 31 March 2024		**2,098,070**	**1,615**	**2,099,685**	1,668,854

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 40 form part of these financial statements.

Balance Sheet
As at 31 March 2024

	Notes	£	2024 £	2023 £
Fixed Assets				
Intangible Assets	8		**36,833**	38,387
Investments	9		**604,418**	0
			641,251	38,387
Current Assets				
Debtors and Prepayments	10	**1,097,642**		890,582
Cash at Bank and in Hand		**880,406**		1,234,258
		1,978,048		2,124,840
Creditors: Amounts falling due within 1 year	11	**(519,390)**		(493,893)
Net Current Assets			**1,458,658**	1,630,947
Creditors: Amounts falling due after more than 1 year	12		**(224)**	(480)
Net Assets			**2,099,685**	1,668,854
Funds				
Restricted Funds	14		**1,615**	3,546
Unrestricted Funds				
Designated Funds		**424,566**		246,093
General Funds		**1,673,504**		1,419,215
Total Unrestricted Funds			**2,098,070**	1,665,308
Total Funds			**2,099,685**	1,668,854

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The notes on pages 23 to 41 form part of these financial statements.
The financial statements were approved and authorised for issue by the Trustees on 29th November 2024 and signed on their behalf by:

I Bews
Hon. Treasurer

J Dodson
Chair

Statement of Cash Flows

For the Year Ended 31 March 2024

	2024 Total funds £	2023 Total funds £
Cashflows from operating activities		
Net Income	**430,831**	14,003
Depreciation and amortisation	**19,182**	70,244
Investment income	**(31,793)**	(9,252)
(Increase) in debtors	**(207,060)**	(57,157)
Increase in creditors	**25,241**	27,471
Net cash provided by operating activities	**236,401**	45,309
Cash flows from investing activities:		
Deposit interest received	**31,793**	9,252
Payments to acquire intangible fixed assets	**(17,628)**	(9,660)
Payments to acquire fixed asset investments	**(883,918)**	-
Disposals of fixed asset investments at cost	**279,500**	-
Net cash (used in) investing activities	**(590,253)**	(408)
Change in cash and cash equivalents in the year	**(353,852)**	44,901
Cash and cash equivalents at 1st April	**1,234,258**	1,189,357
Cash and cash equivalents at 31st March	**880,406**	1,234,258

	At 1 April 2023	Cashflows	**At 31 March 2024**
Cash flows from investing activities:			
Cash at Bank and in Hand	1,234,258	(353,852)	**880,406**

The notes on pages 23 to 41 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2024

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) ('Charities SORP FRS 102') (Second Edition, effective 1 January 2019) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in UK pound sterling, which is the Charity's functional currency, and rounded to the nearest pound.

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

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activites 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. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when

Investment income compromises solely of interest on cash deposits.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 2024

d) Expenditure

Cost of raising funds i.e. those costs incurred in attracting voluntary income are no longer considered significant and there are no costs incurred in trading activities that are purely to 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.

Expenditure is 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 4) 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 Trustees' 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 are held seperately 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 Activites represent the contributions payable by the charity in the year.

f) Taxation

The charitable company is a registered charity and is exempt from the taxation of income falling within chapter 3 part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this income is used to achieve its charitable objectives. No charge to taxation for the year has arisen as a result of the activities of the charity.

Value Added Tax is not recoverable by the charitable company and is included within the relevant costs in the statement of financial activities.

Notes to the Financial Statements

For the Year Ended 31 March 2024

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for The Advocacy People - principally software. For intangible assets over £2,000 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

h) Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investments are made purely in fixed term deposits with Lloyds Bank, there are no investment management costs.

i) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

j) Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditor Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the Financial Statements

For the Year Ended 31 March 2024

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) 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.

n) Services provided by volunteers

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

o) Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced at the end of the economic life of such equipment which is normally five years. Operating leases payable for the use of premises are charged on a straight line basis over the term of the lease.

p) Going Concern

The Board of Trustees have taken account of The Advocacy People's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and exposure to price and cash flow risks as described in the Report of the Trustees on page 2-13. In particular by preparing multi-year budgets and forward looking cashflow analysis and projections.

The Advocacy People has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas such as Healthwatch provision. As a consequence, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

q) Critical accounting estimates and areas of judgement

Preperation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made includes: - the useful economic lives attributed to the intangible fixed assets to determine the appropriate depreciation and amortisation charges;
- the basis on which support costs have been allocated across expenditure headings;
- the estimated value of accrued income and work in progress;
- the recoverability of trade debtors.

2. Income from donations

	Unrestricted	Restricted	**2024 Total**	2023 Total
	£	£	**£**	£
Donations	837	-	**837**	2,977
	837	-	**837**	2,977

No restricted income from donations was received in 2023.

3. Income from charitable activities

The income, surplus for the year and net assets are attributable to the principal activity, which is primarily to provide advocacy services and the provision of Healthwatch. The charity operates in, and the whole of its income is derived from, the United Kingdom.

	Unrestricted	Restricted	**2024 Total**	2023 Total
	£	£	**£**	£
Statutory advocacy	4,968,592	-	**4,968,592**	4,249,515
Nonstatutory advocacy	348,581	25,976	**374,557**	554,585
Healthwatch	901,897	-	**901,897**	530,175
Other services	-	-	**-**	20,404
Total income	6,219,070	25,976	**6,245,046**	5,354,679

Restricted income from nonstatutory advocacy was £35,256 in 2023.

Notes to the Financial Statements

For the Year Ended 31 March 2024

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (a) Analysis of Expenditure

Current Year	Basis of allocation	Statutory Advocacy £	Nonstatutory Advocacy £	Healthwatch £	Other services £	Governance £	**2024 Total £**	2023 Total £
Direct costs								
Staff Costs	Direct	3,113,516	220,325	449,326	-	15,669	**3,798,836**	3,578,624
Staff related costs	Direct	222,536	14,733	15,528	-	629	**253,426**	194,210
Rent and service costs	Direct	20,714	5,853	17,148	-	-	**43,715**	21,921
ICT and administration costs	Direct	284,218	27,473	50,500	-	948	**363,139**	205,497
Subcontractor fees	Direct	475,508	81,901	580	-	-	**557,989**	530,149
Professional fees and similar	Direct	44,437	1,984	27,957	-	13,320	**87,698**	51,723
Depreciation	Direct	-	-	-	-	-	**-**	36,864
		4,160,929	352,269	561,039	-	30,566	**5,104,803**	4,618,988
Support costs								
Staff Costs	Staff time	481,836	38,505	55,763	-	-	**576,104**	490,150
Staff related costs	Staff time	15,528	1,241	2,209	-	-	**18,978**	2,824
Rent and service costs	Staff time	-	-	-	-	-	**-**	30,650
ICT and administration costs	Staff time	76,113	6,082	10,827	-	-	**93,022**	138,564
Professional fees and similar	Staff time	28,438	2,273	4,045	-	-	**34,756**	38,349
Depreciation	Staff time	15,695	1,254	2,233	-	-	**19,182**	33,380
		617,610	49,355	75,077	-	-	**742,042**	733,917
Total		4,778,539	401,624	636,116	-	30,566	**5,846,845**	5,352,905

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (b) Analysis of Expenditure

Prior Year	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Healthwatch	Other services	Governance	**2023 Total**	2022 Total
		£	£	£	£	£	**£**	£
Direct costs								
Staff Costs	Direct	2,844,920	339,028	372,656	6,392	15,628	**3,578,624**	3,062,189
Staff related costs	Direct	158,197	22,076	10,728	1,243	1,966	**194,210**	137,535
Rent and service costs	Direct	2,040	510	19,371	-	-	**21,921**	12,580
ICT and administration costs	Direct	148,841	20,307	33,388	2,477	484	**205,497**	147,521
Subcontractor fees	Direct	449,149	79,730	360	-	910	**530,149**	503,038
Professional fees and similar	Direct	19,109	2,406	19,084	1,006	10,118	**51,723**	71,431
Depreciation	Direct	28,567	3,366	4,681	-	250	**36,864**	42,979
		3,650,823	467,423	460,268	11,118	29,356	**4,618,988**	3,977,273
Support costs								
Staff Costs	Staff time	391,366	46,639	51,265	880	-	**534,097**	505,450
Staff related costs	Staff time	2,255	269	295	5	-	**1,405**	6,048
Rent and service costs	Staff time	24,473	2,916	3,206	55	-	**27,586**	50,370
ICT and administration costs	Staff time	110,638	13,185	14,492	249	-	**179,313**	125,477
Professional fees and similar	Staff time	30,620	3,649	4,011	69	-	**34,508**	12,385
Depreciation	Staff time	26,653	3,176	3,491	60	-	**27,388**	38,529
		586,005	69,834	76,760	1,318	-	**804,297**	738,259
Total		4,236,828	537,257	537,028	12,436	29,356	**5,423,285**	4,715,532

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (c) Analysis between Restricted and Unrestricted Expenditure

	Unrestricted	Restricted	**2024 Total**	Unrestricted	Restricted	2023 Total
	£	£	£	£	£	£
Direct costs						
Staff Costs	3,779,742	19,094	**3,798,836**	3,546,760	31,864	3,578,624
Staff related costs	253,010	416	**253,426**	193,776	434	194,210
Rent and service costs	42,678	1,037	**43,715**	20,391	1,530	21,921
ICT and administration costs	361,220	1,919	**363,139**	196,904	8,593	205,497
Subcontractor fees	557,989	-	**557,989**	530,149	-	530,149
Professional fees and similar	85,853	1,845	**87,698**	51,639	84	51,723
Depreciation	-	-	**-**	36,572	292	36,864
	5,080,492	24,311	**5,104,803**	4,576,191	42,797	4,618,988
Support costs						
Staff Costs	573,570	2,534	**576,104**	486,163	3,987	490,150
Staff related costs	18,895	83	**18,978**	2,813	11	2,824
Rent and service costs	-	-	**-**	30,426	224	30,650
ICT and administration costs	92,613	409	**93,022**	137,106	1,458	138,564
Professional fees and similar	34,603	153	**34,756**	38,068	281	38,349
Depreciation	19,098	84	**19,182**	33,157	223	33,380
	738,779	3,263	**742,042**	727,733	6,184	733,917

Notes to the Financial Statements

For the Year Ended 31 March 2024

Total	5,819,271	27,574	**5,846,845**	5,303,924	48,981	5,352,905

Notes to the Financial Statements

For the Year Ended 31 March 2024

5. Net (expenditure)/income for the year

This is stated after charging:	**2024**	2023
	£	£
Depreciation and amortisation	**19,182**	70,244
Auditors' Remuneration: Audit	**13,200**	10,920
Operating Lease Rentals: Property	**21,772**	14,391

6. Trustee Remuneration, Expenses & Related Party Transactions

No trustees received any remuneration from the charity in their capacity as trustees. Reimbursement of travel and accommodation costs amounting to £545 (2023 - £466) were reimbursed to 3 trustees (2023 - 1 trustees). No trustees received payments in any other capacity.

The Charity has not entered in to any related party transactions (2023 - £ Nil) and has no balances outstanding with any related parties at the Balance Sheet date (2023 - £ Nil).

Notes to the Financial Statements

For the Year Ended 31 March 2024

7. Staff Costs and Numbers

	2024	2023
Staff costs were as follows:	£	£
Wages and Salaries	**3,950,735**	3,661,761
Agency fees		11,055
Social Security Costs	**320,652**	299,909
Employer Pension Contributions	**103,554**	96,049
	4,374,940	4,068,774

Employee remuneration for employees earning more than £60,000:

	2024	2023
£60,000-£70,000	**1**	1

The key management personnel of the charity, comprise the Chief Executive Officer, Chief Operating Officer, Business Development Director, Finance Director and HR Director. The total employee benefits of the key management personnel of the Charity was £289,808 (2023: £290,802).

The Charity pays employer contributions to 170 (2023 - 146) staff who are members of a defined contribution pension scheme (see note 17).

The average weekly number of employees during the year (head count) was as follows:

	2024	2023
Advocacy Services	**146**	144
Healthwatch and Contact Centre	**29**	21
Management and Administration	**19**	18
Total	**194**	183
Fulltime equivalent staff	**142**	135

Notes to the Financial Statements

For the Year Ended 31 March 2024

8. Intangible Fixed Assets

	Software purchased	Software developed in house	**Total**
	£	£	**£**
COST			
At 1 April 2023	19,729	57,960	**77,689**
Additions in Year	17,628	-	**17,628**
Disposals in Year	(1,548)	-	**(1,548)**
At 31 March 2024	35,809	57,960	**93,769**
AMORTISATION			
At 1 April 2023	8,392	30,910	**39,302**
Charge for the Year	7,590	11,592	**19,182**
Disposals in Year	(1,548)	-	**(1,548)**
			-
At 31 March 2024	14,434	42,502	**56,936**
NET BOOK VALUE			
At 31 March 2024	**21,375**	**15,458**	**36,833**
At 1 April 2023	11,337	27,050	38,387

9. Fixed Asset Investments

Movement in fixed asset investments	**2024**	2023
	£	£
Market value brought forward at 1 April 2023	-	-
Add additions to investment at cost	883,918	-
Disposals at carrying value	(283,918)	-
Add net gain on revaluation	4,418	-
Market value as at 31 March 2024	**604,418**	**-**
Investments at market value		
Comprised:		
Fixed interest securities	**604,418**	-

All investment assets were held in the UK as fixed term deposits of up to two years.

Notes to the Financial Statements

For the Year Ended 31 March 2024

10. Debtors and Prepayments

	2024	2023
	£	£
Trade Debtors	**759,978**	686,095
Prepayments	**44,347**	35,458
Accrued income	**293,317**	169,029
	1,097,642	890,582

11. Creditors : Amounts falling due within one year

	2024	2023
	£	£
Taxation and Social Security	**99,382**	84,696
Trade Creditors	**103,968**	77,034
Accruals	**253,717**	271,754
Deferred income (see note 12)	**62,323**	60,409
	519,390	493,893

12. Deferred income

	2024	2023
	£	£
Balance at the beginning of the year	**60,409**	38,056
Amount released to income in the year	**(60,409)**	(38,056)
Amount deferred in the year	**62,323**	60,409
	62,323	60,409

13. Creditors : Amounts falling due after more than one year

	2024	2023
	£	£
Pension liability (note 17)	**224**	480
	224	480

Pension liability is to provide for an identified liability relating to a shortfall on the employee pension scheme.

Notes to the Financial Statements

For the Year Ended 31 March 2024

14. Statement of Funds

Current year		At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Restricted Funds:						
Berkshire West CCG	(d)	-	24,756	(24,756)	-	**-**
West Berkshire Council	(e)	1,546	1,220	(1,151)	-	**1,615**
Heathwatch Portsmouth	(f)	2,000	-	(2,000)	-	**-**
Total Restricted Funds		**3,546**	**25,976**	**(27,907)**	**-**	**1,615**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(h)	38,387	17,628	(19,182)	-	**36,833**
Pension Reserve	(i)	53,420	-	-	(11,845)	**41,575**
Strategic Reserve	(j)	108,755	-	-	-	**108,755**
Healthwatch Hampshire	(k)	-	64,492	-	-	**64,492**
Heathwatch Portsmouth		18,000	37,248	(13,333)	-	**41,915**
Healthwatch Reading		-	5,253	-	-	**5,253**
Heathwatch Southend		21,204	13,874	-	-	**35,078**
Healthwatch West Berkshire		-	11,158	-	-	**11,158**
Healthwatch Wokingham		6,000	16,603	-	-	**22,603**
Reading Connnectors	(l)	-	12,778	-	-	**12,778**
Berkshire West	(m)	-	42,962	-	-	**42,962**
Donations	(n)	327	837	-	-	**1,164**
Total Designated Funds		**246,093**	**222,833**	**(32,515)**	**(11,845)**	**424,566**
General Fund		**1,419,215**	**6,028,867**	**(5,786,423)**	**11,845**	**1,673,504**
Total Unrestricted Funds		**1,665,308**	**6,251,700**	**(5,818,938)**	**-**	**2,098,070**
Total Funds		**1,668,854**	**6,277,676**	**(5,846,845)**	**-**	**2,099,685**

Notes to the Financial Statements

For the Year Ended 31 March 2024

14. Statement of Funds (continued)

Prior Year		At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Restricted Funds:						
WEBCAS	(a)	9,548	-	(9,548)	-	-
Healthwatch Southend	(b)	1,200	-	(1,200)	-	-
Healthwatch West Berkshire	(c)	3,327	2,650	(5,977)	-	-
Berkshire West CCG	(d)	-	24,756	(24,756)	-	-
West Berkshire Council	(e)	546	1,000	-	-	**1,546**
Portsmouth Heathwatch	(f)	-	2,000	-	-	**2,000**
Healthwatch Database	(g)	-	7,500	(7,500)	-	-
Total Restricted Funds		**14,621**	**37,906**	**(48,981)**	-	**3,546**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(h)	98,971	-	-	(60,584)	**38,387**
Pension Reserve	(i)	73,114	-	-	(19,694)	**53,420**
Strategic Reserve	(j)	108,755	-	-	-	**108,755**
Heathwatch Portsmouth		22,190	5,810	(10,000)	-	**18,000**
Heathwatch Southend	(k)	-	21,204	-	-	**21,204**
Healthwatch Wokingham		-	6,000	-	-	**6,000**
Donations	(n)	-	327	-	-	**327**
Total Designated Funds		**303,030**	**33,341**	**(10,000)**	**(80,278)**	**246,093**
General Fund		**1,337,200**	**5,295,661**	**(5,293,924)**	**80,278**	**1,419,215**
Total Unrestricted Funds		**1,640,230**	**5,329,002**	**(5,303,924)**	-	**1,665,308**
Total Funds		**1,654,851**	**5,366,908**	**(5,352,905)**	-	**1,668,854**

Notes to the Financial Statements

For the Year Ended 31 March 2024

14. Statement of Funds (continued)

Purposes of Fund balances

(a) The WEBCAS fund related to a grant received for advocacy and related services for people with learning difficulties in West Berkshire.

