

COMPANY REGISTRATION NUMBER: 05438407

CHARITY REGISTRATION NUMBER: 1184112

**PEOPLE FIRST INDEPENDENT ADVOCACY
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

David Allen

Chartered Accountants & Statutory Auditor

Dalmar House

Barras Lane Estate

Dalston

Carlisle

CA5 7NY

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

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PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

Chief Executive Officer	Mr D L Blacklock
Trustees	Mr S Corlett Mr J M Mills Miss L Townson Mr M A Sykes Ms E Harkness Mr P R Wiggins Mrs H M Horne Mr S J Rigby (appointed 25 June 2019)
Secretary	Mr P R Wiggins
Principal Office	People First Conference Centre Milbourne Street Carlisle CA2 5XB
Registered Office	People First Conference Centre Milbourne Street Carlisle CA2 5XB
Company Registration Number	05438407
Charity Registration Number	1184112
Bankers	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
Auditor	David Allen Chartered Accountants & Statutory Auditor Dalmar House Barras Lane Estate Dalston Carlisle CA5 7NY

PEOPLE FIRST INDEPENDENT ADVOCACY

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2020.

OBJECTIVES AND ACTIVITIES

Objects and aims

The objects of the charity are:

- the relief of those in need by reason of ill-health or disability leading to a lack of capacity including (but not limited to) people with learning difficulties or dementia.
- the advancement of health and the relief of those in need by reason of youth, age, ill-health, disability or financial hardship by:
 - (i) providing information and advice to the general public about local health and social care services;
 - (ii) making the views and experiences of members of the general public known to health and social care providers;
 - (iii) enabling local people to have a voice in the development, delivery and equality of access to local health and care services and facilities;
 - (iv) providing training and the development of skills for volunteers and the wider community in understanding, scrutinizing, reviewing and monitoring local health and care services and facilities; and
 - (v) conducting investigation and research into relevant health and social care issues and making public the useful results of such work.

Our trustees have set goals which they have directed the CEO to deliver, these in turn form part of our Business Development Plan which clearly sets out tasks, responsibility and accountability. Directors present information to trustees at their meetings describing progress towards targets.

People First has four main departments:

Finance and operations; managing finance, human resources, IT, resources, buildings, policy.

Advocacy; managing the delivery of all advocacy services which ensure that those who access the service understand their rights, have a voice and where possible can make their own choices. We deliver Independent Mental Capacity Advocacy, Independent Mental Health Advocacy, Care Act Advocacy, Specialist Advocacy, and the Advocacy Hub.

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

Healthwatch; ensuring local people can share their experiences of using health and care services and that those experiences are used to help shape and improve services. Delivered via Healthwatch Cumbria and Healthwatch Lancashire.

Research, Education and Inclusion; working with people who use health and care services to ensure that they are included, listened to and respected, delivered via a range of inclusive projects such as, work with universities, education for people with learning disabilities including the hospitality academy and bistro, youth work, as well as projects aimed at helping people who use services to be involved in decision making and quality assurance.

All of the services provided by People First are aimed at helping people to live their best life, we listen to, engage and empower people to be involved, be heard and included in their lives, communities, and the services that they use.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

We fundamentally believe that volunteers enhance our capacity across communities and by bringing additional skills to our teams. All volunteers are recruited through a safer recruitment process and are provided with extensive support from induction and through participation in events which include those also attended by staff.

We aim to maximise the benefits of working with volunteers by matching skills and experience to roles and tasks.

We aim to ensure that volunteering with us increases our contribution to social value and is equally rewarding to our volunteers themselves.

PEOPLE FIRST INDEPENDENT ADVOCACY

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE

This year has seen many achievements for the organisation:

Advocacy services – we have been able to support more people than ever before through our growing advocacy offer, helping them have the wishes, values and beliefs respected.

