

Charity Registration No. 1109897

Company Registration No. 5354254 (England and Wales)

DUDLEY ADVOCACY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

DUDLEY ADVOCACY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DUDLEY ADVOCACY

I report on the accounts of the charitable company for the year ended 31 March 2017, which are set out on pages 7 to 19.

Respective responsibilities of trustees and examiner

The charitable company's trustees, who are also the directors of Dudley Advocacy for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

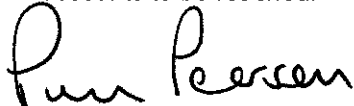
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Christopher Cooper A.C.A., F.C.C.A
Price Pearson

Qualified member of ICAEW
Finch House
28 - 30 Wolverhampton Street
Dudley
West Midlands
DY1 1DB

Dated: 7.11.17.....

DUDLEY ADVOCACY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income and endowments from:</u>					
Donations and legacies	2	59,158	-	59,158	59,520
Charitable activities	3	104,426	127,435	231,861	207,293
Investments	4	17	-	17	21
Other income	5	-	-	-	2,500
Total income		163,601	127,435	291,036	269,334
<u>Expenditure on:</u>					
Charitable activities	6	123,080	128,642	251,722	245,135
Net income/(expenditure) for the year/ Net movement in funds		40,521	(1,207)	39,314	24,199
Fund balances at 1 April 2016		59,455	1,780	61,235	37,036
Fund balances at 31 March 2017		99,976	573	100,549	61,235

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUDLEY ADVOCACY

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		213		774
Current assets					
Debtors	13	4,389		2,624	
Cash at bank and in hand		118,436		127,586	
		122,825		130,210	
Creditors: amounts falling due within one year	14	(22,489)		(69,749)	
Net current assets			100,336		60,461
Total assets less current liabilities			100,549		61,235
Income funds					
Restricted funds	16		573		1,780
Unrestricted funds			99,976		59,455
			100,549		61,235

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 2.11.17.

.....
D Price (Chairman)
Trustee

.....
Mrs C M Grimmitt (Deputy chair)
Trustee

Company Registration No. 5354254

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

Dudley Advocacy is a private company limited by guarantee incorporated in England and Wales. The registered office is The Savoy Centre, Northfield Road, Netherton, Dudley, West Midlands, DY2 9ES.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Dudley Advocacy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Unrestricted funds

Core Services

This is the general fund of the charity funded by Dudley Metropolitan Borough Council (DMBC).

Independent Mental Capacity Advocate (IMCA)

This service is a statutory advocacy project which began in April 2007. It provides vulnerable people who lack capacity advocacy support to make decisions regarding accommodation issues and serious medical treatment. It can also provide support to people at reviews and if they are subject to an Adult Protection order.

Unrestricted designated funds

These comprise funds which have been set aside at the discretion of the trustees for specific, but not legally binding purposes. The purposes of the designated funds are set out in the notes to the accounts.

Restricted funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that the receipt of the income is considered probable; and
- the amount can be measured reliably.

Donations and legacies

Included are grants receivable from Dudley Metropolitan Borough Council to provide core funding for the charity's activities and other small donations. They are accounted for gross when receivable, as long as they are capable of financial measurement.

Project grant income

Grant income represents grants received for specific projects within the charity's activities. Grant income received which is subject to conditions before it can be spent, is deferred and carried forward in creditors in a Deferred income until the conditions have been met.

Other income

Other income is accounted for on a receivable basis.

Interest

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is in respect of Advocacy service for vulnerable people.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are included within support costs and comprise costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Where expenses are incurred which relate to more than one of the charity's activities these are allocated between projects and core services on the following basis:

On an actual basis wherever possible or otherwise the trustees' best estimate.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33.33% p.a. straight line basis
Furniture, fixtures and fittings	25% p.a. straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Individual items under £200 are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2017	2016
	£	£
Donations and gifts	-	350
Grants receivable for core activities - Dudley MBC	59,158	59,170
	<u>59,158</u>	<u>59,520</u>

The totals of £59,158 received in 2017 and £59,520 received in 2016 relate to unrestricted funds.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Charitable activities

	2017 £	2016 £
Dudley MBC - IMCA	48,510	48,510
Dudley MBC - People with complex learning difficulties	30,192	30,192
Dudley MBC Care Act	38,576	30,000
Lottery grant	97,243	98,591
Coventry Council (RPR)	6,687	-
Lincolnshire Council (RPR)	720	-
Dudley MBC other (RPR / Pilot Project)	9,933	-
	<u>231,861</u>	<u>207,293</u>
Analysis by fund		
Unrestricted funds	104,426	
Restricted funds	127,435	
	<u>231,861</u>	
For the year ended 31 March 2016		
Unrestricted funds		78,510
Restricted funds		128,783
		<u>207,293</u>