(b) The Healthwatch Southend fund relates to a small grants for its Board development.

(c) The Healthwatch West Berkshire fund relates to grant funding for specific project work during the year.

(d) The Berkshire West CCG fund relates to grant funding for Learning Disability services.

(e) The West Berkshire Council fund relates to grant funding for Learning Disability services.

(f) The Portsmouth Healthwatch fund relates to grant funding fordevelopment work.

(g) The Healthwatch Database fund relates to grant funding for a Civi replacement database.

Designated funds have been allocated by the Trustees for specific purposes and have been reviewed in line with the strategic priorities of the organisation.

(h) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They are expended when the relevant fixed assets are fully depreciated.

(i) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 17 which includes detailed information.

(j) Strategic development - represents an amount allocated to provide funding to promote the development of The Advocacy People.

(k) Designated reserves have been established for each Healthwatch service to support project and development work.

(l) Funding received for the Core20Plus Connectors Programme carried forward for expenditure in the following financial year.

(m) Funding received for the three Healthwatch forming the Berkshire West element of the Berkshire, Oxfordshire and Buckinghamshire ICB from funding received from that organisation.

(n) This represents nonspecific donations which have been allocated to organisational development.

Notes to the Financial Statements

For the Year Ended 31 March 2024

15. Analysis of Net Assets Between Funds

Current year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2024
	£	£	£	£
Restricted funds	-	1,615	-	**1,615**
Unrestricted Funds:				
Designated Funds	36,833	387,733	-	**424,566**
General Funds	-	1,673,728	(224)	**1,673,504**
Total Unrestricted Funds	36,833	2,061,461	(224)	**2,098,070**
Total Funds	36,833	2,063,076	(224)	**2,099,685**

Prior year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2023
	£	£	£	£
Restricted Funds	-	3,546	-	**3,546**
Unrestricted Funds				
Designated Funds	38,387	207,706	-	**246,093**
General Funds	-	1,419,695	(480)	**1,419,215**
Total Unrestricted Funds	38,387	1,627,401	(480)	**1,665,308**
Total Funds	38,387	1,630,947	(480)	**1,668,854**

Notes to the Financial Statements

For the Year Ended 31 March 2024

16. Operating Lease Commitment

	2024	2023
	£	£
The charity has commitments under operating leases for equipment, land and buildings due:		
Within one year	**21,772**	14,391
Within 2 to 5 years	**23,603**	32,151
Total operating lease commitment	**45,375**	46,542

17. Pension liabilities - actual and contingent

TPT Retirement Solutions – The Growth Plan

The Advocacy People participates in a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee of the scheme has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

17. Pension liabilities - actual and contingent (continued)

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. An amount has been recognised in the accounts to provide for this liability (see Note 14).

The Advocacy People recognises a liability measured as the present value of the contributions payable that arise from a deficit recovery agreement and the resulting expense that would be recognised in the income and expenditure account i.e. the unwinding of a discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the charity's balance sheet liability.

	2024	2023
	£	£
Provision at start of period	**480**	753
Unwinding of the discount factor (interest expense)	**18**	14
Deficit contribution paid	**(274)**	(274)
Remeasurements - impact of any change in assumptions	**-**	(13)
Remeasurements - amendments to the contribution schedule	**-**	-
Provision at end of period	**224**	480

Assumes discount rates of 5.31% (31/03/24) and 5.52% (31/03/23) which are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions

The charity has also established a designated reserve to provide for the contingent liability that would arise if The Advocacy People were to decide to withdraw from the Pensions Trust, which is estimated at £41,575. (see Note 14(i)). However, there are no plans currently to exit the scheme.

The Advocacy People

England & Wales - Charity number 1080679

Accounts

The Advocacy People

Financial Statements

Year ended 31 March 2023

Charity No: 1080679

Company No: 03963421

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Reference and Administrative Details

Trustees	J. Dodson	Chair
	A. Chambers (retired 2 December 2022)	
	T. O'Brien	
	I. Bews	Hon. Treasurer
	A. Solemani (nee Steel)	
	C. Bates (retired 23 June 2023)	
	S. Gandhi-Whitaker	
	E. Nistor-Lustermans	
	S. Yang	
Chief Executive & Company Secretary	M. Hilton	
Registered Office	Rock House 49-51 Cambridge Road Hastings East Sussex	TN34 1DT
Auditors	Kreston Reeves LLP 37 St Margaret's Street, Canterbury	CT1 2TU
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester	M60 4EP
	Lloyds Bank 25 Gresham Street London	EC2V 7HN
Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex	RH16 4BX

Report of the Trustees
for the year ended 31st March 2023

The Trustees of The Advocacy People present their annual report for the year 1st April 2022 to 31st March 2023.

Our vision

The Advocacy People believe in a society where people feel in control of their lives and are confident to speak up, and where people who can't speak up for themselves have someone in their corner to speak for them.

It is our mission to:

- help anybody that needs independent support to speak up.
- deliver quality and innovation through our practice.
- improve people's lives individually and collectively through putting their case to policymakers.

Our Values

- People are at the heart of what we do. Anyone can feel powerless and unable to speak up when faced with a difficult situation. Anyone should have access to an advocate.
- People matter. In an equal society, decisions about people's lives must be made fairly, involving the person as far as possible.
- People make the difference. If our staff are happy at work, they will be effective at work.
- People should be heard at every level of policy and decision-making. We work hard to make this happen.

We are clear that the people-centred fundamentals of advocacy and the related services we deliver and manage should be at the heart of how we think about public services. This is particularly true when those using services are in vulnerable situations.

It is also through these people-centred values that we can best harness the energy and ideas to be the best that we can be. We want to work in concert with partners who bring expertise about specific things in specific areas; and we all need to work effectively together as colleagues.

We look to invest resources in monitoring, influencing, and responding to key developments and initiatives in the external environment, particularly within the health and social care arena. We work to ensure that client views, concerns and experiences influence service policy, planning, and delivery through our local teams.

Those that can flex and adapt will thrive; so, all our delivery models can and should evolve.

The Advocacy People work beyond our own direct delivery responsibilities to improve health and social services on both local and national levels through strong local relationships, effective collaborations, and appropriate contributions to wider debates. We will pursue this by seeking to improve and grow the services we deliver and manage and by identifying opportunities for new and better services.

Scope of Operations

The Advocacy People works mainly across the south of England, with services from Cornwall to Kent, and from Southampton to Milton Keynes.

Structure, Governance and Management Governing Documents

The Advocacy People 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 in 2023.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity comply with the Charities Act 2011, the Companies Act 2006, its Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 2006. 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.

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved: there is no relevant audit information of which the charity auditors are unaware, and the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisation Structure

The Board of Trustees govern the charity and meet regularly to manage and control the resources administered by the charity. The Board of Trustees now has seven members recruited from a diverse range of applicants. All trustees give their time freely and receive no remuneration.

The Senior Leadership Team comprises the Chief Executive, Operations Director, Business Development Director, Finance Director, and HR Director, who oversee day-to-day policy and decision making as well as implementation of the business plan. The Senior Leadership Team submit reports on the work of the organisation to the Board and attend relevant Board agenda items.

During the year, the Trustees met on three occasions in full Board meetings. The Board received and considered regular reports relating to the management, development, and finances of the organisation, including challenging key performance indicators which allow the Board to track progress in delivering its strategic plan.

The Board has an Audit and Risk Management Sub-Committee which reviews financial and strategic matters in more detail and reviews risks that could prevent the organisation from achieving its strategic objectives. This Committee meets at least three times per year and its membership includes Trustees, the Chief Executive and the Finance Director.

Separately appointed advisory structures are in place for each of our Healthwatch, whose staff are managed by The Advocacy People under the auspices of the main Board of The Advocacy People.

Recruitment and Appointment of the Board

The Trustees are the directors of the charity for the purposes of the Companies Act and 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.

All trustees undergo a DBS check as part of the recruitment process and receive a Trustee handbook, and Trustee Code of Practice outlining their role and responsibilities. As part of their induction, Trustees meet with the CEO and other relevant managers.

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.

Risk Management and Audit

The major risks to which the charity could be exposed, as identified by the Board and the Audit and Risk Sub Committee, have been reviewed on an ongoing basis, and systems have been established to mitigate those risks.

Senior management regularly review and update the charity's risk register, and prioritise key risks on which to focus, and review and update identified risks and mitigations for their specific areas of responsibility. the ongoing commissioning environment which makes it challenging to develop innovative service models where costs are severely constrained; the need to ensure a balanced budget and support enhanced central services, and cyber security risks around the threat from phishing or other attacks on our ICT infrastructure.

The key risks facing the organisation are being mitigated by regular financial and performance reporting, which is reviewed by operational and senior management, as well as updates reported to each Board meeting.
Risk management practices are in place to manage risks around health and safety and human resource issues. Relevant operational procedures detailing expected practice for staff and managers, and policies and procedures have been kept under review during the year.

Compliance and quality assurance issues are reported to the Management Team who receive regular reports from each team and review specific areas of work. Reports summarising this work or highlighting specific areas are reported to the Board.

The Advocacy People has insurance policies in place to satisfy contractual requirements and ensure the organisation is protected against unforeseen events, for example a person being injured at premises or a claim in relation to services provided by the charity.

Staffing

The Advocacy People employed an average of 183 staff (135 FTE) in the year, and an average of 60 volunteers contributed their services to the organisation.

Matthew Hilton, Chief Executive Officer, continues to lead the organisation successfully with the support of his Senior Leadership Team, wider management team and Trustees through another challenging year, having started to recover from the impact of Covid-19, only to put into a further difficult situation with the significant financial impact caused by external factors, notably the war in Ukraine.

Through 2022/23, the Senior Leadership Team has maintained a close watch on the impact of the events abroad and the significant fallout that has been unleashed on the UK as whole, and particularly us as a charitable organisation. The main impact has been on the events leading to the financial crises that have arisen and how this has translated into the pockets of our hard-working staff.

We are consequently not seeing any real improvements within the Local Authority tender offerings, but as with other challenges, we have ensured staff have been supported as far and as fully as possible within our available means. This has included implementation of the new reward package, including improved salaries and grade structures and better sick pay under the pay and conditions review. We were also able to provide a small additional payment mid-year in support of helping our staff in these difficult times.

Covid-19 has still left a mark for some employees with Long Covid presenting symptoms for some employees and we support them to enable flexible working to ensure they can still work and reduce the impact on their mental health in what is the 'new normal'.

Our staff have a wide range of skills and experiences which they bring to their work. We have found that the 'new normal' has resulted in more use of technology and therefore, adjusting to these changes has identified that now more than ever, we need to have digital competency as a complementary skill with others in the modern workplace.

As part of the drive to ensure the organisation is well placed to continue its current and future journey to support clients, we have employed a Learning and Development specialist who has already made an impact with the staff. They will be instrumental in helping us shape our succession planning and talent pipeline strategies to deliver against our performance criteria and ensure we have the right skills for the right roles on a consistent basis. As a result, there is a range of work planned for 2023 onwards to drive through changes to maintain our competitive edge in the marketplace.

Remuneration policy for senior staff

The pay of the senior staff has been set at a specific scale or at a fixed sum benchmarked against similar organisations. Any organisational uplift in salaries is agreed annually by the Board for all staff. Any other substantial changes to remuneration are agreed to by members of the Board.

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 United Kingdom".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using services, including but not exclusively 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, which may include complaints.

We achieve this in various ways:

- Advocates and others provide information, support and representation to clients relating to specific difficulties, concerns, or complaints.
- The organisation works directly with service providers and policy makers at local and national level, aiming to ensure that client experiences are at the heart of policy development and service planning, implementation, and monitoring.
- The Advocacy People's delivery of Healthwatch is an integral part of our commitment to ensuring effective, locally accountable health and social services.

Ensuring our work delivers our aims

We have reviewed our underlying strategic approach and continue to build on our core strength as an advocacy organisation to find ways of bringing value to our clients in the changing world in which we live.

With the continuous reduction in public spending, the Board is committed to diversifying its funding from statutory advocacy. In particular we have successfully expanded the reach of our Healthwatch services to six local authorities.

We also believe that advocacy is a service that would benefit many more people and that it is a tool to promote social justice and can support vulnerable people towards living more secure, independent, and fulfilled lives. Our objectives are underpinned by operational, business, and financial plans.

The Advocacy People has set high level key performance indicators for the Board to assure themselves that the organisation is travelling in the right direction.

The Advocacy People's partnership strategy is predicated on supporting the sustainability of the advocacy sector and local specialist providers to extend the reach of services into seldom heard or hard to reach communities. We work with a range of partner organisations to deliver statutory and non-statutory advocacy services. The partnerships allow us to tailor our services to meet the needs of a range of clients and support the diversity of the voluntary sector.

We conduct regular client and professionals' surveys to ensure that we meet stakeholder requirements. We work closely with statutory and third sector colleagues to ensure our work priorities are informed by client feedback as well as by central and local commissioning priorities, and ongoing changes to health, social care, and other core agendas. Our client impact surveys show how advocacy contributes to improving health and wellbeing.

Whilst we have always been focused on outcomes and have looked for savings in how we operate, our need to identify innovative ways of working, including remote and digital solutions and developing robust collaboration and partnership arrangements is likely to become ever more important in the future.

The focus of our work

Independent advocacy is concerned with maximising people's involvement in decisions made about their lives. Our advocates support people with different needs including helping people understand information, express their needs, views, and wishes, secure their rights, represent their interests, and obtain the care and support they need. Advocates work in partnership with the people they support in accordance with the advocacy principles of being person-centered, independent, confidential, and empowering.

Over the last year, the delivery of local Healthwatch has become an increasing part of our portfolio of services. Healthwatch is the local health and social care champion for people who use GPs and hospitals, dentists, pharmacies, care homes or other support services in their areas. Healthwatch are independent and have the power to make sure NHS leaders and other decision makers listen to local feedback and improve standards of care. Healthwatch also helps people find reliable and trustworthy information and advice to help them get the support they need.

Staff across all services 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.

We work hard to ensure people facing disability, health, transport, rural mobility, language, or other barriers are never excluded from receiving high-quality advocacy. Embedded in our ethos is responding to feedback, promoting reflective practice, and following the Advocacy Charter and Equality Act. We work to the principles of the industry recognised NDTi Advocacy Charter and Code of Practice and hold the Advocacy Quality Performance Mark (QPM), now renewed until May 2026.

Service users and volunteers

We believe that service user involvement and volunteering are central to our mission and values. Our service delivery is further supported by the placement of Social Work and Nursing students, and we are looking toward utilising apprenticeships. Service users continue to be involved in recruitment panels and earlier in the year a learning disability group in Cornwall co-produced an easy read Self Help Information Pack (SHIP) for health complaints.

We continue to develop support for volunteers including employing specific volunteer coordinator posts where budgets allow. We have a dedicated Volunteer Focus Group which meets quarterly to share good practice.

Our Healthwatch continued to be supported by volunteers in a variety of roles including Advisory Group activities, research, community engagement, recruitment, report writing and Enter and View visits. With the onboarding of three new Healthwatch, significant time was invested in recruiting and onboarding new members. We received funding from Healthwatch England to support Advisory Board recruitment in Southend and the learning was shared across our Healthwatch.

We continued to work with colleges and universities across our geographical patch to encourage social work student placements with our local advocacy teams. The feedback we receive is that the students take the "advocacy message" back to their peers when they return.

How our activities deliver public benefit

The Trustees consider that they have complied with their duty under the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission.

In addition to supporting clients to find successful resolutions to their concerns, issues, complaints or statutory rights, clients tell us that receiving advocacy support enables them to feel more empowered and in control of their lives and leads them to develop self-advocacy skills which assist them (and in some cases, their peers) in the future. This feedback is shared with commissioners who can then see the human impact of the advocacy they are commissioning in their locality.

Taking lessons learned over recent years, we continue to offer flexible solutions to ensure continuity of our services, whilst ensuring our working practices remain as far as possible inclusive and accessible for our clients.

Who used and benefited from our services?

In 2022/23 The Advocacy People accepted 12,792 (2022 –12,321) new advocacy cases, as well as dealing with a further 5,541enquiries and signposting requests. Our Contact Centre received 21,068 (2022 – 25,554) calls and handled 40,267 (2022 - 34,681) emails.

