

**NATIONAL YOUTH ADVOCACY SERVICE**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2006**

  
**Whittingham Riddell**  
*chartered accountants*



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**NATIONAL YOUTH ADVOCACY SERVICE**  
**(Limited by Guarantee)**

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**For the year ended 31 March 2006**

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<b>Trustees</b>	H H J T Mitchell, Chair M Apolphe N Bertali M Blackburn Prof. G Douglas J Forster G Mitchell Prof. M Murch Rev M Roberts (appointed 14/09/2005) G Williams Dr M Winn-Oakley (resigned 14/06/2005)
<b>Company registered number</b>	2722134
<b>Charity registered number</b>	1012485
<b>Registered office</b>	99-105 Argyle Street Birkenhead Wirral CH41 6AD
<b>Company secretary</b>	E Fowler
<b>Chief executive officer</b>	E Fowler
<b>Auditors</b>	Whittingham Riddell LLP Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
<b>Bankers</b>	National Westminster Bank plc 50 Market Street Westhoughton Bolton Lancashire BL5 3BA

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**TRUSTEES' REPORT**  
**For the year ended 31 March 2006**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of The National Youth Advocacy Service (the charity) for the year ended 31 March 2006. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 10 June 1992.

The charity is constituted under a Memorandum of Association dated 10 June 1992 and is a registered charity number 1012485.

Governance is the responsibility of the Board of Trustees working closely with the Chief Executive and operating within the terms of our Memorandum and Articles of Association. The Board follows a routine of closely monitoring and reviewing its effectiveness at its quarterly meetings and through careful application of any advice contained within the management letter provided as part of the annual audit.

We seek to ensure that the Board continually comprises individuals who contribute a range of skills and expertise which are relevant to the monitoring, guidance and development of The National Youth Advocacy Service. We are particularly fortunate to have Trustees who bring financial, commercial, legal and social work together with extensive academic knowledge and experience.

**b. Method of appointment or election of Trustees**

Appointment of Trustees generally follows a skills audit which we conduct periodically, so that any gaps in Board expertise can be addressed. The appointment process is initiated through our established network of business, legal, voluntary and academic sector contacts and through a process of informal search.

Potential Trustees with the appropriate expertise and experience are given the opportunity to meet the Chair, the Chief Executive and other Board members, and to visit the Charity Headquarters or services which may be local to them. Appointment is made after attendance at a full meeting of the Board and when the candidate has had the opportunity to confirm their commitment to the work and values of the charity and their capability to devote appropriate time to it. A full consensus must be achieved between the Trustees.

**c. Policies adopted for the induction and training of Trustees**

New Trustees are provided with an Induction pack containing background information about the work of the Charity and a copy of the NCVO's 'Good Trustee Guide'. An induction programme is matched to their individual needs and may comprise discussion of a range of documentation such as the most recent annual report and accounts, current financial records and accounting systems, organisational structure charts, young people's feedback reports and operating practices. Induction and on going Trustee training can include time spent at NYAS operational centres in Birkenhead, Birmingham or London, and Trustees are offered the opportunity to participate in any of the current training programmes delivered by the NYAS Training Team.

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 March 2006**

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**d. Organisational structure and decision making**

The Chief Executive and the Senior Management Team report regularly to the Board. Operational management decisions are made by the Chief Executive with the support of her Senior Management Team. Staff appointments at Director level and above are made by the Board and strategic policy decisions are referred to them. The Board is grateful to the Professional Advisory Group and to the NYAS Young People's Panel for support in formulating policy.

The Board is responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the year ended. The Board is responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**e. Risk management**

The Board has examined the major strategic business and operational risks which the National Youth Advocacy Service faces and confirm that policies, procedures and systems have been established so that the necessary steps can be taken to lessen those risks and to enable regular reports to be provided. In particular NYAS is aware of the difficulties caused by short term funding initiatives and recent TUPE legislation. For young people we acknowledge the risk of 'the respect agenda', resulting in a more hostile climate for them and for those working to uphold children's rights.

During the year, the trustees have completed a Risk Matrix, identifying all areas of risk to which the charity may be exposed and detailing the person responsible for mitigating those risks, if deemed necessary. This document is updated on an annual basis.

**OBJECTIVES AND ACTIVITIES**

**a. Policies and objectives**

Our missions statement is "To enable children and young people to have a voice by providing independent and confidential advice, information and advocacy services".

