

The Advocacy People

Financial Statements

Year ended 31 March 2023

Charity No: 1080679

Company No: 03963421

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Reference and Administrative Details

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

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

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

Our vision

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

It is our mission to:

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

Our Values

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

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

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

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

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

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

Scope of Operations

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

Structure, Governance and Management Governing Documents

The Advocacy People is a charitable company limited by guarantee, incorporated on 3 April 2000, and registered as a charity on 11 May 2000. It was established under a Memorandum of Association, which establishes its objects and powers and is governed under its articles of association which were last amended in 2023.

Responsibilities of the Board

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statements as to disclosure of information to auditors

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

Organisation Structure

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

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

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

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

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

Recruitment and Appointment of the Board

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

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

The names of the Trustees at the date the accounts were signed are set out on the schedule of reference and administrative details on page 1.

Risk Management and Audit

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

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

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

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

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

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

Staffing

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

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

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

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

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

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

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

Remuneration policy for senior staff

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

Objectives and Activities

Aims and Objectives

The objectives of the charity are expressed in the governing document as follows: "to relieve persons who are in need by reason of their age, youth, disability, ill-health or social or economic circumstances through the provision of effective advocacy services in the United Kingdom".

The purpose of the organisation is to ensure that the views, wishes and feelings of those using services, including but not exclusively health and social care services, are promoted to service providers; and to provide advocacy support to individuals or groups who wish to resolve specific issues, which may include complaints.

We achieve this in various ways:

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

Ensuring our work delivers our aims

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

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

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

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

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

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

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

The focus of our work

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

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

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

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

Service users and volunteers

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

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

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

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

How our activities deliver public benefit

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

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

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

Who used and benefited from our services?

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

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

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

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

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

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

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

Achievements and Performance

Outcomes and impact

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

Services

During the year, the following contracts started:

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

No contracts ended.

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

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

Plans for the future

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

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

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

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

Financial Review

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

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

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

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

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

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

Principal funding sources

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

Reserves Policy

The Board have examined the charity's requirement for reserves in the light of the main risks facing the organisation, such as to cover any costs that might arise from the sudden end of a contract, and to ensure sufficient cash flow to finance current operations or meet other contingencies that cannot be met out of current income.

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

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

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

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

Investment Policy

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

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

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

Going Concern

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

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



Jane Dodson
Chair
1st December 2023

The Advocacy People
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Independent Auditors' Report to the Members of The Advocacy People

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

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

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

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

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

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

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

The Advocacy People
(A company limited by guarantee)

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

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

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

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

Use of our report

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: *6.12.23*

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

For the Year Ended 31 March 2023

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

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

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

Balance Sheet

As at 31 March 2023

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

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

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


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

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

I Bews
Hon. Treasurer



J Dodson
Chair



Statement of Cash Flows

For the Year Ended 31 March 2023

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

1. Accounting Policies

a) Basis of preparation

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

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

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

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

b) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Income

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

Income from charitable 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

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 2023

d) Expenditure

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

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

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

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

Governance costs (see Note 4) are costs associated with meeting the constitutional and statutory arrangements of the charity, including internal and external audit and the cost of preparing statutory accounts, the cost of Trustees' meetings, and other costs involved with the charity's strategic management.

e) Pensions

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this are held 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 2023

g) Intangible assets

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

h) Tangible fixed assets

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

Furniture and equipment	20% per annum straight line
Computers and laptops	33% per annum straight line

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

i) Debtors

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

j) Cash at Bank and in Hand

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

k) Creditor Liabilities and Provisions

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

l) Financial instruments

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

m) Funds accounting

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

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

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

n) Services provided by volunteers

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

o) Operating leases

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

p) Going Concern

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

q) Critical accounting estimates and areas of judgement

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

The items in the accounts where these judgements and estimates have been made

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

2. Income from donations

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

No restricted income from donations was received in 2022.