The Advocacy People provides services to a range of people including:

- Adults with mental health issues
- Parents going through Child Protection legal process
- Adults with learning disabilities
- Complaints about NHS care or treatment
- Social Care complaints
- Gypsy and Traveller Communities
- Older People
- People with physical disabilities and/or sensory impairments
- People with dementia-type conditions and acquired brain injury
- Prisoners
- Children Young People & Families

As well as non-statutory advocacy provision, eg community advocacy, self-advocacy groups, The Advocacy People provides statutory advocacy including:

- Independent Health Complaints Advocacy
- Independent Mental Capacity Advocacy
- Independent Mental Health Advocacy
- Deprivation of Liberty Safeguards
- Independent Care Act Advocacy
- Statutory Children's Advocacy

For information about Healthwatch activities and impact, please refer to their Annual Reports for the year April 2022 – March 2023:

https://www.healthwatchportsmouth.co.uk/healthwatch-annual-report-22-3
https://www.healthwatchreading.co.uk/post/our-annual-report-now-published-2022-2023
https://www.healthwatchsouthend.co.uk/what-has-healthwatch-southend-been-doing
https://www.healthwatchwestberks.org.uk/healthwatch-west-berkshire-annual-report-2022-2023
https://www.healthwatchwokingham.co.uk/post/our-annual-report-for-2022-23-is-live

Achievements and Performance

Outcomes and impact

Overall, 91% (2022 - 88%) of instructed clients were satisfied or very satisfied with our advocacy services

Services

During the year, the following contracts started:

- East Sussex Health Complaints Advocacy (retained)
- Healthwatch Southend (new)
- Healthwatch Wokingham Borough (new)
- Healthwatch Reading (new)
- Reading adult advocacy (new)
- Bracknell Forest all age advocacy (adding children's & young people to retention of adult advocacy)
- Bracknell Forest Learning Disability Partnership Board and autism sub-group (new)
- London Borough of Wandsworth advocacy for children and young people (new)
- Restraint and seclusion at Prospect Park Hospital (new)

No contracts ended.

The following contracts were secured for start during the financial year 2023/24:

- Healthwatch Hampshire (new)
- Southampton all age advocacy (new)

Plans for the future

We remain clear that the need for advocacy is all the more important to protect and promote the rights of those least heard. It is more vital than ever that we continue to review how we deliver services to ensure that we can provide value for money and high-quality services.

Building on our work of recent years, local advocacy and Healthwatch teams continue developing their working relationships wherever we work. We believe that the best way of delivering our services to those who need them the most is by working alongside and in partnership with community organisations.

We welcome working with partners where they can bring local or specific service user expertise that we lack. We want our staff and partners to feel empowered to innovate, to feel that The Advocacy People is a place that values their creativity. We recognise the importance of local branding for our services, where we work in tandem with partners to provide locality focused advocacy.

What we do is all about what the clients need, so we want to be confident and bold in building on our service offering to bring value to those clients. We will explore ways of building on our existing skills to provide additional services to ensure clients get the information they need and can get the support they want.

Financial Review

Actual income increased by 6% (2022 – 7%) due to additional contract income from new services primarily relating to additional Healthwatch but also advocacy services such as a new contract for children and young people. Inflation uplifts from existing contracts averaged below one percentage point.

Additional costs emerged relating to staffing with a review of pay scales and other conditions which resulted in improved remuneration for staff, particularly for those at the bottom of our scale points. We relocated our head office to cheaper but better suited premises, which resulted in a number of one-off costs for removals and end of term redecoration but removed the need for a lease liability accrual (Note 13).

There was continued investment in new equipment and software with a new database developed for our Healthwatch services. At the start of the financial year the threshold for capital items was increased to £2,000 and the charge for previous equipment held at values below this was written off (Note 9).

Total income received was £5,366,908 (2022 - £5,037,602) and total expenditure incurred during the year was £5,352,905 (2022 - £4,781,570). This resulted in a net inflow of funds of £14,003 (2022 - £256,032). This was split between a net outflow of funds from restricted reserves of £11,075 (2022 - £20,919); and a net inflow on unrestricted reserves of £25,078 (2022 – net outflow of £276,951).

Cash balances increased by 4% to £1,234,258 (2022 £1,189,357) at the year-end due to a net inflow of funds. Debtors and prepayments at the year-end were £890,582 (2022 - £833,426), and creditors and accruals were £493,893 (2022 - £460,229).

A balanced budget was set for 2023/24 based on continued growth in income from new contracts and savings on premises costs, whilst at the same investing in additional staffing and funding continued enhancement of our ICT infrastructure, in particular to ensure the highest standards of data security.

Principal funding sources

The charity is primarily funded by contracts with statutory bodies, with 89% (2022 - 86%) of income from charitable activities relating to statutory services provided to public authorities. Funding for non-statutory advocacy decreased to 10% of income (2022 - 11%). Healthwatch and other services provided 10% (2022 - 6%) of income.

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 cover any costs that might arise from the sudden end of a contract, and to ensure sufficient cash flow to finance current operations or meet other contingencies that cannot be met out of current income.

Restricted reserves of £3,546 (2022 - £14,621) are held, where the purpose of the funding was granted for a specific purpose or objective, and funds remained unspent by the yearend. This will be drawn upon to fund specific work in line with their original purpose.

Designated funds of £246,094 (2022- £303,030) have been allocated by the Board for specific purposes such as investment to develop new services. This includes a Fixed Asset Reserve which is set at a level equivalent to net fixed assets representing the capital investment made in computers, software, furniture, and equipment; and a Pensions Reserve to provide for a contingent liability which would arise if The Advocacy People were to withdraw from membership of the Pensions Trust.

At the end of the year the balance of the charity's free reserves was £1,419,215 (2022 - £1,337,200), an increase for the year of £85,014. This is after a transfer for £19,694 from the pension reserve relating to a reduction in the contingent liability being reported for the scheme, as well as a transfer of £60,583 from the fixed asset designated fund. The level of free reserves at 31/03/23 was equal to 3.2 months (2022 – 3.4 months) of operating expenditure.

It is the opinion of the trustees that the current level of reserves is justified given the significant uncertainties facing The Advocacy People. The Trustees therefore have taken the level of free reserves into account in their assessment of the risks facing the organisation.

Investment Policy

The Advocacy People holds any cash in excess of working capital requirements on deposit primarily with the Co-operative Bank. The amount of interest earned during the year was £9,252 (2022 - £1,469). This equates to a return of 0.76% based upon the average of the opening and closing bank balances (2022- 0.12%).

The Advocacy People has an ethical investment policy outlining human rights and environmental criteria with which potential investment institutions are assessed. To meet these objectives, The Advocacy People invests in fixed-term or call accounts with institutions that are considered to comply with our ethical criteria and have a high security rating.

Taking into consideration the overall level of reserves, and the level of reserves which are ear-marked for expenditure in the next year, the charity has a policy of investing for the short term only.

Going Concern

Given the factors reviewed above and in the light of The Advocacy People's financial position, its current range of activities linked to specific contracts and its track record of obtaining new work, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. In line with note 1(p) to these accounts the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Jane Dodson.

Jane Dodson
Chair
1st December 2023

Independent Auditors' Report to the Members of The Advocacy People

Opinion

We have audited the financial statements of The Advocacy People (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of the Charity's income and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Independent Auditors' Report to the Members of The Advocacy People (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non- compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law; and

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 6.12.23

Statement of Financial Activities (Incorporating an Income & Expenditure Account)

For the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	**2023 Total funds £**	2022 Total funds £
Income from:					
Donations	2	327	2,650	**2,977**	907
Charitable activities	3	5,319,423	35,256	**5,354,679**	5,035,226
Investment income		9,252	-	**9,252**	1,469
Total income		**5,329,002**	**37,906**	**5,366,908**	5,037,602
Expenditure on:					
Charitable activities	4	**5,303,924**	**48,981**	**5,352,905**	4,781,570
Total expenditure		5,303,924	48,981	**5,352,905**	4,781,570
Net income		25,078	(11,075)	**14,003**	256,032
Funds at 1 April 2022		1,640,230	14,621	**1,654,851**	1,398,819
Funds at 31 March 2023		**1,665,308**	**3,546**	**1,668,854**	1,654,851

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 41 form part of these financial statements.

Balance Sheet

As at 31 March 2023

	Notes	£	2023 £	2022 £
Fixed Assets				
Intangible Assets	8		**38,387**	44,385
Tangible Assets	9		**-**	54,585
			38,387	98,970
Current Assets				
Debtors and Prepayments	10	**890,582**		833,426
Cash at Bank and in Hand		**1,234,258**		1,189,357
		2,124,840		2,022,783
Creditors: Amounts falling due within 1 year	11	**(493,893)**		(460,229)
Net Current Assets			**1,630,947**	1,562,554
Creditors: Amounts falling due after more than 1 year	13		**(480)**	(6,673)
Net Assets			**1,668,854**	1,654,851
Funds				
Restricted Funds	14		**3,546**	14,621
Unrestricted Funds				
Designated Funds		**246,093**		303,030
General Funds		**1,419,215**		1,337,200
Total Unrestricted Funds			**1,665,308**	1,640,230
Total Funds			**1,668,854**	1,654,851

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The notes on pages 23 to 41 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 1st December 2023 and signed on their behalf by:

I Bews
Hon. Treasurer

J Dodson
Chair

Statement of Cash Flows

For the Year Ended 31 March 2023

	2023 Total funds £	2022 Total funds £
Cashflows from operating activities		
Net Income	**14,003**	256,032
Depreciation and amortisation	**70,244**	70,367
Investment income	**(9,252)**	(1,469)
(Increase) in debtors	**(57,157)**	(221,895)
Increase in creditors	**27,471**	116,284
Net cash provided by operating activities	**45,309**	219,319
Cash flows from investing activities:		
Deposit interest received	**9,252**	1,469
Payments to acquire tangible and intangible fixed assets	**(9,660)**	(61,349)
Net cash (used in) investing activities	**(408)**	(59,880)
Change in cash and cash equivalents in the year	**44,901**	159,439
Cash and cash equivalents at 1st April	**1,189,357**	1,029,918
Cash and cash equivalents at 31st March	**1,234,258**	1,189,357

	At 1 April 2022	Cashflows	**At 31 March 2023**
Cash flows from investing activities:			
Cash at Bank and in Hand	1,189,357	44,901	**1,234,258**

The notes on pages 23 to 41 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2023

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) ('Charities SORP FRS 102') (Second Edition, effective 1 January 2019) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in UK pound sterling, which is the Charity's functional currency, and rounded to the nearest pound.

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

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activites 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. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when

Investment income compromises solely of interest on cash deposits.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 2023

d) Expenditure

Cost of raising funds i.e. those costs incurred in attracting voluntary income are no longer considered significant and there are no costs incurred in trading activities that are purely to 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.

Expenditure is 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 4) 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 Trustees' 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 are held seperately 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 Activites represent the contributions payable by the charity in the year.

f) Taxation

The charitable company is a registered charity and is exempt from the taxation of income falling within chapter 3 part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this income is used to achieve its charitable objectives. No charge to taxation for the year has arisen as a result of the activities of the charity.

Value Added Tax is not recoverable by the charitable company and is included within the relevant costs in the statement of financial activities.

Notes to the Financial Statements

For the Year Ended 31 March 2023

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for The Advocacy People - principally software. For intangible assets over £2000 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

h) Tangible fixed assets

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 and laptops	33% per annum straight line

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

i) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

j) Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account

k) Creditor Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the Financial Statements

For the Year Ended 31 March 2023

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) 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.

n) Services provided by volunteers

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

o) Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced at the end of the economic life of such equipment which is normally five years. Operating leases payable for the use of premises are charged on a straight line basis over the term of the lease.

p) Going Concern

The Board of Trustees have taken account of The Advocacy People's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and exposure to price and cash flow risks as described in the Report of the Trustees on page 2-14. In particular by preparing multi-year budgets and forward looking cashflow analysis and projections.

The Advocacy People has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas such as Healthwatch provision. As a consequence, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

Notes to the Financial Statements

For the Year Ended 31 March 2023

q) Critical accounting estimates and areas of judgement

Preperation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made includes: - the useful economic lives attributed to the intangible fixed assets to determine the appropriate depreciation and amortisation charges;
- the basis on which support costs have been allocated across expenditure headings;
- the estimated value of accrued income and work in progress;
- the recoverability of trade debtors.

2. Income from donations

	Unrestricted	Restricted	**2023 Total**	2022 Total
	£	£	**£**	£
Donations	327	2,650	**2,977**	907
	327	2,650	**2,977**	907

No restricted income from donations was received in 2022.

3. Income from charitable activities

The income, surplus for the year and net assets are attributable to the principal activity, which is primarily to provide advocacy services and the provision of Healthwatch. The charity operates in, and the whole of its income is derived from, the United Kingdom.

	Unrestricted	Restricted	**2023 Total**	2022 Total
	£	£	**£**	£
Statutory advocacy	4,249,515	-	**4,249,515**	4,183,020
Nonstatutory advocacy	519,329	35,256	**554,585**	556,750
Healthwatch	530,175	-	**530,175**	204,032
Other services	20,404	-	**20,404**	91,424
Total income	5,319,423	35,256	**5,354,679**	5,035,226

Restricted income from nonstatutory advocacy was £15,441 in 2022.

Notes to the Financial Statements

For the Year Ended 31 March 2023

4. (a) Analysis of Expenditure

Current Year	Basis of allocation	Statutory Advocacy £	Nonstatutory Advocacy £	Healthwatch £	Other services £	Governance £	**2023 Total £**	2022 Total £
Direct costs								
Staff Costs	Direct	2,844,920	339,028	372,656	6,392	15,628	**3,578,624**	3,062,189
Staff related costs	Direct	158,197	22,076	10,728	1,243	1,966	**194,210**	137,535
Rent and service costs	Direct	2,040	510	19,371	-	-	**21,921**	12,580
ICT and administration costs	Direct	148,841	20,307	33,388	2,477	484	**205,497**	147,521
Subcontractor fees	Direct	449,149	79,730	360	-	910	**530,149**	503,038
Professional fees and similar	Direct	19,109	2,406	19,084	1,006	10,118	**51,723**	71,431
Depreciation	Direct	28,567	3,366	4,681	-	250	**36,864**	42,979
		3,650,823	467,423	460,268	11,118	29,356	**4,618,988**	3,977,273
Support costs								
Staff Costs	Staff time	391,366	46,639	51,265	880	-	**490,150**	534,097
Staff related costs	Staff time	2,255	269	295	5	-	**2,824**	1,405
Rent and service costs	Staff time	24,473	2,916	3,206	55	-	**30,650**	27,586
ICT and administration costs	Staff time	110,638	13,185	14,492	249	-	**138,564**	179,313
Professional fees and similar	Staff time	30,620	3,649	4,011	69	-	**38,349**	34,508
Depreciation	Staff time	26,653	3,176	3,491	60	-	**33,380**	27,388
		586,005	69,834	76,760	1,318	-	**733,917**	804,297
Total		4,236,828	537,257	537,028	12,436	29,356	**5,352,905**	4,781,570

Notes to the Financial Statements

For the Year Ended 31 March 2023

4. (b) Analysis of Expenditure

Prior Year

	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Healthwatch	Other services	Governance	**2022 Total**	2021 Total
		£	£	£	£	£	**£**	£
Direct costs								
Staff Costs	Direct	2,604,916	296,285	131,772	16,759	12,457	**3,062,189**	2,991,690
Staff related costs	Direct	118,486	13,683	1,658	1,557	2,151	**137,535**	36,609
Rent and service costs	Direct	1,557	1,495	9,528		-	**12,580**	32,203
ICT and administration costs	Direct	122,655	14,749	8,371	1,273	473	**147,521**	128,644
Subcontractor fees	Direct	432,093	70,249	696	-	-	**503,038**	475,827
Professional fees and similar	Direct	23,533	2,646	350	33,885	11,017	**71,431**	60,580
Depreciation	Direct	36,620	4,651	1,670		38	**42,979**	50,213
		3,339,860	403,758	154,045	53,474	26,136	**3,977,273**	3,775,766
Support costs								
Staff Costs	Staff time	456,197	51,888	19,309	6,703	-	**534,097**	505,450
Staff related costs	Staff time	1,230	142	24	9	-	**1,405**	6,048
Rent and service costs	Staff time	3,414	3,278	15,510	5,384	-	**27,586**	50,370
ICT and administration costs	Staff time	147,929	18,976	9,211	3,197	-	**179,313**	125,477
Professional fees and similar	Staff time	13,442	1,511	14,516	5,039	-	**34,508**	12,385
Depreciation	Staff time	23,357	2,966	791	274	-	**27,388**	38,529
		645,569	78,761	59,361	20,606	-	**804,297**	738,259
Total		3,985,429	482,519	213,406	74,080	26,136	**4,781,570**	4,514,025

Notes to the Financial Statements

For the Year Ended 31 March 2023

4. (c) Analysis between Restricted and Unrestricted Expenditure

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Direct costs						
Staff Costs	3,546,760	31,864	**3,578,624**	3,034,816	27,373	3,062,189
Staff related costs	193,776	434	**194,210**	134,571	2,964	137,535
Rent and service costs	20,391	1,530	**21,921**	11,260	1,320	12,580
ICT and administration costs	196,904	8,593	**205,497**	146,735	786	147,521
Subcontractor fees	530,149	-	**530,149**	503,038	-	503,038
Professional fees and similar	51,639	84	**51,723**	71,363	68	71,431
Depreciation	36,572	292	**36,864**	42,572	407	42,979
	4,576,191	42,797	**4,618,988**	3,944,355	32,918	3,977,273
Support costs						
Staff Costs	486,163	3,987	**490,150**	530,762	3,335	534,097
Staff related costs	2,813	11	**2,824**	1,396	9	1,405
Rent and service costs	30,426	224	**30,650**	27,410	176	27,586
ICT and administration costs	137,106	1,458	**138,564**	178,167	1,146	179,313
Professional fees and similar	38,068	281	**38,349**	34,287	221	34,508
Depreciation	33,157	223	**33,380**	27,213	175	27,388
	727,733	6,184	**733,917**	799,235	5,062	804,297
Total	5,303,924	48,981	**5,352,905**	4,743,590	37,980	4,781,570

Notes to the Financial Statements

For the Year Ended 31 March 2023

5. Net (expenditure)/income for the year

This is stated after charging:	**2023**	2022
	£	£
Depreciation and amortisation	**70,244**	70,367
Auditors' Remuneration: Audit	**10,920**	10,920
Operating Lease Rentals: Property	**14,391**	10,257

6. Trustee Remuneration, Expenses & Related Party Transactions

No trustees received any remuneration from the charity in their capacity as trustees. Reimbursement of travel and accommodation costs amounting to £466 (2022 - £ 727) were reimbursed to 1 trustee (2022 - 4 trustees). No trustees received payments in any other capacity.

