

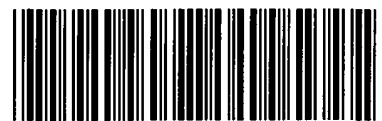
seAp

**Financial Statements
Year ended 31 March 2017**

Charity No: 1080679

Company No: 3963421

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Reference and Administrative Details

Trustees	G. Parker A. Heslop J. Ainsley V. Connolly A. Chester A. Voyce A. Chambers J. Dodson	Chair (resigned 19/07/16) Hon. Treasurer (joined 19/07/16) (joined 31/03/17)
Chief Executive & Company Secretary	M. Casey	
Registered Office	Hastings Town Hall Queens Square Hastings East Sussex TN34 1TL	
Auditors	Mazars LLP Times House Throwley Way Sutton Surrey SM1 4JQ	
Bankers	The Co-operative Bank p.l.c Head Office P O Box 101 1 Balloon Street Manchester M60 4EP	
Solicitors	Sherrards Solicitors Grosvenor Hall Bolnore Road Haywards Heath West Sussex RH16 4BX	

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The Trustees of seAp present their annual report for the year 1st April 2016 to 31st March 2017.

Our Vision - how we see the future

A society where the need for **advocacy** is fully recognised and where it is a universally available service that **promotes social justice, empowers people** to have more control over their lives **and supports them** in claiming their rights.

Our Mission - why we are here

- To provide an advocate to anybody that needs one.
- To help drive up public service standards by influencing policy-makers.
- To improve the quality and availability of advocacy through our practice and training.

Our Values - what we believe

- Our clients are at the heart of what we do. We are guided by an ethos of empowerment, aiming to act on their needs and wishes.
- Our staff are our greatest asset and we aim to be an employer of choice.
- We are committed to social justice. We provide support to the many people in the community who, for a variety of reasons, including communication difficulties, physical or mental health issues or cultural concerns, feel disempowered.
- Whilst we are committed to supporting self-advocacy, we are aware that sometimes even empowered, articulate people are not listened to and are in need of direct advocacy support. Therefore, we aspire to provide access to an advocate to anyone who needs one.
- Our clients' voices should be heard at every level of policy and decision-making. We are dedicated to providing a range of pathways to ensure this happens.
- We make our services accessible through networking and partnership. We focus on making ourselves 'easy to reach' and reject the thinking that perpetuates the idea of 'hard to reach' groups.

- We believe in collaboration over competition and champion the importance of a diverse and vibrant voluntary sector.

The organisation's wider role

As a leading advocacy provider, seAp invests resources in monitoring, influencing and responding to key developments and initiatives in the external environment, particularly within the health and social care arena. The organisation plays a proactive role in national, regional and local fora, providing consultancy advice, and working at all levels to ensure that client views, concerns and experiences influence service planning and delivery. Through our local teams, seAp is working with local Healthwatch and partner organisations to improve health and social care services. seAp also works with the Department of Health, Local Government Association, Healthwatch England, Parliamentary and Health Ombudsman and the CQC to improve services for clients and to facilitate access to independent advocacy.

Scope of Operations

seAp works in twenty-six top tier local authorities, from Cornwall to Kent, Oxfordshire to Essex, and has five offices across the south of England, with its Head Office located in Hastings, East Sussex.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

seAp 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 September 2010.

Responsibilities of the Board

The Trustees are responsible for ensuring the financial statements of the charity are comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of

the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Statements as to disclosure of information to auditors

So far as the Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charity auditors are unaware, and
- the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Organisational Structure

The charity is governed by a Board of Trustees, which meets regularly to manage and control the resources administered by the charity. The Board of Trustees now numbers six members and the Board is actively recruiting further service users and other interested applicants. All trustees give their time freely and received no remuneration in the year.

The Senior Management Team comprises the Chief Executive, Strategic Services Development Manager, Resources Manager, HR Manager, ICT Manager and Director of Training, as well as two Area Managers, and is responsible for day to day policy and decision making as well as overseeing the implementation of the business plan.

The Senior Management team submit reports on the work of the organisation to the Board, and attend relevant Board agenda items.

At least once a year, the Board meet jointly with the Management Team (senior and team managers) to review the organisation's performance and achievements against the objectives laid down in the Business 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, Strategic Services Development Manager and the Resources Manager.

During the year the Trustees met on five occasions in full Board meetings or with the wider management team, meeting in February 2017 to agree seAp's strategic direction and plan for 2017/18.

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.

Recruitment and Appointment of the Board

The Trustees are also the directors of the charity for the purposes of the Companies Act, are elected at the Annual General Meeting of the charity; and 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 and undergo relevant training.

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. seAp's Board aims to recruit in such a way as to bring expertise in advocacy, governance, specialist client groups, and related areas of expertise that can add value to the charity particularly valuing the role past or present service users bring to this process.

Risk Management and Audit

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

Senior management regularly review and update the charity's risk register, and prioritise five key risks for the organisation to focus on, and review and update identified risks and mitigations for their specific areas of responsibility.

