

**The Advocacy People**

**Financial Statements**

**Year ended 31 March 2022**

Charity No: 1080679

Company No: 03963421

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## Reference and Administrative Details

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<b>Trustees</b>	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	
<b>Chief Executive &amp; Company Secretary</b>	M. Hilton	
<b>Registered Office</b>	Hastings Town Hall Queens Square Hastings East Sussex	TN34 1TL
<b>Auditors</b>	Kreston Reeves LLP 37 St Margaret's Street, Canterbury	CT1 2TU
<b>Bankers</b>	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
<b>Solicitors</b>	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 ([theadvocypeople.org.uk/blog](http://theadvocypeople.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 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**

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
<b>Income from:</b>					
Donations	2	907	-	<b>907</b>	448
Charitable activities	3	5,018,585	16,641	<b>5,035,226</b>	4,697,357
Investment income		1,469	-	<b>1,469</b>	1,347
<b>Total income</b>		<b>5,020,961</b>	<b>16,641</b>	<b>5,037,602</b>	4,699,152
<b>Expenditure on:</b>					
Charitable activities	4	<b>4,744,010</b>	<b>37,560</b>	<b>4,781,570</b>	4,514,025
<b>Total expenditure</b>		4,744,010	37,560	<b>4,781,570</b>	4,514,025
<b>Net income/(expenditure)</b>		276,951	(20,919)	<b>256,032</b>	185,127
<b>Funds at 1 April 2021</b>		1,363,279	35,540	<b>1,398,819</b>	1,213,692
<b>Funds at 31 March 2022</b>		<b>1,640,230</b>	<b>14,621</b>	<b>1,654,851</b>	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 £
<b>Fixed Assets</b>			
Intangible Assets	8	<b>44,385</b>	46,942
Tangible Assets	9	<b>54,585</b>	61,046
		<b>98,970</b>	107,988
<b>Current Assets</b>			
Debtors and Prepayments	10	<b>833,426</b>	611,531
Cash at Bank and in Hand		<b>1,189,357</b>	1,029,918
		<b>2,022,783</b>	1,641,449
<b>Creditors: Amounts falling due within 1 year</b>	11	<b>(460,229)</b>	(341,227)
<b>Net Current Assets</b>		<b>1,562,554</b>	1,300,222
<b>Creditors: Amounts falling due after more than 1 year</b>	12	<b>(6,673)</b>	(9,391)
<b>Net Assets</b>		<b>1,654,851</b>	1,398,819
<b>Funds</b>			
Restricted Funds	13	<b>14,621</b>	35,540
Unrestricted Funds			
Designated Funds		<b>303,030</b>	322,681
General Funds		<b>1,337,200</b>	1,040,598
<b>Total Unrestricted Funds</b>		<b>1,640,230</b>	1,363,279
<b>Total Funds</b>		<b>1,654,851</b>	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:

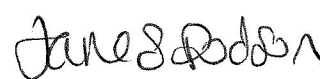
I Bews

Hon. Treasurer



J Dodson

Chair



**Statement of Cash Flows****For the Year Ended 31 March 2022**

	<b>2022</b>	2021
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£</b>	£
<b>Cashflows from operating activities</b>		
Net Income	<b>256,032</b>	185,127
Depreciation and amortisation	<b>70,367</b>	88,744
Investment income	<b>(1,469)</b>	(1,347)
(Increase)/Decrease in debtors	<b>(221,895)</b>	195,229
Increase/(Decrease) in creditors	<b>116,284</b>	(51,488)
<b>Net cash provided by operating activities/(used in)</b>	<b>219,319</b>	416,265
<b>Cash flows from investing activities:</b>		
Deposit interest received	<b>1,469</b>	1,347
Payments to acquire tangible and intangible fixed assets	<b>(61,349)</b>	(125,048)
<b>Net cash used in investing activities</b>	<b>(59,880)</b>	(123,701)
<b>Change in cash and cash equivalents in the year</b>	<b>159,439</b>	292,564
Cash and cash equivalents at 1st April	<b>1,029,918</b>	737,354
<b>Cash and cash equivalents at 31st March</b>	<b>1,189,357</b>	1,029,918

	At 1 April 2021	Cashflows	At 31 March 2022
<b>Cash flows from investing activities:</b>			
Cash at Bank and in Hand	1,029,918	159,439	<b>1,189,357</b>

## Notes to the Financial Statements

### For the Year Ended 31 March 2022

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#### 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 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 2022

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#### 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.