We have rapidly adapted our support services during the Covid19 crisis including:

- Enabling our entire workforce to work from home, enabling our vital support to vulnerable individuals to continue;
- Set up a new helpline telephone support service to support isolated individuals to stay connected and maintain their health and wellbeing. Supporting hundreds of individuals in: Cumbria, Lancashire and Northumbria;
- Successfully repurposing income to deal with the crisis and attracting additional income to provide additional services and maintain a full complement of staff;
- Continue to deliver all statutory service contracts.

We have ensured that our staff have all the necessary tools, training and equipment to get the job done. Enabling them to work remotely during the covid-19 crisis and ensuring that our customers and beneficiaries continue to get the support that they need. We have improved our range of policies, risk management and Human resources, we have invested in leadership development and reorganised the charity to ensure it is fit for purpose.

We have been working alongside statutory partners to support the Special Educational Needs and Disability (SEND) Improvement programme, delivering engagement sessions, surveys and training to parents and carers throughout Cumbria. This work has enabled parents/carers, children and young people to have a voice and to be included in supporting service improvements.

Through our Healthwatch work we have supported thousands of people to share their experiences of using health and care services with us, we have then taken this information and shared it with decision makers helping them to keep the views and experiences of those who use services at the centre of their planning and service improvement work.

We have successfully hosted Healthwatch Together, a collaboration of local Healthwatch delivering a wide range of engagement within communities in Lancashire and South Cumbria.

Our conference centre, ran by people who have the experience of having a learning difficulty has been a huge success. Providing great spaces to meet for organisations such as the NHS, local volunteer organisations, and private companies. We have provided this service alongside and in tandem with supporting our students to grow in confidence and skills around customer services and hospitality.

It is important to note that this has been a very successful year for us financially, when taking account of the sizeable single donation received in the previous financial year.

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

FINANCIAL REVIEW

During the year income amounted to £1,643,253 (2019: £1,556,927) and total expenditure was £1,534,340 (2019: £1,391,880). This resulted in net income of £108,913 (2019: £165,047).

At the year end the total reserves had increased to £656,682, these being made up of unrestricted funds of £608,057 and restricted funds held of £48,625.

Policy on reserves

Reserves are held to ensure the stability and deliverability of our mission and vision over all our activities and to ensure the employment and retention of our staff resources. We aim to maintain operating reserves equivalent to 4 months core operating costs.

PLANS FOR FUTURE PERIODS

Aims and key objectives for future periods

Our focus in the coming financial year will be managing the organisation through the Covid-19 crisis. Making sure our customers get the support that they need when they need it. Ensuring that the business maintains a strong and solid financial footing.

We will also seek to ensure that People First can support more of those that need help to live their best lives across our footprint.

We will:

- 1) Excel at core activity
- 2) Be a great place to work
- 3) Explore new and complementary services
- 4) Become a regional organisation
- 5) Ensure a sound business model
- 6) Increase our training offer

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

People First Independent Advocacy was incorporated on 28 April 2005 as a company limited by guarantee with company registration number 05438407, and was registered as a charity with the Charity Commission on 26 June 2019 under charity registration number 1184112. The charitable company is governed by its memorandum and articles.

The registered company address is People First Conference Centre, Milbourne Street, Carlisle, CA2 5XB.

Recruitment and appointment of trustees

The trustees shall from time to time determine procedures for the election of trustees by the members, which may include elections held at the AGM, or a postal ballot of the members conducted prior to the AGM, or any other method considered to be effective and democratic.

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

Pre-election procedures

In order to protect the charity, the trustees may implement pre-election procedures for assessing potential candidates for election and ensuring their suitability. Only persons approved by the trustees through such procedures may be candidates in the election.

Induction and training of trustees

All trustees attend the same induction training as staff and volunteers. This covers the overall vision and mission of the charity as well as information on the individual departments and services. Trustees also receive safeguarding and data protection training.

Arrangements for setting key management personnel remuneration

The board of trustees set the remuneration of the CEO who in turn sets remuneration for all other members of staff in collaboration with the finance committee.