Our strategic aims are:

- To ensure children and young people are empowered to make informed and free choices and to speak for themselves.
- To ensure children and young people are enabled to express their wishes and feelings.
- To ensure children and young people are enabled to participate in decision making and planning that affects their lives.
- To influence local and national policy makers and practitioners to acknowledge the legitimacy and importance of children and young people's rights and to address these matters directly.
- To provide a range of independent, confidential and young person led information, advice, advocacy and legal services.

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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 March 2006**

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**b. Activities for achieving objectives**

There has been a steady growth in NYAS' provision of advocacy and children's rights services and it remains disappointing that the most common issues brought to us by young people looked after, are still unplanned placement moves, and difficulties in contacting their social worker.

NYAS is pleased that Section 53 of the Children Act 2004 came into force last year, amending Sections 17 and 47 of the Children Act 1989 to give 'children in need' and children involved in child protection enquiries the legal right to have their views given due consideration. We are working with Local Authorities to ensure that children and young people who require independent information and advice should have easy access to an Advocate.

There has been an increase in the number of Independent Visitor services NYAS provides across the country. Young people tell us how important it is to them to have Independent Visitors who choose to spend time with them and we are grateful to the volunteers who give so generously of their time and energy.

Our review of the first year's work with young people in Young Offender Institutions has shown how important it is to them to have access to independent Advocates, particularly those young people held in segregation, subject to internal disciplinary procedures or with mental health problems. We welcome a developing partnership with the Independent Monitoring Board working to improve conditions for these young people.

NYAS continues to work alongside the Refugee Council to provide legal services to unaccompanied asylum seeking young people. We are concerned at the effects of the revised funding arrangements for legal work asylum and immigration issues, aimed at reducing spending. The effect of the new requirements is to produce a lack of continuity in the young person's asylum claim, to increase their feeling of alienation and mistrust through the requirement for solicitors to 'challenge' their statement. We are concerned that some youngsters, who have been educated in Britain and are assimilated into the 'British way of life', face the turmoil of being returned alone to a country they are no longer familiar with. Many traumatised young people, with limited use of English are forced to attend judicial appeal hearings alone, and are unable to negotiate the legal process. This year the Charity has been approached by a growing number of desperate young people who have been refused representation by other firms, and our immigration service has provided more young people with 'pro bono' representation. NYAS remains concerned about the hostile political climate surrounding immigration and the difficulty of accessing even the most basic level of support for this vulnerable group.

There has been growing provision of separate representation under Rule 9.5 of the Children Act, by the NYAS Legal Team, and a Protocol with CAFCASS has allowed us to agree with them a shared partnership approach to the work. We are eagerly awaiting implementation of Section 122 of The Adoption and Children Act 2002, which received Royal Assent in November 2002, to provide for increased separate representation of children in family proceedings.

NYAS House, the Supervised Contact Centre for Merseyside has become well established despite threats to continued funding this year. We are grateful for the continuation of grant provision and are working hard to establish financial viability for the Centre next year.

This year the Signposting Service in Birmingham has helped some 3,000 children to access local services and there was a tremendous enthusiastic response to the Fun Day organised in the City centre. The service demonstrates that vulnerable families are willing to share their personal information with other agencies if it is to lead to the rapid provision of local services that help them solve their problems. It is pleasing that this year there was a representative proportion of children and families from black and ethnic minority community groups who accessed the service.

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 March 2006**

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**ACHIEVEMENTS AND PERFORMANCE**

**a. Review of activities**

NYAS helped over 1,000 vulnerable young parents thanks to funding from the Parenting Fund in the first round. Many young parents who have been brought up in the Care system routinely have their babies removed at birth, as they are deemed unable to provide adequate care for them. NYAS has been able to help them speak up for their right to support, to help them learn to care for their child. We remain concerned by the response of Local Authorities who prioritise the needs of the new born infant and overlook the needs of the young parents who are still children themselves, denying them the opportunity to share with their babies the right to family life.

We are delighted at the increasing contribution to our work made by young volunteers. The contribution of young people with experience of Public or Private Law proceedings has allowed the formation of a Young Persons Consultation Group offering feedback to CAFCASS and the Family Justice Council.