#### 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

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#### 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

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#### 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	<b>2022 Total</b>	2021 Total
	£	£	£	£
Donations	907	-	<b>907</b>	448
	<u>907</u>	<u>-</u>	<u><b>907</b></u>	<u>448</u>

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	<b>2022 Total</b>	2021 Total
	£	£	£	£
Statutory advocacy	4,183,020	-	<b>4,183,020</b>	4,018,852
Nonstatutory advocacy	541,309	15,441	<b>556,750</b>	548,914
Other services	294,256	1,200	<b>295,456</b>	129,591
	<u>5,018,585</u>	<u>16,641</u>	<u><b>5,035,226</b></u>	<u>4,697,357</u>
Total income	<u>5,018,585</u>	<u>16,641</u>	<u><b>5,035,226</b></u>	<u>4,697,357</u>

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 £	
<b>Direct costs</b>							
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	
			<u>3,339,860</u>	<u>403,758</u>	<u>207,519</u>	<u>26,136</u>	£
<b>Support costs</b>							
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	-	
			<u>645,569</u>	<u>78,761</u>	<u>79,967</u>	<u>-</u>	
Total			<u>3,985,429</u>	<u>482,519</u>	<u>287,486</u>	<u>26,136</u>	£

## 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 £
<b>Direct costs</b>						
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	-
			<u>2,991,014</u>	<u>643,293</u>	<u>117,745</u>	<u>23,714</u>
<b>Support costs</b>						
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	
			<u>588,511</u>	<u>126,579</u>	<u>23,169</u>	<u>-</u>
Total			<u>3,579,525</u>	<u>769,872</u>	<u>140,914</u>	<u>23,714</u>

## Notes to the Financial Statements

### For the Year Ended 31 March 2022

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#### 5. Net (expenditure)/income for the year

This is stated after charging:	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Depreciation and amortisation	<b>70,367</b>	88,744
Auditors' Remuneration: Audit	<b>10,920</b>	11,206
Operating Lease Rentals: Property	<b>10,257</b>	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
	<u>3,596,286</u>	<u>3,497,140</u>

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	<u>167</u>	<u>163</u>
Fulltime equivalent staff	<u>129</u>	<u>121</u>

## Notes to the Financial Statements

### For the Year Ended 31 March 2022

#### 8. Intangible Fixed Assets

	Software purchased £	Software developed in house £	Total £
<b>COST</b>			
At 1 April 2021	24,635	48,300	<b>72,935</b>
Additions in Year	18,181	-	<b>18,181</b>
Disposals in Year	(16,408)	-	<b>(16,408)</b>
At 31 March 2022	<u>26,408</u>	<u>48,300</u>	<u><b>74,708</b></u>
<b>AMORTISATION</b>			
At 1 April 2021	16,333	9,660	<b>25,993</b>
Charge for the Year	11,080	9,658	<b>20,738</b>
Disposals in Year	(16,408)	-	<b>(16,408)</b>
			<b>-</b>
At 31 March 2022	<u>11,005</u>	<u>19,318</u>	<u><b>30,323</b></u>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2022</b>	<u><b>15,403</b></u>	<u><b>28,982</b></u>	<u><b>44,385</b></u>
At 1 April 2021	<u>8,302</u>	<u>38,640</u>	<u>46,942</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 2022

#### 9. Tangible Fixed Assets

	Computer equipment £	Office equipment £	Total £
<b>COST</b>			
At 1 April 2021	152,763	9,599	<b>162,362</b>
Additions in Year	43,168	-	<b>43,168</b>
Disposals in Year	(47,771)	(1,441)	<b>(49,212)</b>
At 31 March 2022	<u>148,160</u>	<u>8,158</u>	<u><b>156,318</b></u>
<b>DEPRECIATION</b>			
At 1 April 2021	92,180	9,136	<b>101,316</b>
Charge for the Year	49,398	231	<b>49,629</b>
Disposals in Year	(47,771)	(1,441)	<b>(49,212)</b>
At 31 March 2022	<u>93,807</u>	<u>7,926</u>	<u><b>101,733</b></u>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2022</b>	<u><b>54,353</b></u>	<u><b>232</b></u>	<u><b>54,585</b></u>
At 1 April 2021	<u>60,583</u>	<u>463</u>	<u>61,046</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 2022

#### 10. Debtors and Prepayments

	2022	2021
	£	£
Trade Debtors	472,026	466,733
Prepayments	40,149	26,087
Accrued income	321,251	118,711
	<u>833,426</u>	<u>611,531</u>