Organisational structure

The board of trustees set the overall business strategy. There is also a finance sub-committee which focusses in detail on the charity's finances. The CEO reports to the trustees at every board meeting and directors report quarterly to the board on their area of responsibility. The board of trustees delegate the day to day operational management to the CEO supported by the senior leadership team.

Relationships with related parties

People First strongly believes in working in partnership in order to advance our objectives. We have a wide network of relationship and partnerships with other organisations in the public, private and third sectors. These relationships help us to deliver our services by providing information, support, funding, collaboration, ideas and challenge.

Major risks and management of those risks

We have a Risk Management Policy and Risk Matrix which are kept under regular review. Risks are identified, scored using our agreed tolerance and appetite levels and placed on our Risk Matrix under the headings of Governance, Operational, Financial, External and Compliance with law and regulation. Management of risk is firmly placed in our governance framework with mitigation being kept under review at the assigned level; Board of Trustees and/or Directors

The main risks now relate to financial sustainability due to uncertainly following COVID 19 and the percentage of our business which is dependent on Local Authority contracts. Delivering outstanding services, growing our business and diversification are the main strands of mitigation in place to address this.

Indemnity insurance

The charitable company has purchased indemnity insurance during the year on behalf of the trustees.

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

FINANCIAL INSTRUMENTS

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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TRUSTEES' REPORT INCORPORATING DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITOR

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

REAPPOINTMENT OF AUDITOR

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of David Allen as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 29 September 2020 and signed on its behalf by:

.....
Mr P R Wiggins
Company Secretary and Trustee

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of People First Independent Advocacy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 29 September 2020 and signed on its behalf by:

.....
Mr P R Wiggins
Company Secretary and Trustee

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST INDEPENDENT ADVOCACY

QUALIFIED OPINION

We have audited the financial statements of People First Independent Advocacy (the 'charity') for the year ended 31 March 2020, which comprise the Statement of financial activities, Balance sheet, Statement of cash flows, and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects on the corresponding figures, of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR QUALIFIED OPINION

The company registered as a Charity on 26 June 2019 and now requires an audit. The comparative figures in the accounts are unaudited and our opinion on the current period's financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST INDEPENDENT ADVOCACY (CONTINUED)

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report incorporating Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities [set out on page 9], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST INDEPENDENT ADVOCACY (CONTINUED)

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST INDEPENDENT
ADVOCACY (CONTINUED)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
ALISON WELTON (Senior Statutory Auditor)
For and on behalf of
David Allen
Chartered Accountants & Statutory Auditor

Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

Date:.....

PEOPLE FIRST INDEPENDENT ADVOCACY

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**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES)**

		Unrestricted funds	Restricted funds	Total 2020	Unaudited Total 2019
	Note	£	£	£	£
Income from:					
Donations and legacies	3	-	59,551	59,551	71,403
Charitable activities	4	1,486,286	225	1,486,511	1,432,529
Other trading activities	5	94,520	-	94,520	52,809
Investment income	6	1,085	-	1,085	186
Other income	7	1,586	-	1,586	-
Total income		<u>1,583,477</u>	<u>59,776</u>	<u>1,643,253</u>	<u>1,556,927</u>
Expenditure on:					
Charitable activities	8	<u>(1,481,981)</u>	<u>(52,359)</u>	<u>(1,534,340)</u>	<u>(1,391,880)</u>
Total expenditure		<u>(1,481,981)</u>	<u>(52,359)</u>	<u>(1,534,340)</u>	<u>(1,391,880)</u>
Net income		101,496	7,417	108,913	165,047
Transfers between funds		<u>(3,008)</u>	<u>3,008</u>	<u>-</u>	<u>-</u>
Net movement in funds		98,488	10,425	108,913	165,047
Reconciliation of funds					
Total funds brought forward		<u>509,569</u>	<u>38,200</u>	<u>547,769</u>	<u>382,722</u>
Total funds carried forward	19	<u><u>608,057</u></u>	<u><u>48,625</u></u>	<u><u>656,682</u></u>	<u><u>547,769</u></u>

