South East Advocacy Projects

(A company limited by guarantee)

Report and Financial Statements

31 March 2003



Charity no: 1080679

Company no: 3963421

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Legal and administrative information

Trustees	D. Broadley (appointed 15/10/2002) B. Browning M. Casey L. Fenton M. Hawke (retired 15/10/2002) A. Heslop J. Langley B. Pearse A. Voyce (appointed 28/3/2003)
Registered Office	The Advocacy Centre 42 Robertson Street Hastings East Sussex TN34 1HL
Auditors	Ashdown Hurrey 20 Havelock Road Hastings East Sussex TN34 1BP
Bankers	Lloyds TSB Bank PLC 17 Wellington Place Hastings East Sussex TN34 1NX
Solicitors	Heringtons 84 Battle Road St. Leonards-on-Sea East Sussex TN37 7XL

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of South East Advocacy Projects for the year ended 31 March 2003. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Introduction

South East Advocacy Projects is a charitable company limited by guarantee and was set up on 3 April 2000. It is governed by a memorandum and articles of association which were last amended 11 July 2000.

Principal activities and aims

The general objects of the charity are 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 south east of England. These objects are fulfilled through the provision of four specialist advocacy services in East Sussex:

- Xpress Advocacy Service for children and young people,
- MY CHOiCE Advocacy Service for people with learning disabilities,
- The Mental Health Advocacy Service for adult users of the health service,
- Independent Complaints Advocacy Service (from September 2002).

The four advocacy services benefit from a common administration and management structure provided by the charity, which has its headquarters at the Advocacy Centre in Hastings.

The Advocacy Centre is probably unique in the country. It provides a focal point for the promotion and development of independent advocacy services. Because they are housed under the same roof, staff members of the four specialist advocacy services are able to support each other, share information and resources, undertake work on a variety of issues/cases and develop a consistent approach to volunteers' recruitment, training, operational policies etc. The centre has a fully equipped meeting/training room that is used for advocates' training programmes. There are also courses run for and by local voluntary and community groups. There is a reception area that provides space for self-advocacy initiatives. Some of the office facilities are used by associated charities to complement the advocacy services.

South East Advocacy Projects is independent of local authorities and service providers. The charity provides accredited training courses for paid staff and volunteer advocates. The charity promotes and subscribes to national and locally agreed advocacy quality standards covering training, supervision, equal opportunities, referrals, user involvement, best interests, confidentiality, recruitment, involvement of volunteers, complaints, monitoring, evaluation and the provision of independent advocacy services. All the advocacy services managed by the charity are grant funded and free of charge to users.

Organisation

At the second annual general meeting of the charity in the autumn of 2002 three trustees were elected; one was a new trustee and two were re-elected. At future annual general meetings one third of the trustees shall be subject to retirement by rotation and will be eligible for re-election. The charity is organised so that the trustees are members of the executive committee that meets regularly to manage and control the resources administered by the charity. The executive committee includes the county manager of each advocacy service, service user representatives, specialist advisors and the company secretary.

The names of the trustees at the date the accounts were signed are set out on the schedule of legal and administrative details on page 1. They all served during the year under review, except as follows: M. Hawke retired on 15 October 2002; D. Broadley was appointed on 15 October 2002; A. Voyce was appointed on 28 March 2003.

Trustees' responsibilities statement

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 1985. 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 and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

The trustees are pleased to report that the charity's internal financial controls conform with guidelines issued by the Charity Commission.

Review of developments

In the year to 31 March 2003, the charity managed the four specialist advocacy services and provided a focus for the promotion of independent advocacy. During the year, the following activities of the charity are worthy of note:

- **South East Advocacy Projects – central administration**

  During the year the charity recruited two new trustees to serve as specialist advisors. The trustees have formulated policies and procedures for all the advocacy services. They have also worked on plans for the development of the charity, in particular to maximise the potential of the charity to provide training in the field of advocacy for a variety of clients and to influence the promotion of advocacy in the public and voluntary sectors.

  The charity organised a conference in October 2002 on the theme *"Voluntary Organisations and Funders – the challenge of balancing our mission with the needs of funders."* There was also a presentation by users of the advocacy services provided by South East Advocacy Projects. The conference was attended by 59 people representing 22 different organisations in the public and voluntary sectors.

