Company Number: SC213637

Charity Number: SC025729

Advocacy into Action (Scotland)

(A Charitable Company Limited by Guarantee)

Directors' Report and Accounts

For The Year Ended 31 March 2003



Advocacy into Action (Scotland)
Report and accounts
Contents

	Page
Legal and Administrative Information	1
Directors' Report	2
Auditors' Report	5
Statement of Financial Activities (Income and Expenditure Account)	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes forming part of the Financial Statements	9

Advocacy into Action (Scotland)
Legal and administrative information

		Appointed	Resigned
Directors			
Julian Michalowski	**Chairperson**		
John Ferguson	**Treasurer**		
Mary Anderson			
Heather Dall			
Margaret Lafferty			
Elspeth McPheat		20/11/02	
Murray Mallice		13/05/02	20/11/02
Andrew Rae			
Tom Scott		06/07/02	
Irene Sherrington			
John Wylie			
Secretary			
Paul Holmes			30/09/02
Heather Dall		30/09/02	

Auditors
ATN
Units 37 & 38
Stirling Enterprise Park
Stirling
FK7 7RP

Bankers
The Royal Bank of Scotland
Falkirk Newmarket Street Branch
2 Newmarket Centre
Falkirk
FK1 1JX

Registered office
27 West Bridge Street
Falkirk
FK1 5RJ

Company number
SC213637

Charity Number
SC025729

Advocacy into Action (Scotland)
Directors' Report

The Directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2003. The Directors 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.

Objects of the Charity, Principal Activities and Organisation of our work

The Charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The charity's objectives and principle activities are:

(i) To promote the welfare of adults with learning difficulties through the provision of a range of support to enable them to become involved in all aspects of society and in particular those decisions affecting themselves, their families and carers, through co-operation with the statutory authorities and other agencies.

(ii) To advance the education of people with learning difficulties through the provision of education and training which promotes different types and forms of advocacy and to promote an understanding among people with learning difficulties of their rights and forms of advocacy that can be used to enable them to obtain their rights and in furtherance thereof but not otherwise.

(iii) To undertake research into the effects of learning difficulties and publish the results of such research.

Funding to provide these services is given by the local authorities and by other organisations, charities and individuals.

The charity is organised so that the trustees meet regularly to discuss the charity's affairs. Day to day responsibility for running the organisation is delegated to the advocacy co-ordinator.

Achievements

During 2002-2003 Advocacy Into Action has continued to provide a range of independent advocacy support to people with learning disabilities in Falkirk District and Clackmannanshire.

Four new Citizen Advocacy partnerships were developed and by the end of March 2003 the organisation was supporting a total of 10 partnerships. A new Unemployed Voluntary Action Fund (UVAF) project to recruit, train and support unemployed people to act as volunteer crisis advocates started in July 2002. The organisation delivered 3 training programmes to a total of 11 new volunteer advocates (citizen and crisis) and ran training on the Human Rights Act for all existing volunteers.

Professional advocacy support was provided to 21 people with learning disabilities living in Falkirk, and 8 in Clackmannanshire. Advocacy Into Action also supported a self-advocacy group in Clackmannanshsire and assisted the group to obtain funding to employ a worker from People First.

Throughout the year we continued to raise awareness about our work and to take part in a variety of startegic planning forums.

Future Developments

During 2003-2004 we plan to further develop the volunteer crisis advocacy project, to consult with people with learning disabilities in Falkirk District on short-breaks and day services, and to continue developing awareness of advocacy in Falkirk and Clackmannanshire. Advocacy Into Action will continue to provide citizen, professional and crisis advocacy and to support user involvement in the various strategic planning bodies.

(continued)

Transactions and Financial Position
The Income and Expenditure Account shows a net deficit for the year of (£3,338), with closing reserves totaling £5,568.

A deficit of (£1,452) was made on Unrestricted core advocacy activities in the year. The deficit was funded from brought forward reserves. Restricted projects combined deficit for the year was (£1,886).

The closing reserves are made up of £5,635 Restricted funds and a deficit on Unrestricted General reserves of (£67). Whilst the unrestricted reserves are negative the directors are confident adaquate additional funding will be available in the year to 2004. (See Reserves note below)

Transactions in the year include the receipt of grants of £82,160. Unexpected one-off expenditure relating to a human resources issue had a negative impact on unrestricted general reserves.

Directors
The directors are as named on page 1. Appointment and removal of the directors is governed by the memorandum and articles of association.

All of the directors were either appointed, resigned or served throughout the year.

Reserves
The charity has a deficit on Unrestricted fund General reserves of (£67).

The board considers the present level of funding is adaquate to meet the ongoing operating costs of the charity in the coming year. The new management team and the board of directors are actively seeking new funding oppertunities in order to build a designated reserve through the 2003/2004 year. Through strong management control and resourcing efforts it is planned to consolidate the reserves position on an ongoing basis.