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COMPANY LIMITED BY GUARANTEE

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES)**

		Unrestricted funds £	Restricted funds £	Unaudited Total 2019 £
	Note			
Income from:				
Donations and legacies	3	2,250	69,153	71,403
Charitable activities	4	1,432,529	-	1,432,529
Other trading activities	5	52,809	-	52,809
Investment income	6	186	-	186
		<u>1,487,774</u>	<u>69,153</u>	<u>1,556,927</u>
Total income				
Expenditure on:				
Charitable activities	8	(1,360,927)	(30,953)	(1,391,880)
Total expenditure		<u>(1,360,927)</u>	<u>(30,953)</u>	<u>(1,391,880)</u>
Net income		<u>126,847</u>	<u>38,200</u>	<u>165,047</u>
Net movement in funds		126,847	38,200	165,047
Reconciliation of funds				
Total funds brought forward		<u>382,722</u>	<u>-</u>	<u>382,722</u>
Total funds carried forward	19	<u>509,569</u>	<u>38,200</u>	<u>547,769</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 and 2019 are shown in note 19.

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

BALANCE SHEET AS AT 31 MARCH 2020

	Note	2020 £	Unaudited 2019 £
Fixed assets			
Tangible assets	14	150,141	109,019
Current assets			
Debtors	15	231,019	152,664
Cash at bank and in hand		<u>437,177</u>	<u>431,493</u>
		668,196	584,157
Creditors: Amounts falling due within one year	16	<u>(161,655)</u>	<u>(145,407)</u>
Net current assets		<u>506,541</u>	<u>438,750</u>
Net assets		<u>656,682</u>	<u>547,769</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	19	48,625	38,200
Unrestricted income funds			
Unrestricted funds		<u>608,057</u>	<u>509,569</u>
Total funds	19	<u>656,682</u>	<u>547,769</u>

The financial statements on pages 14 to 34 were approved by the trustees, and authorised for issue on 29 September 2020 and signed on their behalf by:

.....

Mr S Corlett

Trustee

Registration number: 05438407

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	Unaudited 2019 £
Cash flows from operating activities			
Net cash income		108,913	165,047
Adjustments to cash flows from non-cash items			
Depreciation		66,823	47,744
Investment income	6	<u>(1,085)</u>	<u>(186)</u>
		174,651	212,605
Working capital adjustments			
Increase in debtors	15	(78,355)	(22,138)
Increase in creditors	16	<u>16,248</u>	<u>67,847</u>
Net cash flows from operating activities		<u>112,544</u>	<u>258,314</u>
Cash flows from investing activities			
Interest receivable and similar income	6	1,085	186
Purchase of tangible fixed assets	14	(108,709)	(32,319)
Sale of tangible fixed assets		<u>764</u>	<u>-</u>
Net cash flows from investing activities		<u>(106,860)</u>	<u>(32,133)</u>
Net increase in cash and cash equivalents		5,684	226,181
Cash and cash equivalents at 1 April		<u>431,493</u>	<u>205,312</u>
Cash and cash equivalents at 31 March		<u><u>437,177</u></u>	<u><u>431,493</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 CHARITY STATUS

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

People First Conference Centre
Milbourne Street
Carlisle
CA2 5XB

These financial statements were authorised for issue by the trustees on 29 September 2020.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

People First Independent Advocacy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

2 ACCOUNTING POLICIES (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Other trading activities

Income from other trading activities is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Investment income

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

Other income

Other income is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

2 ACCOUNTING POLICIES (continued)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £200.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

2 ACCOUNTING POLICIES (continued)

Asset class	Depreciation method and rate
Land and buildings	10% straight line
Fixtures, fittings and equipment	25% straight line and 15% reducing balance
Motor vehicles	15% reducing balance
Property improvements - Bistro	straight line over remaining life of leasehold lease
Equipment - Bistro	20% straight line

Trade debtors

Trade debtors and other debtors are measured at their recoverable amounts. Prepayments are calculated as amounts paid during the financial year, but which relate to a future financial period. Accrued income is recognised where the entity is entitled to the income in the financial year, but the receipt does not occur until a future financial year.