  £29,623 was spent on the management and administration of the charity. This included all the costs incurred by compliance with constitutional and statutory requirements such as financial administration, external audit, legal costs, insurance cover, trustees meetings and health and safety regulations.

- **The Advocacy Centre**

  During the year the advocacy centre has been used regularly for staff & trustees' meetings, training courses, client sessions and administration of the advocacy services. Office facilities have been developed so that members of staff in the different advocacy services can benefit from a variety of resources under the same roof. Apart from the advocacy staff, the principal users of the centre were FOCUS on mental health, Rethink - Survivors of Suicide (Hastings), Manic Depression Fellowship, Mood Changers, Hastings Mind, User Q, Community Health Council and the Rural Rother Creative Care Network.

  The advocacy centre has undergone considerable growth this year. Every office is now in use, although some minor remedial work for damp problems still has to be done. Some interior decoration work was carried out to make the reception area and other rooms more attractive for meetings and other events. More interior redecoration of the premises will take place in a phased programme of work during the next two years.

  The centre will continue to host meetings for trustees, staff and volunteers, youth groups and community groups. In the future it is planned to increase the number of training courses for staff and volunteer advocates.

  The charity spent £18,370 on the rental and maintenance of the centre during the year. The four advocacy services and the other organisations using the centre met these costs.

Review of developments (continued)

- **Xpress Advocacy Service** for children and young people.

  In this period Xpress was funded principally by grants of £142,500 from the Quality Protects programme, the aim of which is to improve the management and delivery of social services for children in need for whom the local authority has responsibility. A grant of £24,385 was received from Children in Need for continuing a Buddy Scheme for children with physical and learning disabilities. With additional funding of £10,000 this scheme has extended from the Hailsham area into Hastings, Bexhill and Eastbourne. A total of £46,065 was received in grants for other specialist advocacy services provided by Xpress. All monies received by Xpress were held and accounted for in a restricted fund.

  Using the grants from Quality Protects, a countywide advocacy service has been provided by 10 staff and 14 volunteers operating from Hastings, Eastbourne and Uckfield. Over 400 vulnerable children and young people in East Sussex have access to this service. Xpress continued to provide an independent visitor scheme for children in care in East Sussex.

  During the year Xpress continued to provide an advocacy service for children and young people with physical and/or learning disabilities, including those attending respite care units, in East Sussex.

  Xpress also provided a specialist advocacy service at Chailey Heritage School.

  All the advocacy services mentioned above will continue next year.

  Xpress published and distributed *Xpress Yourself*, a magazine for the children and young people who are Looked After or Accommodated by the Local Authority throughout East Sussex. Three issues were produced and circulated to 500 readers.

  Xpress has also developed three Rights Xpress Young People's Groups, which are for young people aged between 12 and 21. These groups help to ensure that young people are centrally involved in the evaluation and provision of an advocacy service that meets their needs. Members of the group contributed articles and features for the *Xpress Yourself* magazine, and are involved in the *Go For It* training initiative in which Xpress trains young people to work as trainers.

  The advocacy training course run by Xpress has received official accreditation from the Open College Network.

  Xpress continued to operate a freephone helpline for young people in care. 272 calls were made to the helpline during the year.

  Xpress has been involved in carrying out a number of consultation exercises with difficult to reach young people. Also Xpress is centrally involved in many key strategic forums and national initiatives.

  During the year Xpress contributed towards the administration of the charity and the running costs of the Advocacy Centre. These costs were all included in budgets submitted with grant applications for this year.

Review of developments (continued)

- **MY CHOiCE Advocacy Service** for people with learning disabilities.

  In this period MY CHOiCE was funded principally by a grant of £109,000 from East Sussex County Council Social Services. This grant was insufficient to meet the full costs of providing the advocacy service and MY CHOiCE was obliged to expend some reserve funds during the period. In addition, the final instalment of the grant was delayed by 14 weeks and because of the resulting cash flow problems, the charity's general funds supported MY CHOiCE until the grant was received after the year end.

  MY CHOiCE also received £8,896 for the provision of a Service User Involvement Project in East Sussex, though the full amount spent by MY CHOiCE on this project actually amounted to nearly £23,000 (see paragraph 4 below for further details).

  All monies received by MY CHOiCE were held and accounted for in a restricted fund.