Risk Review and Going Concern
The directors actively review the risks the charity faces on a regular basis. These have identified the need to build on current reserves to cushion the charity against adverse conditions. The need has also been identified to move from the present annual grant-funding regime to three year funding cycles to enable consolidation of current and development of future services. The directors have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate against the significant risks.

The deficit on Unrestricted general reserves has raised some uncertainty about the charity's ongoing activities. The UVAF project will continue until June 2005. The project will require funding from the unrestricted income in the year to 2004 which has been budgeted for. A detailed review of post year-end transactions indicated positive Unrestricted general reserves from April 2003. An analysis of the budgets for the coming year confirms the directors' opinion that the charity will continue as a going concern. The situation will be closely monitored on a monthly basis. A note on Going Concern is included in the Notes to the accounts.

(continued)

Statement of directors responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure for the year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint ATN as auditors will be put to the members at the Annual General Meeting.

This report was approved by the Board on 9 August 2003 and signed on its behalf.

John Ferguson

John Ferguson
Treasurer

Advocacy into Action (Scotland)
Auditors' Report

Report of the independent auditors
to the members of Advocacy into Action (Scotland)

We have audited the financial statements of Advocacy into Action (Scotland) for the year ended 31 March 2003 on pages 6 to 12 which have been prepared (in accordance with the Financial Reporting Standard for Smaller Entities (effecive March 2000), under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to company's members, as a body, in accordance with S.235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 responsibilty to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors
As described on page 4, the directors of the company are for the purposes of company law responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by the law regarding directors' remuneration and transactions with the company is not disclosed.

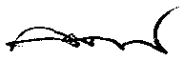
We have read the Directors' Report and have considered the implications for our report if we become aware of any apparent misstatements within it.

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 directors in the preparation of the 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 accounts.

Going Concern
We have considered the adequacy of the disclosures made in the Directors' Report and in the Notes to the financial statements concerning the deficit on Unrestricted fund General reserves. In view of the significance of the uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion
In our opinion the accounts give a true and fair view of the state of the charity's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



ATN
Chartered Accountants and Registered Auditors
Units 37 & 38
Stirling Enterprise Park
Stirling
FK7 7RP

09 August 2003

Advocacy into Action (Scotland)
Statement of Financial Activities
for the year ended 31 March 2003

INCOME AND EXPENDITURE ACCOUNT

	Notes	Restricted £	Unrestricted £	Total 2003 £	2002 £
INCOMING RESOURCES	3				
Grants received		15,301	66,859	82,160	85,877
Activites for generating funds		-	560	560	1,472
Total Income		15,301	67,419	82,720	87,349
RESOURCES EXPENDED	4				
Direct charitable expenditure		(16,837)	(58,525)	(75,362)	(71,025)
Other expenditure					
Management and administration		(350)	(10,346)	(10,696)	(12,502)
Total Resources Expended		(17,187)	(68,871)	(86,058)	(83,527)
Net (deficit)/surplus for the year before transfers	6	(1,886)	(1,452)	(3,338)	3,822
Transfers	12	2,401	(2,401)	-	-
Net Retained Surplus/(Deficit) for the Year		515	(3,853)	(3,338)	3,822

There were no other recognised gains or losses in the year.

Advocacy into Action (Scotland)
Statement of Total Recognised Gains and Losses
for the year ended 31 March 2003

	Notes	Restricted £	Unrestricted £	2003 £	2002 £
Net retained surplus/(deficit) for the year		515	(3,853)	(3,338)	3,822
Funds brought forward	12	5,120	3,786	8,906	5,084
Funds carried forward		5,635	(67)	5,568	8,906

Advocacy into Action (Scotland)
(A Charitable Company Limited by Guarantee)
Balance Sheet
as at 31 March 2003

	Notes		2003		2002 as restated
			£		£
Current assets					
Debtors	7	5,767		5,000	
Bank		1,613		9,806	
Cash on hand		66		44	
		7,446		14,850	
Creditors: amounts falling due within one year	8	(1,878)		(5,944)	
Net current assets			5,568		8,906
Net assets			5,568		8,906
Funds:					
Unrestricted funds	12		(67)		3,786
Restricted funds	13		5,635		5,120
			5,568		8,906

The accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standards for Smaller Entities (effective June 2002), with the requirements of the Charities Accounts (Scotland) Regulations 1992 and with the Statement of Recommended Practice for Accounting by Charities (2000).

Julian Michalowski
Chairperson
Approved by the Board on 9 August 2003

Advocacy into Action (Scotland)
Notes to the Accounts
for the year ended 31 March 2003

1 Accounting policies

Basis of preparation of accounts

The accounts have been prepared under the historical cost convention. The accounts have been prepared in accordance with The Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, SORP Update Bulliten 1 issued in December 2002, applicable accounting standards and the Companies Act 1985.

Going Concern

The financial statements have been prepared on a Going Concen basis which means it is expected to continue for at least the next 12 months. The charity has a deficit of Unrestricted general reserves at 31 March 2003. The months since the year end have seen the Unrestricted general reserves return positive and to an acceptable level. The reserves position will be closely monitred on an ongoing basis.

