

THE NATIONAL YOUTH ADVOCACY SERVICE

**(A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

CHARITY NO: 1012485

COMPANY NO: 2722134



**ANDREW JONES
CHARTERED ACCOUNTANTS**

THE NATIONAL YOUTH ADVOCACY SERVICE

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

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THE NATIONAL YOUTH ADVOCACY SERVICE

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2002

CHAIRPERSON

Mr A Mitchell

SECRETARY

Mrs E Fowler

REGISTERED OFFICE

99-105 Argyle Street
Birkenhead
Wirral

AUDITORS

Andrew Jones
Chartered Accountants
Lockwood Fold
Buxton Road
Stockport

BANKERS

National Westminster Bank
50 Market Street
Westhoughton
Bolton
Lancashire
BL5 3BA

TRUSTEES

Prof. C Lyon
Dr J Stevenson (Resigned 12 September 2001)
Mr R Symington
Mr M Blackburn
Mr A Mitchell
Mr G Mitchell (Appointed 12th September 2001)
Dr M Winn Oakley (Appointed 12th September 2001)
Mr P Wheeler (Appointed 12th December 2001)
Ms H Pepler (Appointed 12th December 2001)
Ms K Druery (Appointed 12th December 2001)
Ms Anjana Bahl (Appointed 12th December 2001)

THE NATIONAL YOUTH ADVOCACY SERVICE

REPORT OF THE TRUSTEES

The trustees who are also directors submit their report and financial statements for the year ended 31 March 2002. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in October 2000.

The company has charitable status. The Company is regulated under the Memorandum and Articles of Association dated 10th June 1992.

Results

The net surplus for the year after taxation amounted to £ 16,406 (2001 £13,115)

Principal activity

The objects of the charity are to enable children and young people to have a voice by providing independent and confidential advice, information and advocacy services.

Appointment of Trustees

The company is limited by guarantee and does not have a share capital. The directors have the power to appoint fellow Trustees. The method of appointment is for current Trustees to propose a new Trustee. This person is then contacted to see if they are prepared to take office. If so, a vote is taken by post. The directors who held office during the year were as stated on page 2.

Review of activities and future developments

Statement of financial activities for the year is set out on page 7 of the financial statements. Summary of the financial results and the work of the charity is set out below.

Income generation

The charity's income increased from £625,787 to £865,986. This increase amounting to over 35% is a significant achievement and the charity thanks all its funders for their work and generosity.

This significant increase is a result of additional contracts with local authorities for the provision for advocacy and related services. Income from contracted authorities rose from £192,513 in the year ended 31st March 2001 to £401,388 in the year ended 31st March 2002.

Legal income continues to be an area that the charity is developing, as a result of its Legal Services Contract and its franchise under the Legal Aid Board.

During the year fewer grants were received from government and charitable organisations. This is an area which the charity needs to address in future funding years.

'Representing Children' the journal that is published by the charity, continues to provide an additional source of income and raise the profile of the charity amongst child care professionals.

Within the income received for the year the charity has obtained financial support from the Department of Health, the National Assembly of Wales, BBC Children in Need, the Diana Princess of Wales Memorial Fund, the Lloyds TSB Foundation, the Youth Justice Board and the Calouste Gulbenkian Foundation.

Other income and donations

This is an area that has increased significantly in the year but is also identified as one where the charity needs to improve its efforts. Fund raising in past years has been minimal in terms of activity but it is hoped to, at some point in the future, appoint a fund-raiser, provided an appropriate source of income can fund this post.

THE NATIONAL YOUTH ADVOCACY SERVICE

REPORT OF THE TRUSTEES

Continued

Resources expended and services

The last financial year has seen the charity develop and consolidate its service. For information, the services and achievements of the charity are included in the Annual Review that is sent to all our supporters. Further copies are available from the charity's offices.

Expenditure on providing advocacy and related services to local authorities remain the most significant part of the charity's activities. However, the charity is constantly reviewing the way that these services are provided, to ensure that they meet the Charity Commission's Guidance that charities should not subsidise with charitable funds services that the state is legally required to provide at public expense. Therefore it is imperative to ensure that the services provided to those local authorities is being paid for appropriately by those authorities and not subsidised by other funds.