The main risks facing the organisation relate to service income not covering the full operational costs, the dependence on local authority contracts, and the increasing complexity of managing these contracts particularly where they are spot purchase arrangements. These are being mitigated by regular financial and performance reporting reviewed by operational managers and additional contract management staffing.

Other risks relate to IT and the delivery of a new database to ensure it delivers the expected benefits and in line with the expected budget. Additional resource has been brought in to project manage the development and implementation of the new database and a Board member with strategic IT expertise has been involved throughout the process to provide advice and ensure the project is delivered with budget.

Risk management practices are in place to manage risks around health and safety such as lone working and management of premises, as well as for other risks such as information security. Operational procedures and specific policies detail expected practice for staff and managers.

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 such as reviewing complaints made against seAp are reported to the Board.

seAp has insurance policies in place to satisfy its contractual requirements and to ensure the organisation is protected against unforeseen events, for example in the event of a person being injured at any of the organisation's premises or in the event of a claim in relation to services provided by volunteers, staff and trustees of the charity.

Staffing

seAp employed an average of 135 staff in the year, equivalent to 112 full time posts and an additional average of 43 volunteers contributed their services.

seAp staff have a wide range of skills and experiences which they bring to their work. All advocates have achieved or are undertaking the Qualification in Independent Advocacy as part of a progression framework introduced to align staff remuneration with career development.

Remuneration policy for senior staff

The pay of the senior staff has been set at a specific scale or at a fixed sum which was benchmarked against similar organisations, and is uplifted annually for inflation by an amount agreed by the Board for all staff. Any substantial changes to remuneration are agreed by an ad hoc Remuneration Subcommittee of the Board.

Qualification in Independent Advocacy (QIA)

seAp Advocacy Training were involved at the start of the accredited Independent Advocacy award in 2009, co-writing the materials & delivering the first training course. Advocacy Training continue to deliver training for the City & Guilds accredited Qualification in Independent Advocacy (QIA) as an accredited City & Guilds approved centre for level 2 and level 3 QIA awards and one which has won awards for the quality of our assessing.

2017 saw a change in approach to managing Advocacy Training business and City and Guilds centre activity. The Advocacy Training admin role was replaced with a centre training & assessing advisor, the successful candidate was also an existing seAp advocate – Caroline Taborn. Caroline is herself an accredited trainer & assessor and so brought with her the expertise Advocacy Training were looking for to enable two centre leads to supply the increasing demand of business that we continues to secure.

Examples of services receiving Advocacy Training training this year are ; Advent Advocacy, Advocacy for All, Rethink, MIND, Alzheimer's & Dementia Support Services, Macmillan Cancer Support Advocacy , Plymouth Highbury Trust, Barnardos, Cambridgeshire Deaf Association, United Voices , Mind Out, Off the Record, B&H Speak Out , Change, Grow Live and Age UK.

Individual learners are a mainstream income with bookings taken on a weekly basis, 201 attendees continue to be popular with courses run every 4- 6 months.

Bespoke training has been broad – advocacy for children services provider, NIA for disability & complex needs Children Home advocacy training, MCA training for Residential /Dementia unit, Advocacy training for BI assessors, Advocacy awareness for Macmillan Cancer front line telephone support, Self Advocacy training for corporate Wellbeing programme, Human rights training , Equality & Diversity workshop, advocacy for residents of supported housing.

Significant bespoke contracts have been delivered in 2017 to Tottenham Hotspur Foundation, Health Watch Reading, Waltham Forest Citizens Advice Bureau, and West Berkshire Mencap.

Advocacy Training have delivered training from our usual open access venues in London, Exeter , Bristol & Birmingham . We have moved into new areas in 2017, delivering training in Preston, Newcastle and Essex to meet local demand.

Advocacy Training's profile and marketing through the Advocacy Training website has improved and a completely new website will launch in September 2017.

seAp benefits greatly from having access to timely in house specialist training skills. This ensures our staff and volunteers receive appropriate training in the Qualification in Advocacy to enable them to meet the required professional and contractual standards for their specific roles.

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. It achieves this primarily in two ways:

- Advocates 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 service planning, implementation and monitoring.

The organisation also provides a number of related services, including training, research, consultation, and supporting clients to be involved in local and national groups. seAp also delivers Healthwatch West Berkshire as part of our commitment to ensuring effective, locally accountable health services.

