

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
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Registered Office	Hastings Town Hall Queens Square Hastings East Sussex	TN34 1TL
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Auditors	Mazars LLP 2nd Floor, 6 Sutton Plaza Sutton Court Road Sutton Surrey	SM1 4FS
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Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester	M60 4EP
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Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex	RH16 4BX
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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 indicators: 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
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 specified 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.

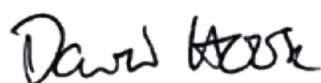
Independent auditor's report to the members of The Advocacy People (continued)

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		<u>4,577,377</u>	<u>121,775</u>	<u>4,699,152</u>	<u>4,766,927</u>
Expenditure on:					
Charitable activities	4-7	<u>4,347,017</u>	<u>167,008</u>	<u>4,514,025</u>	<u>4,976,207</u>
Total expenditure		<u>4,347,017</u>	<u>167,008</u>	<u>4,514,025</u>	<u>4,976,207</u>
Net income/(expenditure)		230,360	(45,233)	185,127	(209,280)
Funds at 1 April 2020		<u>1,132,919</u>	<u>80,773</u>	<u>1,213,692</u>	<u>1,422,972</u>
Funds at 31 March 2021		<u>1,363,279</u>	<u>35,540</u>	<u>1,398,819</u>	<u>1,213,692</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 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
		<u>107,988</u>	<u>71,685</u>
Current Assets			
Debtors and Prepayments	10	611,531	806,759
Cash at Bank and in Hand		<u>1,029,918</u>	<u>737,354</u>
		<u>1,641,449</u>	<u>1,544,113</u>
Creditors: Amounts falling due within 1 year	11	<u>(341,227)</u>	<u>(393,327)</u>
Net Current Assets		<u>1,300,222</u>	<u>1,150,786</u>
Creditors: Amounts falling due after more than 1 year	12	<u>(9,391)</u>	<u>(8,779)</u>
Net Assets		<u>1,398,819</u>	<u>1,213,692</u>
Funds			
Restricted Funds	13	35,540	80,773
Unrestricted Funds	14		
Designated Funds		322,681	274,099
General Funds		<u>1,040,598</u>	<u>858,820</u>
Total Unrestricted Funds		<u>1,363,279</u>	<u>1,132,919</u>
Total Funds		<u>1,398,819</u>	<u>1,213,692</u>

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

Notes to the Financial Statements

For the Year Ended 31 March 2021

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 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. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when receivable.

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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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 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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2. Income from donations

			2021	2020
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	448	-	448	2,332
	<u>448</u>	<u>-</u>	<u>448</u>	<u>2,332</u>

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.

			2021	2020
	Unrestricted	Restricted	Total	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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total income	<u>4,575,582</u>	<u>121,775</u>	<u>4,697,357</u>	<u>4,759,775</u>

Notes to the Financial Statements

For the Year Ended 31 March 2021

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
		<u>2,991,015</u>	<u>643,292</u>	<u>117,745</u>	<u>23,714</u>	<u>3,775,766</u>	<u>4,175,055</u>
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
		<u>588,511</u>	<u>126,579</u>	<u>23,169</u>	<u>-</u>	<u>738,259</u>	<u>801,152</u>
Total		<u><u>3,579,526</u></u>	<u><u>769,871</u></u>	<u><u>140,914</u></u>	<u><u>23,714</u></u>	<u><u>4,514,025</u></u>	<u><u>4,976,207</u></u>

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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
	<u>3,497,140</u>	<u>3,318,591</u>

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	<u>163</u>	<u>153</u>
Fulltime equivalent staff	<u>121</u>	<u>117</u>

Notes to the Financial Statements

For the Year Ended 31 March 2021

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	<u>24,635</u>	<u>48,300</u>	<u>72,935</u>
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	<u>16,333</u>	<u>9,660</u>	<u>25,993</u>
NET BOOK VALUE			
At 31 March 2021	<u>8,302</u>	<u>38,640</u>	<u>46,942</u>
At 1 April 2020	<u>13,178</u>	<u>30,000</u>	<u>43,178</u>

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 2021

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)
	<u>152,763</u>	<u>9,599</u>	<u>162,362</u>
At 31 March 2021			
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)
	<u>92,180</u>	<u>9,136</u>	<u>101,316</u>
At 31 March 2021			
NET BOOK VALUE			
At 31 March 2021	<u>60,583</u>	<u>463</u>	<u>61,046</u>
At 1 April 2020	<u>27,526</u>	<u>981</u>	<u>28,507</u>

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 2021

10. Debtors and Prepayments

	2021	2020
	£	£
Debtors	466,733	407,368
Prepayments	26,087	64,369
Accrued income	118,711	335,023
	<u>611,531</u>	<u>806,760</u>

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
	<u>341,227</u>	<u>393,327</u>

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
	<u>9,391</u>	<u>8,779</u>

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 2021

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

Notes to the Financial Statements

For the Year Ended 31 March 2021

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

Notes to the Financial Statements

For the Year Ended 31 March 2021

14. Movements in Funds (continued)

Purposes of Fund balances

- (a) (b) 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 covenant fund and (c) for evaluation of the Veterans service.
- (c)
- (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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.