Young people have helped us to develop a pilot Legal Helpline and advisory service for children experiencing family breakdown and this has responded to more than 200 young people in the last year. They have told us that they are rarely consulted when their parents' relationship breakdown and they welcome direct access to advice and information in their own right. Young people wishing to negotiate changes to their post order contact arrangements have welcomed the support of the NYAS Caseworker.

A Lottery Bid has enabled us to develop the Signposting Service and Electronic Service Directory in Dudley, helping us to contribute to accessible preventative services in local communities.

NYAS was appointed to deliver the Office of the Children's Commissioner in Sandwell and we are delighted to welcome Dr. Maureen Winn-Oakley to this innovative role which will allow the voices of children to be heard in Sandwell.

**b. Factors relevant to achieve objectives**

This year the Help Line has managed more than 50,000 calls.

There has been an 80% increase in Advocacy Cases, with more than 7,000 new advocacy cases opened across England and Wales.

The most frequent issue raised by young people looked after was a concern about a placement change, followed by wanting to contact their social worker or family.

**FINANCIAL REVIEW**

**a. Reserves policy**

The statement of financial activities, as set out on page 10 shows that the reserves of the charity have increased during the year from £639,158 to £1,264,800. Of these levels, £446,125 represent free reserves (2005 - £609,455), and it is the aim of the trustees and the Chief Executive to maintain those reserves at a level equivalent to a minimum of six months unrestricted fund expenditure. It is deemed that this level is required due to the nature of the funding, which is tendered for on a regular basis and due to the continuing requirement in the development of staff. This level therefore bridges the gap between winning the contract and receiving the first payment in arrears in the transitional period. This will need to be reviewed on a regular basis, as the charity continues to grow.

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**TRUSTEES' REPORT (continued)**  
For the year ended 31 March 2006

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**b. Principal funding**

Our principal funding sources are all short term and include:

Big Lottery Fund  
National Assembly of Wales  
Parenting Fund  
DfES  
Legal Services Commission  
Children's Fund  
Barbara Kahan Trust  
Individual Donors

**PLANS FOR THE FUTURE**

**a. Future developments**

We have four major goals for the coming year, to work to improve Respect, Recognition, Representation and Resources for Young People:

i. Respect

To establish a Policy Group for better involvement of staff in policy responses.

To further develop young people's participation in the planning and delivery of services.

To improve our 'knowledge management' of children's issues.

ii. Recognition

To establish viable funding for the Supervised Contact Centre.

To establish a NYAS Fund Raising Team.

To strengthen the Management Structure in response to the increased number of services provided.

iii. Representation

To increase access to advice, information and representation by young people through the promotion of Children's Rights Services.

To increase our recruitment and support for Volunteers.

iv. Resources

The relocation of NYAS's headquarters premises in Birkenhead. The current lease runs out on 31 December 2006.

To increase the level of fundraising for the charity.



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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**TRUSTEES' REPORT (continued)**  
For the year ended 31 March 2006

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**TRUSTEES' LIABILITY**

The Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

**TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to smaller charities.

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- prepared the financial statements on the going concern basis (unless it is inappropriate to presume that the charity will continue in operation)

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

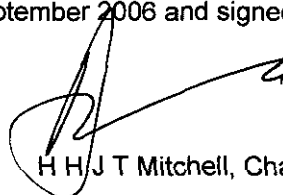
**AUDITORS**

A resolution proposing that Whittingham Riddell LLP be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the Trustees on 20 September 2006 and signed on its behalf, by:



E Fowler, Company Secretary



H H J T Mitchell, Chair

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**NATIONAL YOUTH ADVOCACY SERVICE**  
(Limited by Guarantee)

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

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We have audited the financial statements of National Youth Advocacy Service for the year ended 31 March 2006 set out on pages 10 to 23. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice: 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described in the Statement of Trustees' Responsibilities the charity's Trustees (who also act as company directors of National Youth Advocacy Service) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 law regarding Trustees' remuneration and other transactions is not disclosed.

We read the and consider the implications for our report if become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Trustees 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 financial statements.

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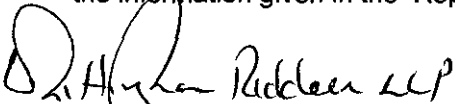
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL YOUTH ADVOCACY SERVICE**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report is consistent with the financial statements.

