

'Registrar'

COMPANY REGISTRATION NUMBER SC404409

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2016**

Charity Number SC042513

RITSONS
Chartered Accountants
Forbes House
36 Huntly Street
Inverness
IV3 5PR



**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

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SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name Spirit Advocacy

Charity registration number SC042513

Company registration number SC404409

Registered office Cromwell Villa
23 Lotland Street
Inverness
IV1 1ST

The trustees

The trustees who served the charity during the period were as follows:

Mr W Cook
Mrs L Bain
Mr J King
Mrs E Law
Mrs M Morritt
Mr K MacIennan
Mrs F Sutherland
Ms M Hill
Mr U Macrae
Mrs C Evans
Mrs J Higgs

Secretary Christine Fletcher

Bankers The Royal Bank of Scotland
29 Harbour Road
Inverness
IV1 1NU

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. Permission has been obtained from the Registrar of Companies to omit the word 'limited' from the company name.

SPIRIT Staff (Spirit Advocacy manager (and HUG manager), two part time HUG communications workers, one full time People First development worker/manager) carry out the activities of SPIRIT Advocacy via HUG (action for mental health) and People First Highland as agreed by the SPIRIT Advocacy board of trustees and HUG and People First advisory groups.

The board has met monthly and as recorded in the minutes has reviewed the work reported by staff and dealt with relevant governance and management issues.

Recruitment, appointment, induction & training of trustees

The appointment of trustees and election of office bearers has been carried out in accordance with the constitution. Trustees are selected for appointment to the Board from contacts of existing Trustees and Members. The Board of Trustees has a wide range of skills collectively and any additional training is completed as required.

Trustees serve for three years and at which time elections are held to the board from the membership. Of the board three trustees are elected by HUG (Action for Mental Health) and three trustees are elected by People First Highland, through their advisory groups. These are two projects managed by SPIRIT Advocacy. In this way involvement of service users is ensured.

HUG (Action for Mental Health) Advisory Group provides advice and expertise on work carried out to promote the voice of people with a mental health in Highland. This includes agreeing what is said on behalf of HUG (Action for Mental Health) and how that voice is found and promoted. Three members of the HUG (Action for Mental Health) Advisory Group sit on the board of trustees of SPIRIT Advocacy.

People First Highland advisory group provides advice and expertise on work carried out to promote the voice of people with a learning disability in Highland. This includes agreeing what is said on behalf of People First Highland and how that voice is found and promoted. Three members of the People First Highland advisory group sit on the board of trustees of SPIRIT Advocacy.

Trustees have where necessary been supported by staff and have engaged in activities which have enhanced their contribution to company aims and objectives.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

The charity's objects are:-

- The promotion of equality and diversity and the elimination of stigma and discrimination against people with learning disabilities, mental health problems and associated conditions.
- The advancement of citizenship and community development by strengthening the collective voice of people with learning disabilities, mental health problems and associated conditions and enabling them to express their own views and make their own decisions.
- The promotion of positive mental health and wellbeing of people with learning disabilities, mental health problems and related conditions.
- Improve the lives and experiences of people with learning disabilities, mental health problems and related conditions.

The board of trustees is satisfied that all the activities of staff and volunteers have been in keeping with these.

ACHIEVEMENTS AND PERFORMANCE

The period April 2015 to March 2016 has been one of major challenges and change for SPIRIT

Staffing

We had for some time anticipated that our founder manager Graham Morgan, who has become a national and international figure in collective advocacy over almost 20 years would be moving on for personal reasons. Graham secured a national post, but the board was delighted to be able to retain his knowledge and experience by creating a small part time special advisor post which he now occupies.

Ken Porter, already working for us as a development worker for the Live Life Well project funded by Comic Relief was appointed as interim manager from 26th October 2015, and subsequently as permanent part time manager.

The board also accepted the resignation of Emma Thomas after an extended period of absence. Emma was a leading light in the development of our work with children and young people (SPEAK). In this work she was ably supported by Becky and Stacey who were funded and recruited under the Community Jobs Scotland initiative, with additional financial support from the Volant Trust.