The Charity has not entered in to any related party transactions (2022 - £ Nil) and has no balances outstanding with any related parties at the Balance Sheet date (2022 - £ Nil).

Notes to the Financial Statements

For the Year Ended 31 March 2023

7. Staff Costs and Numbers

	2023	2022
Staff costs were as follows:	**£**	£
Wages and Salaries	**3,661,761**	3,250,279
Agency fees	**11,055**	8,720
Social Security Costs	**299,909**	250,966
Employer Pension Contributions	**96,049**	86,321
	4,068,774	3,596,286

Employee remuneration for employees earning more than £60,000:

	2023	2022
£60,000-£70,000	**1**	1

The key management personnel of the charity, comprise the Chief Executive Officer, Operations Director, Business Development Director, ICT Director (left during the year and not replaced), Finance Director and HR Director. The total employee benefits of the key management personnel of the Charity was £290,802 (2022: £298,803).

The charity pays employer contributions to 146 (2022 - 148) staff who are members of a defined contribution pension scheme (see note 17).

The average weekly number of employees during the year (head count) was as follows:

	2023	2022
Advocacy Services	**144**	138
Healthwatch and Contact Centre	**21**	14
Management and Administration	**18**	15
Total	**183**	167
Fulltime equivalent staff	**135**	129

Notes to the Financial Statements

For the Year Ended 31 March 2023

8. Intangible Fixed Assets

	Software purchased	Software developed in house	**Total**
	£	£	**£**
COST			
At 1 April 2022	26,408	48,300	**74,708**
Additions in Year	-	9,660	**9,660**
Disposals in Year	(6,679)	-	**(6,679)**
At 31 March 2023	19,729	57,960	**77,689**
AMORTISATION			
At 1 April 2022	11,005	19,318	**30,323**
Charge for the Year	4,066	11,592	**15,658**
Disposals in Year	(6,679)	-	**(6,679)**
			-
At 31 March 2023	8,392	30,910	**39,302**
NET BOOK VALUE			
At 31 March 2023	**11,337**	**27,050**	**38,387**
At 1 April 2022	15,403	28,982	44,385

Notes to the Financial Statements

For the Year Ended 31 March 2023

9. Tangible Fixed Assets

	Computer equipment	Office equipment	**Total**
	£	£	**£**
COST			
At 1 April 2022	148,160	8,158	**156,318**
Additions in Year	-	-	**-**
Disposals in Year	(148,160)	(8,158)	**(156,318)**
At 31 March 2023	-	-	**-**
DEPRECIATION			
At 1 April 2022	93,807	7,926	**101,733**
Charge for the Year	54,353	232	**54,585**
Disposals in Year	(148,160)	(8,158)	**(156,318)**
At 31 March 2023	-	-	**-**
NET BOOK VALUE			
At 31 March 2023	**-**	**-**	**-**
At 1 April 2022	54,353	232	54,585

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

10. Debtors and Prepayments

	2023	2022
	£	£
Trade Debtors	**686,095**	472,026
Prepayments	**35,458**	40,149
Accrued income	**169,029**	321,251
	890,582	833,426

11. Creditors : Amounts falling due within one year

	2023	2022
	£	£
Taxation and Social Security	**84,696**	79,709
Trade Creditors	**77,034**	86,470
Accruals	**271,754**	255,994
Deferred income (see note 12)	**60,409**	38,056
	493,893	460,229

12. Deferred income

	2023	2022
	£	£
Balance at the beginning of the year	**38,056**	35,056
Amount released to income in the year	**(38,056)**	(35,056)
Amount deferred in the year	**60,409**	38,056
	60,409	38,056

13. Creditors : Amounts falling due after more than one year

	2023	2022
	£	£
Pension liability (note 17)	**480**	753
Lease liability accrual	**-**	5,920
	480	6,673

Pension liability is to provide for an identified liability relating to a shortfall on the employee pension scheme.

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds

Current year		At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Restricted Funds:						
WEBCAS	(b)	9,548	-	(9,548)	-	-
Healthwatch Southend	(c)	1,200	-	(1,200)	-	-
Healthwatch West Berkshire	(d)	3,327	2,650	(5,977)	-	-
Berkshire West CCG	(e)	-	24,756	(24,756)	-	-
West Berkshire Council	(f)	546	1,000	-	-	**1,546**
Portsmouth Heathwatch	(g)	-	2,000	-	-	**2,000**
Healthwatch Database	(h)	-	7,500	(7,500)	-	-
Total Restricted Funds		**14,621**	**37,906**	**(48,981)**	**-**	**3,546**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(i)	98,971	-	-	(60,584)	**38,387**
Pension Reserve	(j)	73,114	-	-	(19,694)	**53,420**
Strategic Reserve	(k)	108,755	-	-	-	**108,755**
Heathwatch Portsmouth	(l)	22,190	5,810	(10,000)	-	**18,000**
Donations	(m)	-	327	-	-	**327**
Heathwatch Southend	(n)	-	21,204	-	-	**21,204**
Healthwatch Wokingham	(o)	-	6,000	-	-	**6,000**
Total Designated Funds		**303,030**	**33,341**	**(10,000)**	**(80,278)**	**246,093**
General Fund		**1,337,200**	**5,295,661**	**(5,293,924)**	**80,278**	**1,419,215**
Total Unrestricted Funds		**1,640,230**	**5,329,002**	**(5,303,924)**	**-**	**1,665,308**
Total Funds		**1,654,851**	**5,366,908**	**(5,352,905)**	**-**	**1,668,854**

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds (continued)

Prior Year

		At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Restricted Funds:						
Plymouth Training	(a)	1,250	-	(1,250)	-	-
WEBCAS	(b)	25,799		(16,251)	-	**9,548**
Healthwatch Southend	(c)	-	1,200	-	-	**1,200**
Healthwatch West Berkshire	(d)	7,945	-	(4,618)	-	**3,327**
Berkshire West CCG	(e)	-	15,441	(15,441)		-
West Berkshire Council	(f)	546		-	-	**546**
Total Restricted Funds		**35,540**	**16,641**	**(37,560)**	-	**14,621**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(i)	107,989	-	-	(9,018)	**98,971**
Pension Reserve	(j)	105,937	-	-	(32,823)	**73,114**
Strategic Reserve	(k)	108,755	-	-	-	**108,755**
Healthwatch Portsmouth	(l)	-	22,190	-	-	**22,190**
Total Designated Funds		**322,681**	**22,190**	-	**(41,841)**	**303,030**
General Fund		**1,040,598**	**4,998,771**	**(4,744,010)**	**41,841**	**1,337,200**
Total Unrestricted Funds		**1,363,279**	**5,020,961**	**(4,744,010)**	-	**1,640,230**
Total Funds		**1,398,819**	**5,037,602**	**(4,781,570)**	-	**1,654,851**

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds (continued)

Purposes of Fund balances

(a) The Plymouth Training fund related to a donation received for staff training in the Plymouth team.

(b) The WEBCAS fund related to a grant received for advocacy and related services for people with learning difficulties in West Berkshire.

(c) The Healthwatch Southend fund relates to a small grants for its Board development.

(d) The Healthwatch West Berkshire fund relates to grant funding for specific project work during the year.

(e) The Berkshire West CCG fund relates to grant funding for Learning Disability services.

(f) The West Berkshire Council fund relates to grant funding for Learning Disability

(g) The Portsmouth Healthwatch fund relates to grant funding fordevelopment work.

(h) The Healthwatch Database fund relates to grant funding for a Civi replacement

Designated funds have been allocated by the Trustees for specific purposes and have been reviewed in line with the strategic priorities of the organisation.

(i) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They are expended when the relevant fixed assets are fully depreciated.

(j) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 17 which includes detailed information.

(k) Strategic development - represents an amount allocated to provide funding to promote the development of The Advocacy People.

(l) Healthwatch Portsmouth - represents funding for projects on health inequalities and on emergency and urgent care.

(m) This represents nonspecific donations which have been allocated to organisational development.

(n) Healthwatch Southend - represents allocated funding for project work.

(o) Healthwatch Wokingham - represents allocated funding for project work.

Notes to the Financial Statements

For the Year Ended 31 March 2023

15. Analysis of Net Assets Between Funds

Current year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2023
	£	£	£	£
Restricted funds	-	3,546	-	**3,546**
Unrestricted Funds:				
Designated Funds	38,387	207,706	-	**246,093**
General Funds	-	1,419,695	(480)	**1,419,215**
Total Unrestricted Funds	38,387	1,627,401	(480)	**1,665,308**
Total Funds	38,387	1,630,947	(480)	**1,668,854**

Prior year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2022
	£	£	£	£
Restricted Funds	-	14,621	-	**14,621**
Unrestricted Funds				
Designated Funds	98,970	204,060	-	**303,030**
General Funds	-	1,343,873	(6,673)	**1,337,200**
Total Unrestricted Funds	98,970	1,547,933	(6,673)	**1,640,230**
Total Funds	98,970	1,562,554	(6,673)	**1,654,851**

The Advocacy People

England & Wales - Charity number 1080679

Accounts

The Advocacy People

Financial Statements

Year ended 31 March 2022

Charity No: 1080679

Company No: 03963421

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Reference and Administrative Details

Trustees	J. Dodson	Chair
	A. Chambers	
	T. O'Brien	
	I. Bews	Hon. Treasurer
	A. Solemani (nee Steel)	
	J. Swaffer (resigned 25 June 2021)	
	C. Bates	
	S. Gandhi-Whitaker	
	E. Nistor-Lustermans	
	S. Yang	
Chief Executive & Company Secretary	M. Hilton	
Registered Office	Hastings Town Hall Queens Square Hastings East Sussex	TN34 1TL
Auditors	Kreston Reeves LLP 37 St Margaret's Street, Canterbury	CT1 2TU
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester	M60 4EP
	Lloyds Bank 25 Gresham Street London	EC2V 7HN
Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex	RH16 4BX

Report of the Trustees
for the year ended 31st March 2022

The Trustees of The Advocacy People present their annual report for the year 1st April 2021 to 31st March 2022.

Our vision

The Advocacy People believe in a society where people feel in control of their lives and are confident to speak up, and where people who can't speak up for themselves have someone in their corner to speak for them.

It is our mission to:

- help anybody that needs independent support to speak up
- deliver quality and innovation in advocacy through our practice
- improve people's lives individually and collectively through putting their case to policymakers

Our Values

- People are at the heart of what we do. Anyone can feel powerless and unable to speak up when faced with a difficult situation. Anyone should have access to an advocate.
- People matter. In an equal society, decisions about people's lives must be made fairly, involving the person as far as possible.
- People make the difference. If our staff are happy at work, they will be effective at work.
- People should be heard at every level of policy and decision-making. We work hard to make this happen.

We are clear that the people-centred fundamentals of advocacy and the related services we deliver and manage should be at the heart of how we think about public services. This is particularly true when those using services are in vulnerable situations.

It is also through these people-centred values that we can best harness the energy and ideas to be the best that we can be. We want to work in concert with partners who bring expertise about specific things in specific areas; and we all need to work effectively together as colleagues.

We look to invest resources in monitoring, influencing, and responding to key developments and initiatives in the external environment, particularly within the health and social care arena. We work to ensure that client views, concerns and experiences influence service policy, planning, and delivery through our local teams. Those that can flex and adapt will thrive; so, all our delivery models can and should evolve.

The Advocacy People work beyond our own direct delivery responsibilities to improve health and social services on both local and national levels through strong local relationships, effective collaborations, and appropriate contributions to wider debates. We will pursue this by seeking to improve and grow the services we deliver and manage and by identifying opportunities for new and better services.

Scope of Operations

The Advocacy People works across the south of England from Cornwall to Kent, extending up to Milton Keynes and Southend. Our head office is in Hastings, East Sussex.

Structure, Governance and Management Governing Documents

The Advocacy People 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 in 2010.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity comply with the Charities Act 2011, the Companies Act 2006, its Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 2006. 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.

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved: there is no relevant audit information of which the charity auditors are unaware, and the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisation Structure

The Board of Trustees govern the charity and meet regularly to manage and control the resources administered by the charity. The Board of Trustees now has nine members recruited from a diverse range of applicants. All trustees give their time freely and received no remuneration in the year.

The Senior Leadership Team comprises the Chief Executive, Operations Director, Business Development Director, Finance Director, and HR Director, who oversee day-to-day policy and decision making as well as implementation of the business plan. The Senior Leadership Team submit reports on the work of the organisation to the Board and attend relevant Board agenda items. Once a year, the Board meet jointly with the Management Team (senior and team managers) to review the organisation's performance and discuss future plans.

The Board has an Audit and Risk Management Sub-Committee which reviews financial and strategic matters in more detail and reviews risks that could prevent the organisation from achieving its strategic objectives. This Committee meets at least three times per year and its membership includes Trustees, the Chief Executive and the Finance Director.

During the year, the Trustees met on four occasions in full Board meetings, and once with the wider management team to discuss The Advocacy People's strategic direction. The Board received and considered regular reports relating to the management, development, and finances of the organisation, including challenging key performance indicators which allow the Board to track progress in delivering its strategic plan.

Separately appointed advisory structures are in place for each of our Healthwatch, whose staff are managed by The Advocacy People under the auspices of the main Board of The Advocacy People.

Recruitment and Appointment of the Board

The Trustees are the directors of the charity for the purposes of the Companies Act and 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.

All trustees undergo a DBS check as part of the recruitment process and receive a Trustee handbook, and Trustee Code of Practice outlining their role and responsibilities. As part of their induction, Trustees meet with the CEO and other relevant managers.

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. The Advocacy People's Board aims to recruit in such a way as to bring expertise in advocacy, governance, specialist client groups, and related areas of expertise that can add value to the charity particularly valuing the role past or present service users bring to this process.

Risk Management and Audit

The major risks to which the charity could be exposed, as identified by the Board and the Audit and Risk Sub Committee, have been reviewed on an ongoing basis, and systems have been established to mitigate against those risks.

Senior management regularly review and update the charity's risk register, and prioritise key risks on which to focus, and review and update identified risks and mitigations for their specific areas of responsibility. This included the recovery from the impact of Covid-19 which had a significant effect on referrals and how our work was carried out in the preceding year. Current major risks include the ongoing commissioning environment which makes it challenging to develop innovative service models where costs are severely constrained; the need to ensure a balanced budget and support enhanced central services, and cyber security risks around the threat from phishing or other attacks on our ICT infrastructure.

The key risks facing the organisation are being mitigated by regular financial and performance reporting, which is reviewed by operational and senior management, as well as updates reported to each Board meeting.

Risk management practices are in place to manage risks around health and safety and human resource issues such as dealing with Covid-19 related issues, lone working, management of premises, and other risks such as information security. Relevant operational procedures detailing expected practice for staff and managers, and policies and procedures have been kept under review during the year.

Compliance and quality assurance issues are reported to the Management Team who receive regular reports from each team and review specific areas of work. Reports summarising this work or highlighting specific areas are reported to the Board.

The Advocacy People has insurance policies in place to satisfy contractual requirements and ensure the organisation is protected against unforeseen events, for example a person being injured at premises or a claim in relation to services provided by the charity.

Staffing

The Advocacy People employed an average of 167 staff (129 FTE) in the year, and an average of 55 volunteers contributed their services.

Matthew Hilton, Chief Executive Officer, has led the organisation successfully with the support of his Senior Leadership Team and Trustees through another challenging year as we began to emerge from the impact of Covid-19.

Through 2021/22, the Senior Leadership Team has maintained a close watch on the Covid-19 impact at a national and local level and reviewed existing procedures and developed new initiatives to ensure the safety of the workforce. These have been developed in conjunction with feedback from staff and external stakeholders (commissioners, partners, and others) to ensure we continue to operate on a safe, risk aware basis, while meeting contractual obligations.

There has at the time of writing been a relatively small number of staff impacted by Covid-19 as an illness, most impact has been indirect through family/friends. However, it cannot be underestimated how difficult the situation has been on people's mental health and for this reason, the Senior Leadership with the wider management team of Team Managers and Supervising Advocates, have taken a careful and considered approach to ensuring people have time to adjust to what is now being called 'the new normal'.

Our staff have a wide range of skills and experiences which they bring to their work. We have found that the 'new normal' has resulted in more use of technology and therefore, adjusting to these changes has identified that now more than ever, we need to have digital competency as a complementary skill with others in the modern workplace.