  
**WHITTINGHAM RIDGELL LLP**

Chartered Accountants  
Registered Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date:

**NATIONAL YOUTH ADVOCACY SERVICE**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 March 2006

	Note	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	As restated Total Funds 2005 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	-	197,912	197,912	144,004
Investment income	3	-	9,567	9,567	6,438
Incoming resources from charitable activities	4	3,257,948	874,281	4,132,229	3,088,742
<b>TOTAL INCOMING RESOURCES</b>		<b>3,257,948</b>	<b>1,081,760</b>	<b>4,339,708</b>	<b>3,239,184</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	7	2,464,521	1,402,230	3,866,751	3,016,039
Governance costs	8	-	56,562	56,562	18,659
Other resources expended	9	-	(169,170)	(169,170)	-
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,464,521</b>	<b>1,289,622</b>	<b>3,754,143</b>	<b>3,034,698</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>793,427</b>	<b>(207,862)</b>	<b>585,565</b>	<b>204,486</b>
Transfers between Funds	17	(800,088)	800,088	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS</b>		<b>(6,661)</b>	<b>592,226</b>	<b>585,565</b>	<b>204,486</b>
Gains and losses on revaluations of investment assets	13	-	(36,800)	(36,800)	75,683
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(6,661)</b>	<b>555,426</b>	<b>548,765</b>	<b>280,169</b>
Total funds at 1 April 2005		-	715,535	715,535	435,366
<b>TOTAL FUNDS AT 31 MARCH 2006</b>		<b>(6,661)</b>	<b>1,270,961</b>	<b>1,264,300</b>	<b>715,535</b>

The notes on pages 13 to 23 form part of these financial statements.


**NATIONAL YOUTH ADVOCACY SERVICE**  
(Limited by Guarantee)

**BALANCE SHEET**  
As at 31 March 2006

	Note	£	2006 £	As restated 2005 £	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	12		25,249		29,704
Fixed asset investments	13		39,577		76,377
			<u>64,826</u>		<u>106,081</u>
<b>CURRENT ASSETS</b>					
Debtors	14	1,084,401		523,297	
Cash at bank and in hand		780,861		360,525	
		<u>1,865,262</u>		<u>883,822</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(665,788)		(274,368)	
<b>NET CURRENT ASSETS</b>			<u>1,199,474</u>		<u>609,454</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,264,300</u>		<u>715,535</u>
<b>CHARITY FUNDS</b>					
Restricted funds	17		(6,661)		-
Unrestricted funds	17		1,270,961		715,535
			<u>1,264,300</u>		<u>715,535</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Trustees on 20 September 2006 and signed on their behalf, by:



H H T Mitchell, Chair



M Blackburn

The notes on pages 13 to 23 form part of these financial statements.

**NATIONAL YOUTH ADVOCACY SERVICE**  
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**CASH FLOW STATEMENT**  
For the year ended 31 March 2006

	Note	2006 £	As restated 2005 £
Net cash flow from operating activities	19	420,336	(17,900)
Capital expenditure and financial investment		-	6,749
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>420,336</b>	<b>(11,151)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
For the year ended 31 March 2006

	2006 £	As restated 2005 £
Increase/(Decrease) in cash in the year	420,336	(11,151)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>420,336</b>	<b>(11,151)</b>
Net funds at 1 April 2005 (as restated)	360,525	371,676
<b>NET FUNDS AT 31 MARCH 2006</b>	<b>780,861</b>	<b>360,525</b>

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2006**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 1985.

**1.2 COMPANY STATUS**

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

**1.3 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 INCOMING RESOURCES**

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2006

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**1. ACCOUNTING POLICIES (continued)**

**1.5 RESOURCES EXPENDED**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff numbers.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1.6 INVESTMENTS**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings                      -            15% reducing balance

**1.8 PENSIONS**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2. VOLUNTARY INCOME**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<i>Total Funds 2005 £</i>
Donations	-	66,531	66,531	4,974
Grants	-	131,381	131,381	139,030
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	197,912	197,912	144,004
	<hr/>	<hr/>	<hr/>	<hr/>



**NATIONAL YOUTH ADVOCACY SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2006

**3. INVESTMENT INCOME**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<i>Total Funds 2005 £</i>
Bank interest received	-	9,567	9,567	6,438