  During the year the countywide service had three local co-ordinators who covered the areas of Hastings & Rother, Eastbourne, and Wealden. The co-ordinators were each originally employed for 30 hours per week. However, when MY CHOiCE learned that the full payment towards the Service User Involvement Project would not be received, despite the hours having been provided by staff and paid by MY CHOiCE, an emergency decision had to be made to reduce the co-ordinator's hours to 17 hours per week for the remainder of the year in order for the project to continue. The Service User Involvement Project work continued to be undertaken by the co-ordinators and the project work was then paid separately and retrospectively by the funders.

  The co-ordinators supported 22 volunteer advocates who had attended training programmes and who were receiving regular supervision for their work with MY CHOiCE. During the year MY CHOiCE has provided direct advocacy support to 176 people with learning disabilities.

  During the year MY CHOiCE had to reduce the availability of different forms of advocacy because of limited funding. The following areas were affected; citizen advocacy and formal advocacy were both reduced, while group advocacy, self-advocacy and peer advocacy had to stop. MY CHOiCE staff continued to attend Social Services meetings including Partnership Board meetings in order to discuss current developments, to influence decisions being made and to voice the views of individual people and service users. MY CHOiCE increased its efforts to make it possible for more people with learning disabilities to attend its meetings and to be represented on the Partnership Board, through the new Service User Involvement Project. There are now two elected representatives of people with learning disabilities on the Partnership Board, supported by two Service User Involvement workers who started employment with MY CHOiCE in February 2003.

(continued on the following page)

Review of developments (continued)

- **MY CHOiCE Advocacy Service** for people with learning disabilities (continued).

  Three weeks before the end of the year, MY CHOiCE was informed that they were unsuccessful in their Best Value Tender for the Provision of Advocacy Services County wide from April 2003. Meetings took place with East Sussex Social Services and National Mencap representatives to discuss the issue of a smooth transition from one project to another, to ensure the continuity of advocacy services to those people currently being supported. It was expressed that MY CHOiCE could be approached to continue providing the service until Mencap was ready to take over. A week before the end of the year MY CHOiCE was informed that there would be no further funding after 31st March 2003 and that a gap of about 3-4 months would occur between one advocacy project closing and another starting up.

  Negotiations have taken place for the transfer of existing casework and the transfer of staff under TUPE regulations to National Mencap. The two newly appointed Service User Involvement workers have been taken on as sessional workers so that they can continue with the project work. Regrettably the remaining MY CHOiCE staff have had to be issued with redundancy notices. Reserve funds were required to meet the costs of redundancies and the closure of offices at the end of March 2003.

  During the year MY CHOiCE continued to provide a separately funded independent reprovision advocacy service for people in a residential home in Hastings on behalf of Sutton and Merton Primary Care Trust. This work will continue after April 2003.

  MY CHOiCE contributed towards the administration of the charity and the running costs of the Advocacy Centre in this period. These costs were all included in budgets submitted with grant applications for this year.

  After the year end, MY CHOiCE reserve funds were used to employ staff during their period of notice and to enable grant applications to be submitted for a variety of independent advocacy services that could be provided by MY CHOiCE in the near future.

Review of developments (continued)

- **Mental Health Advocacy Service** for adult users of the health service.

  In this period the service has been funded by grants of £46,115 from East Sussex Primary Care Trusts and £21,172 from Primary Care Trusts covering Hastings and Bexhill. Delays in receiving these grants during the year meant that all reserve funds carried forward from the previous year were utilised. All monies received by the mental health advocacy service were held and accounted for in a restricted fund.

  The mental health advocacy service has now extended its service to Eastbourne and Wealden in response to regular requests for help from people in these areas. A unique contribution has been made by the charity towards the development of health care in this region. In January 2003 Rethink began to provide a community mental health advocacy service to users in the Lewes area but the remainder of the county is served by South East Advocacy Projects.

  The mental health advocacy service has become well established in the Hastings & Rother area and the grant from the Primary Care Trusts ensured that this work continued and that those with mental health problems were able to participate in and make decisions about their health and social care. Advocates have represented and supported their clients at outpatient psychiatric appointments, ward rounds, Care Programme Approach Reviews, Section 117 meetings and case conferences. Advocates have assisted in other situations where appropriate. Mental health users in the Hastings & Rother area have been encouraged to join FOCUS, the local user group which meets regularly in the Advocacy Centre. A drop-in advocacy surgery is held at the local mental health in-patient unit on a regular basis.