As part of the drive to align staff remuneration with career development, and reflecting the skills needed in our staff, a review of the existing qualification, pay and benefits policies has been undertaken to ensure we are transparent on these areas and staff know what is required to develop in their career from both a performance and skills basis. As a result, new pay scales were implemented in April 2022.

Remuneration policy for senior staff

The pay of the senior staff has been set at a specific scale or at a fixed sum benchmarked against similar organisations. Any organisational uplift in salaries is agreed annually by the Board for all staff. Any other substantial changes to remuneration are agreed by the Board.

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 United Kingdom".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using services, including but not exclusively 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, which may include complaints.

We achieve this in various ways:

- Advocates and others provide information, support and representation to clients relating to specific difficulties, concerns, or complaints
- The organisation works directly with service providers and policy makers at local and national level, aiming to ensure that client experiences are at the heart of policy development and service planning, implementation, and monitoring.
- The Advocacy People's delivery of Healthwatch is an integral part of our commitment to ensuring effective, locally accountable health and social services.

Ensuring our work delivers our aims

We have reviewed our underlying strategic approach and continue to build on our core strength as an advocacy organisation to find ways of bringing value to our clients in the changing world in which we live.

With the continuous reduction in public spending, the Board is committed to diversifying its funding from statutory advocacy. In particular we have successfully expanded the reach of our Healthwatch services to five local authorities.

We also believe that advocacy is a service that would benefit many more people and that it is a tool to promote social justice and can support vulnerable people towards living more secure, independent, and fulfilled lives. Our objectives are underpinned by operational, business, and financial plans.

The Advocacy People has set high level key performance indicators for the Board to assure themselves that the organisation is travelling in the right direction. Teams and employees have their own individual performance objectives which align to those of the organisation and local contract requirements.

The Advocacy People's partnership strategy is predicated on supporting the sustainability of the advocacy sector and local specialist providers to extend the reach of services into seldom heard or hard to reach communities. We work with a range of partner organisations to deliver statutory and non-statutory advocacy services. The partnerships allow us to tailor our services to meet the needs of a range of clients and support the diversity of the voluntary sector.

We conduct regular client and professionals' surveys to ensure that we meet stakeholder requirements. We work closely with statutory and third sector colleagues to ensure our work priorities are informed by client feedback as well as by central and local commissioning priorities, and ongoing changes to health, social care, and other core agendas. Our client impact surveys shows how advocacy contributes to improving health and wellbeing.

Whilst we have always been focused on outcomes and have looked for savings in how we operate, our need to identify innovative ways of working, including remote and digital solutions and developing robust collaboration and partnership arrangements is likely to become ever more important in the future.

The focus of our work

Independent advocacy is concerned with maximising people's involvement in decisions made about their lives. Our advocates support with different needs including helping people understand information, express their needs views, and wishes, secure their rights, represent their interests, and obtain the care and support they need. Advocates work in partnership with the people they support in accordance with the advocacy principles of being person-centred, independent, confidential, and empowering.

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.

We work hard to ensure people facing disability, health, transport, rural mobility, language, or other barriers are never excluded from receiving high-quality advocacy. Embedded in our ethos is responding to feedback, promoting reflective practice, and following the Advocacy Charter and Equality Act. We work to the principles of the industry recognised NDTi Advocacy Charter and Code of Practice and hold the Advocacy Quality Performance Mark (QPM), awarded in 2019 and which is currently up for renewal.

Service users and volunteers

We believe that Service user involvement and volunteers are central to our mission and values. Service users continue to be involved in recruitment panels and developing new services

We continue to develop support for volunteers including employing specific volunteer coordinator posts. We have a dedicated Volunteer Focus Group which meets quarterly to share good practice. Over this year the Volunteer Focus Group have revised and updated our Volunteer Handbook and developed specific volunteer role descriptions.

Our Healthwatch services were supported by 32 volunteers last year representing 486 days of volunteering time. They utilise volunteers in a variety of roles including research, engagement activities, Enter and View visits and mystery shopping.

We continued to work with colleges and universities across our geographical patch to encourage social work student placements with our local advocacy teams. The feedback we receive is that the students take the "advocacy message" back to their peers when they return.

How our activities deliver public benefit

The Trustees consider that they have complied with their duty under the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission.

We reported last year that, in addition to supporting clients to find successful resolutions to their concerns, issues, complaints or statutory rights, clients tell us that receiving advocacy support enables them to feel more empowered and in control of their lives and leads them to develop self-advocacy skills which assist them (and in some cases, their peers) in the future.

Taking lessons learned from the Covid-19 pandemic and lockdown, although doing more client face to face work where appropriate, we continue to offer flexible solutions to prioritising continuity of our services, whilst ensuring our working practices remain as far as possible inclusive and accessible for our clients.

In addition, this last year, our Focus Groups continued to play their part in national consultations and work to improve our internal practice. We are still waiting publication of the Code of Practice for the Liberty Protection Safeguards legislation which will be replacing Deprivation of Liberty Safeguards and our IMCA Focus Group contributed to the national consultation.

Who used and benefited from our services?

In 2021/22 The Advocacy People accepted 12,321 (2021 -11,281) new advocacy cases, with Covid-19 having a significant effect on referrals as well as dealing with a further 3,879 enquiries and signposting requests.

During 2022 the Contact Centre handled a total 25,554 (2021 - 13,727) calls and handled 34,681 (2021 - 37,236) emails.

The Advocacy People provides services to a range of people including:

- Adults with mental health issues
- Parents going through Child Protection process
- Adults with learning disabilities
- Complaints about NHS care or treatment
- Social Care complaints
- Gypsy and Traveller Communities
- BAMER Communities
- Older People
- People with physical disabilities and/or sensory impairments
- People with dementia-type conditions and acquired brain injury
- Prisoners
- Children and Young People

As well as non-statutory advocacy provision, The Advocacy People provides statutory advocacy including:

- Independent Health Complaints Advocacy
- Independent Mental Capacity Advocacy
- Independent Mental Health Advocacy
- Deprivation of Liberty Safeguards
- Independent Care Act Advocacy
- Statutory Children's Advocacy

In 2022 Healthwatch Portsmouth and Healthwatch West Berkshire heard from 6,945 people about their experiences of health and social care and provided advice and information to 360,758 contacts via social media, newsletters, and the website. Additionally, since the yearend, we now have Healthwatch in Reading, Southend and Wokingham.

Achievements and Performance

Outcomes and impact

Overall, 88% of instructed clients were satisfied or very satisfied with our advocacy services and we worked to revise how we measure outcomes to make it more relevant to the post-Covid environment.

Marketing

Since the launch of our new name in 2020, our branding and digital communications have gone from strength to strength. We quickly had to adapt many of the previous print-versions of the new resources to digital so they could still be shared during lockdown.

Our website has continued to develop, and now meets the Web Content Accessibility Guidelines 2.1 AA rating (self-certification) and as well as our own website we are now managing five Healthwatch websites.

Our social media presence now has a dedicated staff member, and we have clarity of voice, communicating authentic content by 'telling our story' and sharing our expertise across Twitter, Facebook, LinkedIn and, more recently, Instagram and collated on our website (theadvocacypeople.org.uk/blog).

We have also successfully produced digital content – webinars and podcasts – and will be adding a series of short videos with British Sign Language translation.

Local authority contracts

Tendering activity was low throughout the year, with contracts being extended rather than retendered due to the impact of Covid-19, including several of our own contracts. Where we have tendered, we have secured the following:

- East Sussex Health Complaints Advocacy – Retention of our existing service contract.
- Healthwatch Southend – a welcome return to Essex.
- Healthwatch Wokingham – a key gain in Berkshire that was followed after the yearend with Healthwatch Reading also being secured.
- Bracknell saw our service retained with the added bonus of a Children's and Young Persons service
- Healthwatch Reading gave us a hat trick of now operating three Healthwatch in Berkshire.

Plans for the future

The year saw us emerging from the effects of the Covid-19 pandemic which continued to add to the financial pressure on the delivery of all public services. In this context – even though we are ourselves are largely reliant on contracts sourced by that public money - we are clear that the need for advocacy is all the more important to protect and promote the rights of those least heard. It is more vital than ever that we continue to review how we deliver services to ensure that we can provide value for money and high-quality services.

Our local advocacy and Healthwatch teams continue developing their working relationships wherever we work. We believe that the best way of delivering our services to those who need them the most is by working alongside and in partnership with community organisations. This seems to us to be truer than ever in the light of the pandemic situation.

We welcome working with partners where they can bring local or specific service user expertise that we lack. We want our staff and partners to feel empowered to innovate, to feel that The Advocacy People is a place that values their creativity. We recognise the importance of local branding for our services, where we work in tandem with partners to provide locality focused advocacy.

What we do is all about what the clients need, so we want to be confident and bold in building on our service offering to bring value to those clients. We will explore ways of building on our existing skills to provide additional services to ensure clients get the information they need and can get the support they want.

Financial Review

Actual income increased by 7% due to additional contract income from new services and ad hoc spot purchase contracts. As we emerged from the Covid-19 pandemic expenditure continued to be substantially under budget, particularly on staff costs and expenses, although there was continued investment in new laptops and ICT expenditure.

Total income received was £5,037,602 (2021 - £4,699,152) and total expenditure incurred during the year was £4,781,570 (2021 - £4,514,025). This resulted in a net inflow of funds of £256,032 (2021 - £185,127). This was split between a net outflow of funds from restricted reserves of £20,919 (2021 - £45,233); and net inflow on unrestricted reserves of £276,951 (2021 - £230,360).

Cash balances increased by 15% to £1,189,357 (2021 £1,029,918) at the yearend due to the net inflow of funds. Debtors and prepayments at the year-end were £833,426 (2021 - £611,531), and creditors and accruals were £460,229 (2021 - £341,227).

Looking forward to 2022/23 a balanced budget was set with continued growth in income, and investment in our staff, including staff training and development, and changes to our ICT infrastructure.

Principal funding sources

The charity is primarily funded by contracts with statutory bodies, with 83% (2021 - 86%) of income from charitable activities relating to statutory services provided to public authorities. Funding for non-statutory advocacy decreased to 11% of income (2021 - 12%). Healthwatch and other services provided 6% (2021 - 3%). The proportion of grant income fell to 1% (2021 - 4%) of overall funding.

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 cover any costs that might arise from the sudden end of a contract, and to ensure sufficient cash flow to finance current operations or meet other contingencies that cannot be met out of current income.

Restricted reserves of £14,621 (2021 - £35,540) are held, where the purpose of the funding was granted for a specific purpose or objective, and funds remained unspent by the yearend. These will be drawn upon to fund specific work in line with their original purpose.

Designated funds of £303,030 (2021- £322,681) have been allocated by the Board for specific purposes such as investment to develop new services. This includes a Fixed Asset Reserve which is set at a level equivalent to net fixed assets representing the capital investment made in computers, software, furniture, and equipment; and a Pensions Reserve to provide for a contingent liability which would arise if The Advocacy People were to withdraw from membership of the Pensions Trust.

At the end of the year the balance of the charity's free reserves was £1,337,200 (2021 - £1,040,598), an increase for the year of £296,602. This is after a transfer for £32,823 from the pension reserve relating to a reduction in the contingent liability being reported for the scheme, as well as a transfer of £9,018 from the fixed asset designated fund. The level of free reserves at 31/03/22 was equal to 3.2 months (2021 - 2.8 months) of operating expenditure.

It is the opinion of the trustees that the current level of reserves is justified given the significant uncertainties facing The Advocacy People. The Trustees therefore have taken the level of free reserves into account in their assessment of the risks facing the organisation.

Investment Policy

The Advocacy People holds any cash in excess of working capital requirements on deposit with the Co-operative Bank. The amount of interest earned during the year was £1,469 (2021 - £1,347). This equates to a return of 0.12% based upon the average of the opening and closing bank balances (2021- 0.15%).

The Advocacy People has an ethical investment policy outlining human rights and environmental criteria with which potential investment institutions are assessed. To meet these objectives, The Advocacy People invests in fixed-term or call accounts with institutions that are considered to comply with our ethical criteria and have a high security rating.

Taking into consideration the overall level of reserves, and the level of reserves which are ear-marked for expenditure in the next year, the charity has a policy of investing for the short term only.

Going Concern

Given the factors reviewed above and in the light of The Advocacy People's financial position, its current range of activities linked to specific contracts and its track record of obtaining new work, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. In line with note 1(p) to these accounts the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.



Jane Dodson
Chair
2nd December 2022

Independent Auditors' Report to the Members of The Advocacy People

Opinion

We have audited the financial statements of The Advocacy People (the 'Charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of the Charity's income and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the Charity has not kept adequate and sufficient accounting records; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non- compliance with laws and regulations related to safeguarding, health and safety, general data protection regulations and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of expenditure to confirm no evidence of personal benefit; and

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Charity to cease to continue as a going concern.

Independent Auditors' Report to the Members of The Advocacy People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charity's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's members and 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 its members and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 05 December 2022

Statement of Financial Activities (Incorporating an Income & Expenditure Account)

For the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	**2022 Total funds £**	2021 Total funds £
Income from:					
Donations	2	907	-	**907**	448
Charitable activities	3	5,018,585	16,641	**5,035,226**	4,697,357
Investment income		1,469	-	**1,469**	1,347
Total income		**5,020,961**	**16,641**	**5,037,602**	4,699,152
Expenditure on:					
Charitable activities	4	**4,744,010**	**37,560**	**4,781,570**	4,514,025
Total expenditure		4,744,010	37,560	**4,781,570**	4,514,025
Net income/(expenditure)		276,951	(20,919)	**256,032**	185,127
Funds at 1 April 2021		1,363,279	35,540	**1,398,819**	1,213,692
Funds at 31 March 2022		**1,640,230**	**14,621**	**1,654,851**	1,398,819

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 40 form part of these financial statements.

Balance Sheet

As at 31 March 2022

	Notes	£	2022 £	2021 £
Fixed Assets				
Intangible Assets	8		**44,385**	46,942
Tangible Assets	9		**54,585**	61,046
			98,970	107,988
Current Assets				
Debtors and Prepayments	10	**833,426**		611,531
Cash at Bank and in Hand		**1,189,357**		1,029,918
		2,022,783		1,641,449
Creditors: Amounts falling due within 1 year	11	**(460,229)**		(341,227)
Net Current Assets			**1,562,554**	1,300,222
Creditors: Amounts falling due after more than 1 year	12		**(6,673)**	(9,391)
Net Assets			**1,654,851**	1,398,819
Funds				
Restricted Funds	13		**14,621**	35,540
Unrestricted Funds				
Designated Funds		**303,030**		322,681
General Funds		**1,337,200**		1,040,598
Total Unrestricted Funds			**1,640,230**	1,363,279
Total Funds			**1,654,851**	1,398,819

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 2nd December 2022 and signed on their behalf by:

I Bews
Hon. Treasurer

J Dodson
Chair

Statement of Cash Flows

For the Year Ended 31 March 2022

	2022 Total funds £	2021 Total funds £
Cashflows from operating activities		
Net Income	**256,032**	185,127
Depreciation and amortisation	**70,367**	88,744
Investment income	**(1,469)**	(1,347)
(Increase)/Decrease in debtors	**(221,895)**	195,229
Increase/(Decrease) in creditors	**116,284**	(51,488)
Net cash provided by operating activities/(used in)	**219,319**	416,265
Cash flows from investing activities:		
Deposit interest received	**1,469**	1,347
Payments to acquire tangible and intangible fixed assets	**(61,349)**	(125,048)
Net cash used in investing activities	**(59,880)**	(123,701)
Change in cash and cash equivalents in the year	**159,439**	292,564
Cash and cash equivalents at 1st April	**1,029,918**	737,354
Cash and cash equivalents at 31st March	**1,189,357**	1,029,918

	At 1 April 2021	Cashflows	**At 31 March 2022**
Cash flows from investing activities:			
Cash at Bank and in Hand	1,029,918	159,439	**1,189,357**

Notes to the Financial Statements

For the Year Ended 31 March 2022

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) ('Charities SORP FRS 102') (Second Edition, effective 1 January 2019) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

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

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activites 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. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when receivable.

Investment income compromises solely of interest on cash deposits.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 2022

d) Expenditure

Cost of raising funds i.e. those costs incurred in attracting voluntary income are no longer considered significant and there are no costs incurred in trading activities that are purely to 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.

Expenditure is 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 4) 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 Trustees' 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 are held seperately 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 Activites represent the contributions payable by the charity in the year.

f) Taxation

The charitable company is a registered charity and is exempt from the taxation of income falling within chapter 3 part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this income is used to achieve its charitable objectives. No charge to taxation for the year has arisen as a result of the activities of the charity.

Value Added Tax is not recoverable by the charitable company and is included within the relevant costs in the statement of financial activities.

Notes to the Financial Statements

For the Year Ended 31 March 2022

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for The Advocacy People - principally software. For intangible assets over £500 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

h) Tangible fixed assets

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 and laptops	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) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

j) Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account

k) Creditor Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the Financial Statements

For the Year Ended 31 March 2022

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) 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.

n) Services provided by volunteers

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

o) Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced at the end of the economic life of such equipment which is normally five years. Operating leases payable for the use of premises are charged on a straight line basis over the term of the lease.

p) Going Concern

The Board of Trustees have taken account of The Advocacy People's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and its exposures to price and cash flow risks as described in the Report of the Trustees on page 2-14. In particular by preparing multi-year budgets and forward looking cashflow analysis and projections.