The loss of Emma and Graham created an opportunity for the board to change our staffing structure, and we successfully created and recruited to fill three part time development worker posts for HUG, a development worker for all SPIRIT volunteer activity, some additional clerical and admin support and created a trainee post for a SPEAK worker.

Workload and activity overview

The staffing changes reported above and the absence of two members of staff on extended sick leave in the year resulted in a hiatus in some of our mental health work, and critically a reduced level of activity in areas out with Inverness. Conversely the continuity provided by Christine Fletcher meant that our People First Highland activity has continued to grow and develop.

This period required much flexibility on the part of our board and staff. SPIRIT's Annual General Meeting, and associated publishing of accounts, took place much later than usual - in mid-November. And we temporarily relaxed our ways of working, sharing and overlapping some, usually distinct, project workloads. Notably, we did not postpone or cancel any existing commitments for the period –

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

illustrating the resilience of taking this approach. Our two part-time young people's workers, Becky and Stacey, continued to keep the SPEAK ball rolling, Teresa, our volunteer development worker lent management support to Ken who, in turn, managed general HUG work as well as undertaking LLW commitments.

Our core contract with NHS Highland has been extended to June 2017, but we face continuing uncertainty about how any future financial support to advocacy will be made available.

HUG/ Mental Health activities

Despite the changes and pressures a great deal of work continued thanks to the hard work of staff and volunteers. Examples included:

- i. Our priorities for HUG work were reviewed in a series of HUG branch meetings in the run up to Graham's handover to Ken, consulting on work done to date and work for the future for the business plan review.
- ii. We held fortnightly 'Think-ins' with our members. Subjects discussed included employment and mental health - and independence vis-à-vis dependency. (These were also discussed at our HUG branch meetings across Highland - involving more than 150 people.);
- iii. We were consulted by an Edinburgh University Masters student on the subject of Diet and Nutrition in a mental health context;
- iv. We were also consulted by a representative of the Mental Welfare Commission on 'Transition from adult to older adult care';
- v. We helped NHS Highland design and build an important consultation questionnaire - to gauge people's mental health needs relative to the actual services provided for them. We also helped promote the survey which ran throughout November and December;
- vi. We have led awareness sessions for x16 MHO students at Robert Gordon's University in Aberdeen,
- vii. We helped train actors at Eden Court Theatre, to play the roles of someone in crisis, and family members to help the same students undertake realistic crisis scenarios back in Aberdeen. We returned to deliver a session centred around the concept of 'recovery'.
- viii. Two members contributed to awareness training with Police cadets at their Tulliallan centre and two attended and contributed to the New Craigs in-patient Forum in late November.
- ix. Three members joined us in Banff at the end of November, when North Aberdeenshire CMHTs asked us to join them for almost a full day to talk about HUG and to workshop ideas for setting up something similar in Aberdeen and its Shire - where no similar organisation exists.
- x. Graham gave a speech at the Scottish Parliament's 'Our Natural Health Service' event in November, where nature and heritage organisations got together to promote physical and mental benefits of outdoor activities. We were able to cite the example of our regular nature walks programme with the Scottish Waterways Trust.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

- xi. We took part, with Birchwood Highland, in a See Me project evaluation and Peer Research presentation in Stirling
- xii. We took part in two modules (Dementia and Mental Health) of a four-module Mental Welfare Commission consultation on 'Supported Decision-making' held in Glasgow

Creative Expression

A highlight of the year for us was our playing a role in creating the 'Transitions' exhibition with Inverness Museum and Art Gallery and Moniac Mhor writing centre - where we celebrated the lives of the Highlands', often marginalised, travelling community. Some eight to ten thousand visitors to the museum saw our artistic expressions and heard our creative voice over the summer months. We took the exhibition, too, to Eden Court Theatre for the Scottish Mental Health Arts and Film Festival in October - - and, after, to the Highland Council's chamber in Inverness. Also at the film festival, five of our members read their written expressions to more than a hundred people at the festival's launch in Inverness Town House. Four of our members sat on post-screening discussion panels at three of the festival's films.