  The mental health advocacy service has been approached by residential care units with a request to provide part-time advocacy support for residents in the units. These requests have been followed up and a service is now being provided for the residents of Ashen Hill and Southview. The elderly residents of Mount Denys received advocacy support from Age Concern and the mental health advocacy service.

  In total, the service has provided direct advocacy support this year for about 150 people with mental health problems. This specialist advocacy has been provided by three paid staff. One volunteer in the Hastings area has helped with office work.

  The mental health advocacy service contributed towards the administration of the charity and the running costs of the Advocacy Centre in this period. These costs were all included in budgets submitted with grant applications for this year.

Review of developments (continued)

- **Independent Complaints Advocacy Service (ICAS).**

  In July 2002, South East Advocacy Projects successfully made a bid for pilot status for the ICAS service. The service has been funded by a grant of £100,000 from the Department of Health. All monies received by ICAS were held and accounted for in a restricted fund.

  ICAS is a new service offering independent advice, support and advocacy to people wishing to make a complaint about their care or treatment by the NHS. This service will be available nationally from September 2003, and a number of pilots have been set up to run until the end of August 2003.

  South East Advocacy Projects employed five staff members to set up and run the ICAS pilot service throughout East Sussex principally for adults with mental health problems, adults with learning disabilities, and young people. The staff were based in the Advocacy Centre in Hastings and they held surgeries at a local hospital. Approximately 3,000 leaflets were distributed to advertise the service and 500 letters were sent to individual service providers who might be able to refer people to the service. A freephone help line was set up to give access to the ICAS service.

  A steering group was set up as an advisory body for the ICAS pilot, and staff attended training courses covering the Human Rights Act, NHS patient and public involvement strategy, hearing and visual impairment, and database reporting.

  A meeting with PALS officers in East Sussex took place in January 2003 to develop a protocol for working with PALS. Also in January 2003, a seminar was organised by the ICAS service for professionals, agencies and interested individuals.

  The Department of Health has awarded a further grant of £62,500 to the ICAS pilot provided by South East Advocacy Projects for the period April to August 2003.

  ICAS contributed towards the administration of the charity and the running costs of the Advocacy Centre in this period. These costs were all included in the budget submitted with the grant application for the pilot project.

Risk Management

The trustees have begun to carry out a risk management exercise, in line with Charity Commission recommendations, to identify the risks to which the charity is exposed. The risks that the trustees have considered are those relating to financial, operational, governance, external and compliance issues. Each risk has been rated as high, medium or low and appropriate measures are being planned, using the involvement of the executive committee, senior staff, auditors and other professional advisers.

The trustees accepted recommendations presented by the financial administrator to improve the effectiveness of the accounting system and to prevent fraud.

The charity has public liability insurance and professional indemnity insurance policies in place for protection in the event of a person being injured at a SEAP event or in the event of a claim in relation to services provided by volunteers, staff and trustees of the charity.

Reserves Policy

The trustees have examined the requirement to maintain reserve funds and concluded that the most appropriate level of reserves for each advocacy service is about 3 months of operational expenditure. This level has been maintained for only two of the four advocacy services. This is therefore a matter of serious concern to the trustees.

The trustees have taken steps to address this concern by considering methods of increasing reserve funds for the advocacy services and the unrestricted funds available to the charity.

During the year reserve funds were utilised as follows:

- To meet a shortfall in income due to reductions in grant funding,
- To resolve cash flow problems due to delays in receiving grants,
- To meet the cost of providing cover for staff on extended sick leave,
- To meet redundancy and other costs of closure, and transfer of services for clients to other offices.

During the year 2003-2004 there may be further redundancy and other costs of closure for some of the advocacy services provided by MY CHOiCE.

Financial review

A summary of the results for this period can be found on page 14 of the attached accounts.

Total incoming resources were £548,476 compared to £418,834 in 2002.

The charity incurred direct charitable expenditure of £398,694 (2002 - £342,220) in carrying out its charitable work. Costs of generating funds were £11,448 (2002 - £8,476), support costs were £37,158 (2002 - £33,562) and charity administration costs were £29,623 (2002 - £28,946).