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<i>Total Funds 2005 £</i>
Advocacy Services	3,008,632	26,392	3,035,024	2,308,074
Legal Services	249,316	847,889	1,097,205	780,668
	<u>3,257,948</u>	<u>874,281</u>	<u>4,132,229</u>	<u>3,088,742</u>

**5. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<i>Total Funds 2005 £</i>
Advocacy Services	2,215,205	553,950	2,769,155	3,016,039
Legal Services	249,316	848,280	1,097,596	-
Sub-total charitable activities	<u>2,464,521</u>	<u>1,402,230</u>	<u>3,866,751</u>	<u>3,016,039</u>
Governance	-	56,562	56,562	18,659
Other resources expended	-	(169,170)	(169,170)	-
	<u>2,464,521</u>	<u>1,289,622</u>	<u>3,754,143</u>	<u>3,034,698</u>

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**5. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2006 £	Depreciation 2006 £	Other costs 2006 £	Total 2006 £	Total 2005 £
Advocacy Services	1,772,279	3,478	993,398	2,769,155	3,016,039
Legal Services	410,694	977	685,925	1,097,596	-
Sub-total charitable activities	2,182,973	4,455	1,679,323	3,866,751	3,016,039
Governance	-	-	56,562	56,562	18,659
Other resources expended	-	-	(169,170)	(169,170)	-
	2,182,973	4,455	1,566,715	3,754,143	3,034,698

**6. SUPPORT COSTS**

	Basis of Allocation	Advocacy Services £	Legal Services £	Total 2006 £
IT Costs	Staff numbers	14,341	4,026	18,367
Travel & subsistence	Staff numbers	4,827	1,355	6,182
Printing, postage & stationery	Staff numbers	16,704	4,690	21,394
Bank charges & interest	Staff numbers	1,007	283	1,290
Office expenses	Staff numbers	1,005	282	1,287
Telephone	Staff numbers	10,835	3,042	13,877
Rent & rates	Staff numbers	14,075	3,952	18,027
Light & heat	Staff numbers	(319)	(90)	(409)
Insurance	Staff numbers	19,739	5,542	25,281
Subscriptions	Staff numbers	2,367	664	3,031
Marketing	Staff numbers	17,927	5,033	22,960
Repairs & renewals	Staff numbers	10,073	2,828	12,901
Sundries	Staff numbers	79,568	22,338	101,906
Training	Staff numbers	26,788	7,521	34,309
Wages and salaries	Staff numbers	255,910	71,843	327,753
Depreciation	Staff numbers	3,478	977	4,455
Total		478,325	134,286	612,611

The above costs are the central overheads or "core costs" of the charity which are not directly attributable to the main activities of the charity.

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**7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2006 £	Support costs 2006 £	Total 2006 £	Total 2005 £
Advocacy Services	2,290,830	478,325	2,769,155	3,016,039
Legal Services	963,310	134,286	1,097,596	-
Total	<u>3,254,140</u>	<u>612,611</u>	<u>3,866,751</u>	<u>3,016,039</u>

**8. GOVERNANCE COSTS**

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Auditors' remuneration	-	6,000	6,000	10,659
Auditors' non audit costs	-	30,842	30,842	8,000
Consultancy fees	-	1,337	1,337	-
Legal and professional fees	-	18,383	18,383	-
	<u>-</u>	<u>56,562</u>	<u>56,562</u>	<u>18,659</u>

**9. OTHER RESOURCES EXPENDED**

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Exceptional item	-	(169,170)	(169,170)	-

The charity has registered for Value Added Tax during the year. The exceptional item represents the net amount receivable as a result of the registration.

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**10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets:		
- owned by the charity	4,455	5,246
Governance Auditors' remuneration	6,000	10,659
Pension costs	65,489	72,226
Operating lease rentals - premises	150,262	48,000
	<u>150,262</u>	<u>48,000</u>

During the year, no Trustees received any remuneration (2005 - £NIL).

During the year, no Trustees received any benefits in kind (2005 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2005 - £NIL).

**11. STAFF COSTS**

Staff costs were as follows:

	2006 £	2005 £
Wages and salaries	1,938,224	1,472,769
Social security costs	179,260	123,754
Other pension costs	65,489	72,226
	<u>2,182,973</u>	<u>1,668,749</u>

The average monthly number of employees during the year was 97 (2005: 81).

No employee received remuneration amounting to more than £60,000 in either year.