Cash and cash equivalents

Includes all cash held and in bank current and deposit accounts.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accruals are calculated as amounts relating to the financial year, but which are paid for after the year end. Deferred income includes amounts received in the financial year for income relating to future financial periods.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

2 ACCOUNTING POLICIES (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Outstanding pension contributions at the balance sheet date are included within other creditors.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

3 INCOME FROM DONATIONS AND LEGACIES

	Restricted funds £	Total 2020 £	Unaudited Total 2019 £
Grants, including capital grants;			
Children in Need	40,039	40,039	31,897
Other grants receivable	14,512	14,512	-
Cumberland Building Society Community Fund	5,000	5,000	-
Cumbria Community Foundation	-	-	2,250
Francis Scott foundation	-	-	17,400
Vinci UK foundation	-	-	10,000
Awards for All	-	-	9,856
	<u>59,551</u>	<u>59,551</u>	<u>71,403</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds			
	General £	Restricted funds £	Total 2020 £	Unaudited Total 2019 £
Income receivable	<u>1,486,286</u>	<u>225</u>	<u>1,486,511</u>	<u>1,432,529</u>

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds			
	General £	Total 2020 £	Unaudited Total 2019 £	
Rent receivable, room hire and refreshments	<u>94,520</u>	<u>94,520</u>	<u>52,809</u>	

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

6 INVESTMENT INCOME

	Unrestricted funds		Unaudited Total 2019 £
	General £	Total 2020 £	
Interest on cash deposits	<u>1,085</u>	<u>1,085</u>	<u>186</u>

7 OTHER INCOME

	Unrestricted funds	
	General £	Total 2020 £
Insurance income	<u>1,586</u>	<u>1,586</u>

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	Activity undertaken directly £	Activity support costs £	Total 2020 £	Unaudited Total 2019 £
Charitable activities	<u>1,371,652</u>	<u>162,688</u>	<u>1,534,340</u>	<u>1,391,880</u>

9 ANALYSIS OF SUPPORT COSTS

Support costs allocated to charitable activities

	Administration costs £	Total 2020 £	Unaudited Total 2019 £
Support costs	<u>162,688</u>	<u>162,688</u>	<u>153,292</u>

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COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

10 NET INCOMING/OUTGOING RESOURCES

Net incoming resources for the year include:

	2020	Unaudited 2019
	£	£
Operating leases - other assets	119,849	75,293
Audit fees	3,360	-
Other non-audit services	4,948	2,000
Depreciation of fixed assets	<u>66,823</u>	<u>47,744</u>

11 TRUSTEES REMUNERATION AND EXPENSES

During the year the charity made the following transactions with trustees:

Miss L Townson

Miss L Townson received remuneration of £1,040 (2019: £1,040) during the year.

Louise completes work as an expert by experience to help in delivering independent reviews externally.

Mrs H M Horne

Mrs H M Horne received remuneration of £4,000 (2019: £4,000) during the year.

Helen is a chair of Healthwatch and receives an Honorarium for this as agreed by its independent board.

Total expenses of £610 were reimbursed to four trustees during the year in respect of travel and subsistence.

No trustees have received any other benefits from the charity during the year.

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

12 STAFF COSTS

The aggregate payroll costs were as follows:

	2020 £	Unaudited 2019 £
Staff costs during the year were:		
Wages and salaries	901,870	884,991
Social security costs	68,347	60,338
Pension costs	52,577	32,558
	<u>1,022,794</u>	<u>977,887</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	Unaudited 2019 No
Average number of staff	<u>58</u>	<u>55</u>

48 (2019 - 45) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £52,577 (2019 - £32,558).

