

STRAIGHT TALKING PEER EDUCATION

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2008

**BRITT & KEEHAN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
60 FITZJAMES AVENUE
CROYDON
CR0 5DD**

**STRAIGHT TALKING PEER EDUCATION
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STRAIGHT TALKING PEER EDUCATION

1.

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number	1101726
Company Number	04978681
Registered Office and operational address	35 Elm Road New Malden Surrey KT3 3HB
Trustees	
Chairperson	Sophie Kilmister
Treasurer	Stephen Pugsley
Members	Linda Nujjoo John Botterill Keith Simons Heather Brown John Thesiger
Company Secretary	Hilary Pannack
Principle Staff	Hilary Pannack Chief Executive
Auditors	Britt & Keehan 60 Fitzjames Avenue Croydon CRO 5DD
Bankers	Lloyds TSB Bank plc 402/404 Ewell Road Tolworth Surrey KT6 7HG

REPORT OF THE TRUSTEES**For the year ended 31 July 2008**

The trustees present their report and financial statements for the year ended 31 July 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Straight Talking Peer Education is a company limited by guarantee.

The board of trustees are responsible for the financial and strategic management of the charity, board meetings being held every two months. The day to day running of the charity is managed by a full time Chief Executive, a full time Finance and Operations Manager, two part time Staff Managers, and an Office Assistant. The charity's programme in schools in London and Surrey is delivered by young parents who are employed as sessional workers.

A new trustee may only be appointed on the nomination of an existing trustee, seconded by another and voted upon. No other organisation or body has the right to appoint trustees of the charity.

The trustees have a policy of reviewing the organisational risks on a six monthly basis.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to preserve the health and advance the education of young people, in particular by the provision of courses on the impact of pregnancy, parenting and sex education for such young persons, their parents, guardians and other professionals in this field.

ACHIEVEMENTS AND PERFORMANCE

This year saw Straight Talking presenting its programme in the London boroughs of Kingston, Richmond, Hounslow, Barking & Dagenham, and in Surrey and Trafford. Peer educators delivered 165 courses, an increase of 30% on last year, in 28 secondary schools in a wide range of educational establishments including mainstream, single sex, special needs, pupil referral units and faith schools. Once again, 95% of the charity's teenage parents accessed education, employment and training. There are now four former peer educators in management roles in the charity, keeping young people at the heart of what we achieve and overall we are helping more teenage parents to become less reliant on State Benefits.

In response to discovering that a very high percentage of our teenage parents have suffered from Domestic Violence, training staff on the issue became a very high priority thanks to funding from The Nationwide Foundation. Katrina Redpath a psychotherapist, with specialist knowledge was also engaged to work with Straight Talking in addressing these complex issues.

Raising self-esteem is also a high priority. An image consultant, Mary Watson from Colour Me Beautiful has helped to give our young mothers a better perception of themselves this year and Robert Westlake from the Personal Development Trust has delivered workshops on stress management and relationship training.

Despite the closure of our local scheme in Colchester & Tendering due to lack of local resources, we have moved forward with another local scheme in Trafford that is now in its second successful year. A residential weekend has formed a healthy team spirit and with the support of a local champion, Deb Burton, Trafford local scheme is achieving our aims. Our local scheme in Barking & Dagenham continues to be successful, and is now in its sixth year.

TRUSTEES' REPORT (continued)

A 13% reduction in the rates of teenage pregnancy in the borough reflects the hard work of the local Teenage Pregnancy Team and Straight Talking and similarly in Kingston where the rates have fallen by almost 28%.

Our pilot project aimed at refugees and asylum seekers has been intense work leading to some initial teething problems, but with the enthusiasm of the team and support from West Thames College we will be returning this year to learn more from this group whilst delivering our programme adapted to their needs.

Our partnership with the National Childbirth Trust continued and a new partnership developed with The Canbury Arms saw our teenage parents learning cookery skills to suit their budget and lifestyles.

Implementing new software has improved workflow and increased efficiency at Head Office, enabling us to plan ahead and store useful information. 2008 is the final year of our previous Business Plan. Away Day for trustees and staff has enabled us to develop our current Business Plan and design a clear framework for the future.

An ESF funded visit to Estonia was useful in sharing expertise and gathering ideas about integrating young people into the workforce.

The May Merrie and New Malden fortnight saw peer educators involved in giving something back to Straight Talking through organising and running these local events.

FINANCIAL REVIEW

The accounts show a slight increase in income from £217,853 in 2006/7 to £219,162 in 2007/8. However within this figure, the level of unrestricted income has improved significantly this year to £96,917 from £75,477 in 2006/7. This is one of the key aims of our business plan and fundraising strategy, and will strengthen the long term financial sustainability of the charity, enable expansion into new areas and to carry out research and develop new initiatives. Expenditure was in line with expectations and created a £15,744 net increase in resources for the year.