Twelve of our members took part in See Me's promotional 'Walk a Mile' event in Inverness - to promote an anti-stigma message.

Connecting with the wider Highland area

HUG branch meetings were held including at Caithness, Lochaber, Ullapool, Portree, Nairn - and in Oban, where we held a meeting jointly with ACUMEN, our Argyll and Clyde equivalent. More than eighty people attended.

We attended the Lochaber Implementation Group (LIG), chaired by one of our members, on two occasions - engaging with more than thirty health professionals, local politicians and others.

HUG and SPEAK took part in two meetings with Highlife Highland in Ullapool - to plan an intergenerational healthy-living event for Spring 2016.

HUG and SPEAK worked with students at Alness Academy who wanted to learn more about mental health issues. The school went on to support us through the Youth Philanthropy Initiative (YPI). Plans are underway to work with Dingwall Academy and North Highland College on awareness-raising.

Migrants Matter - peer research project

We worked with the anti-stigma organisation See Me - and with other partners like Birchwood Highland, UHI, Connecting Carers, the Highland Council and Samaritans - on a peer research project, Migrants Matter, to measure the sense of mental and emotional wellbeing among the area's migrant population.

In September, eight of our members worked with UHI to design an online survey questionnaire which we promoted through our Facebook page; five members were trained in peer research techniques.

Volunteer development

Teresa Johnson, our volunteer development worker reviewed, in detail, all our volunteering-related policies and procedures.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

Training and skills development has been at the forefront of this development work and, already relevant training sessions have been attended by members. These include various specialist First Aid courses, attendance at a suicide awareness talk, and six members benefitted from gaining 'Dementia Friends' awards with Alzheimer Scotland. Four of our members also took part in helping train a group of Volunteer Managers from other organisations at Cameron Youth Centre in September.

Live Life Well as you grow older project

We completed the last in a series of 'Wee Blether' conversations at Kintyre Care Home, Invergordon. This regular group of twelve to fifteen care home residents are all at various stages of dementia or have other physical or neuro-degenerative illnesses. Over two years, we have built strong relationships with them and, through holding 'thoughts and feelings' conversations with them, hope to learn more about their experiences, especially in relationship to their wellbeing. We have involved at least one younger member at each meeting in this last round

In September, we attended the 'Full of Life' older people's fair at Nairn's community centre, engaging with some 80+ older visitors. We took our two younger SPEAK workers too, to help out.

We were invited to talk about mental wellbeing and stress management with an eleven-strong local Parkinson's support group in October.

In conjunction with Age Scotland, we had a trade stand presence at the 'Dying2Know' event in Aviemore - which focused on discussing death-related subjects which people seldom talk about - Power of Attorney, natural burials, grieving etc. We ran a workshop on 'happiness and laughter'. The event was attended by more than 100 local people and HUG was interviewed for Spey Radio.

With seven other advocacy organisations from across Scotland, we participated in some Life Changes Trust research into Advocacy and Dementia. The record of our conversation will be used, alongside other conversations in Angus and the Western Isles, to inform Advocacy policy in this relatively unexplored sphere. The issue of lack of knowledge/skills in non-instructed advocacy came to the fore.

People First Highland Learning Disability activities

PFH led by Christine worked throughout the year on a wide range of issues and activities. Having started the year with a question mark over continued funding a review and reprioritisation was agreed with NHS Highland which subsequently extended the SLA to be co-terminus with the HUG element, i.e. to 30/06/17.