The number of employees whose emoluments fell within the following bands was:

	2020 No	Unaudited 2019 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £252,673 (2019 - £226,962).

PEOPLE FIRST INDEPENDENT ADVOCACY

COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

13 TAXATION

The charity is a registered charity and is therefore exempt from taxation.

14 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Equipment - Bistro £	Property improvements - Bistro £	Total £
Cost						
At 1 April 2019	7,625	23,986	305,436	-	-	337,047
Additions	-	-	39,450	31,034	38,225	108,709
Disposals	(7,625)	-	-	-	-	(7,625)
At 31 March 2020	-	23,986	344,886	31,034	38,225	438,131
Depreciation						
At 1 April 2019	6,099	6,656	215,273	-	-	228,028
Charge for the year	762	2,599	52,758	6,207	4,497	66,823
Eliminated on disposals	(6,861)	-	-	-	-	(6,861)
At 31 March 2020	-	9,255	268,031	6,207	4,497	287,990
Net book value						
At 31 March 2020	-	14,731	76,855	24,827	33,728	150,141
At 31 March 2019	1,526	17,330	90,163	-	-	109,019

Included within the net book value of land and buildings above is £Nil (2019 - £Nil) in respect of freehold land and buildings and £Nil (2019 - £1,526) in respect of leaseholds.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

15 DEBTORS

	2020	Unaudited
	£	2019
	£	£
Trade debtors	162,648	84,006
Prepayments	67,777	68,064
Other debtors	594	594
	<u>231,019</u>	<u>152,664</u>

16 CREDITORS: amounts falling due within one year

	2020	Unaudited
	£	2019
	£	£
Trade creditors	72,027	48,682
Other taxation and social security	15,502	18,089
Other creditors	1,373	2,639
Accruals and deferred income	72,753	75,997
	<u>161,655</u>	<u>145,407</u>

	2020	Unaudited
	£	2019
	£	£
Deferred income at 1 April 2019	60,428	-
Resources deferred in the period	31,215	60,428
Amounts released from previous periods	(60,428)	-
Deferred income at year end	<u>31,215</u>	<u>60,428</u>

At the balance sheet date the charity held funds received in advance for grants relating to the next financial year which amounted to £31,215 (2019: £60,428).

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

17 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	Unaudited
	£	2019
		£
Land and buildings		
Within one year	67,250	68,010
Between one and five years	242,750	255,000
After five years	192,500	247,500
	<u>502,500</u>	<u>570,510</u>

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2020	Unaudited
	£	2019
		£
Land and buildings		
Within one year	<u>7,182</u>	<u>7,125</u>

18 PENSION

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £52,577 (2019 - £32,558).

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

19 FUNDS

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
<i>General</i>					
General funds	509,569	1,583,477	(1,481,981)	(3,008)	608,057
Restricted funds					
Children in Need	944	40,039	(43,876)	2,893	-
Dreamscheme	-	225	(85)	115	255
Cumbria Community Foundation	-	5,985	-	-	5,985
Roselands Trust	-	2,500	-	-	2,500
Savoy Educational Trust	-	4,500	(883)	-	3,617
Sellafield Charity Snowball	-	1,327	(1,327)	-	-
Dobies	-	200	(200)	-	-
Vinci UK Foundation	10,000	-	-	-	10,000
Funding for Bistro	27,256	5,000	(5,988)	-	26,268
Total restricted funds	<u>38,200</u>	<u>59,776</u>	<u>(52,359)</u>	<u>3,008</u>	<u>48,625</u>
Total funds	<u>547,769</u>	<u>1,643,253</u>	<u>(1,534,340)</u>	<u>-</u>	<u>656,682</u>

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

19 FUNDS (continued)

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Unaudited Balance at 31 March 2019 £
Unrestricted funds				
<i>General</i>				
General funds	382,722	1,487,774	(1,360,927)	509,569
Restricted funds				
Children in Need	-	31,897	(30,953)	944
Vinci UK Foundation	-	10,000	-	10,000
Funding for Bistro	-	27,256	-	27,256
Total restricted funds	-	69,153	(30,953)	38,200
Total funds	382,722	1,556,927	(1,391,880)	547,769

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

19 FUNDS (continued)

The specific purposes for which the funds are to be applied are as follows:

Children in Need provided funding for the Young People First Talk - active project. The funding received was to fund a project coordinator, project support worker and project costs.