Ensuring our work delivers our aims

As part of its 20th anniversary, the charity reviewed its aims, objectives and activities and has produced a strategy until 2020. The new strategy reviewed our twenty-year history, identifying our strengths as a flexible, adaptable organisation and looking into the short and long term future. With the continuous reduction in public spending, the Board is committed to diversifying its funding. We also believe that advocacy is a service that would benefit many more people and that it is a tool to promote social justice and can support vulnerable people towards living more secure, independent and fulfilled lives. The organisation's 2020 strategy sets out ambitious objectives which are underpinned by operational, business and financial plans.

seAp has set high level key performance indicators for the Board to assure themselves that the organisation is travelling in the right direction. Each team and member of staff has their own individual performance objectives which align to the organisations. We also conduct regular client and commissioner surveys to ensure that we are meeting our stakeholder's requirements.

seAp's collaborative partnership strategy is predicated on supporting the sustainability of the advocacy sector and local specialist providers in order to extend the reach of advocacy into seldom heard or hard to reach communities. This strategy has developed and grown over the last year and we are now working with 24 partner organisations to deliver a range of advocacy services. The partnerships have led to new services tailored to the needs of a range of clients and supports the diversity of the voluntary sector. An example is the strategic relationship we have with Royal Association of the Deaf (RAD) has led to improved advocacy services for deaf people and their families.

seAp actively collects client feedback and works closely with statutory and third sector colleagues at local and national levels to ensure that its work priorities are informed by central and local commissioning priorities, and by ongoing changes to health, social care and other core agendas.

The new political landscape and changed funding realities mean that more than ever we have to focus on outcomes and look for savings in how we operate, as well as identifying innovative ways of working, including remote and digital solutions and developing robust collaboration and partnership arrangements. Our client impact survey shows how advocacy can contribute to the wider aim of improving health and wellbeing.

The focus of our work

seAp is committed to the advocacy principles of independence, confidentiality, best interests, and empowerment. We believe that the views, wishes and feelings of clients should be central to both our own work, and the planning and delivery of health and social care services. We work to the Advocacy Code of Practice and have been awarded the Quality Performance Mark for Advocacy.

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

Service users and volunteers

Service user involvement and volunteering are central to the organisation's value base and are key planks within seAp's strategic and operational plans. Each advocacy relationship is client lead. At the end of each advocacy relationship, we seek client views on their experience of our service. We aim to recruit more service users and volunteers through our local partnerships.

Service users continue to be involved in recruitment panels and developing new services as well as being recruited to the Board.

Additional resources have been put into developing support for volunteers including two specific volunteer co-ordinators posts being established during the year, and with updated policies and procedures, leading to an increase of volunteers to reach 50 by the yearend. Our Healthwatch service in West Berkshire also utilises volunteers in a variety of roles including research, engagement activities, our Enter and View team, mystery shopping and a planned 'Healthwatch Youth' group.

seAp offers placements to social work students to broaden their experience and understanding of the advocacy sector. Their placements have enabled them to advocate for clients and has given them an insight into the social care system from the client's perspective. Their feedback has indicated that their experience will influence their practice.

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.

seAp's activities are designed around our twin aims of supporting successful resolution of individual client issues; and ensuring the experiences, views, wishes and feelings of client's impact on, improve, and play a central role in service planning and delivery.

The work of seAp's advocacy services support clients to safeguard their individual rights and resolve concerns, complaints and difficulties.

seAp also aims to influence the development and implementation of national and local agendas and commissioning priorities, to ensure that improving outcomes are at the heart of health and social care reforms.

In addition to supporting clients to find successful resolutions to issues, 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 in the future. This contributes to the wider social policy of improving individual's wellbeing and resilience.

Enabling people to have a greater sense of autonomy and personal control over their lives supports a greater sense of inclusion and identity with local communities, and resolution of issues which have caused them concern provides a sense of closure and ability to move on for many. Advocacy always takes an asset based approach to its work, empowering individuals to use their resources to live secure, independent and fulfilled lives.

seAp works closely with service providers to ensure that the views, wishes and feelings of service users form an integral part of decision-making processes, and that their views and experiences impact on service design and delivery at a local and national level.

Who used and benefited from our services

In 2016/17 seAp received 17,576 new advocacy cases, an increase of 50% from the previous year, covering a range of advocacy provision, including statutory, non-statutory, instructed, non-instructed, delivered through one to one support and group advocacy. We aim to empower the people we work with to have more control over their lives and to engage with service providers to highlight themes, trends, gaps in service provision and practice/policy issues which then result in service improvements.

seAp works with people who use, or wish to use, services including

- Adults with mental health issues
- Children & young people
- Adults with learning disabilities
- Those wishing to make complaints about NHS healthcare
- Gypsy and Traveller Communities
- BME Communities
- Older People
- People with physical disabilities and/or sensory impairments
- People requiring Appropriate Adult support
- People with dementia-type conditions, acquired brain injury and those considered to lack capacity
- Carers
- Former military personnel and veterans.
- People undergoing work capability assessments
- Victims of crime or anti-social behaviour

seAp provides a range of current statutory advocacy provision including

- Independent Health Complaints Advocacy
- Independent Mental Capacity Advocacy (IMCA)
- Independent Mental Health Advocacy (IMHA)
- Deprivation of Liberty Safeguards (DOLS) advocacy.
- Care Act Advocacy (CAA)

ACHIEVEMENTS AND PERFORMANCE

Aims and objectives for 2016/17: What did we focus on? How did we do?

A review of our KPIs at the end of the year showed the following:

Our local teams have successfully developed strong links with their communities through local networking and relationship building with local Healthwatch and commissioners. This has included supporting the implementation of the Care Act and delivering Care Act Advocacy. seAp's contact centre has grown and developed, providing a single point of access to all our teams and our partners.