Examples of work include:

- i. PF members in Inverness hosted a pre-Scottish election Q&A session with six of the potential MSPs. Questions asked of the panel included European referendum; immigration, the future of independence in Scotland and employment opportunities for people with LD.
- ii. Members in Skye were supported to attend and give input to the Skye & Lochalsh Association for Disability meeting.
- iii. A PF Inverness member was supported to attend the Our Voice conference and to engage in discussions about how people with a learning disability can be fully and actively involved and heard in this forum.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

- iv. Development worker supported tenants of Oronsay Court in Portree to be involved in the re-design of the service they receive.
- v. An event was held to launch the SIAA short film entitled Opening Doors which highlights how advocacy can assist parents and families at risk of having children removed into care. This was a small event attended by other advocates, an MSP representative, NHS staff and members of SPIRIT who have experienced having children removed. Two members gave very strong testimony about their personal experiences and this gave rise to lively and enlightening discussion. It was also a platform to publicise the Hear Me group being hosted by SPIRIT members for this group of parents / families.
- vi. Development worker attended meeting of the LD Improvement Group and also the Augmentative and Alternative Communication Improvement Group. Work has begun to establish a representative group for AAC users, including the production of a newsletter.
- vii. Attendees at Kyleakin Connections were supported to express their wishes regarding the proposed new building at the centre.
- viii. Development worker was involved in the planning for an Employment event.
- ix. A meeting was held with patients at The Willows to look at their rights and responsibilities.

PFH Projects in the year have included

Where we live and what we do

Including seeking partnership funding with Health and Happiness for co-produced initiatives with people who have a learning disability

Medication and our experience of it

Working with NHS Highland pharmacists developing improved information for members from pharmacists and doctors to help explain medication.

Awareness raising and challenging discrimination

- i. Five members were supported to attend a training session for 7 trainee MHOs where they spoke about their lives and some of the challenges they face.
- ii. A short film about Mate Crime starring two PF members was made as part of a series of training sessions on Financial Harm being delivered in partnership by NHS Highland (Adult Support & Protection group), Police Scotland and Trading Standards. There were six sessions delivered across the Highland region during February and March where the film was used. It has also been uploaded onto YouTube.
- iii. The SDS Peer Advisors continued to work on their presentation and over the period gave the full presentation to four groups: SPIRIT Staff; Health & Social Care Co-ordinators; parents of children with autism and staff of the Carer's project, 34 people in total. Evaluations have been collected at each session and scores for the overall session range from 8/10 - 10/10,

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

- iv. Additionally, the Advisors attended an Autism event where they performed their poem answered questions; and they opened the NHS organised SDS event at the Kingsmill's Hotel with their poem where once again the power of their words was the highlight of the day for a large number of the attendees. There were over 100 attendees at these two events.

Social activities

The People First East Ross group took a break during the winter months and but are up and running again. Issues they discussed included the bedroom tax and the increase in day care charges. The craft group continues to meet every fortnight and are working on the wall hanging and mosaics for the garden.

Employment opportunities

The SDS peer advisors are all continuing to enjoy their work and to feel the benefits of being employed. This is what they say about their jobs.

Conclusion

Despite the challenges outlined at the start of this report SPIRIT has continued to deliver on its contracted responsibilities to the full satisfaction of funders, and to achieve consistently very high grading's in evaluations from participants in all the events it has delivered or to which it has contributed.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW

Principal funders for the year have been:

- NHS Highland and Highland Council

These organisations jointly fund our core collective advocacy and awareness raising work; previously listed in a one year Service Level Agreement agreed between these funders and the board of trustees of SPIRIT Advocacy which ran to 31st March 2015. A further Service Level Agreement was agreed to cover the period from 1st April 2015 to 30th June 2017.

- Comic Relief

This funded Live Life Well which was a 3 year project to focus on the mental health needs of the over 50's in the Highlands. The project's practical work was completed by 31st March 2016, with final reporting covered in the latter half of 2016.

- See Me

Funded the ongoing development of the 'Hear Me' anti-stigma project, which is aimed at parents with mental illness, whose children have been taken into care.

- The Volant Charitable Trust

Previous 1 year grant awarded to SPEAK, HUG's young peoples' project. SPEAK work continues with small grant funding from the Youth Philanthropy Initiative and has undertaken the first part of a planned two part review.

Reserves policy

The charity operates two types of reserves: Restricted and Unrestricted funds. Restricted funds are funds that must be used for a specific purpose.