The year will be remembered for the move from the charity's modest offices in Heswall, which consisted of two small converted flats above a dress shop in the high street. NYAS had grown from using three rooms to taking over all the available accommodation on the site. NYAS had been bursting at the seams there for some time and were delighted to have the opportunity to move to office accommodation specifically adapted for its purposes. NYAS now has its own training room and light and spacious offices. Everybody worked very hard for the move, including some young people who assisted on the day. The charity is very grateful to the NHS in Manchester for the donation of some additional furniture.

NYAS has continued to work with the Department of Health to finalise the production of National Standards for Agencies providing Advocacy Services to Children and Young People. There has been widespread and continued debate about the individual standards, and Standard 6 concerning the threshold for breaking confidentiality has generated long and heated discussion. The Department of Health asked NYAS to assist them with an additional consultation period prior to a promised publication in the next financial year.

The government has recognised the needs of vulnerable children and young people and has invested heavily in new initiatives through the Young Peoples' Unit and The Children's Fund. NYAS has been working in partnership with a number of Children's Funds and it is hoped that this work will soon bear fruit, allowing NYAS to make a real difference for children at a local level.

The charity has a national network of advocates, which is a crucial part of NYAS' ability to provide effective services nationally to those young people who need it, and this remains one of the charity's major sources of expenditure, but one which is vital to an effective service provision.

Reserves

The statement of financial activities, as set out on page 7, shows that the reserves of the charity have increased during the year from £30,242 to £46,648 and it is the aim of the Trustees and the Chief Executive to continue to build those reserves to a level equivalent to six months of unrestricted fund expenditure. This will take some time to build and will need to be reviewed on a regular annual basis, as the charity continues to grow.

Changes in fixed assets

Movements in fixed assets during the year are set out in Note 7 to the financial statements.

Governance and internal control

The Trustees are also Directors of the Company and have the power to appoint fellow Trustees. The method of appointment is for current Trustees to propose a new Trustee, who is then contacted to see if they are prepared to take on the role. If so, a vote is then taken by post from the existing Trustees. During the year the Trustees carried out an exercise to review their composition and effectiveness. This identified the need for more Trustees with marketing and financial experience and the Trustees have been successful in attracting new Trustees who meet these requirements. The Trustees meet four times a year.

The Trustees have, with advice from their auditors, introduced a formal risk management process to assess business risk and implement risk management strategies. The Directors have given consideration to those risks of the charity and have adopted systems to mitigate those risks.

The systems of internal control are designed to provide reasonable, but not absolute assurance against material mis-statement or loss. They include:

- a strategic plan and an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and bench marking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks.

THE NATIONAL YOUTH ADVOCACY SERVICE

REPORT OF THE TRUSTEES Continued

Statement of directors' responsibilities

Charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its financial activities for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with Applicable Accounting Standards and Statements of Recommended Practice and the regulations made under S44 of the Charities Act 1993. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

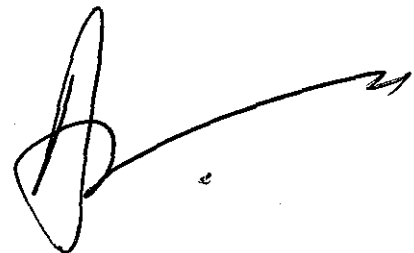
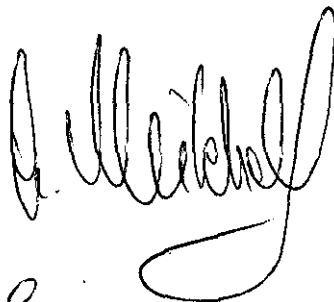
Taxation status

The company is accepted as a charity within the definition of Section 506(1) Income and Corporation Taxes Act 1988.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Andrew Jones as auditors will be proposed at the Annual General Meeting.


Signed on behalf of
the Board of Directors



Secretary



Approved by board:



**AUDITORS REPORT TO THE MEMBERS OF
THE NATIONAL YOUTH ADVOCACY SERVICE**

We have audited the financial statements on pages 7 to 14 which have been prepared under the accounting policies set out on page 9 & 10.