The Advocacy People has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas such as Healthwatch provision. As a consequence, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

Notes to the Financial Statements

For the Year Ended 31 March 2022

2. Income from donations

	Unrestricted	Restricted	**2022 Total**	2021 Total
	£	£	**£**	£
Donations	907	-	**907**	448
	907	-	**907**	448

No restricted income from donations was received in 2021.

3. 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	**2022 Total**	2021 Total
	£	£	**£**	£
Statutory advocacy	4,183,020	-	**4,183,020**	4,018,852
Nonstatutory advocacy	541,309	15,441	**556,750**	548,914
Other services	294,256	1,200	**295,456**	129,591
Total income	5,018,585	16,641	**5,035,226**	4,697,357

Restricted income from nonstatutory advocacy was £121,775 in 2021.

Notes to the Financial Statements

For the Year Ended 31 March 2022

4. (a) Analysis of Expenditure

Current Year	Basis of allocation	Statutory Advocacy £	Nonstatutory Advocacy £	Other services £	Governance £	
Direct costs						
Staff Costs	Direct	2,604,916	296,285	148,531	12,457	
Staff related costs	Direct	118,486	13,683	3,215	2,151	
Rent and service costs	Direct	1,557	1,495	9,528	-	
ICT and administration costs	Direct	122,655	14,749	9,644	473	
Subcontractor fees	Direct	432,093	70,249	696	-	
Professional fees and similar	Direct	23,533	2,646	34,235	11,017	
Depreciation	Direct	36,620	4,651	1,670	38	
		3,339,860	403,758	207,519	26,136	
Support costs						
Staff Costs	Staff time	456,197	51,888	26,012	-	
Staff related costs	Staff time	1,230	142	33	-	
Rent and service costs	Staff time	3,414	3,278	20,894	-	
ICT and administration costs	Staff time	147,929	18,976	12,408	-	
Professional fees and similar	Staff time	13,442	1,511	19,555	-	
Depreciation	Staff time	23,357	2,966	1,065	-	
		645,569	78,761	79,967	-	
Total		3,985,429	482,519	287,486	26,136	

Notes to the Financial Statements

For the Year Ended 31 March 2022

4. (b) Analysis of Expenditure

Prior Year	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Other services	Governance
		£	£	£	£
Direct costs					
Staff Costs	Direct	2,500,358	386,751	92,124	12,457
Staff related costs	Direct	32,091	3,820	667	31
Rent and service costs	Direct	21,293	6,171	4,719	20
ICT and administration costs	Direct	107,148	17,637	3,859	-
Subcontractor fees	Direct	276,796	199,031	-	-
Professional fees and similar	Direct	11,449	23,043	14,882	11,206
Depreciation	Direct	41,879	6,840	1,494	-
		2,991,014	643,293	117,745	23,714
Support costs					
Staff Costs	Staff time	402,925	86,663	15,862	
Staff related costs	Staff time	4,821	1,037	190	
Rent and service costs	Staff time	40,153	8,636	1,581	
ICT and administration costs	Staff time	100,025	21,514	3,938	
Professional fees and similar	Staff time	9,873	2,123	389	
Depreciation	Staff time	30,714	6,606	1,209	
		588,511	126,579	23,169	-
Total		3,579,525	769,872	140,914	23,714

Notes to the Financial Statements

For the Year Ended 31 March 2022

5. Net (expenditure)/income for the year

This is stated after charging:	**2022**	2021
	£	£
Depreciation and amortisation	**70,367**	88,744
Auditors' Remuneration: Audit	**10,920**	11,206
Operating Lease Rentals: Property	**10,257**	30,389

6. Trustee Remuneration, Expenses & Related Party Transactions

No trustees received any remuneration from the charity in their capacity as trustees. Reimbursement of travel and accommodation costs amounting to £727 (2021 - £ Nil) were reimbursed to 4 (2020 - Nil) trustees. No trustees received payments in any other capacity. No related party transactions were identified in the year.

The Charity has not entered in to any related party transactions (2021 - £ Nil) and has no balances outstanding with any related parties at the Balance Sheet date (2021 - £ Nil)

Notes to the Financial Statements

For the Year Ended 31 March 2022

7. Staff Costs and Numbers

	2022	2021
Staff costs were as follows:	£	£
Wages and Salaries	**3,250,279**	3,164,168
Agency fees	**8,720**	5,972
Social Security Costs	**250,966**	242,849
Employer Pension Contributions	**86,321**	84,151
	3,596,286	3,497,140

Employee remuneration for employees earning more than £60,000:

	2022	2021
£60,000-£70,000	**1**	1

The key management personnel of the charity, comprise the trustees, the Chief Executive Officer, Operations Director, Business Development Director, Finance Director, HR Director, and ICT Director. The total employee benefits of the key management personnel of the Charity were £298,803 (2021: £296,648).

The charity pays employer contributions to 148 (2021 - 137) staff who are members of a defined contribution pension scheme (see note 16).

The average weekly number of employees during the year (head count) was as follows:

	2022	2021
Advocacy Services	**138**	134
Healthwatch, Training and Contact Centre	**14**	13
Management and Administration	**15**	16
Total	**167**	163
Fulltime equivalent staff	**129**	121

Notes to the Financial Statements

For the Year Ended 31 March 2022

8. Intangible Fixed Assets

	Software purchased	Software developed in house	**Total**
	£	£	**£**
COST			
At 1 April 2021	24,635	48,300	**72,935**
Additions in Year	18,181	-	**18,181**
Disposals in Year	(16,408)	-	**(16,408)**
At 31 March 2022	26,408	48,300	**74,708**
AMORTISATION			
At 1 April 2021	16,333	9,660	**25,993**
Charge for the Year	11,080	9,658	**20,738**
Disposals in Year	(16,408)	-	**(16,408)**
			-
At 31 March 2022	11,005	19,318	**30,323**
NET BOOK VALUE			
At 31 March 2022	**15,403**	**28,982**	**44,385**
At 1 April 2021	8,302	38,640	46,942

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

Notes to the Financial Statements

For the Year Ended 31 March 2022

9. Tangible Fixed Assets

	Computer equipment	Office equipment	**Total**
	£	£	**£**
COST			
At 1 April 2021	152,763	9,599	**162,362**
Additions in Year	43,168	-	**43,168**
Disposals in Year	(47,771)	(1,441)	**(49,212)**
At 31 March 2022	148,160	8,158	**156,318**
DEPRECIATION			
At 1 April 2021	92,180	9,136	**101,316**
Charge for the Year	49,398	231	**49,629**
Disposals in Year	(47,771)	(1,441)	**(49,212)**
At 31 March 2022	93,807	7,926	**101,733**
NET BOOK VALUE			
At 31 March 2022	**54,353**	**232**	**54,585**
At 1 April 2021	60,583	463	61,046

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

Notes to the Financial Statements

For the Year Ended 31 March 2022

10. Debtors and Prepayments

	2022	2021
	£	£
Trade Debtors	**472,026**	466,733
Prepayments	**40,149**	26,087
Accrued income	**321,251**	118,711
	833,426	611,531

11. Creditors : Amounts falling due within one year

	2022	2021
	£	£
Taxation and Social Security	**79,709**	60,171
Trade Creditors	**86,470**	54,358
Accruals	**255,994**	191,642
Deferred income	**38,056**	35,056
	460,229	341,227

12. Deferred income

	2022	2021
	£	£
Balance at the beginning of the year	**35,056**	64,406
Amount released to income in the year	**(35,056)**	(64,406)
Amount deferred in the year	**38,056**	35,056
	38,056	35,056

13. Creditors : Amounts falling due after more than one year

	2022	2021
	£	£
Pension liability (note 17)	**753**	2,891
Lease liability accrual	**5,920**	6,500
	6,673	9,391

Pension liability is to provide for an identified liability relating to a shortfall on the employee pension scheme.

Lease liability accrual is to provide for a liability to redecorate at the end of a lease held by the charity.

Notes to the Financial Statements

For the Year Ended 31 March 2022

14. Statement of Funds

Current year		At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Restricted Funds:						
Plymouth Training	(a)	1,250	-	(1,250)	-	-
WEBCAS	(b)	25,799		(16,251)	-	**9,548**
Healthwatch Southend	(c)	-	1,200	-	-	**1,200**
Healthwatch West Berkshire	(d)	7,945		(4,618)	-	**3,327**
Berkshire West CCG	(e)		15,441	(15,441)		-
West Berkshire Council		546		-	-	**546**
Total Restricted Funds		**35,540**	**16,641**	**(37,560)**	-	**14,621**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(g)	107,989	-	-	(9,018)	**98,971**
Pension Reserve	(h)	105,937	-	-	(32,823)	**73,114**
Strategic Reserve	(i)	108,755	-	-	-	**108,755**
Healthwatch Portsmouth	(j)	-	22,190	-	-	**22,190**
Total Designated Funds		**322,681**	**22,190**	**-**	**(41,841)**	**303,030**
General Fund		**1,040,598**	**4,998,771**	**(4,744,010)**	**41,841**	**1,337,200**
Total Unrestricted Funds		**1,363,279**	**5,020,961**	**(4,744,010)**	**-**	**1,640,230**
Total Funds		**1,398,819**	**5,037,602**	**(4,781,570)**	**-**	**1,654,851**

Notes to the Financial Statements

For the Year Ended 31 March 2022

14. Statement of Funds (continued)

Prior Year		At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 1 Apri 2021 £
Restricted Funds:						
Plymouth Training	(a)	1,250	-	-	-	**1,25**
WEBCAS	(b)	47,836		(22,037)	-	**25,79**
Healthwatch Southend	(c)	-	-	-	-	
Healthwatch West Berkshire	(d)	-	11,350	(3,405)	-	**7,94**
West Berkshire Council	(e)	-	546	-	-	**54**
Veterans Advocacy Service	(f)	31,687	109,879	(141,566)		
Total Restricted Funds		**80,773**	**121,775**	**(167,008)**	**-**	**35,54**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(g)	71,685	-	36,304	-	**107,98**
Pension Reserve	(h)	113,878	-	-	(7,941)	**105,93**
Strategic Reserve	(i)	88,536	-	-	20,219	**108,75**
Healthwatch Portsmouth	(j)	-	-	-	-	
Total Designated Funds		**274,099**	**-**	**36,304**	**12,278**	**322,68**
General Fund		**858,820**	**4,577,377**	**(4,383,321)**	**(12,278)**	**1,040,59**
Total Unrestricted Funds		**1,132,919**	**4,577,377**	**(4,347,017)**	**-**	**1,363,27**
Total Funds		**1,213,692**	**4,699,152**	**(4,514,025)**	**-**	**1,398,81**

Notes to the Financial Statements

For the Year Ended 31 March 2022

14. Statement of Funds (continued)

Purposes of Fund balances

(a) The Plymouth Training Fund relates to a donation received towards the cost of training for the Plymouth team.

(b) The WEBCAS fund relating to a grant received for advocacy and related services for people with learning difficulties in West Berkshire.

(c) The Healthwatch Southend fund relates to a small grants for its Board development.

(d) The Healthwatch West Berkshire fund relates to small grants and donations received for specific project work during the year.

(e) The West Berkshire Council and Berkshire West CCG funds relate to grant funding from the respectivie authorities for seperate Learning Disability services.

(f) The Veterans Advocacy Service relates to donations and grants received for advocacy work with ex-military personnel and ended in 2020.

Designated funds have been allocated by the Trustees for specific purposes and have been reviewed in line with the strategic priorities of the organisation.

(g) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They will therefore be expended when the relevant fixed assets are fully depreciated.

(h) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 17 which includes detailed information.

(i) Strategic development - represents an amount allocated to provide funding to promote the development of The Advocacy People.

(j) Healthwatch Portsmouth - represents an amount allocated to provide funding for a project with the University of Portsmouth on health inequalities.

Notes to the Financial Statements

For the Year Ended 31 March 2022

15. Analysis of Net Assets Between Funds

Current year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2022
	£	£	£	£
Restricted funds	-	14,621	-	**14,621**
Unrestricted Funds:				
Designated Funds	98,970	204,060	-	**303,030**
General Funds	-	1,343,873	(6,673)	**1,337,200**
Total Unrestricted Funds	98,970	1,547,933	(6,673)	**1,640,230**
Total Funds	98,970	1,562,554	(6,673)	**1,654,851**

Prior year	Fixed Assets	Net Current Assets	Creditors over one year	At 31 March 2021
	£	£	£	£
Restricted Funds	-	35,540	-	**35,540**
Unrestricted Funds				
Designated Funds	107,988	214,693	-	**322,681**
General Funds	-	1,049,989	(9,391)	**1,040,598**
Total Unrestricted Funds	107,988	1,264,682	(9,391)	**1,363,279**
Total Funds	107,988	1,300,222	(9,391)	**1,398,819**

Notes to the Financial Statements

For the Year Ended 31 March 2022

16. Operating Lease Commitment

	2022	2021
	£	£
The charity has commitments under operating leases for equipment, land and buildings due:		
Within one year	**10,257**	30,389
Within 2 to 5 years	**20,514**	30,772
Total operating lease commitment	**30,772**	61,161

17. Pension liabilities - actual and contingent

TPT Retirement Solutions – The Growth Plan

The Advocacy People participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee of the scheme has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Notes to the Financial Statements

For the Year Ended 31 March 2022

17. Pension liabilities - actual and contingent (continued)

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. An amount has been recognised in the accounts to provide for this liability (see Note 13).

The Advocacy People recognises a liability measured as the present value of the contributions payable that arise from a deficit recovery agreement and the resulting expense that would be recognised in the income and expenditure account i.e. the unwinding of a discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the charity's balance sheet liability.

	2022	2021
	£	£
Provision at start of period	**2,981**	3,426
Unwinding of the discount factor (interest expense)	**17**	76
Deficit contribution paid	**(732)**	(710)
Remeasurements - impact of any change in assumptions	**(17)**	99
Remeasurements - amendments to the contribution schedule	**(1,406)**	-
Provision at end of period	**753**	2,891

Assumes discount rates of 2.35% (31/03/22) and 0.66% (31/03/21) which are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions

The charity has also established a designated reserve to provide for the contingent liability that would arise if The Advocacy People were to decide to withdraw from the Pensions Trust, which is estimated at £73,114. (see Note 14). However, there are no plans currently to exit the scheme.

The Advocacy People

England & Wales - Charity number 1080679

Accounts

The Advocacy People

Financial Statements
Year ended 31 March 2021

Charity No: 1080679

Company No: 3963421

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Reference and Administrative Details

Trustees	J. Dodson	Chair	
	A. Chester	Vice Chair	(retired 26/06/20)
	A. Chambers		
	T. O'Brien		
	J. Swaffer		(retired 25/06/21)
	I. Bews	Hon. Treasurer	
	A. Solemani (nee Steel)		
	C. Bates		(joined 26/03/21)
	S. Gandhi-Whitaker		(joined 26/03/21)
	E. Nistor-Lustermans		(joined 26/03/21)
	S. Yang		(joined 26/03/21)
Chief Executive & Company Secretary	M. Hilton		
Registered Office	Hastings Town Hall Queens Square Hastings East Sussex		TN34 1TL
Auditors	Mazars LLP 2nd Floor, 6 Sutton Plaza Sutton Court Road Sutton Surrey		SM1 4FS
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon 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 31st March 2021

The Trustees of The Advocacy People present their annual report for the year 1st April 2020 to 31st March 2021.

Our vision

The Advocacy People believe in a society where people feel in control of their lives and are confident to speak up, and where people who can't speak up for themselves have someone in their corner to speak for them.

It is our mission to:

- help anybody that needs independent support to speak up
- deliver quality and innovation in advocacy through our practice
- improve people's lives individually and collectively through putting their case to policymakers

Our Values

- People are at the heart of what we do. Anyone can feel powerless and unable to speak up when faced with a difficult situation. Anyone should have access to an advocate.
- People matter. In an equal society, decisions about people's lives must be made fairly, involving the person as far as possible.
- People make the difference. If our staff are happy at work, they will be effective at work.
- People should be heard at every level of policy and decision-making. We work hard to make this happen.

All of us are aware that there may be difficult times to come, with significant pressure on the public purse and with so many communities already tragically impacted by an unprecedented global pandemic. This is likely to be a world where the needs of many will be acute; a world where there is a growing demand for support on mental health and other issues where our approach can be the right one. The people-centred fundamentals of advocacy and the related services we deliver and manage should be at the heart of how we see the delivery of all public services. This is particularly true when those using the services are vulnerable and is likely to become ever more important as we emerge from the shadow of Covid into unprecedented and uncharted waters.

A drive for collaboration and innovation should be at the heart of future success in responding to this world because it is in harnessing the energy and ideas of people that we can all be the best that we can be. We therefore want to work in concert with partners who bring expertise about specific things in specific areas; and we all need to work effectively together as colleagues.

We look to invest resources in monitoring, influencing, and responding to key developments and initiatives in the external environment, particularly within the health and social care arena. We work to ensure that client views, concerns and experiences influence service policy, planning, and delivery through our local teams. Those that can flex and adapt will thrive; so, all our delivery models can and should evolve.

The Advocacy People therefore work beyond our own direct delivery responsibilities to improve health and social services on both local and national levels through:

- Local relationships with Healthwatch, statutory and voluntary organisations
- Collaboration with organisations such as the Parliamentary and Health Ombudsman and the CQC
- Contributing to consultations such as the review of the Mental Health Act and changes to Deprivation of Liberty Safeguards.