Income from funding exceeded expenditure resulting in a surplus of £17,466 (2015 deficit of £7,272) for the year.

Unrestricted reserves at 31 March 2016 were £39,070 (2015 £30,728), and Restricted reserves were £94,175.

The trustees have chosen to establish a policy to provide for any potential redundancy liability and have considered it prudent to set aside £13,000 of unrestricted reserves to cover any potential redundancy provision.

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

INDEPENDENT EXAMINER

Daniel Palombo MA (Hons), CA has been re-appointed as independent examiner for the ensuing year.

Registered office:
Cromwell Villa
23 Lotland Street
Inverness
IV1 1ST

Signed by order of the trustees


20/9/16

MRS E LAW
Trustee

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND
MEMBERS OF SPIRIT ADVOCACY**

YEAR ENDED 31 MARCH 2016

I report on the accounts of the charity for the year ended 31 March 2016 which are set out on pages 12 to 22.

To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees (who are also the directors of Spirit Advocacy for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the 2006 Accounts Regulations). The charity's trustees consider that the audit requirements of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the 2005 Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination is carried out in accordance with the Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

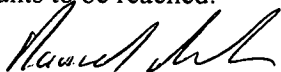
In the course of my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Daniel Palombo MA (Hons), CA
Independent examiner
Forbes House
36 Huntly Street
Inverness
IV3 5PR

...21 September 2016

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	2	10,872	202,728	213,600	211,453
Income from charitable activities	3	14,613	458	15,071	3,141
TOTAL INCOME		<u>25,485</u>	<u>203,186</u>	<u>228,671</u>	<u>214,594</u>
EXPENDITURE					
Expenditure on charitable activities	4/5	(11,968)	(199,238)	(211,206)	(221,866)
TOTAL EXPENDITURE		<u>(11,968)</u>	<u>(199,238)</u>	<u>(211,206)</u>	<u>(221,866)</u>
NET INCOME /(EXPENDITURE)					
BEFORE TRANSFER	7	13,517	3,948	17,465	(7,272)
Transfer between funds	8	(5,175)	5,175	—	—
NET INCOME/(EXPENDITURE) FOR THE YEAR					
		8,342	9,123	17,465	(7,272)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>30,728</u>	<u>90,225</u>	<u>120,953</u>	<u>128,225</u>
TOTAL FUNDS CARRIED FORWARD		<u>39,070</u>	<u>99,348</u>	<u>138,418</u>	<u>120,953</u>

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

All of the above amounts relate to continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2016


	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	10	3,280	1,706
CURRENT ASSETS			
Debtors	11	10,896	603
Cash at bank and in hand		127,709	123,679
		<u>138,605</u>	<u>124,282</u>
CREDITORS: Amounts falling due within one year	12	<u>(3,467)</u>	<u>(5,035)</u>
NET CURRENT ASSETS		135,138	119,247
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>138,418</u>	<u>120,953</u>
NET ASSETS		<u>138,418</u>	<u>120,953</u>
FUNDS OF THE CHARITY			
Restricted income funds	13	99,348	90,225
Unrestricted income funds	14	39,070	30,728
TOTAL CHARITY FUNDS		<u>138,418</u>	<u>120,953</u>

For the year ended 31 March 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the members of the committee and authorised for issue on the 20/9/16 and are signed on their behalf by:


Mrs E Law

Company Registration Number: SC404409

The notes on pages 14 to 22 form part of these financial statements.

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments measured at market value. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) (SORP 2015).

Fund accounting

Funds held by charity are either

Unrestricted general funds -

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

Designated funds - Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes.

Restricted funds - these are funds which can be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

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. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants that provide funding of a general nature, are recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- Investment income is recognised on a receivable basis.
- Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of expenditure to which it relates.

- 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.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in the notes.

Fixed assets

All fixed assets are initially recorded at cost.