Statement of Financial Activities

A Statement of Financial Activities has not been prepared. The disclosures required by The Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, are met by the disclosures in the Income and Expenditure Account.

Incoming Resources

Voluntary income and donations are included in incoming resources when they are receivable except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred. There were no donations received in the current year. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Revenue Grants

Revenue grants are credited to incoming resources on the earlier date of when they are received or receivable, unless they relate to a specified future period, in which case they are deferred.

Resources expended

Resources expended are included in the Income and Expenditure Account on an accruals basis, inclusive of VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the categories on a basis consistent with the use of these resources.

Fund accounting

Restricted Funds are to be used for the specified purposes as laid down by the donor. Expenditure which meets the criteria is identified to the fund.

Unrestricted Funds are incoming resources received or generated for charitable purposes.

Designated Funds are unrestricted funds set aside by the directors for specific purposes.

Taxation

The company is regarded as a charity for tax purposes under Section 505 of the Income and Corporation Taxes Act 1988.

Fixed Assets

Fixed assets are written off in the year they are purchased.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.

Fundraising Costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

Advocacy into Action (Scotland)
Notes to the Accounts
for the year ended 31 March 2003

1 *Accounting policies (continued)*

Expenditure on management and administration of the charity
Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes administrative costs and legal and professional costs.

2 Investment Income

Investment income is interest receivable on funds held in a bank current account. The company holds no other investments. No investment income was received in the year.

3 Incoming Resources

	2003	2002
Grants Received	£	£
Falkirk Council	44,669	72,296
Falkirk Council - Change Fund	6,000	-
Clackmannanshire Council	16,190	1,111
Social Firms Scotland	-	5,000
Unemployed Voluntary Action Fund	15,301	2,470
NGFL	-	5,000
	82,160	85,877
Activities for Generating Funds	£	£
Fundraising and room rental income	560	586
Donations	-	886
	560	1,472

4 Resources Expended

	2003	2002
Direct Charitable Expenditure	£	£
Employee costs	38,707	23,539
Consultancy fees	23,718	32,922
Staff and volunteer training and welfare	3,309	9,978
Premises costs	9,628	4,586
	75,362	71,025
Management and administration	£	£
General administration expenses	8,882	11,500
Legal and professional costs	1,814	1,002
	10,696	12,502

5 Share Capital

The company is a company limited by guarantee. It has no share capital. The members liability is limited to £1.

6 Net surplus/(deficit) for the year

	2003	2002
This is stated after charging:	£	£
Consultancy fees	23,718	32,922
Pension costs	504	504
Auditors' remuneration	1,042	1,188

7 Debtors

	2003 £	2002 £
Grants receivable	5,767	5,000

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	1,878	5,944

9 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	2003 £	2002 £
Operating leases which expire:		
within one year	6,000	7,200
within two to five years	-	6,000
	6,000	13,200

10 Staff costs

No remuneration was paid to the directors in the year, nor were any expenses reimburs to them. The staff costs of the remaining staff were:

	2003 £	2002 £
Wages and salaries	31,583	19,774

The average weekly full time equivalents during the year was as follows:

	2003	2002
Direct charitable work	1.5	1
Administrative	0.5	0.5

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

11 Analysis of net assets between the funds

	Unrestricted General Fund £	Restricted Income Fund £	Restricted Permanent Endowment £	Total £
Tangible fixed assets	-	-	-	-
Investments	-	-	-	-
Net current assets	(67)	5,635	-	5,568
Long term liabilities	-	-	-	-
	(67)	5,635	-	5,568

12 Statement of Funds

	At 1/4/02 as restated £	Income £	Expenditure £	Transfers £	At 31/3/03 £
Unrestricted Fund					
General Reserve	3,786	67,419	(68,871)	(2,401)	(67)
Restricted Funds	5,120	15,301	(17,187)	2,401	5,635
Total Restricted Fund	5,120	15,301	(17,187)	2,401	5,635
Total Funds	8,906	82,720	(86,058)	-	5,568

Transfer between Funds
The transfer from General funds to Restricted funds represents the amount of resources required to make up the deficit of funding on the resticted UVAF project for the year.

13 Restricted Funds

	At 1/4/02 as restated £	Income £	Expenditure £	Transfers £	At 31/3/03 £
FLAG	1,620	-	(1,620)	-	-
NGFL	1,500	-	(1,500)	-	-
Unemployed Voluntary Action Fund	2,000	15,301	(14,067)	2,401	5,635
Total Funds	5,120	15,301	(17,187)	2,401	5,635

The closing restricted funds represents the balance of resources on the specific project funded by UVAF. The fund carried forward will be used to staff the volunteer crisis advocacy training and support activity within the terms of the grant.

Prior year adjustment

The prior year adjustment correctly accounts for the opening balance of £2,000 on the UVAF Restricted fund received February 2002. The opening Unrestricted fund General reserve is reduced at 1/4/02 to reflect this (Note 12).