To pursue this overall picture, we see some of the priorities for us over the coming years being to:

- Achieve better outcomes for more people
- Grow our voice, visibility, and influence
- Build productive partnerships at all levels
- Realise the benefits of enhanced digital technology
- Ensure our ongoing financial stability

Scope of Operations

The Advocacy People works across the south of England from Cornwall to Kent, extending up to Milton Keynes. Our head office is in Hastings, East Sussex.

Structure, Governance and Management Governing Documents

The Advocacy People 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 in 2010.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity comply with the Charities Act 2011, the Companies Act 2006, its Memorandum

and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 2006. 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.

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charity auditors are unaware, and
- the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisation Structure

The Board of Trustees govern the charity and meet regularly to manage and control the resources administered by the charity. The Board of Trustees now has nine members having recently recruited from a diverse range of applicants. All trustees give their time freely and received no remuneration in the year. The Senior Leadership Team comprises the Chief Executive, Operations Director, Business Development Director, Finance Director, HR Director, and IT Director. The team is responsible for day-to-day policy and decision making as well as overseeing implementation of the business plan. The Senior Leadership Team submit reports on the work of the organisation to the Board and attend relevant Board agenda items. Once a year, the Board meet jointly with the Management Team (senior

and team managers) to review the organisation's performance and discuss future plans.

The Board has an Audit and Risk Management Sub-Committee which reviews financial and strategic matters in more detail and reviews risks that could prevent the organisation from achieving its strategic objectives. This Committee meets at least three times per year and its membership includes Trustees, the Chief Executive, and the Finance Director.

During the year, the Trustees met (using technology to do so virtually) on four occasions in full Board meetings, and once with the wider management team to discuss The Advocacy People's strategic direction. The Board received and considered regular reports relating to the management, development, and finances of the organisation, including challenging key performance indicators which allow the Board to track progress in delivering its strategic plan.

Separately appointed advisory Boards are in place for Healthwatch Portsmouth and Healthwatch West Berkshire whose staff are managed by The Advocacy People under the auspices of the main The Advocacy People Board.

Recruitment and Appointment of the Board

The Trustees are the directors of the charity for the purposes of the Companies Act and 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.

All trustees undergo a DBS check as part of the recruitment process and receive a Trustee handbook, and Trustee Code of Practice outlining their role and responsibilities. As part of their induction, Trustees meet with the CEO and other relevant managers.

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. The Advocacy People's Board aims to recruit in such a way as to bring expertise in advocacy, governance, specialist client groups, and related areas of expertise that can add value to the charity particularly valuing the role past or present service users bring to this process.

Risk Management and Audit

The major risks to which the charity could be exposed, as identified by the Board and the Risk Sub Committee, have been reviewed on an ongoing basis, and systems have been established to mitigate against those risks.

Senior management regularly review and update the charity's risk register, and prioritise key risks on which to focus, and review and update identified risks and mitigations for their specific areas of responsibility. The impact of Covid-19 has had an ongoing significant affect both on referrals and how our work is carried out. This has continued to impact on income, but also led to savings from amended working practices, and management has at all stages sought to prioritise the wellbeing of staff and clients. There remain, of course, significant concerns about the detrimental effect of Covid-19 on the economy, and therefore on funding available for advocacy.

Other key risks facing the organisation are being mitigated by regular financial and performance reporting, which is reviewed by operational and senior management, as well as updates reported to each Board meeting.

Risk management practices are in place to manage risks around health and safety such as dealing with Covid-19 related issues, lone working, management of premises, and other risks such as information security. Relevant operational procedures detailing expected practice for staff and managers, and policies and procedures have been kept under review during the year.

Compliance and quality assurance issues are reported to the Management Team who receive regular reports from each team and review specific areas of work. Reports summarising this work or highlighting specific areas are reported to the Board.

The Advocacy People has insurance policies in place to satisfy contractual requirements and ensure the organisation is protected against unforeseen events, for example a person being injured at premises or a claim in relation to services provided by the charity.

Staffing

The Advocacy People employed an average of 163 staff (121 FTE) in the year, and an average of 55 volunteers contributed their services.

Matthew Hilton, Chief Executive Officer, has led the organisation successfully with the support of his Senior Leadership Team and Trustees through a challenging year with the onset of Covid-19 and all the challenges that has brought to the organisation.

At the end of the previous financial year (March 2020) the development of Covid-19 started to impact on the organisation quite significantly. During this year, strong leadership with staff and stakeholder engagement across the organisation at all levels from the outset ensured we were quickly able to produce a range of measures and interventions in support of keeping people safe and healthy. These formed the backbone of a range of strategic and risk-based approaches to keep the organisation in a healthy position as staff, stakeholders, and clients (and the world) started to navigate through this very difficult time.

As the organisation has moved through the new financial year, the Senior Leadership Team has maintained a close watch on the Covid-19 impact at a national and local level and reviewed existing procedures and developed new initiatives to ensure the safety of the workforce. These have been developed in conjunction with feedback from staff and external stakeholders (commissioners, partners, and others) to ensure we continue to operate on a safe, risk aware basis, while meeting contractual obligations.

The Advocacy People has made very limited use of the Furlough Scheme to protect roles, predominantly in Central Services, where work was not available for staff and where a flexible approach was needed to support demand.

There has at the time of writing been only a small number of staff impacted by Covid-19 as an illness, most impact has been indirect through family/friends. However, it cannot be underestimated how difficult the situation has been on people's mental health and for this reason, the Senior Leadership with the wider management team of Team Managers and Supervising Advocates, have taken a careful and considered approach to ensuring people have time to adjust to what is now being called 'the new normal'.

Our staff have a wide range of skills and experiences which they bring to their work. We have found that the 'new normal' has resulted in more use of technology and therefore, adjusting to these changes has identified that now more than ever, we need to have digital competency as a complementary skill with others in the modern workplace.

As part of the drive to align staff remuneration with career development, and reflecting the skills needed in our staff, a review of the existing qualification, pay and benefits policies will be undertaken in 2021-22 to ensure we are transparent on these areas and staff know what is required to develop in their career from both a performance and skills basis. The organisation's goals and values continue to see The Advocacy People as the best provider and employer of choice in the sector.

Remuneration policy for senior staff

The pay of the senior staff has been set at a specific scale or at a fixed sum benchmarked against similar organisations. Any uplift for inflation is agreed annually by the Board for all staff. Any substantial changes to remuneration are agreed by an ad hoc Remuneration Subcommittee of the Board.

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 United Kingdom".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using services, including but not exclusively 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, which may include complaints.

We achieve this in various ways:

- Advocates and others provide information, support and representation to clients relating to specific difficulties, concerns, or complaints
- The organisation works directly with service providers and policy makers at local and national level, aiming to ensure that client experiences are at the heart of policy development and service planning, implementation, and monitoring.
- The Advocacy People's delivery of Healthwatch Portsmouth and Healthwatch West Berkshire is an integral part of our commitment to ensuring effective, locally accountable health and social services.

Ensuring our work delivers our aims

We have reviewed our underlying strategic approach and continue to build on our core strength as an advocacy organisation to find ways of bringing value to our clients in the changing world in which we live.

With the continuous reduction in public spending, the Board is committed to diversifying its funding. We also believe that advocacy is a service that would benefit many more people and that it is a tool to promote social justice and can support vulnerable people towards living more secure, independent, and fulfilled lives. Our objectives are underpinned by operational, business, and financial plans.

The Advocacy People has set high level key performance indicators for the Board to assure themselves that the organisation is travelling in the right direction. Teams and employees have their own individual performance objectives which align to those of the organisation and local contract requirements.

The Advocacy People's partnership strategy is predicated on supporting the sustainability of the advocacy sector and local specialist providers to extend the reach of services into seldom heard or hard to reach communities. We work with a range of partner organisations to deliver statutory and non-statutory advocacy services. The partnerships allow us to tailor our services to meet the needs of a range of clients and support the diversity of the voluntary sector.

We conduct regular client and professionals' surveys to ensure that we meet stakeholder requirements. We work closely with statutory and third sector colleagues to ensure our work priorities are informed by client feedback as well as by central and local commissioning priorities, and ongoing changes to health, social care, and other core agendas. Our client impact survey shows how advocacy contributes to improving health and wellbeing.

Whilst we have always been focused on outcomes and have looked for savings in how we operate, our need to identify innovative ways of working, including remote and digital solutions and developing robust collaboration and partnership arrangements is likely to become ever more important in the future.

The focus of our work

Independent advocacy is concerned with maximising people's involvement in decisions made about their lives. Our advocates support with different needs including helping people understand information, express their needs views and wishes, secure their rights, represent their interests and obtain the care and support they need. Advocates work in partnership with the people they support in accordance with the advocacy principles of being person-centred, independent, confidential and empowering.

We work hard to ensure people facing disability, health, transport, rural mobility, language or other barriers are never excluded from receiving high-quality advocacy. Embedded in our ethos is responding to feedback, promoting reflective practice, and following the Advocacy Charter and Equality Act. We work to the principles of the industry recognised NDTi Advocacy Charter and Code of Practice and following on from achieving the Quality Performance Mark (QPM) in 2019 with flying colours for the maximum three years, we are already thinking about preparing for our assessment next year.

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.

Service users and volunteers

We believe that Service user involvement and volunteers are central to our mission and values. Service users continue to be involved in recruitment panels and developing new services and we remain committed to ensuring service user membership onto our Board.

We continue to develop support for volunteers including employing specific volunteer coordinator posts. We have a dedicated Volunteer Focus Group which meets quarterly to share good practice. Over this year the Volunteer Focus Group have revised and updated our Volunteer Handbook and developed specific volunteer role descriptions.

Our Healthwatch service in West Berkshire were supported by 22 volunteers last year representing 800 hours or 100 days hours of volunteering time. They utilise volunteers in a variety of roles including research, engagement activities, Enter and View visits and mystery shopping.

We continued to work with colleges and universities across our geographical patch to encourage social work student placements. The feedback we receive is that the students take the "advocacy message" back to their peers when they return.

How our activities deliver public benefit

The Trustees consider that they have complied with their duty under the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission.

We reported last year that, in addition to supporting clients to find successful resolutions to their concerns, issues, complaints or statutory rights, clients tell us that receiving advocacy support enables them to feel more empowered and in control of their lives and leads them to develop self-advocacy skills which assist them (and in some cases, their peers) in the future.

Throughout this most challenging year The Advocacy People continued to work with our commissioners to respond to the challenge of Covid-19, offering flexible solutions to issues they may have, and prioritising continuity of our services, whilst ensuring our working practices remain as far as possible inclusive and accessible for our clients.

We were congratulated for adapting our external service delivery model / working practices, to allow where appropriate, for more remote communication techniques. whilst also prioritising direct contact with clients where there was a specific need and could be justified in terms of risk. We maintained a flexible effective and robust Risk Assessment process mirroring the changing Government guidelines.

In addition, this last year, our Focus Groups continued to play their part in national consultations. Our IMHA Focus Group pulled together a very detailed organisational response to the Government's Consultation on Reforming the Mental Health Act. Several of our other Focus Groups fed into a government call for evidence on the impact of COVID-19, which in turn fed into a similar response for NCVO. We are still waiting publication of the Code of Practice for the Liberty Protection Safeguards legislation which will be replacing Deprivation of Liberty Safeguards.

Who used and benefited from our services

In 2020/21 The Advocacy People accepted 11,281 (2020 -13,610) new advocacy cases, with Covid-19 having a significant effect on referrals as well as dealing with a further 4,392 enquiries and signposting requests.

During 2021 the Contact Centre handled a total 13,727 (2020 - 21,378) calls and handled 37,236 (2020 - 37,934) emails.

The Advocacy People provides services to a range of people including:

- Adults with mental health issues
- Parents going through Child Protection process
- Adults with learning disabilities
- Complaints about NHS care or treatment
- Gypsy and Traveller Communities
- BAMER Communities
- Older People
- People with physical disabilities and/or sensory impairments
- People with dementia-type conditions and acquired brain injury
- Prisoners
- People using the Appropriate Adult service

As well as non-statutory advocacy provision, The Advocacy People provides statutory advocacy including:

- Independent Health Complaints Advocacy
- Independent Mental Capacity Advocacy
- Independent Mental Health Advocacy
- Deprivation of Liberty Safeguards
- Independent Care Act Advocacy
- Statutory Children's Advocacy

In 2021 Healthwatch West Berkshire heard from 1,137 people about their experiences of health and social care and provided advice and information to 1,115,638 contacts via social media, newsletters, and the website. Additionally, 387,909 contacts were engaged with or supported via digital methods on issues relating to the pandemic.

Achievements and Performance

Outcomes and impact

Overall, 89% of instructed clients were satisfied or very satisfied with our advocacy services and 68% reported that advocacy had made them feel more positive across the five indictors: feeling listened to, in control and confident to speak up and being treated with respect and kept informed. During a year in which the Coronavirus Pandemic struck this had an impact on these figures as clients focused on wider issues that affected their wellbeing but there were still clear positives for the advocacy provided.

A major piece of independent evaluation on our Veterans' Advocacy People Service carried out by SERIO, an applied research unit at the University of Plymouth, was published in January, and found that the advocacy service had delivered considerable outcomes for its clients and the community, and was doing so in a cost-effective manner, with a social return value indicating that for every £1 spent on delivering The Veterans' Advocacy People, £4.74 in social value is created.

Marketing and the rebrand

Since the launch of our new name on 16 March 2020, our branding and digital communications have gone from strength to strength. We quickly had to adapt many of the previous print-versions of the new resources to digital so they could still be shared during lockdown.

Our website has continued to develop, with the aim of meeting the Web Content Accessibility Guidelines 2.1 AA rating (self-certification) in 2021/22 and maintaining it thereafter.

Our social media presence is unrecognizable from what it was before, we now have clarity of voice, communicating authentic content by 'telling our story' and sharing our expertise across Twitter, Facebook, LinkedIn and, more recently, Instagram and collated on our website (theadvocacypeople.org.uk/blog).

We have started producing digital content – webinars and podcasts – and will be adding a series of short videos with British Sign Language translation.

Local authority contracts

Tendering activity was low throughout the year, with contracts being extended rather than retendered due to the impact of Covid-19, including several of our own contracts. Where we have tendered, we have secured the following:

- Wiltshire Independent Health Complaints Advocacy – Retention of our existing service contract. The Advocacy People now delivers all statutory advocacy for Adults and Children in the county. The contract commenced on 1st April 2021.
- Healthwatch Portsmouth – This marks our return to the City of Portsmouth after a 5-year gap; and having a second Healthwatch service in our service portfolio is strategically important. The contract commenced on 1st April 2021.

The Veterans' Advocacy People evaluation

The online launch event for a three-year evaluation of the Veterans' Advocacy People Service successfully took place online on 28 January 2021. Due to difficulties securing funding, the service has now closed, and we do not intend to actively pursue funding, however, we are open to conversations and exploration of potential future projects with interested parties.

Plans for the future

The uncertainty wreaked by the Covid-19 pandemic has continued to add to the existing background of financial pressure on the delivery of all public services. In this context – even though we are ourselves of course largely reliant on contracts sourced by that public money - we are clear that the need for advocacy is all the more important to protect and promote the rights of those least heard. It is more vital than ever that we continue to review how we deliver services to ensure that we can provide value for money and high-quality services.

Our local advocacy and Healthwatch teams continue developing their working relationships wherever we work. We believe that the best way of delivering our services to those who need them the most is by working alongside and in partnership with community organisations. This seems to us to be truer than ever in the light of the pandemic situation.

We welcome working with partners where they can bring local or specific service user expertise that we lack. We want our staff and partners to feel empowered to innovate, to feel that The Advocacy People is a place that values their creativity. We recognise the importance of local branding for our services, where we work in tandem with partners to provide locality focused advocacy.

What we do is all about what the clients need, so we want to be confident and bold in building on our service offering to bring value to those clients. We will explore ways of building on our existing skills to provide additional services to ensure clients get the information they need and can get the support they want.

Financial Review

Actual income was below budget due to reduced income from spot purchase contracts, however some local authorities provided temporary support funding and for a few projects where income was significantly affected, staff were put on furlough. Overall, the financial year saw a 1.4% reduction in income on the previous year. However, reduced activity levels relating to the Covid-19 pandemic and a temporary freeze on recruitment meant actual expenditure was significantly under budget and resulted in a 9.3% net reduction in expenditure compared with the previous year. This was despite significant investment in home working equipment and the new database.

Total income received was £4,699,152 (2020 - £4,766,927) and total expenditure incurred during the year was £4,514,025 (2020 - £4,976,207). This resulted in a net inflow of funds of £185,127 (2020 - net outflows of £209,280). This was split between a net outflow of funds from restricted reserves of £45,233 (2020 - outflow of £77,329); and net inflow on free reserves of £230,482 (2020 - outflow £132,041).

Cash balances increased by 40% to £1,029,918 (2020 £737,354) at the yearend due to the net inflow of funds and favorable movements in debtors and creditors. Debtors and prepayments at the year-end were £611,531 (2020 - £806,759), and creditors and accruals were £341,227(2020 - £393,327).

Looking forward to 2021/22 a balanced budget was set with a series of targets for new income and measures to reduce expenditure given the uncertain outlook, as well as investing in staff training and development.

Principal funding sources

The charity is primarily funded by contracts with statutory bodies, with 86% (2020 - 80%) of income from charitable activities relating to statutory services provided to public authorities. Funding for non-statutory advocacy decreased to 12% of income (2020 - 17%). Healthwatch and other services provided 3% (2020 - 3%). The proportion of grant income fell to 4% (2020 - 5%) of overall funding noting that this included funding relating to Covid-19 of £97,602.