We actively pursued our partnership strategy and have successfully won contracts in partnership with local providers in West Berkshire, East Sussex, Plymouth, Oxfordshire, Kent, Cornwall and Essex. These are in addition to existing contracts in Devon, Southampton, North Somerset, Essex and Bristol. Our strategic partnership with RAD has meant that we were able to improve access for deaf clients and with Hastings Advice and Representation Centre (HARC) to improve our support to benefit claimants.

seAp updates its website to improve access for stakeholders and existing and potential service users and to improve its fundraising potential. We have undergone a major development project to upgrade our database and IT infrastructure which has given us a more effective client management tool and improved our reporting capabilities.

seAp has an active business development team who continue to identify new business opportunities and has enabled us to increase our turnover and the numbers of clients we are able to support. We now hold contracts in 28 local authorities including 23 contracts for health complaints advocacy.

We are really pleased that the new webapp (www.c-app.org.uk) which provides digital support to people going through the medical assessment process for disability benefits has been exceptionally successful, reaching over 200,000 people since its launch in January 2016. We are pleased that the Legal Education Foundation is continuing to support the marketing of the c-App so that it reaches even more people. We have been able to secure and expand our very successful military advocacy service in the Thames Valley to Essex, Wiltshire, East Berkshire/North Hampshire and Plymouth/East Cornwall from HM Treasury LIBOR banking fines.

Significant resources have been spent on our internal and external training programme and continuing to support staff to achieve the accredited qualification in advocacy. 90% of our staff have or are working towards the qualification. Our progression framework for advocates links increased pay with gaining the qualification.

seAp is committed to quality and is pleased to have renewed our Quality Performance Mark for Advocacy. seAp works with national bodies such as the Care Quality Commission, and Healthwatch England to ensure that our service user's views and experiences improve healthcare. We have endorsed the Quality Matters framework which is being led by the Department of Health and are working with colleagues to develop a complaints process for adult social care. We also contributed to the Law Commission review of Mental Capacity and Deprivation of Liberty Safeguards.

We have been actively working with colleagues to develop the Advocacy Action Alliance to provide a national voice for advocacy providers. We have continued to support the co-production of the CQC's adult social care inspection regime and have contributed to the Competition and Marketing Authority's review of care homes.

Plans for the future

Against the background of continual reduction of public funding, the need for advocacy is all the more important to protect and promote the rights of those least heard. Whilst it is vital that we continue to review how we deliver services to ensure that we can provide value for money and a high quality service, we continue to step up our efforts to look outside of the traditional public sector route for funds.

Our local teams are developing their working relationship with Local Healthwatch to promote our advocacy provision to those least heard and to the community at large, to influence the way complaints are handled and to ensure that lessons are learnt and services improved. 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.

At a local and national level, we will continue to work with colleagues to improve the quality and access to statutory advocacy provision. seAp will continue to take a prominent role in Advocacy Action Alliance and work with the Parliamentary and Health Services Ombudsman, Healthwatch England, the Law Commission, the Department of Health and the CQC to influence changes in legislation which would affect our service users.

We will also be focussing on developing our training offer both in the range of services we provide and the number of organisations we provide it to and by developing a bespoke website.

Considerable work has been undertaken over the past year to consolidate organisational change and business development and this will continue in the coming year. In the light of continual changes in the health and social care environment, we will be reviewing our business model, making the best use of our new information technology systems and reviewing the work of our contact centre.

seAp will also actively promote its benefits advocacy service, ensuring that people are aware of the c-App and the need for face to face advocacy for those who are not able to access appropriate support on-line.

seAp will launch its expanded military advocacy service, sign the military covenant and seek funding to evaluate the social return on investment. We aim to work in partnership with other military charities, supporting clients with complex issues and in greatest need.

FINANCIAL REVIEW

The financial year saw income grow by 20% with particular increases in contracted and training income. Statutory services increased particularly due to a new integrated advocacy service for Kent and other new contracts as well as increased training income. Total income was £5,163,530 (2016 - £ 4,291,067).

Total expenditure incurred during the year were £ 5,338,314 (2016 - £4,268,946), with investment in new services and new areas of work such as the Military Advocacy Service which led to additional funding commencing in 2017. Overall therefore net transfers from reserves were £174,784 following a Board decision to invest in developing new services (compared with net transfers to reserves of £22,121 in 2016).

Cash balances reduced by 2% to £1,202,398 (2016 - £1,226,903) at the yearend, this was particularly due to increased debtors of £446,596 (2016 - £408,772) although trade and tax creditors also increased to £194,799 (2016 - £161,069).

Principal funding sources

The charity is primarily funded by contracts with statutory bodies, with 78% (2016 – 74%) of income coming from statutory services provided to public authorities. Funding for nonstatutory advocacy reduced to 16% (2016 – 18%), training and other services provided 5% (2016 – 5%) and grant income fell to 1% (2016 – 4%).

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, and to meet other contingencies that cannot be met out of current income.