RESERVES

Our financial year is aligned to run in parallel the academic year in terms of the provision of courses. The movement in both restricted and unrestricted reserves reflects the receipt of funding in relation to the number of courses run during the current academic year.

The restricted reserves of the charity are £55,252. Within this figure, reserves for the provision of courses are £31,201, research and other projects of the charity £23,458 and driving lessons for young parents £503.

The unrestricted reserves of £65,614 meet the current reserves policy of three months core expenditure and course provision; in addition to retaining a suitable level of reserves for the purpose of innovation and development of the charity.

FUTURE PLANS

Straight Talking has grown at a steady rate this year, opening local schemes in other parts of the UK. We hope to see a continued growth over the next year particularly in areas of high teenage pregnancy rates. The charity has been piloting a number of projects that we aim to continue and develop alongside new projects to add to the range of work achieved.

TRUSTEES' RESPONSIBILITIES

Company law requires that the trustees prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the income and expenditure of the company for that period. In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

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

Straight Talking Peer Education Limited is a registered Company, limited by guarantee. Members of the Company have guaranteed the liabilities of the Company up to £1 each.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Trustees

.....

H PANNACK – Company Secretary

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF STRAIGHT TALKING PEER EDUCATION

For the year ended 31st July 2008

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 4, the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and of the state of the charitable company's affairs at 31st July 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- have been properly prepared in accordance with the provisions of the Companies Act 1985.

BRITT & KEEHAN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

60 Fitzjames Avenue
Croydon
CR0 5DD

Date

STRAIGHT TALKING PEER EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 July 2008

	<u>Notes</u>	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	<u>2008</u> Total <u>Funds</u> £	<u>2007</u> Total <u>Funds</u> £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary Income:</i>					
Grants and Donations	2	89,568	45,870	135,438	79,348
<i>Activities for generating funds:</i>					
Interest received		3,871	-	3,871	2,000
Other		-	-	-	240
Incoming resources from charitable activities	2	<u>3,478</u>	<u>76,375</u>	<u>79,853</u>	<u>136,265</u>
Total Incoming Resources		<u>96,917</u>	<u>122,245</u>	<u>219,162</u>	<u>217,853</u>
Resources Expended	3				
Cost of generating voluntary income		27,665	-	27,665	23,726
Charitable activities		34,487	123,712	158,199	133,322
Governance of the charity		<u>17,554</u>	-	<u>17,554</u>	<u>12,420</u>
Total Resources Expended		<u>79,706</u>	<u>123,712</u>	<u>203,418</u>	<u>169,468</u>
Net Incoming Resources before transfers		17,211	(1,467)	15,744	48,385
Transfers between funds		-	-	-	-
		-----	-----	-----	-----
Net Incoming Resources for the year		17,211	(1,467)	15,744	48,385
Reconciliation of funds					
Total Funds brought forward		48,403	56,719	105,122	56,737
		-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD AT 31.7.2008		<u>£65,614</u>	<u>£55,252</u>	<u>£120,866</u>	<u>£105,122</u>

The charitable company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the surplus shown above and their historical cost equivalents.

STRAIGHT TALKING PEER EDUCATION**BALANCE SHEET**

As at 31 July 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
TANGIBLE FIXED ASSETS	6	1,781	3,045
CURRENT ASSETS			
Debtors	7	2,964	22,236
Cash at bank and in hand		<u>125,459</u>	<u>86,164</u>
		128,423	108,400
CREDITORS			
Amounts falling due within one year	8	<u>9,338</u>	<u>6,323</u>
NET CURRENT ASSETS		119,085	102,077
		-----	-----
NET ASSETS		£120,866	£105,122
		=====	=====
FUNDS	9		
Restricted Funds		55,252	56,719
Unrestricted Funds		<u>65,614</u>	<u>48,403</u>
		£120,866	£105,122
		=====	=====

The notes on pages 9 to 12 form a part of these financial statements.