Reserves policy and financial position

The balance sheet shows total reserves of £191,352.

The trustees are mindful of the need to keep resources in reserve to manage the risks mentioned above and have estimated that reserves should be available to cover a quarter of the total annual expenditure. During this period the level of reserves was sufficient for only two of the advocacy services; also the level of reserves for the headquarters of the charity were too low and therefore the trustees will seek ways of building up reserves. Future plans include the setting up of a designated fund for the redecoration and maintenance of the advocacy centre during the next two years.

General funds to finance the administration headquarters and meet contingencies amount to £21,977.

Restricted fund balances of £169,375 are amounts held on trust for donors in connection with the specialist advocacy services provided by the charity. Such funds are not available to finance the general work of the charity. These funds will be utilised in the next financial year as explained on page 10 under the heading Reserves Policy.

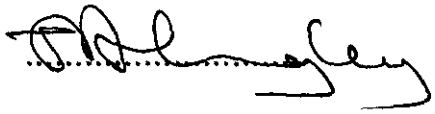
Investment policy

The charity has a policy of holding cash in an interest bearing account until required.

Employees, volunteers and supporters of the charity

The trustees wish to record their recognition of the loyalty and commitment of all their staff and volunteers. Their dedication, enthusiasm and positive approach are very much appreciated. The contribution of more than 50 volunteers to the advocacy services is worthy of note because they have given freely of their time and energy so that others may benefit. Without the volunteers, the charity would not be able to provide the advocacy services that are needed by so many people.

By order of the trustees:



Trustee

Approved on: 27.6.03

Report of the auditors

Independent auditors' report

to the trustees of

South East Advocacy Projects

We have audited the financial statements of South East Advocacy Projects for the year ended 31 March 2003 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the trustees as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees of South East Advocacy Projects for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the trustees. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the report of the trustees, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Report of the auditors

Independent auditors' report

to the trustees of

South East Advocacy Projects (continued)

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Charity in the preparation of financial statements and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the Charity's state of affairs as at 31 March 2003 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Ashdown Hurrey

Ashdown Hurrey
Chartered Accountants
20 Havelock Road
Hastings
East Sussex TN34 1BP

22 JULY 2003

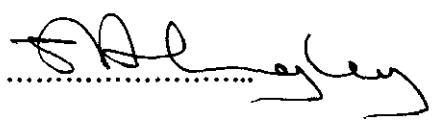
Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2003

	Notes	Unrestricted funds £	Restricted funds £	**Total funds 2003 £**	Total funds 2002 £
Income and expenditure					
Incoming resources					
Donations		-	431	**431**	3,043
Activities to further the charity's objects:					
Grants receivable	2	23,359	504,169	**527,528**	394,210
Fees receivable		4,953	11,748	**16,701**	17,523
Bank interest receivable		1,268	2,548	**3,816**	4,058
Total incoming resources		29,580	518,896	**548,476**	418,834
Resources expended					
Costs of generating funds		610	10,838	**11,448**	8,476
Charitable expenditure					
Cost of activities in furtherance of the charity's objects	3	-	398,694	**398,694**	342,220
Support costs	4	7,206	29,952	**37,158**	33,532
Management and administration	5	1,256	28,367	**29,623**	28,946
Total resources expended		9,072	467,851	**476,923**	413,174
Net incoming (outgoing) resources for the year and net income (expenditure) for the year	6	20,508	51,045	**71,553**	5,660
Transfers		-	-	-	-
Net movement in funds		20,508	51,045	**71,553**	5,660
Total funds brought forward At 1 April 2002		1,469	118,330	**119,799**	114,139
Total funds carried forward At 31 March 2003		21,977	169,375	**191,352**	119,799