At the end of the year the balance of the charity's free reserves was £965,475 (2016 - £1,006,625) a reduction for the year of £41,150 after including a transfer to the Fixed Asset Reserve of £801 and a transfer to the Pension Reserve of £14,797.

The level of free reserves at the year end was equivalent to 2.2 months (2016 – 2.8 months) operating expenditure or net of subcontracted work 2.9 months (2016 - 3.2 months) expenditure. It is the opinion of the trustees that the current level of reserves is justified given the significant uncertainties facing seAp.

The Trustees therefore have taken the level of free reserves into account in their assessment of the risks facing the organisation.

seAp additionally holds designated funds of £340,744 (2016 - £374,305) which have been allocated by the Board for specific purposes such as investment to develop new services.

This includes a Fixed Asset Reserve equivalent to the level of net fixed assets representing the capital investment seAp has made in computers, software, furniture and equipment; and a Pensions Reserve to provide for a contingent liability which would arise if seAp were to withdraw from membership of the Pensions Trust.

Restricted reserves of £26,254 (2016 - £126,327) are held, where the purpose of the funding was granted or contracted for a specific purpose or objective, during the year. These were drawn upon to fund specific work in line with their original purpose.

Investment policy

seAp holds any cash in excess of working capital requirements on deposit with the Co-operative Bank. The amount of interest earned during the year was £2,411 (2016 - £10,052). This equates to a return of 0.2% based upon the average of the opening and closing bank balances (2016 0.76%).

seAp has an ethical investment policy which details human rights and environmental criteria with which potential investment institutions are assessed.

To meet these objectives seAp invests in fixed-term or call accounts with institutions that are considered to comply with seAp's ethical criteria and have a high security rating.

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

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



Graham Parker
5th December 2017

Independent auditor's report to the members of seAp

We have audited the financial statements of seAp for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Responsibilities of the Board set out on page 3, the Trustees (who are also the directors of the charity 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Independent auditor's report to the members of seAp (continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report on by exception

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

We have nothing to report in respect of the following matters where the 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 exemption in preparing the Report of the Trustees.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 12th December 2017

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

For the Year Ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Income from:					
Donations		2,240	2,232	4,472	1,811
Charitable activities	3	5,119,176	37,471	5,156,647	4,279,204
Investment income		2,411	-	2,411	10,052
Total income		<u>5,123,827</u>	<u>39,703</u>	<u>5,163,530</u>	<u>4,291,067</u>
Expenditure on:					
Charitable activities	4-7	<u>5,198,538</u>	<u>139,776</u>	<u>5,338,314</u>	<u>4,268,946</u>
Total expenditure		<u>5,198,538</u>	<u>139,776</u>	<u>5,338,314</u>	<u>4,268,946</u>
Net (expenditure)/income		(74,711)	(100,073)	(174,784)	22,121
Funds at 1 April 2016		<u>1,380,930</u>	<u>126,327</u>	<u>1,507,257</u>	<u>1,485,136</u>
Funds at 31 March 2017		<u>1,306,219</u>	<u>26,254</u>	<u>1,332,473</u>	<u>1,507,257</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Balance Sheet

As at 31 March 2017

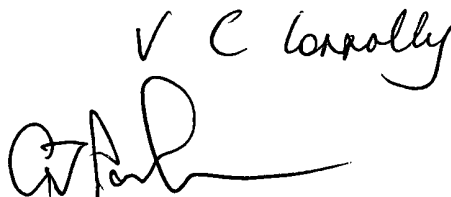
	Notes	2017 £	2016 £
Fixed Assets			
Intangible Assets	8	123,182	110,798
Tangible Assets	9	<u>12,247</u>	<u>18,230</u>
		<u>135,429</u>	<u>129,028</u>
Current Assets			
Debtors and Prepayments	10	534,848	476,978
Cash at Bank and in Hand		<u>1,202,398</u>	<u>1,226,903</u>
		<u>1,737,246</u>	<u>1,703,881</u>
Creditors: Amounts falling due within 1 year	11	<u>(535,724)</u>	<u>(320,664)</u>
Net Current Assets		<u>1,201,522</u>	<u>1,383,217</u>
Creditors: Amounts falling due after more than 1 year	12	(4,478)	(4,988)
Net Assets		<u>1,332,473</u>	<u>1,507,257</u>
Funds			
Restricted Funds	13	<u>26,254</u>	<u>126,327</u>
Unrestricted Funds	14		
Designated Funds		340,744	374,305
General Funds		<u>965,475</u>	<u>1,006,625</u>
Total Unrestricted Funds		<u>1,306,219</u>	<u>1,380,930</u>
Total Funds		<u>1,332,473</u>	<u>1,507,257</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable companies subject to the small companies' regime