4 Investments

	2017 £	2016 £
Interest receivable	<u>17</u>	<u>21</u>

5 Other income

	2017 £	2016 £
Research consultancy	<u>-</u>	<u>2,500</u>

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Charitable activities

	2017 £	2016 £
Staff costs	214,088	203,175
Depreciation and impairment	561	636
Staff training	793	5,233
Rent	10,725	12,747
Travel & subsistence	4,702	2,811
Printing, postage & stationery	3,226	3,515
Telephone & internet	3,929	4,013
Insurance	1,874	1,802
Sundry expenses	3,663	1,932
Computer costs	1,438	2,794
	<u>244,999</u>	<u>238,658</u>
Governance costs (see note 7)	6,723	6,477
	<u>251,722</u>	<u>245,135</u>

Of the £251,722 expenditure in 2017 (2016: £241,135), £123,080 (2016: £118,132) was charged to unrestricted funds and £128,642 (2016: £127,003) to restricted funds.

7 Governance

	Governance costs £	2017 £	2016 £	Basis of allocation
Staff costs	2,023	2,023	1,777	Staff time
Accountancy	4,500	4,500	4,500	Direct
Printing & stationery	200	200	200	Estimated
	<u>6,723</u>	<u>6,723</u>	<u>6,477</u>	

Accountancy includes £1,000 (2016: £1,000) for the external scrutiny and £3,500 (2015: £3,500) for other services.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits during the year, but 4 (2016 - 4) of them were reimbursed a total of £44 expenses (2016 - £136) for travelling expenses.

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Employees

Number of employees

The average monthly number of employees during the year was:

2017 Number	2016 Number
9	9

Employment costs

	2017 £	2016 £
Wages and salaries	199,786	185,227
Social security costs	15,613	15,238
Other pension costs	712	-
	<u>216,111</u>	<u>200,465</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Taxation

In the opinion of the trustees, all income of the charity in the year is outside the scope of income tax or corporation tax.

11 Tangible fixed assets

	Furniture, fixtures and fittings £
Cost	
At 1 April 2016	8,459
At 31 March 2017	<u>8,459</u>
Depreciation and impairment	
At 1 April 2016	7,685
Depreciation charged in the year	561
At 31 March 2017	<u>8,246</u>
Carrying amount	
At 31 March 2017	<u>213</u>
At 31 March 2016	<u>774</u>

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

12 Financial instruments		2017	2016
		£	£
Carrying amount of financial assets			
Debt instruments measured at amortised cost		3,254	750
		<u> </u>	<u> </u>
Carrying amount of financial liabilities			
Measured at amortised cost		14,989	5,137
		<u> </u>	<u> </u>
13 Debtors		2017	2016
		£	£
Amounts falling due within one year:			
Trade debtors		2,504	-
Other debtors		750	750
Prepayments and accrued income		1,135	1,874
		<u> </u>	<u> </u>
		4,389	2,624
		<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year		2017	2016
	Notes	£	£
Deferred income	15	7,500	64,612
Other creditors		10,989	997
Accruals		4,000	4,140
		<u> </u>	<u> </u>
		22,489	69,749
		<u> </u>	<u> </u>
15 Deferred income			
Deferred income is included in the financial statements as follows:			
		2017	2016
		£	£
DMBC - People with complex learning difficulties		7,500	64,612
		<u> </u>	<u> </u>
Deferred income comprises funding received in respect of the next financial year.			

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

16 Movement in funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Balance at 31 March 2017 £
		Incoming resources £	Resources expended £	
Unrestricted funds:	59,455	163,601	(123,080)	99,976
Restricted funds:				
Big Lottery Fund	1,780	97,243	(98,450)	573
People with complex learning disabilities	-	30,192	(30,192)	-
	<u>61,235</u>	<u>291,036</u>	<u>(251,722)</u>	<u>100,549</u>

Big Lottery Fund

Funding from the National Lottery has been used to continue provision of the Mental Health Advocacy Service, the Parents Advocacy Service and the Volunteer Advocacy Service.

People with complex learning difficulties

This is funded by Dudley Metropolitan Borough Council and offers support to people with complex learning disabilities.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	213	-	213
Current assets/(liabilities)	<u>99,763</u>	<u>573</u>	<u>100,336</u>
	<u>99,976</u>	<u>573</u>	<u>100,549</u>

18 Financial commitments, guarantees and contingent liabilities

There were no significant liabilities at the balance sheet date (2016- £Nil).

19 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	<u>8,550</u>	<u>8,680</u>

DUDLEY ADVOCACY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2017*

20 Capital commitments

Capital commitments contracted for at the balance sheet date amounted to £Nil (2016 - £Nil).

21 Control and limited liability

The charitable company is not under the control of any one particular party.

The charitable company is a registered charity and has been granted the power to dispense the word 'Limited' from its name.

The liability of the members is limited by guarantee to a sum not exceeding £10 in the event of the company being wound up.