Balance Sheet as at 31 March 2003

	Notes	**2003** £	**2003** £	2002 £	2002 £
Fixed assets	9				
Administration Headquarters			**6,400**		170
Advocacy Services			**3,489**		2,587
			9,889		2,757
Current assets					
Debtors	10				
Administration Headquarters		**1,329**		673	
Advocacy Services		**31,431**		7,394	
Cash at bank and in hand					
Administration Headquarters		**3,104**		3,686	
Advocacy Services		**16,013**		11,065	
Cash on deposit					
Administration Headquarters		**14,995**		-	
Advocacy Services		**125,000**		100,000	
		191,872		122,818	
Creditors: amounts falling due within one year	11				
Administration Headquarters		**(3,851)**		(3,060)	
Advocacy Services		**(6,558)**		(2,716)	
Net current assets			**181,463**		117,042
Total net assets			**191,352**		119,799
Represented by:					
Funds					
Restricted	13		**169,375**		118,330
Unrestricted					
. Designated funds		**-**		-	
. General fund		**21,977**		1,469	
			21,977		1,469
			191,352		119,799

Approved by the Trustees
and signed on their behalf by:



Trustee

Approved on: 27.6.03

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000, applicable accounting standards and the Companies Act 1985.

(b) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 1. 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

Voluntary income is credited to the statement of financial activities in the year in which it is received.

Grants and fees, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Interest on cash deposits is credited to the statement of financial activities when received and includes recoverable tax deductions.

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

(d) Expenditure

Costs of generating funds include management time spent in researching grant funding for the advocacy services, preparing budgets, filling in application forms and negotiating with the grant providers. Costs are apportioned on the basis of hours spent on these tasks by each project.

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable thereto.

Support costs include expenditure on the rental and maintenance of offices, computers, office equipment and depreciation. Costs are apportioned on the basis of office space occupied and the quantity of office equipment used by each project.

Management and administration costs include expenditure on general administration of the charity and on compliance with constitutional and statutory requirements. Costs are apportioned on the basis of the number of staff in each project and the hours worked.

(e) **Pensions**

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this scheme are held separately from those of the charity, being invested with The Pensions Trust. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

(f) **Cash flow**

The financial statements do not include a cash flow statement, because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

(g) **Value added tax**

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

(h) **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives at the following rates per annum:

Office equipment and furniture	20% on cost
Computer equipment	33% on cost

Items of equipment are capitalised where the purchase price exceeds £500.

(i) **Funds accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees.

The restricted funds are monies raised for, and their use restricted to, a specific advocacy service.

(j) **Services provided by volunteers**

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

2 Grants Received

	General fund £	Restricted funds £	**Total 2003 £**	Total 2002 £
Social Services: East Sussex	12,847	277,264	**290,111**	193,949
Health Authority	4,672	95,328	**100,000**	154,705
Primary Care Trusts: East Sussex	3,037	66,916	**69,953**	21,172
Other grants	2,803	64,661	**67,464**	24,384
	23,359	504,169	**527,528**	394,210

Other grants were received from BBC Children In Need, Chailey Heritage School, Hastings Children's Fund, Hastings Community Fund, SCOPE and the Sussex Rural Community Council.

A grant was received from Lloyds TSB and this is being treated as deferred income because it is awaiting match funding (note 12).

3 Direct Charitable Expenditure

	General fund £	Restricted funds £	**Total 2003 £**	Total 2002 £
Staff salaries	-	330,710	**330,710**	279,788
Staff training and travel	-	20,786	**20,786**	17,614
Volunteers' training and travel	-	5,746	**5,746**	6,228
Recruitment and publicity	-	6,439	**6,439**	5,051
Office running costs	-	19,748	**19,748**	19,018
Meetings and special projects	-	8,916	**8,916**	8,692
Professional fees	-	6,349	**6,349**	5,829
	-	398,694	**398,694**	342,220

4 Support costs

	General fund £	Restricted funds £	**Total 2003 £**	Total 2002 £
Rents and property maintenance	4,465	18,895	**23,360**	25,206
Office equipment and running costs	971	7,780	**8,751**	5,582
Depreciation	1,770	3,277	**5,047**	2,744
	7,206	29,952	**37,158**	33,532

5 Management and administration of the charity

	General fund £	Restricted funds £	**Total 2003 £**	Total 2002 £
Staff salary	936	22,473	**23,409**	22,921
Insurances	135	3,245	**3,380**	2,709
Office expenses	149	1,794	**1,943**	2,357
Legal and professional fees	36	855	**891**	959
	1,256	28,367	**29,623**	28,946

6 Net incoming/(outgoing) resources for the year

This is stated after charging:

	General fund £	Restricted funds £	**Total 2003 £**	Total 2002 £
Staff costs (note 7)	1,546	364,021	**365,567**	312,636
Audit costs	564	-	**564**	764
Depreciation	1,770	3,277	**5,047**	2,744