Approved by the Trustees and signed on their behalf by

Verna Connolly

Graham Parker

V C Connolly


5th December 2017

Statement of Cash Flows

For the Year Ended 31 March 2017

	2017 Total funds £	2016 Total funds £
(Expenditure)/Income	(174,784)	22,121
Depreciation and amortisation	60,902	43,395
Investment income	(2,411)	(10,052)
Increase in debtors	(57,870)	(172,766)
Increase in creditors	214,550	24,028
Net cash provided by/(used in) operating activities	40,387	(93,274)
Cash flows from investing activities:		
Deposit interest received	2,411	10,052
Payments to acquire tangible fixed assets	(67,303)	(105,456)
Net cash used in investing activities	(64,892)	(95,404)
(Decrease)/Increase in cash in the year	(24,505)	(188,678)
Net cash resources at 1st April	1,226,903	1,415,581
Net cash resources at 31st March	1,202,398	1,226,903

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical cost accounting basis. The charity meets the definition of a public benefit entity under FRS 102.

b) Legal status of the charity

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

c) Income

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

Income from charitable activities includes grants and contracts for the provision of services to beneficiaries as specified in contracts and service level agreements with local authorities, government bodies and other organisations. Voluntary income received by way of donations is included in full in the Statement of Financial Activities when receivable.

Investment income comprises solely of interest on cash deposits.

Income from grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

Notes to the Financial Statements

For the Year Ended 31 March 2017

d) Expenditure

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

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

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

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

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

e) Pensions

The charity has arranged a defined contribution scheme that is available to all members of staff. The assets of this are held separately from those of the charity in independently administered funds. The main provider of these pension funds is the Pensions Trust, but other private providers are also used. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

Notes to the Financial Statements

For the Year Ended 31 March 2017

f) Taxation

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

As a charity, SEAP is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen as a result of activities by the Charity.

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance but from which future economic benefits will accrue - for SEAP principally software. For intangible assets over £500 these are amortised at rates calculated to write off each asset over its expected useful life which for software is assumed to be 20% unless circumstances indicate otherwise.

h) Tangible fixed assets

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

Leasehold Improvements	Over the term of the lease
Furniture and equipment	20% per annum straight line
Computers and laptops	33% per annum straight line

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

i) Funds accounting

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

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

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

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 charity.

Notes to the Financial Statements

For the Year Ended 31 March 2017

k) Operating leases

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

Going Concern

l)

The Board of Trustees have taken account of seAp's activities and factors that are likely to affect its future development, including its financial position, the management of financial risks, the level of current reserves and its exposures to price and cash flow risks as described in the Report of the Trustees on page 2-16. seAp has significant financial resources, and has a range of contracts with a mix of expiry dates and a track record of winning new business, and is diversifying into new areas of advocacy and training. As a consequence, the Trustees believe that seAp 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 2017

2. Income from donations

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Donations	<u>2,240</u>	<u>2,232</u>	<u>4,472</u>	<u>1,811</u>

3. Income from charitable activities

The income, deficit for the year and net assets are attributable to the principal activity, which is to provide advocacy services for people of all ages throughout the South of England. The charity operates in, and the whole of its income is derived from, the UK.

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Statutory advocacy	4,034,907	-	4,034,907	3,156,110
Nonstatutory advocacy	837,069	-	837,069	752,596
Other services	247,200	-	247,200	217,183
Grants	-	37,471	37,471	153,315
	<u>5,119,176</u>	<u>37,471</u>	<u>5,156,647</u>	<u>4,279,204</u>
Total income	<u>5,119,176</u>	<u>37,471</u>	<u>5,156,647</u>	<u>4,279,204</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

4. Total Expenditure

	Basis of allocation	Statutory Advocacy	Nonstatutory Advocacy	Other services	Governance	2017 Total	2016 Total
		£	£	£	£	£	£
Costs directly allocated to activities							
Staff Costs	Direct	2,117,528	458,428	198,189	-	2,774,145	2,468,746
Staff related costs	Direct	172,855	21,659	18,733	-	213,247	233,335
Rent and service costs	Direct	17,396	8,856	5,909	-	32,161	59,563
Office running costs	Direct	130,193	22,856	19,598	-	172,647	135,642
Subcontractor	Direct	967,711	308,463	2,053	-	1,278,227	548,264
Professional fees and similar	Direct	47,129*	10,280	47,431	-	104,840	115,508
Depreciation	Direct	40,381	8,742	3,779	-	52,902	3,746
		<u>3,493,193</u>	<u>839,284</u>	<u>295,692</u>	<u>-</u>	<u>4,628,169</u>	<u>3,564,804</u>
Support costs allocated to activities							
Staff Costs	Staff time	320,274	66,177	22,863	10,131	419,445	418,364
Staff related costs	Staff time	15,079	3,824	1,271	182	20,356	7,030
Rent and service costs	Staff time	20,352	4,205	1,453	644	26,654	30,241
Office running costs	Staff time	135,351	27,967	9,662	4,281	177,261	143,175
Professional fees and similar	Staff time	44,615	9,218	3,185	1,411	58,429	65,684
Depreciation	Staff time	6,109	1,262	436	193	8,000	39,648
		<u>545,881</u>	<u>113,550</u>	<u>39,178</u>	<u>16,974</u>	<u>710,145</u>	<u>704,142</u>
Total		<u>4,039,074</u>	<u>952,834</u>	<u>334,870</u>	<u>16,974</u>	<u>5,338,314</u>	<u>4,268,946</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

5. Net Income

This is stated after charging:

	2017	2016
	£	£
Depreciation and amortisation	60,902	43,395
Auditors' Remuneration: Audit	8,259	7,001
Operating Lease Rentals: Property	<u>136,290</u>	<u>155,294</u>

6. Trustee Remuneration & Related Party Transactions

No trustees received any remuneration from the company in their capacity as trustees. Reimbursement of travel and training costs amounting to £507 (2016 - £400) were reimbursed to 3 (2016 - 2) trustees.

