

The Advocacy People

Financial Statements

Year ended 31 March 2024

Charity No: 1080679

Company No: 03963421

Contents

Reports	Page
Reference and Administrative Details	1
Report of the Trustees	2-13
Report of the Auditors	14-18
 Financial Statements	
Statement of financial activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes forming part of the financial statements	22-41

Reference and Administrative Details

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

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

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

Our vision

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

It is our mission to:

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

Our Values

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

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

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

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

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

Scope of Operations

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

Structure, Governance and Management Governing Documents

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

Responsibilities of the Board

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

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

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

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

Statements as to disclosure of information to auditors

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

Organisation Structure

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

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

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

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

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

Recruitment and Appointment of the Board

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

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

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

Risk Management and Audit

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

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

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

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

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

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

Staffing

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

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

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

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

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

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

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

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

Remuneration policy for senior staff

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

Objectives and Activities

Aims and Objectives

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

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

We achieve this in various ways:

Advocates and others provide information, support and representation to clients relating to specific difficulties, concerns, or complaints.

The organisation works directly with service providers and policy makers at local and national level, aiming to ensure that client experiences are at the heart of policy development and service planning, implementation, and monitoring.

The Advocacy People's delivery of Healthwatch is an integral part of our commitment to ensuring effective, locally accountable health and social services.

Ensuring our work delivers our aims

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

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

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

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

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

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

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

The focus of our work

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

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

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

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

Service users and volunteers

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

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

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

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

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

How our activities deliver public benefit

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

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

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

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

Who used and benefited from our services?

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

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

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

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

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

For information about Healthwatch activities and impact, please refer to their Annual Reports for the year April 2023 – March 2024:

[Healthwatch Portsmouth Annual Report 23-24](#)

[Annual report 2023/2024 \(healthwatchreading.co.uk\)](#)

[Annual report 2023/24: What we've been doing over the last year \(healthwatchsouthend.co.uk\)](#)

[Healthwatch West Berks Annual Report 2023-2024](#)

[Our annual report 2023-24 is out now \(healthwatchwokingham.co.uk\)](#)

[Annual report 2023/24 \(healthwatchhampshire.co.uk\)](#)

Achievements and Performance

Outcomes and impact

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

Services

During the year, the following contracts started:

Southampton Adults and Children's Advocacy Services

Healthwatch Hampshire

Kent Adult Advocacy Services

Healthwatch West Berkshire (including, IHCA & LDPB)

Milton Keynes Adult Advocacy Services

West Sussex – Support to Adults undergoing Child Care proceedings

During the year, the following Contract ended:

West Berkshire Adult Advocacy

The following contracts were secured for start during the financial year 2024/25:

Healthwatch Somerset (new)

Southwark Adult Advocacy Services (new)

Windsor & Maidenhead Advocacy Services

Plans for the future

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

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

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

Financial Review

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

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

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

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

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

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

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

Principal funding sources

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

Reserves Policy

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

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

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

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

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

Investment Policy

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

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

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

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

Going Concern

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

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

A handwritten signature in black ink, appearing to read 'Jane Dodson'.

Jane Dodson
Chair
29th November 2024

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

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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.

Peter Manser FCA DChA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date:

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

For the Year Ended 31 March 2024

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

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

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

Balance Sheet
As at 31 March 2024

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

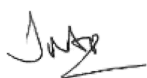
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

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

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

The financial statements were approved and authorised for issue by the Trustees on 29th November 2024 and signed on their behalf by:

I Bews
Hon. Treasurer



J Dodson
Chair



Statement of Cash Flows

For the Year Ended 31 March 2024

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

1. Accounting Policies

a) Basis of preparation

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

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

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

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

b) Legal status of the charity

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

c) Income

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

Income from charitable 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 2024

d) Expenditure

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

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

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

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

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

e) Pensions

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this are held 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 2024

g) Intangible assets

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

h) Fixed asset investments

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

i) Debtors

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

j) Cash at Bank and in Hand

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

k) Creditor Liabilities and Provisions

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

l) Financial instruments

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

m) Funds accounting

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

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

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

n) Services provided by volunteers

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

o) Operating leases

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

p) Going Concern

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

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

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

No restricted income from donations was received in 2023.

3. Income from charitable activities

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

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

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

The Advocacy People, Company Number 0963421 (Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2024

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (a) Analysis of Expenditure

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (b) Analysis of Expenditure

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

4. (c) Analysis between Restricted and Unrestricted Expenditure

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

The Advocacy People, Company Number 0963421 (Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2024

Total	<u>5,819,271</u>	<u>27,574</u>	<u>5,846,845</u>	<u>5,303,924</u>	<u>48,981</u>	<u>5,352,905</u>
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Notes to the Financial Statements

For the Year Ended 31 March 2024

5. Net (expenditure)/income for the year

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

6. Trustee Remuneration, Expenses & Related Party Transactions

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

7. Staff Costs and Numbers

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

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

	2024	2023
£60,000-£70,000	1	1

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

8. Intangible Fixed Assets

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

9. Fixed Asset Investments

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

10. Debtors and Prepayments

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

11. Creditors : Amounts falling due within one year

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

12. Deferred income

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

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

	2024	2023
	£	£
Pension liability (note 17)	224	480
	<u>224</u>	<u>480</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 2024

14. Statement of Funds

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

14. Statement of Funds (continued)

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

14. Statement of Funds (continued)

Purposes of Fund balances

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

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

- (h) Fixed Assets represents the book value of fixed assets less depreciation to date - equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They are expended when the relevant fixed assets are fully depreciated.
- (i) Pension Reserve - represents the estimated contingent liability that would arise if The Advocacy People were to withdraw from its current pension scheme due to a net deficit on the scheme - see note 17 which includes detailed information.
- (j) Strategic development - represents an amount allocated to provide funding to promote the development of The Advocacy People.
- (k) Designated reserves have been established for each Healthwatch service to support project and development work.
- (l) Funding received for the Core20Plus Connectors Programme carried forward for expenditure in the following financial year.
- (m) Funding received for the three Healthwatch forming the Berkshire West element of the Berkshire, Oxfordshire and Buckinghamshire ICB from funding received from that organisation.
- (n) This represents nonspecific donations which have been allocated to organisational development.

Notes to the Financial Statements

For the Year Ended 31 March 2024

15. Analysis of Net Assets Between Funds

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

16. Operating Lease Commitment

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

17. Pension liabilities - actual and contingent TPT Retirement Solutions – The Growth Plan

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2024

17. Pension liabilities - actual and contingent (continued)

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

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

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

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

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