7 Staff costs and trustees' remuneration

	2003 £	2002 £
Staff costs during the year were as follows:		
Wages and salaries	**333,057**	285,240
Social security costs	**27,528**	23,745
Pension costs	**4,982**	3,651
	365,567	312,636
Staff costs per function were as follows:		
Generating funds	**11,448**	8,476
Support of the charitable work of the charity	**330,710**	281,239
Management and administration of the charity	**23,409**	22,921
	365,567	312,636

The average number of employees during the year was as follows:

	2003	2002
Part time	**17**	15
Full time	**8**	5
	25	20

No employee received remuneration of more than £50,000 during the year.

Retirement benefits are accruing under money purchase schemes to 6 employees (2002: 5 employees).

Trustees are not remunerated. Two trustees received reimbursement of travel expenses for attending meetings and training sessions amounting to £140 (2002: £36).

8 Taxation

South East Advocacy Projects is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Tangible fixed assets

Fixtures, fittings and equipment

	Charity Admin £	Advocacy Services £	**Total £**
Cost or valuation			
At 1 April 2002	510	7,721	**8,231**
Additions	8,000	4,179	**12,179**
Disposals	-	-	-
At 31 March 2003	8,510	11,900	**20,410**
Accumulated depreciation			
At 1 April 2002	340	5,134	**5,474**
Charge for year	1,770	3,277	**5,047**
Disposals	-	-	-
At 31 March 2003	2,110	8,411	**10,521**
Net book values			
At 31 March 2003	6,400	3,489	**9,889**
At 1 April 2002	170	2,587	**2,757**

The net book value at 31 March 2003 represents fixed assets used for:

	Computers £	Office Equipment £	**Total £**
Support costs	3,489	-	**3,489**
Management and administration of the charity	-	6,400	**6,400**
	3,489	6,400	**9,889**

10 Debtors

	2003 £	2002 £
Fees and grants receivable	**27,250**	7,026
Prepayments and other debtors	**5,510**	1,041
	32,760	8,067

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Other creditors	**1,316**	5,012
Deferred income (note 12)	**5,000**	-
Accruals	**4,093**	764
	10,409	5,776

12 Deferred income

	2003 £	2002 £
Balance at 1 April 2002	**-**	-
Xpress Advocacy Service grant received	**5,000**	-
Balance at 31 March 2003	**5,000**	-

13 Restricted funds

	At 1 April 2002 £	Incoming resources £	Resources expended £	**At 31 March 2003 £**
Xpress Advocacy Service	75,900	225,374	(203,477)	**97,797**
MY CHOiCE Advocacy Service	23,678	130,691	(134,216)	**20,153**
Mental Health Advocacy Service	18,752	67,269	(68,418)	**17,603**
Independent Complaints Advocacy Service	-	95,562	(61,740)	**33,822**
	118,330	518,896	(467,851)	**169,375**

The restricted funds comprise the unexpended balances of grants, donations and fees received for the specific purpose of each advocacy service.

14 Analysis of net assets between funds

	Unrestricted Funds		Restricted	**Total**
	General £	Designated £	Funds £	**2003 £**
Fund balances at 31 March 2003 are represented by:				
Tangible fixed assets	6,400	-	3,489	**9,889**
Current assets	19,428	-	172,444	**191,872**
Creditors: amounts falling due within one year	(3,851)	-	(6,558)	**(10,409)**
Total net assets	21,977	-	169,375	**191,352**

15 Leasing commitments

Future commitments under operating leases payable in the next 12 months are as follows	Buildings £	Other £
On leases expiring		
- between 1 and 2 years	**12,000**	-
- between 2 and 5 years	-	**1,827**
	12,000	**1,827**

16 Contingent liabilities

In the event of the charity not having service contracts renewed, or not receiving the full grant funding that was agreed in original budgets, the charity may have to end projects early and become liable for redundancy pay to employees who have to be laid off. In these circumstances the charity may also become liable to pay outstanding rent on premises that are occupied subject to a fixed term rent agreement. It is not possible to quantify such contingent liabilities, but in recognition of the risk, the trustees have decided to hold some monies in reserve from one year to the next for each advocacy service and for the administration headquarters.