No trustees received payments in any other capacity. No related party transactions were identified in the year.

7. Staff Costs and Numbers

	2017	2016
	£	£
Staff costs were as follows:		
Wages and Salaries	2,816,678	2,530,824
Agency fees	112,672	104,091
Benefits in Kind	835	775
Social Security Costs	229,378	209,266
Employer Pension Contributions	<u>41,142</u>	<u>42,153</u>
	<u>3,200,706</u>	<u>2,887,109</u>

One employee's remuneration was in the band £60,000-£70,000 for 2016/17. No other employee exceeded £60,000 in either year. The key management personnel of the charity, comprise the trustees, the Chief Executive Officer, Strategic Services Manager and Resources Manager. The total employee benefits of the key management personnel of the Charity were £140,140 (2016: £137,374).

The charity pays employer contributions to 117 (2016 - 104) staff who are members of a defined contribution pension scheme (see note 16).

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

	2017	2016
Advocacy Services	105	100
Healthwatch, Training and Contact Centre	15	14
Management and Administration	<u>15</u>	<u>15</u>
Total	<u>135</u>	<u>129</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

8. Intangible Fixed Assets

	Software purchased £	Software developed in house £	Software under construction £	Total £
COST				
At 1 April 2016	17,310	72,956	97,416	187,682
Additions in Year	3,379	-	52,584	55,963
Transfer between headings		150,000	(150,000)	-
Disposals in Year	(2,795)	(72,956)	-	(75,751)
At 31 March 2017	<u>17,894</u>	<u>150,000</u>	<u>0</u>	167,894
AMORTISATION				
At 1 April 2016	15,979	60,905	-	76,884
Charge for the Year	1,528	42,051	-	43,579
Disposals in Year	(2,795)	(72,956)	-	(75,751)
At 31 March 2017	<u>14,712</u>	<u>30,000</u>	<u>0</u>	44,712
NET BOOK VALUE				
At 31 March 2017	<u>3,182</u>	<u>120,000</u>	<u>-</u>	123,182
At 1 April 2016	<u>1,331</u>	<u>12,051</u>	<u>97,416</u>	110,798

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

9. Tangible Fixed Assets

	Computer equipment £	Office equipment and software £	Total £
COST			
At 1 April 2016	75,633	70,876	146,509
Additions in Year	9,900	1,440	11,340
Disposals in Year	(14,151)	(7,123)	(21,274)
At 31 March 2017	<u>71,382</u>	<u>65,193</u>	136,575
DEPRECIATION			
At 1 April 2016	64,926	63,353	128,279
Charge for the Year	13,396	3,927	17,323
Disposals in Year	(14,151)	(7,123)	(21,274)
At 31 March 2017	<u>64,171</u>	<u>60,157</u>	124,328
NET BOOK VALUE			
At 31 March 2017	<u>7,211</u>	<u>5,036</u>	12,247
At 1 April 2016	<u>10,707</u>	<u>7,523</u>	18,230

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

Notes to the Financial Statements

For the Year Ended 31 March 2017

10. Debtors and Prepayments

	2017	2016
	£	£
Debtors	446,596	408,772
Prepayments	37,252	45,814
Accrued income	51,000	22,392
	<u>534,848</u>	<u>476,978</u>

11. Creditors : Amounts falling due within one year

	2017	2016
	£	£
Taxation and Social Security	78,847	64,869
Creditors	115,952	96,200
Accruals	300,174	151,846
Deferred income	40,751	7,749
	<u>535,724</u>	<u>320,664</u>

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

	2017	2016
	£	£
Pension liability provision	4,478	4,988
	<u>4,478</u>	<u>4,988</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

13. Analysis of Net Assets Between Funds

	Intangible and Tangible Fixed Assets £	Net Assets £	At 31 March 2017 £
Restricted funds			
Disability Benefits Assessment		4,957	4,957
Disability Assessment website	-	-	-
Independent Complaints	-	-	-
Cornwall Advocacy	-	2,697	2,697
West Berkshire Advocacy	-	18,600	18,600
Total Restricted Funds	-	26,254	26,254
Unrestricted Funds:			
Designated Funds	135,429	205,315	340,744
General Funds	-	965,475	965,475
Total Unrestricted Funds	135,429	1,170,790	1,306,219
Total Funds	135,429	1,197,044	1,332,473