3. Income from charitable activities

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

4. (a) Analysis of Expenditure

Current Year

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

Notes to the Financial Statements
For the Year Ended 31 March 2023

4. (b) Analysis of Expenditure

Prior Year

Direct costs

	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Healthwatch	Other Services	Governance	2022 Total	2021 Total
		£	£	£	£	£	£	£
Staff Costs	Direct	2,604,916	296,285	131,772	16,759	12,457	3,062,189	2,991,690
Staff related costs	Direct	118,486	13,683	1,658	1,557	2,151	137,535	36,609
Rent and service costs	Direct	1,557	1,495	9,528	-	-	12,580	32,203
ICT and administration costs	Direct	122,655	14,749	8,371	1,273	473	147,521	128,644
Subcontractor fees	Direct	432,093	70,249	696	-	-	503,038	475,827
Professional fees and similar	Direct	23,533	2,646	350	33,885	11,017	71,431	60,580
Depreciation	Direct	36,620	4,651	1,670	-	38	42,979	50,213
		<u>3,339,860</u>	<u>403,758</u>	<u>154,045</u>	<u>53,474</u>	<u>26,136</u>	<u>3,977,273</u>	<u>3,775,766</u>

Support costs

	Staff time	456,197	51,888	19,309	6,703	-	534,097	505,450
Staff Costs	Staff time	1,230	142	24	9	-	1,405	6,048
Staff related costs	Staff time	3,414	3,278	15,510	5,384	-	27,586	50,370
Rent and service costs	Staff time	147,929	18,976	9,211	3,197	-	179,313	125,477
ICT and administration costs	Staff time	13,442	1,511	14,516	5,039	-	34,508	12,385
Professional fees and similar	Staff time	23,357	2,966	791	274	-	27,388	38,529
Depreciation	Staff time	645,569	78,761	59,361	20,606	-	804,297	738,259
		<u>3,985,429</u>	<u>482,519</u>	<u>213,406</u>	<u>74,080</u>	<u>26,136</u>	<u>4,781,570</u>	<u>4,514,025</u>
Total								

Notes to the Financial Statements
For the Year Ended 31 March 2023

4. (c) Analysis between Restricted and Unrestricted Expenditure

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

5. Net (expenditure)/income for the year

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

6. Trustee Remuneration, Expenses & Related Party Transactions

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

7. Staff Costs and Numbers

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

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

	2023	2022
£60,000-£70,000	1	1

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

8. Intangible Fixed Assets

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

9. Tangible Fixed Assets

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

10. Debtors and Prepayments

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

11. Creditors : Amounts falling due within one year

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

12. Deferred income

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

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

	2023	2022
	£	£
Pension liability (note 17)	480	753
Lease liability accrual	-	5,920
	<u>480</u>	<u>6,673</u>

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds (continued)

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

Notes to the Financial Statements

For the Year Ended 31 March 2023

14. Statement of Funds (continued)

Purposes of Fund balances

- (a) The Plymouth Training fund related to a donation received for staff training in the Plymouth team.
- (b) The WEBCAS fund related to a grant received for advocacy and related services for people with learning difficulties in West Berkshire.
- (c) The Healthwatch Southend fund relates to a small grants for its Board development.
- (d) The Healthwatch West Berkshire fund relates to grant funding for specific project work during the year.
- (e) The Berkshire West CCG fund relates to grant funding for Learning Disability services.
- (f) The West Berkshire Council fund relates to grant funding for Learning Disability
- (g) The Portsmouth Healthwatch fund relates to grant funding for development work.
- (h) The Healthwatch Database fund relates to grant funding for a Civi replacement

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

- (i) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They are expended when the relevant fixed assets are fully depreciated.
- (j) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 17 which includes detailed information.
- (k) Strategic development - represents an amount allocated to provide funding to promote the development of The Advocacy People.
- (l) Healthwatch Portsmouth - represents funding for projects on health inequalities and on emergency and urgent care.
- (m) This represents nonspecific donations which have been allocated to organisational development.
- (n) Healthwatch Southend - represents allocated funding for project work.
- (o) Healthwatch Wokingham - represents allocated funding for project work.

Notes to the Financial Statements

For the Year Ended 31 March 2023

15. Analysis of Net Assets Between Funds

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

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