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

The financial statements were approved by the Trustees on and signed on its behalf by

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S PUGSLEY – Treasurer

STRAIGHT TALKING PEER EDUCATION**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 July 2008****1. ACCOUNTING POLICIES**

a) Accounting Convention

The accounts are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (revised 2005) for Accounting by Charities, and are prepared under the historical cost convention.

b) Fund Accounting

The nature and purpose of each fund is explained in Note 9.

c) Income and Expenditure

All income is accounted for on a receivable basis. Donations in kind are recognized at the value to the Charity and are included in both income and expenditure. Expenditure is included on an accruals basis. Direct charitable expenditure comprises all expenditure relating to the objects of the Charity, including costs incurred in supporting charitable activities. Other expenditure comprises fund raising and expenditure on the governance of the Charity. Where expenditure cannot be directly attributed to a single activity, it is allocated between activities on a basis consistent with the use of resources.

d) Reserves

The management committee have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of the resources expended. At this level, the management committee feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed.

e) Depreciation of Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset systematically over its expected useful life:

Fittings, fixtures & equipment - 33 ⅓rd straight line basis

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 July 2008

2. GRANTS AND DONATIONS	<u>Unrestricted</u>	<u>Restricted</u>	<u>2008</u> £	<u>2007</u> £
Abel Charitable Trust	-	3,000	3,000	3,000
Garfield Weston Foundation	15,000	-	15,000	10,000
HBOS Community Foundation	-	2,000	2,000	-
The Goldsmiths' Company	-	-	-	3,000
R G Hills Charitable Trust	-	-	-	2,000
Thames Community Foundation	-	-	-	5,616
The Trusthouse Charitable Foundation	-	-	-	2,000
The Nationwide Foundation	-	5,000	5,000	6,232
Jack Petchey Foundation	-	6,000	6,000	-
The Peacock Charitable Trust	3,000	-	3,000	3,000
The Tudor Trust	-	-	-	25,000
Personal Development Trust UK	15,000	-	15,000	-
William Allen Young Charitable Trust	2,000	-	2,000	-
Help a London Child	-	1,420	1,420	-
St James Place Foundation	-	10,000	10,000	-
Lloyds TSB Foundation for England and Wales	-	14,400	14,400	-
The John Ellerman Foundation	35,000	-	35,000	-
The Worshipful Company of Weavers	15,000	-	15,000	15,000
The Wessex Youth Trust	-	4,050	4,050	-
Individual grants £1,500 and under	4,568	-	4,568	4,500
	-----	-----	-----	-----
	89,568	45,870	135,438	79,348
	=====	=====	=====	=====

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	<u>Unrestricted</u>	<u>Restricted</u>	<u>2008</u> £	<u>2007</u> £
London Councils	-	34,344	34,344	34,343
Bridge House Trust	-	-	-	15,500
Barking & Dagenham	-	10,720	10,720	20,660
Gruntvig ESF	-	1,811	1,811	4,586
Awards for All	-	-	-	4,550
The Royal Borough of Kingston upon Thames	-	4,500	4,500	2,000
Department for Children, Schools and Families	-	25,000	25,000	35,000
Trafford Metropolitan Borough	-	-	-	17,121
Other	3,478	-	3,478	2,505
	-----	-----	-----	-----
	3,478	76,375	79,853	136,265
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2008

3. TOTAL RESOURCES EXPENDED

	Direct Charitable Expenditure	Cost of Generating Funds	Governance	2008 TOTAL £	Restricted Funds	Unrestricted Funds	2007 TOTAL £
Staff costs	106,312	10,179	5,302	121,793	91,327	30,466	104,063
Direct charitable expenses	31,708	410	-	32,118	27,199	4,919	26,396
Fundraising & Consultancy costs	792	14,794	2,796	18,382	-	18,382	11,573
Office expenses	17,633	2,076	1,033	20,742	5,186	15,556	17,928
Governance costs	-	-	8,320	8,320	-	8,320	6,246
Depreciation	<u>1,754</u>	<u>206</u>	<u>103</u>	<u>2,063</u>	<u>-</u>	<u>2,063</u>	<u>3,262</u>
	<u>£158,199</u>	<u>£27,665</u>	<u>£17,554</u>	<u>£203,418</u>	<u>£123,712</u>	<u>£79,706</u>	<u>£169,468</u>

Net incoming resources are stated after charging:

	£	£
Depreciation	2,063	3,262
Audit fee	1,145	1,037
Accountancy services provided by the Auditors	603	529
	<u>=====</u>	<u>=====</u>

4. TRUSTEES EXPENSES

The Trustees drew no fees or expenses.

5. STAFF COSTS

	2008	2007
Salaries	109,698	95,979
Social Security costs	8,542	4,201
Mileage & other expenses	<u>3,553</u>	<u>3,883</u>
	<u>£121,793</u>	<u>£104,063</u>
	<u>=====</u>	<u>=====</u>

No employee earned £60,000 pa or more.

The average number of full-time equivalent employees during the period was 5 (2007 - 4).

In addition, 45 (2007 - 56) teenage parents were employed, on an occasional basis, to assist in delivering the courses.