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 25% straight line
Fixtures & Fittings - 25% straight line

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	10,872	–	10,872
Grants receivable			
Highland Council	–	46,678	46,678
NHS	–	106,799	106,799
Comic Relief	–	30,888	30,888
See Me Alliance	–	4,500	4,500
Caring & Sharing	–	–	–
Foundation Scotland	–	4,977	4,977
SCVO	–	8,886	8,886
	<u>10,872</u>	<u>202,728</u>	<u>213,600</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Donations			
Donations	1,638	1,208	2,845
Grants receivable			
Highland Council	–	47,678	47,678
NHS	–	106,799	106,799
Comic Relief	–	41,184	41,184
See Me Alliance	–	4,000	4,000
Caring & Sharing	–	500	500
Foundation Scotland	–	4,977	4,977
SCVO	457	3,013	3,470
	<u>2,095</u>	<u>209,359</u>	<u>211,453</u>

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
HUG Income	–	260	260
Mental Health Foundation	4,500	–	4,500
Cantraybridge	9,500	–	9,500
Other income	613	198	811
	<u>14,613</u>	<u>458</u>	<u>15,071</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
HUG Income	1,111	2,030	3,141
Mental Health Foundation	–	–	–
Cantraybridge	–	–	–
Other income	–	–	–
	<u>1,111</u>	<u>2,030</u>	<u>3,141</u>

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
General operations	11,968	–	11,968
Comic relief	–	27,691	27,691
People 1st	–	40,481	40,481
HUG Activities	–	73,830	73,830
See Me	–	903	903
Choose Life	–	–	–
Caring & Sharing	–	108	108
Volant project	–	5,089	5,089
SPEAK DA	–	8,907	8,907
Support costs	–	42,229	42,229
	<u>11,968</u>	<u>199,238</u>	<u>211,206</u>

**SPIRIT ADVOCACY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
General operations	2,315	–	2,315
Comic relief	–	26,237	26,237
People 1st	–	47,360	47,360
HUG Activities	–	94,496	94,496
See Me	–	1,536	1,536
Choose Life	–	1,321	1,321
Caring & Sharing	–	390	390
Volant project	–	2,028	2,028
SPEAK DA	–	3,051	3,050
Support costs	–	43,133	43,133
	<u>2,315</u>	<u>219,552</u>	<u>221,866</u>

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
General operations	11,968	–	11,968	2,315
Comic relief	27,691	5,291	32,982	31,529
People 1st	40,481	11,791	52,272	59,737
HUG Activities	73,830	25,147	98,977	119,960
See Me	903	–	903	1,536
Choose Life	–	–	–	1,321
Caring & Sharing	108	–	108	390
Volant project	5,089	–	5,089	2,028
SPEAK DA	8,907	–	8,907	3,050
	<u>168,977</u>	<u>42,229</u>	<u>211,206</u>	<u>221,866</u>

6. ANALYSIS OF SUPPORT COSTS

	Comic relief £	People 1st £	HUG £	Total 2016 £	Total 2015 £
Staff costs	–	7,240	15,442	22,682	25,264
Premises	2,700	3,335	7,112	13,147	10,747
Communications and IT	1,825	857	1,826	4,508	5,018
Other costs	766	359	767	1,892	2,104
	<u>5,291</u>	<u>11,791</u>	<u>25,147</u>	<u>42,229</u>	<u>43,133</u>

**SPIRIT ADVOCACY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

7. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging:

	2016	2015
	£	£
Staff pension contributions	9,702	23,625
Depreciation	<u>1,643</u>	<u>2,690</u>

8. FUND TRANSFERS

During the year £870 was transferred from the Highland Cross fund to cover the depreciation charge on fixed assets.

During the year £462 was transferred from the Tesco Charitable Trust fund to cover the depreciation charge on fixed assets.

During the year £5,422 was transferred from Comic Relief to HUG restricted fund to correct a misallocation of expenditure in 2015.

During the year £1,537 was transferred from Volant to HUG restricted fund to correct a misallocation of expenditure in 2015.