#### 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
	<u>460,229</u>	<u>341,227</u>

#### 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
	<u>38,056</u>	<u>35,056</u>

#### 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
	<u>6,673</u>	<u>9,391</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 2022

## 14. Statement of Funds

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

## 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 April 2021 £
<b>Restricted Funds:</b>						
Plymouth Training	(a)	1,250	-	-	-	1,250
WEBCAS	(b)	47,836		(22,037)	-	25,799
Healthwatch Southend	(c)	-	-	-	-	-
Healthwatch West Berkshire	(d)	-	11,350	(3,405)	-	7,945
West Berkshire Council	(e)	-	546	-	-	546
Veterans Advocacy Service	(f)	31,687	109,879	(141,566)		31,687
<b>Total Restricted Funds</b>		<b>80,773</b>	<b>121,775</b>	<b>(167,008)</b>	-	<b>35,540</b>
<b>Unrestricted Funds:</b>						
<b>Designated Funds</b>						
Fixed assets	(g)	71,685	-	36,304	-	107,989
Pension Reserve	(h)	113,878	-	-	(7,941)	105,937
Strategic Reserve	(i)	88,536	-	-	20,219	108,755
Healthwatch Portsmouth	(j)	-	-	-	-	-
<b>Total Designated Funds</b>		<b>274,099</b>	-	<b>36,304</b>	<b>12,278</b>	<b>322,681</b>
<b>General Fund</b>		<b>858,820</b>	<b>4,577,377</b>	<b>(4,383,321)</b>	<b>(12,278)</b>	<b>1,040,598</b>
<b>Total Unrestricted Funds</b>		<b>1,132,919</b>	<b>4,577,377</b>	<b>(4,347,017)</b>	-	<b>1,363,279</b>
<b>Total Funds</b>		<b>1,213,692</b>	<b>4,699,152</b>	<b>(4,514,025)</b>	-	<b>1,398,822</b>

## Notes to the Financial Statements

### For the Year Ended 31 March 2022

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#### 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 respective authorities for separate 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

<b>Current year</b>	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Creditors over one year £</b>	<b>At 31 March 2022 £</b>
<b>Restricted funds</b>	-	14,621	-	<b>14,621</b>
<b>Unrestricted Funds:</b>				
Designated Funds	98,970	204,060	-	<b>303,030</b>
General Funds	-	1,343,873	(6,673)	<b>1,337,200</b>
<b>Total Unrestricted Funds</b>	<u>98,970</u>	<u>1,547,933</u>	<u>(6,673)</u>	<b><u>1,640,230</u></b>
<b>Total Funds</b>	<u>98,970</u>	<u>1,562,554</u>	<u>(6,673)</u>	<b><u>1,654,851</u></b>
<b>Prior year</b>	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Creditors over one year £</b>	<b>At 31 March 2021 £</b>
<b>Restricted Funds</b>	-	35,540	-	<b>35,540</b>
<b>Unrestricted Funds</b>				
Designated Funds	107,988	214,693	-	<b>322,681</b>
General Funds	-	1,049,989	(9,391)	<b>1,040,598</b>
<b>Total Unrestricted Funds</b>	<u>107,988</u>	<u>1,264,682</u>	<u>(9,391)</u>	<b><u>1,363,279</u></b>
<b>Total Funds</b>	<u>107,988</u>	<u>1,300,222</u>	<u>(9,391)</u>	<b><u>1,398,819</u></b>

## Notes to the Financial Statements

### For the Year Ended 31 March 2022

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#### 16. Operating Lease Commitment

	2022	2021
	£	£
The charity has commitments under operating leases for equipment, land and buildings due:		
Within one year	<b>10,257</b>	30,389
Within 2 to 5 years	<b>20,514</b>	30,772
	<hr/>	<hr/>
Total operating lease commitment	<b>30,772</b>	61,161
	<hr/>	<hr/>

#### 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.

	<b>2022</b>	2021
	<b>£</b>	£
Provision at start of period	<b>2,981</b>	3,426
Unwinding of the discount factor (interest expense)	<b>17</b>	76
Deficit contribution paid	<b>(732)</b>	(710)
Remeasurements - impact of any change in assumptions	<b>(17)</b>	99
Remeasurements - amendments to the contribution schedule	<b>(1,406)</b>	-
Provision at end of period	<b>753</b>	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.