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings & Equipment
Cost:	
Brought forward	11,996
Additions	<u>799</u>
At 31 July 2008	<u>12,795</u>
Depreciation:	
Brought forward	8,951
Charge for the period	<u>2,063</u>
At 31 July 2008	<u>11,014</u>
Net Book Value at 31 July 2008	<u>£1,781</u>
	<u>=====</u>
Net Book Value at 31 July 2007	<u>£3,045</u>
	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2008

	<u>2008</u>	<u>2007</u>
7. DEBTORS		
Grants receivable	-	21,086
Prepayments	1,037	801
Other	<u>1,927</u>	<u>349</u>
	<u>£2,964</u>	<u>£22,236</u>
	=====	=====
8. CREDITORS		
Trade creditors	5,797	3,436
Accruals	850	850
Taxation	<u>2,691</u>	<u>2,037</u>
	<u>£9,338</u>	<u>£6,323</u>
	=====	=====
9. FUNDS		

Restricted funds are those that have been raised for specific projects falling within the charitable objectives.

Unrestricted funds are those that the Trustees are free to use in accordance with the charitable objectives.

Restricted funds

	B/fwd	Movement in Resources		C/fwd
	<u>1.8.07</u>	<u>Income</u>	<u>Expenditure</u>	<u>31.7.08</u>
Driving lessons	1,317	-	814	503
Courses – London Councils	8,585	34,344	34,344	8,585
Other	-	40,040	28,280	11,760
Teenage parents with special needs	-	10,000	6,000	4,000
Research Project	19,940	-	-	19,940
Teenage parents suffering domestic violence	-	5,000	1,450	3,550
International exchange visits	-	1,811	1,753	58
Dept for Education - courses	9,165	25,000	34,165	-
Awards for All	2,091	-	2,091	-
Employee costs	-	6,050	5,600	450
Trafford Metropolitan Borough	15,621	-	9,215	6,406
	-----	-----	-----	-----
	<u>£56,719</u>	<u>£122,245</u>	<u>£123,712</u>	<u>£55,252</u>
	=====	=====	=====	=====

The grant from London Councils was spent on delivering courses in London. The money was spent on staff costs £25,040 (including Peer Educators £5,639) and the cost of materials for the courses and travelling and other costs associated with the courses £9,304.

Analysis of Net Assets between Funds

	<u>Tangible Fixed Assets</u>	<u>Net Current Assets</u>	<u>TOTAL</u>
Restricted	-	55,252	55,252
Unrestricted	<u>1,781</u>	<u>63,833</u>	<u>65,614</u>
	<u>£1,781</u>	<u>£119,085</u>	<u>£120,866</u>
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 July 2008

10. RESOURCES EXPENDED

	Direct Charitable <u>Expenditure</u> £	Cost of Generating <u>Funds</u> £	<u>Governance</u> £	2008 <u>TOTAL</u> £	<u>2007</u> £
Staff costs	106,312	10,179	5,302	121,793	104,063
Direct charitable expenses:					
Recruitment	438	-	-	438	-
Investors in People	-	-	-	-	2,115
National Childbirth Trust Project	4,669	-	-	4,669	-
Driving lessons	814	-	-	814	1,894
Printed stationery & equipment for courses	4,843	-	-	4,843	8,335
Travel and mileage	5,971	-	-	5,971	5,095
Training, conferences & exchange visits	10,329	410	-	10,739	5,361
Website and database	1,304	-	-	1,304	780
Publications & subscriptions	503	-	-	503	336
Childcare	-	-	-	-	1,164
Text message project	250	-	-	250	1,316
Other	496	-	-	496	-
Grant repayment	2,091	-	-	2,091	-
Fund raising and consultancy costs:					
Marketing & PR	-	3,264	-	3,264	311
Consultants	792	10,391	2,796	13,979	11,262
Fundraising expenses	-	1,139	-	1,139	-
Office expenses:					
Rent & Rates	5,593	658	329	6,580	6,852
Insurance	481	56	23	560	702
Equipment & repairs	1,336	158	79	1,573	2,626
Computer consumables	3,176	374	187	3,737	979
Telephone	4,620	544	272	5,436	3,823
Office stationery & postage	2,427	286	143	2,856	2,946
Administration expenses:					
Audit	-	-	1,145	1,145	1,087
Accounts assistance – by auditors	-	-	603	603	529
- by Jackson Scott Associates	-	-	-	-	304
Annual report	-	-	3,508	3,508	1,550
Trustees Organisational Development	-	-	1,140	1,140	-
Bank charges	-	-	486	486	574
Entertaining	-	-	-	-	345
Trustees meeting expenses	-	-	89	89	19
Miscellaneous	-	-	1,349	1,349	906
Vehicle costs	-	-	-	-	932
Depreciation	<u>1,754</u>	<u>206</u>	<u>103</u>	<u>2,063</u>	<u>3,262</u>
	<u>£158,199</u>	<u>£27,665</u>	<u>£17,554</u>	<u>£203,418</u>	<u>£169,468</u>