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**12. TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £
<b>COST</b>	
At 1 April 2005 and 31 March 2006	71,276
<b>DEPRECIATION</b>	
At 1 April 2005 (as restated)	41,572
Charge for the year	4,455
At 31 March 2006	46,027
<b>NET BOOK VALUE</b>	
At 31 March 2006	25,249
At 31 March 2005 (as restated)	29,704

**13. FIXED ASSET INVESTMENTS**

	Listed securities £
<b>MARKET VALUE</b>	
At 1 April 2005 (as restated)	76,377
Revaluations	(36,800)
At 31 March 2006	39,577
<b>HISTORICAL COST</b>	694

**INVESTMENTS AT MARKET VALUE COMPRISE:**

	2006 £	As restated 2005 £
Listed investments	39,577	76,377

All the fixed asset investments are held in the UK

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**NATIONAL YOUTH ADVOCACY SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2006

**14. DEBTORS**

	2006 £	2005 £
Trade debtors	334,849	251,738
Other debtors	520,501	500
Prepayments and accrued income	229,051	271,059
	<u>1,084,401</u>	<u>523,297</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade creditors	111,547	81,540
Social security and other taxes	404,072	46,769
Other creditors	8,065	-
Accruals and deferred income	142,104	146,059
	<u>665,788</u>	<u>274,368</u>

**16. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been entered to the financial statements in order to recognise the open market value of listed investments held by the charity at 31 March 2005, increasing the profit and loss reserves brought forward. The shares had been donated to the charity on 6 April 2004 but were omitted from the financial statements for the year ended 31 March 2005. The market value of these shares at 31 March 2005 was £76,377, as shown in note 13 above.

**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
DfES grant	-	35,000	(35,000)	-	-	-
National Assembly of Wales grant	-	96,381	(96,381)	-	-	-
Other general funds	715,535	950,379	(1,158,241)	800,088	(36,800)	1,270,961
	<u>715,535</u>	<u>1,081,760</u>	<u>(1,289,622)</u>	<u>800,088</u>	<u>(36,800)</u>	<u>1,270,961</u>

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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Advocacy Services	-	2,231,955	(1,400,295)	(831,660)	-	-
Contact centre	-	96,000	(127,572)	31,572	-	-
Parenting fund	-	119,752	(112,527)	-	-	7,225
Family Breakdown Service	-	52,476	(52,476)	-	-	-
Legal services funding	-	196,840	(196,840)	-	-	-
Birmingham Signposting Services	-	550,925	(570,242)	-	-	(19,317)
National Lottery - Signposting	-	10,000	(4,569)	-	-	5,431
	-	3,257,948	(2,464,521)	(800,088)	-	(6,661)
<b>Total of Funds</b>	<b>715,535</b>	<b>4,339,708</b>	<b>(3,754,143)</b>	<b>-</b>	<b>(36,800)</b>	<b>1,264,300</b>

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Funds	715,535	1,081,760	(1,289,622)	800,088	(36,800)	1,270,961
Restricted Funds	-	3,257,948	(2,464,521)	(800,088)	-	(6,661)
	715,535	4,339,708	(3,754,143)	-	(36,800)	1,264,300

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	As restated Total Funds 2005 £
Tangible fixed assets	-	25,248	25,248	29,703
Fixed asset investments	-	39,577	39,577	76,377
Current assets	-	1,865,263	1,865,263	883,822
Creditors due within one year	(6,661)	(659,127)	(665,788)	(274,367)
	(6,661)	1,270,961	1,264,300	715,535

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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2006 £	2005 £
Net incoming resources before revaluations	585,565	204,486
Depreciation of tangible fixed assets	4,455	5,246
Increase in debtors	(561,104)	(333,869)
Increase in creditors	391,420	106,237
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>420,336</b>	<b>(17,900)</b>
	2006 £	2005 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	-	6,749

**20. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2005 £	Cash flow £	Other non-cash changes £	31 March 2006 £
Cash at bank and in hand:	360,525	420,336	-	780,861
	360,525	420,336	-	780,861

**21. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £65,489 (2005 - £72,226). Contributions totalling £8,066 (2005 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. OPERATING LEASE COMMITMENTS**

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>				
Within 1 year	<b>1,213</b>	-	-	-
Between 2 and 5 years	<b>65,750</b>	<b>48,000</b>	<b>569</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

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