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 cover any costs that might arise from the sudden end of a contract, and to ensure sufficient cash flow to finance current operations or meet other contingencies that cannot be met out of current income.

At the end of the year the balance of the charity's free reserves was £1,040,598 (2020 - £858,820), an increase for the year of £181,778. This is after a transfer for £7,941 from the pension reserve relating to a reduction in the contingent liability being reported for the scheme, as well as a transfer of £20,219 to designated funds to cover future strategic investment in services. The level of free reserves at 31/03/21 was equal to 2.8 months (2020 - 2.1 months) of operating expenditure.

Designated funds of £322,681 (2020- £274,099) have been allocated by the Board for specific purposes such as investment to develop new services. This includes a Fixed Asset Reserve which is set at a level equivalent to net fixed assets representing the capital investment made in computers, software, furniture, and equipment; and a Pensions Reserve to provide for a contingent liability which would arise if The Advocacy People were to withdraw from membership of the Pensions Trust.

Restricted reserves of £35,540 (2020 - £80,773) are held, where the purpose of the funding was granted for a specific purpose or objective, and funds remained unspent by the yearend. These will be drawn upon to fund specific work in line with their original purpose.

It is the opinion of the trustees that the current level of reserves is justified given the significant uncertainties facing The Advocacy People. The Trustees therefore have taken the level of free reserves into account in their assessment of the risks facing the organisation.

Investment Policy

The Advocacy People holds any cash in excess of working capital requirements on deposit with the Co-operative Bank. The amount of interest earned during the year was £1,347 (2020 - £4,820). This equates to a return of 0.15% based upon the average of the opening and closing bank balances (2020 - 0.5%).

The Advocacy People has an ethical investment policy outlining human rights and environmental criteria with which potential investment institutions are assessed. To meet these objectives, The Advocacy People invests in fixed-term or call accounts with institutions that are considered to comply with our ethical criteria and have a high security rating.

Taking into consideration the overall level of reserves, and the level of reserves which are ear-marked for expenditure in the next year, the charity has a policy of investing for the short term only.

Going Concern

Given the factors reviewed above and in the light of The Advocacy People's financial position, its current range of activities linked to specific contracts and its track record of obtaining new work, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. In line with note 1(l) to these accounts the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Jane Dodson

Jane Dodson
3rd December 2021

Opinion

We have audited the financial statements of The Advocacy People (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

•give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
•have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
•have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
•the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
•the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

•adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
•the financial statements are not in agreement with the accounting records and returns; or
•certain disclosures of trustees' remuneration specifiied by law are not made; or
•we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 3-4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:
•Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
•Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
•Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:
•Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
•Gaining an understanding of the internal controls established to mitigate risks related to fraud;
•Discussing amongst the engagement team the risks of fraud; and
•Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

David Hoose
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 21 December 2021

Statement of Financial Activities (Incorporating an Income & Expenditure Account)

For the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	**2021 Total funds £**	2020 Total funds £
Income from:					
Donations	2	448	-	**448**	2,332
Charitable activities	3	4,575,582	121,775	**4,697,357**	4,759,775
Investment income		1,347	-	**1,347**	4,820
Total income		4,577,377	121,775	**4,699,152**	4,766,927
Expenditure on:					
Charitable activities	4-7	4,347,017	167,008	**4,514,025**	4,976,207
Total expenditure		4,347,017	167,008	**4,514,025**	4,976,207
Net income/(expenditure)		230,360	(45,233)	**185,127**	(209,280)
Funds at 1 April 2020		1,132,919	80,773	**1,213,692**	1,422,972
Funds at 31 March 2021		1,363,279	35,540	**1,398,819**	1,213,692

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 14 to the financial statements.

Balance Sheet

As at 31 March 2021

	Notes	£	2021 £	2020 £
Fixed Assets				
Intangible Assets	8		**46,942**	43,178
Tangible Assets	9		**61,046**	28,507
			107,988	71,685
Current Assets				
Debtors and Prepayments	10	**611,531**		806,759
Cash at Bank and in Hand		**1,029,918**		737,354
		1,641,449		1,544,113
Creditors: Amounts falling due within 1 year	11	**(341,227)**		(393,327)
Net Current Assets			**1,300,222**	1,150,786
Creditors: Amounts falling due after more than 1 year	12		**(9,391)**	(8,779)
Net Assets			**1,398,819**	1,213,692
Funds				
Restricted Funds	13		**35,540**	80,773
Unrestricted Funds	14			
Designated Funds		**322,681**		274,099
General Funds		**1,040,598**		858,820
Total Unrestricted Funds			**1,363,279**	1,132,919
Total Funds			**1,398,819**	1,213,692

The Charity's financial statements have been prepared in accordance with the provisions applicable to the small companies' regime

Approved by the Trustees and signed on their behalf by:

Irene Bews

Jane Dodson

3rd December 2021

Statement of Cash Flows

For the Year Ended 31 March 2021

	2021 Total funds £	2020 Total funds £
Net Income/(Expenditure)	185,127	(209,280)
Depreciation and amortisation	88,744	65,359
Investment income	(1,347)	(4,820)
Decrease/(Increase) in debtors	195,229	(99,842)
(Decrease) in creditors	(51,488)	(83,244)
Net cash provided by/(used in) operating activities	**416,265**	(331,827)
Cash flows from investing activities:		
Deposit interest received	1,347	4,820
Payments to acquire tangible and intangible fixed assets	(125,048)	(30,406)
Net cash used in investing activities	**(123,701)**	(25,586)
Increase in cash in the year	**292,564**	(357,413)
Net cash resources at 1st April	737,354	1,094,767
Net cash resources at 31st March	**1,029,918**	737,354

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical cost accounting basis. The charity meets the definition of a public benefit entity under FRS 102.

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

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activites 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. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when receivable.

Investment income compromises solely of interest on cash deposits.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

d) **Expenditure**

Cost of raising funds i.e. those costs incurred in attracting voluntary income are no longer considered significant and there are no costs incurred in trading activities that are purely to 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.

Expenditure is 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 4) 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 Trustees' 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 are held seperately 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 Activites represent the contributions payable by the charity in the year.

f) 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, The Advocacy People 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.

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for The Advocacy People - principally software. For intangible assets over £500 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

h) Tangible fixed assets

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:

Leasehold Improvements	Over the term of the lease
Furniture and equipment	20% per annum straight line
Computers and laptops	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 for the charity.

k) Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced at the end of the economic life of such equipment which is normally five years. Operating leases payable for the use of premises are charged on a straight line basis over the term of the lease.

l) Going Concern

The Board of Trustees have taken account of The Advocacy People's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and its exposures to price and cash flow risks as described in the Report of the Trustees on page 2-15. In particular by preparing multi-year budgets and forward looking cashflow analysis and projections.

The Advocacy People has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas of advocacy and training. As a consequence, the Trustees believe that The Advocacy People is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Trustees have continued to adopt the going concern basis in preparing the annual report and accounts.

2. Income from donations

	Unrestricted	Restricted	**2021 Total**	2020 Total
	£	£	**£**	£
Donations	448	-	**448**	2,332
	448	-	**448**	2,332

3. 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	**2021 Total**	2020 Total
	£	£	**£**	£
Statutory advocacy	4,018,852	-	**4,018,852**	3,788,593
Nonstatutory advocacy	427,139	121,775	**548,914**	827,067
Other services	129,591	-	**129,591**	144,115
Total income	4,575,582	121,775	**4,697,357**	4,759,775

4. Total Expenditure

	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Other services	Governance	**2021 Total**	2020 Total
		£	£	£	£	**£**	£
Costs directly allocated to activities							
Staff Costs	Direct	2,500,358	386,751	92,124	12,457	**2,991,690**	2,810,024
Staff related costs	Direct	32,092	3,820	667	31	**36,610**	195,559
Rent and service costs	Direct	11,439	3,981	3,817	-	**19,237**	28,394
ICT and administration costs	Direct	117,002	19,826	4,761	20	**141,609**	134,252
Subcontractor fees	Direct	276,796	199,031	-	-	**475,827**	916,681
Professional fees and similar	Direct	11,449	23,043	14,882	11,206	**60,580**	70,560
Depreciation	Direct	41,879	6,840	1,494	-	**50,213**	19,585
		2,991,015	643,292	117,745	23,714	**3,775,766**	4,175,055
Support costs allocated to activities							
Staff Costs	Staff time	402,925	86,663	15,862		**505,450**	508,567
Staff related costs	Staff time	4,821	1,037	190		**6,048**	18,756
Rent and service costs	Staff time	23,238	4,998	915		**29,151**	28,675
ICT and administration costs	Staff time	116,940	25,152	4,604		**146,694**	144,765
Professional fees and similar	Staff time	9,873	2,123	389		**12,385**	54,615
Depreciation	Staff time	30,714	6,606	1,209		**38,531**	45,774
		588,511	126,579	23,169	-	**738,259**	801,152
Total		3,579,526	769,871	140,914	23,714	**4,514,025**	4,976,207

5. Net (expenditure)/income for the year

This is stated after charging:	**2021**	2020
	£	£
Depreciation and amortisation	**88,744**	65,359
Auditors' Remuneration: Audit	**11,206**	10,869
Operating Lease Rentals: Property	**30,389**	49,685

6. Trustee Remuneration & Related Party Transactions

No trustees received any remuneration from the charity in their capacity as trustees. Reimbursement of travel and accommodation costs amounting to £0 (2020 - £188) were reimbursed to 0 (2020 - 2) trustees. No trustees received payments in any other capacity. No related party transactions were identified in the year.

7. Staff Costs and Numbers

	2021	2020
Staff costs were as follows:	£	£
Wages and Salaries	**3,164,168**	2,994,648
Agency fees	**5,972**	8,861
Social Security Costs	**242,849**	235,896
Employer Pension Contributions	**84,151**	79,186
	3,497,140	3,318,591

Employee remuneration for employees earning more than £60,000:

	2021	2020
£60,000-£70,000	**1**	1

The key management personnel of the charity, comprise the trustees, the Chief Executive Officer, Operations Director, Business Development Director, Finance Director, HR Director, and ICT Director. The total employee benefits of the key management personnel of the Charity were £296,648 (2020: £355,049).

The charity pays employer contributions to 137 (2020 - 131) staff who are members of a defined contribution pension scheme (see note 16).

The average weekly number of employees during the year (head count) was as follows:

	2021	2020
Advocacy Services	**134**	125
Healthwatch, Training and Contact Centre	**13**	13
Management and Administration	**16**	15
Total	**163**	153
Fulltime equivalent staff	**121**	117

8. Intangible Fixed Assets

	Software purchased	Software developed in house	**Total**
	£	£	**£**
COST			
At 1 April 2020	24,635	150,000	**174,635**
Additions in Year	-	48,300	**48,300**
Disposals in Year	-	(150,000)	**(150,000)**
At 31 March 2021	24,635	48,300	**72,935**
AMORTISATION			
At 1 April 2020	11,458	120,000	**131,458**
Additions in Year	4,875	39,660	**44,535**
Disposals in Year	-	(150,000)	**(150,000)**
			-
At 31 March 2021	16,333	9,660	**25,993**
NET BOOK VALUE			
At 31 March 2021	**8,302**	**38,640**	**46,942**
At 1 April 2020	13,178	30,000	43,178

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

9. Tangible Fixed Assets

	Computer equipment	Office equipment	**Total**
	£	£	**£**
COST			
At 1 April 2020	83,748	9,599	**93,347**
Additions in Year	76,748	-	**76,748**
Disposals in Year	(7,733)	-	**(7,733)**
At 31 March 2021	152,763	9,599	**162,362**
DEPRECIATION			
At 1 April 2020	56,222	8,618	**64,840**
Additions in Year	43,691	518	**44,209**
Disposals in Year	(7,733)	-	**(7,733)**
At 31 March 2021	92,180	9,136	**101,316**
NET BOOK VALUE			
At 31 March 2021	**60,583**	**463**	**61,046**
At 1 April 2020	27,526	981	28,507

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

10. Debtors and Prepayments

	2021	2020
	£	£
Debtors	**466,733**	407,368
Prepayments	**26,087**	64,369
Accrued income	**118,711**	335,023
	611,531	806,760

11. Creditors : Amounts falling due within one year

	2021	2020
	£	£
Taxation and Social Security	**60,171**	86,079
Creditors	**54,358**	79,495
Accruals	**191,642**	163,347
Deferred income	**35,056**	64,406
	341,227	393,327

12. Creditors : Amounts falling due after more than one year

	2021	2020
	£	£
Pension liability (note 16)	**2,891**	3,426
Lease liability accrual	**6,500**	5,353
	9,391	8,779

Pension liability is to provide for an identified liability relating to a shortfall on the employee pension scheme.

Lease liability accrual is to provide for a liability to redecorate at the end of a lease held by the charity.

13. Analysis of Net Assets Between Funds

	Fixed Assets	Net Current Assets	Creditors over one year	**At 31 March 2021**
	£	£	£	**£**
Restricted funds				
Plymouth Training	-	1,250	-	**1,250**
WEBCAS	-	25,799	-	**25,799**
West Berkshire Healthwatch		7,945	-	**7,945**
West Berkshire LD	-	546	-	**546**
Total Restricted Funds	-	35,540	-	**35,540**
Unrestricted Funds:				
Designated Funds	107,988	214,693	-	**322,681**
General Funds	-	1,049,989	(9,391)	**1,040,598**
Total Unrestricted Funds	107,988	1,264,682	(9,391)	**1,363,279**
Total Funds	107,988	1,300,222	(9,391)	**1,398,819**

14. Movements in Funds

		At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Restricted Funds:						
Veterans Advocacy Service	(a)	2,909	9,334	(12,243)	-	-
Veterans Advocacy Service (Covenant)	(b)	-	52,206	(52,206)	-	-
Veterans Advocacy Service (FiM)	(c)	28,778	48,339	(77,117)	-	-
Plymouth Training	(d)	1,250	-	-	-	**1,250**
WEBCAS	(e)	47,836	-	(22,037)	-	**25,799**
West Berkshire Healthwatch	(f)	-	11,350	(3,405)	-	**7,945**
West Berkshire LD	(g)	-	546	-	-	**546**
Total Restricted Funds		**80,773**	**121,775**	**(167,008)**	-	**35,540**
Unrestricted Funds:						
Designated Funds						
Fixed assets	(h)	71,685	-	36,304	-	**107,989**
Pension Reserve	(i)	113,878	-	-	(7,941)	**105,937**
Strategic Reserve	j)	88,536	-	-	20,219	**108,755**
Total Designated Funds		274,099	-	36,304	12,278	**322,681**
General Fund		858,820	4,577,377	(4,383,321)	(12,278)	**1,040,598**
Total Unrestricted Funds		1,132,919	4,577,377	(4,347,017)	-	**1,363,279**
Total Funds		1,213,692	4,699,152	(4,514,025)	-	**1,398,819**

14. Movements in Funds (continued)

Purposes of Fund balances

(a) (b) (c) The Veterans Advocacy Service relates to donations and grants received for advocacy work with ex-military personnel (a) to support the service , (b) grant funding from Forces in Mind under the military covernant fund and (c) for evaluation of the Veterans service.

(d) The Plymouth Training Fund relates to a donation received towards the cost of training for the Plymouth team.

(e) The WEBCAS fund relating to a grant received for advocacy and related services for people with learning difficulties in West Berkshire.

(f) The West Berkshire Healthwatch fund relates to small grants and donations received for specific project work during the year.

(g) The West Berkshire LD fund relates to grant funding from West Berkshire Council to pay for an event in 2022.

Designated funds have been allocated by the Trustees for specific purposes and have been reviewed in line with the strategic priorities of the organisation.

(h) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They will therefore be expended when the relevant fixed assets are fully depreciated.

(i) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 16 which includes detailed information.

(j) Strategic development - represents an amount allocated to provide for specialist resources to promote the development of The Advocacy People.

15. Operating Lease Commitment

	2021	2020
	£	£

The charity has commitments under operating leases for equipment, land and buildings du

Within one year	**30,389**	33,691
Within 2 to 5 years	**30,772**	67,842
Total operating lease commitment	**61,161**	101,533

16. Pension liabilities - actual and contingent

TPT Retirement Solutions – The Growth Plan

The Advocacy People participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee of the scheme has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

16. Pension liabilities - actual and contingent (continued)

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. An amount has been recognised in the accounts to provide for this liability (see Note 12).

The Advocacy People recognises a liability measured as the present value of the contributions payable that arise from a deficit recovery agreement and the resulting expense that would be recognised in the income and expenditure account i.e. the unwinding of a discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the charity's balance sheet liability.

	2021	2020
	£	£
Provision at start of period	**3,426**	4,156
Unwinding of the discount factor (interest expense)	**76**	53
Deficit contribution paid	**(710)**	(690)
Remeasurements - impact of any change in assumptions	**99**	(93)
Remeasurements - amendments to the contribution schedule	**-**	-
Provision at end of period	**2,891**	3,426

Assumes discount rates of 0.66% (31/03/21) and 2.53% (31/03/19) which are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions

The charity has also established a designated reserve to provide for the contingent liability that would arise if The Advocacy People were to decide to withdraw from the Pensions Trust, which is estimated at £105,937. (see Note 14). However, there are no plans currently to exit the scheme.