14. Movements in Funds

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Restricted Funds:					
Military Advocacy Service (a)	-	25,326	(25,326)	-	-
Disability Benefits Assessment (b)	2,588	12,563	(10,194)	-	4,957
Disability Benefits Web App (c)	22,926	73	(22,999)	-	-
Independent Complaints (d)	76,658	-	(76,658)	-	-
Cornwall Advocacy (e)	2,697	-	-	-	2,697
West Berkshire Healthwatch (f)	21,458	1,741	(4,599)	-	18,600
Total Restricted Funds	126,327	39,703	(139,776)	-	26,254
Unrestricted Funds:					
Designated Funds					
Fixed assets (g)	134,628	-	-	801	135,429
Pension Reserve (h)	144,372	-	-	14,797	159,169
West Berkshire Healthwatch (i)	-	4,098	-	-	4,098
Strategic Reserve (j)	95,305	-	(53,257)	-	42,048
Total Designated Funds	374,305	4,098	(53,257)	15,598	340,744
General Fund	1,006,625	5,119,729	(5,145,281)	(15,598)	965,475
Total Unrestricted Funds	1,380,930	5,123,827	(5,198,538)	-	1,306,219
Total Funds	1,507,257	5,163,530	(5,338,314)	-	1,332,473

Notes to the Financial Statements

For the Year Ended 31 March 2017

Purposes of Funds

- (a) The Military Advocacy Service relates to income received for advocacy work with ex-Military personnel which was spent during the financial year.
- (b) The Disability Benefits Assessment relates to income received for providing an advocacy service to support disability benefit claimants appealing against a reassessment of their benefit and is planned to be spent in the forthcoming financial year.
- (c) The Disability Benefits Web App relates to income received in the previous financial year which was spent developing an interactive website to support disability benefit claimants appealing against a reassessment of their benefit.
- (d) The Independent Complaints Advocacy Service relates to income received under a contract to provide advocacy support for complaints about NHS services in the South of England and was fully expended on relevant projects in the financial year.
- (e) Cornwall Advocacy Service relates to a specific grant received to support volunteers to provide advocacy services in this area which is being spent in the next financial year.
- (f) West Berkshire Healthwatch relates to funds received under contract to provide for special project developments in West Berkshire and is likely to be spent over the next two financial years.

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

- (g) Fixed Assets - represents the book value of fixed assets less depreciation to date and therefore equivalent to the non cash resources recorded in the balance sheet and unavailable for reallocation. They will therefore be expended when the relevant fixed assets are fully depreciated.
- (h) Pension Reserve - represents the estimated contingent liability that would arise if SEAP were to withdraw from the Pensions Trust due to a net deficit on the scheme - see note 16 which includes details of the likely time frame for resolving the deficit.
- (i) West Berkshire Healthwatch relates to unrestricted funds allocated for the purpose of funding Healthwatch activities in the next financial year.
- (j) Strategic development - represents an amount allocated to provide for specialist resources to promote the development of seAp in the next two financial years.

15. Operating Lease Commitment

	2017	2016
	£	£
The charity has commitments under operating leases for equipment, land and buildings due:		
Within one year	38,835	28,942
Within 2 to 5 years	93,955	126,352
Total operating lease commitment	132,790	155,294

Notes to the Financial Statements

For the Year Ended 31 March 2017

16. Contingent Pension Liability

SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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 company 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 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. seAp's contribution in 2017 was £510 (2016 - £435).

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. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company 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. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Notes to the Financial Statements

For the Year Ended 31 March 2017

PRESENT VALUE OF PROVISION	31 March 2017 (£s)	31 March 2016 (£s)	31 March 2015 (£s)
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Present value of provision	4,723	4,988	3,608
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RECONCILIATION OF OPENING AND CLOSING PROVISIONS	Period Ending 31 March 2017 (£s)	Period Ending 31 March 2016 (£s)
--	--	--

Provision at start of period	4,988	3,608
Unwinding of the discount factor (interest expense)	98	59
Deficit contribution paid	(510)	(435)
Re-measurements - impact of any change in assumptions	147	(78)
Re-measurements - amendments to the contribution schedule	-	1,834
Provision at end of period	4,723	4,988

INCOME AND EXPENDITURE IMPACT	Period Ending 31 March 2017 (£s)	Period Ending 31 March 2016 (£s)
-------------------------------	--	--

Interest expense	98	59
Re-measurements - impact of any change in assumptions	147	(78)
Re-measurements - amendments to the contribution schedule	-	1,834
Contributions paid in respect of future service	94,778	81,558
Costs recognised in income and expenditure account	94,778	81,558

ASSUMPTIONS	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above 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.

Notes to the Financial Statements

For the Year Ended 31 March 2017

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2017 (£s)	31 March 2016 (£s)	31 March 2015 (£s)
Year 1	525	510	435
Year 2	541	525	448
Year 3	557	541	462
Year 4	574	557	476
Year 5	591	574	490
Year 6	609	591	505
Year 7	627	609	520
Year 8	646	627	535
Year 9	332	646	-
Year 10	-	332	-
Year 11	-	-	-

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