During the year £5,153 was transferred from unrestricted to People 1st to clear the deficit on the project for the year

During the year £21 was transferred from unrestricted to SCVO to clear the deficit on the project for the year

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	135,032	127,771
Social security costs	9,013	11,637
Other pension costs	19,404	23,625
	<u>163,449</u>	<u>163,033</u>

Other pension costs above represents the total operating charge included in expenditure in the Statement of financial activities and does not include amounts included in other finance costs.

Particulars of employees:

The average number of employees during the year, was as follows:

	2016	2015
	No.	No.
Number of staff	<u>7</u>	<u>7</u>

**SPIRIT ADVOCACY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

9. STAFF COSTS AND EMOLUMENTS *(continued)*

No employee received remuneration of more than £60,000 during the year (2015 - Nil).

10. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures & Fittings £	Total £
COST			
At 1 April 2015	6,079	4,681	10,760
Additions	3,217	–	3,217
At 31 March 2016	<u>9,296</u>	<u>4,681</u>	<u>13,977</u>
DEPRECIATION			
At 1 April 2015	5,222	3,832	9,054
Charge for the year	794	849	1,643
At 31 March 2016	<u>6,016</u>	<u>4,681</u>	<u>10,697</u>
NET BOOK VALUE			
At 31 March 2016	<u>3,280</u>	–	<u>3,280</u>
At 31 March 2015	<u>857</u>	<u>849</u>	<u>1,706</u>

11. DEBTORS

	2016 £	2015 £
Trade debtors	10,296	–
Prepayments	600	603
	<u>10,896</u>	<u>603</u>

12. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	–	539
PAYE and social security	–	1,413
Accruals and deferred income	3,467	3,083
	<u>3,467</u>	<u>5,035</u>

SPIRIT ADVOCACY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

13. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015	Income	Expenditure	Transfers	Balance at 31 Mar 2016
	£	£	£	£	£
Comic Relief	30,793	30,886	(32,982)	(5,421)	23,276
People 1st	84	47,043	(52,271)	5,194	50
HUG	31,815	106,894	(98,979)	8,250	47,980
Highland Cross Grant	1,002	—	—	(870)	132
Tesco Charitable Trust	613	—	—	(462)	151
Gruntvig	7,962	—	—	—	7,962
See Me	6,518	4,500	(903)	—	10,115
Choose Life	379	—	—	—	379
NHS Highland User Group fund	7,500	—	—	—	7,500
Caring & Sharing	610	—	(108)	—	502
Volant funding	2,949	4,977	(5,088)	(1,537)	1,301
SCVO	—	8,886	(8,907)	21	—
	<u>90,225</u>	<u>203,186</u>	<u>(199,238)</u>	<u>5,175</u>	<u>99,348</u>

14. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015	Income	Expenditure	Transfers	Balance at 31 Mar 2016
	£	£	£	£	£
General Funds	<u>30,728</u>	<u>25,485</u>	<u>(11,968)</u>	<u>(5,175)</u>	<u>39,070</u>

**SPIRIT ADVOCACY
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Comic Relief	2,377	20,899	23,276
People 1st	50	–	50
HUG	100	47,880	47,980
Highland Cross Grant	122	10	132
Tesco Charitable Trust	–	151	151
Gruntvig	–	7,962	7,962
See Me	630	9,485	10,115
Choose Life	–	379	379
NHS Highland User Group fund	–	7,500	7,500
Caring & Sharing	–	502	502
Volant funding	–	1,301	1,301
	<u>3,279</u>	<u>96,069</u>	<u>99,348</u>
Unrestricted Income Funds	<u>–</u>	<u>39,070</u>	<u>39,070</u>
Total Funds	<u><u>3,279</u></u>	<u><u>135,139</u></u>	<u><u>138,418</u></u>

16. RELATED PARTY TRANSACTIONS

Four trustees were reimbursed a total of £566 (2015 £144 two trustees) for expenses incurred while carrying out their duties.

The trustees neither received nor waived any emoluments during the year.

No trustee, or person related to the charity, had any personal interest in any contract or transaction entered into by the charity during the year.

17. COMPANY LIMITED BY GUARANTEE

Spirit Advocacy is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.