Dreamscheme provided funding for the purchase of a camera for youth and learners.

The Brian and Ann Clark fund provided funding for the hospitality academy garden.

The Roselands Trust provided funding for training and assistance with self advocacy.

The Savoy Educational Trust provided funding for the purchase of a coffee machine for the bistro.

Sellafield Charity snowball provided funding for IT equipment.

Dobies provided funding as a contribution towards computers.

Vinci UK foundation provided funding for the hospitality staff breakaway room.

Francis Scott foundation, Awards for All and the Cumberland Building Society all provided capital funding for the bistro and equipment for the bistro.

During the year there was an overspend on the restricted funds for Children in Need, a transfer of £2,893 was made from unrestricted funds. Dreamscheme provided £225 for funding the purchase of a camera, the total cost was £340, with the remaining funds being transferred from unrestricted funds.

PEOPLE FIRST INDEPENDENT ADVOCACY

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(CONTINUED)**

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	120,000	30,141	150,141
Current assets	649,712	18,484	668,196
Current liabilities	(161,655)	-	(161,655)
Total net assets	<u>608,057</u>	<u>48,625</u>	<u>656,682</u>
	Unrestricted funds		Unaudited Total funds at 31 March 2019
	General £	Restricted funds £	£
Tangible fixed assets	109,019	-	109,019
Current assets	545,957	38,200	584,157
Current liabilities	(145,407)	-	(145,407)
Total net assets	<u>509,569</u>	<u>38,200</u>	<u>547,769</u>

21 ANALYSIS OF NET FUNDS

	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	<u>431,493</u>	<u>5,684</u>	<u>437,177</u>
Net debt	<u>431,493</u>	<u>5,684</u>	<u>437,177</u>
	At 1 April 2018 £	Financing cash flows £	Unaudited At 31 March 2019 £
Cash at bank and in hand	<u>205,312</u>	<u>226,181</u>	<u>431,493</u>
Net debt	<u>205,312</u>	<u>226,181</u>	<u>431,493</u>

PEOPLE FIRST INDEPENDENT ADVOCACY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

22 RELATED PARTY TRANSACTIONS

During the year the charity made the following related party transactions:

During the year the charity incurred rent of £27,500 (2019: £32,500) for the lease of a property owned by Perfect Properties, a business in which Mr D L Blacklock CEO has an interest. As of 31 August 2020 the charity no longer occupies these premises and the lease has been terminated.

People First Services CIO was incorporated and registered as a charity on 17 July 2019. The charity was setup as a foundation CIO where members are the trustees of People First Independent Advocacy. The charity was dormant in the year ended 31 March 2020.

23 NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

The charity first experienced the immediate impact of the Coronavirus pandemic in March 2020. This impact very quickly became significant and there is considerable uncertainty about how long the pandemic and its effects will last. The charity prepared plans to ensure its survival during these uncertain times and are confident this will enable them to come through the crisis as a going concern.

In March 2020, staff were asked to work from home. The decision was taken in order to comply with the social distancing measures introduced by government and protect the welfare of our staff. The response to the pandemic is extremely dynamic therefore, information and advice may change on a daily basis and the charity will endeavour to provide the most up to date information to all staff as well as reviewing its standard operational procedures for all related activities.

The charity has reviewed, communicated and where necessary retrained staff on safe working practices which includes new signage to highlight COVID-19 risks and revised operating practice including restrictions around visitor numbers, restricted use of meeting rooms and offices based on safe capacity numbers and revised cleaning arrangements.

The charity has strong cash reserves and are confident that they are able to get through the pandemic without it having a significant financial impact.