Respective responsibilities of directors and auditors

As described on page 5 the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

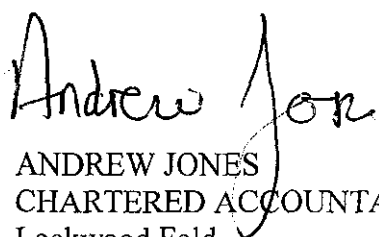
Basis of opinion

We conducted our audit under S43 of the Charities Act 1993 and in accordance with regulations made under S44 of that Act and in accordance with 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2002 and of its incoming resources and resources expended, including its surplus for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.


ANDREW JONES
CHARTERED ACCOUNTANTS
Lockwood Fold
Buxton Road
Stockport

18th Sept 2002

THE NATIONAL YOUTH ADVOCACY SERVICE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2002

	Note	Unrestricted funds £	Restricted funds £	Total funds 2002 £	Total funds 2001 £
Income and expenditure					
Incoming resources					
Training and conference	2	16,502	-	16,502	16,129
Income from contracted authorities	2	401,388	-	401,388	192,513
Grants attributable to the year	15	55,000	144,747	199,747	319,584
Legal income	2	189,183	-	189,183	79,360
Representing Children's journal income		13,840	-	13,840	10,796
Interest received		1,537	-	1,537	812
Other income including donations	2	43,789	-	43,789	6,593
Total incoming resources		<u>721,239</u>	<u>144,747</u>	<u>865,986</u>	<u>625,787</u>
Resources expended					
Charitable Expenditure					
Direct support costs	12	551,075	144,747	695,822	494,419
Management and administration	13	153,758	-	153,758	118,253
		<u>704,833</u>	<u>144,747</u>	<u>849,580</u>	<u>612,672</u>
Net incoming/(outgoing) resources for the year		16,406	-	16,406	13,115
Other recognised gains and losses		-	-	-	-
Net movements in funds		<u>16,406</u>	<u>-</u>	<u>16,406</u>	<u>13,115</u>
Fund balance brought forward		30,242	-	30,242	17,127
Fund balance carried forward		<u>46,648</u>	<u>-</u>	<u>46,648</u>	<u>30,242</u>

The accompanying notes form an integral part of these financial statements.

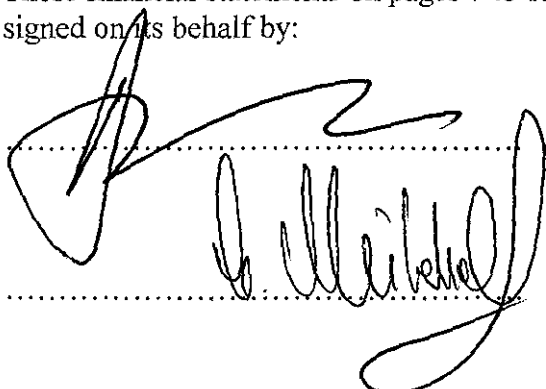
THE NATIONAL YOUTH ADVOCACY SERVICE

BALANCE SHEET AT 31 MARCH 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	7	29,303	19,270
Current assets			
Debtors	8	86,793	47,643
Cash at bank		219,046	71,636
		<u>305,839</u>	<u>119,279</u>
Creditors - amounts falling due within one year	9	288,494	108,307
		<u> </u>	<u> </u>
Net current assets		17,345	10,972
Total assets less current liabilities		<u>46,648</u>	<u>30,242</u>
		<u> </u>	<u> </u>
Reserves			
Profit and loss account	11	46,648	30,242
		<u> </u>	<u> </u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements on pages 7 to 15 were approved by the board of directors on 18th Sept 02 and signed on its behalf by:



The accompanying notes form an integral part of these financial statements.

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

1. Accounting policies

Accounting convention

These financial statements have been prepared under the historical cost accounting rules.

Statement of recommended practice

The financial statements have been drawn up in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities published in October 2000 and applicable accounting standards.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard Number 1, whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resource expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life as follows :

Office equipment 15%

Deferred Income

Deferred income is calculated on a time apportionment basis, based on the period over which the grant is to apply.

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

1. Accounting policies continued

Pension costs

The charity operates a money purchase pension scheme for all employees, the contributions are charged to the SOFA as and when they are paid.

Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

2. Donations

	2002 £	2001 £
Individuals	43,789	6,593

3 Operating profit

	2002 £	2001 £
Operating profit is stated after charging:		
Auditors remuneration	2,350	2,937
Depreciation	3,487	3,223

4 Staff costs - directors and employees

	2002 £	2001 £
Wages and salaries	351,428	303,618
Social security costs	30,225	26,993

No employee earned in excess of £50,000 during the year.

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

	No.	No.
Operational Staff	25	22

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

5 Interest receivable

	2002	2001
	£	£
Bank interest	1,537	812
	<u>1,537</u>	<u>812</u>

6 Taxation

The company has approved charitable status and therefore is exempted from corporation tax.

7. Tangible assets

	Office fixtures, fittings and equipment	Total
	£	£
Cost		
At 1 April 2001	41,278	41,278
Additions	13,520	13,520
At 31 March 2002	<u>54,798</u>	<u>54,798</u>
Depreciation		
At 1 April 2001	22,008	22,008
Charge for the year	3,487	3,487
At 31 March 2002	<u>25,495</u>	<u>25,495</u>
Net book value		
At 31 March 2002	<u>29,303</u>	<u>29,303</u>
At 31 March 2001	<u>21,493</u>	<u>21,493</u>

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

8 Debtors

	2002	2001
	£	£
Trade debtors	66,601	34,933
Prepayments and accrued income	20,192	12,710
	<u>86,793</u>	<u>47,643</u>

9 Creditors - amounts falling due within one year

	2002	2001
	£	£
Trade creditors	18,934	4,143
Other taxes and social security costs	12,574	8,000
Accruals and deferred income	256,986	96,164
	<u>288,494</u>	<u>108,307</u>

10 Commitments under operating leases

The company operates from rented premises for which a formal lease has been entered into. The annual rental commitment is £24,000. The lease expires between two and five years.

11 Reconciliation of movements in funds

	Unrestricted funds	Restricted funds	Total funds 2002	Total funds 2001
	£	£	£	£
Profit/(loss) for the year	16,406	-	46,406	13,115
Opening funds	30,242	-	30,242	17,127
	<u>46,648</u>	<u>-</u>	<u>46,648</u>	<u>30,242</u>

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

12 Direct charitable expenditure

	Unrestricted funds £	Restricted funds £	Total funds 2002 £	Total funds 2001 £
Grant expenditure	-	144,747	144,747	179,584
Contract expenditure	314,453	-	314,453	172,359
'Representing Children' costs	9,272	-	9,272	9,497
Legal department costs	214,879	-	214,879	132,979
Training and consultancy costs	12,471	-	12,471	-
	<u>551,075</u>	<u>144,747</u>	<u>695,822</u>	<u>500,921</u>

13 Administration and support costs

	Unrestricted funds £	Restricted funds £	Total funds 2002 £	Total funds 2001 £
Management and administrative salaries	62,856	-	62,856	48,892
Support costs	90,902	-	90,902	69,271
	<u>153,758</u>	<u>-</u>	<u>153,758</u>	<u>118,253</u>

14 Accruals and deferred income

Included in accruals and deferred income is deferred income as follows:

	£
Contracts with government departments / local authorities	133,475
Children In Need	12,500
Princess Diana foundation	32,325
DOH Joint Commission	5,500
YJB Round 8 funding	<u>2,680</u>
	<u>186,480</u>

These relate to amounts received before its year end which do not apply to the funding year ended 31 March 2002 or remain unspent at the year end.

THE NATIONAL YOUTH ADVOCACY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2002

15 Grant income

Income from grants can be attributed to the following:

	Unrestricted £	Restricted £
Department of Health core funding	55,000	
Children in Need	25,000	
Less: Deferred income	<u>12,500</u>	12,500
Lloyds TSB – National		
Add: Deferred income brought forward	<u>8,000</u>	8,000
Princess Diana Foundation	63,152	
Less: Deferred income carried forward	<u>32,325</u>	30,827
Guilbenkian Foundation		
Add: Deferred income brought forward		14,500
Young Peoples Project	5,500	
Less: Deferred income	<u>5,500</u>	
National Assembly for Wales		41,000
Youth Justice Board – Mentoring project	19,500	
Less, deferred income	<u>2,680</u>	16,820
Youth Justice Board Round 7 funding		21,100
	<u>55,000</u>	<u>144,747</u>