

REGISTERED COMPANY NUMBER: 02849833 (England and Wales)
REGISTERED CHARITY NUMBER: 1025557

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
PROTECT (WHISTLEBLOWING ADVICE) LIMITED

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PROTECT (WHISTLEBLOWING ADVICE) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018**

TRUSTEES	P Boyle (Chair) G Dart A Gardiner S Gaysford K Jordan F Morris-Jones R Vize D Widdowson
COMPANY SECRETARY	H Raithatha
REGISTERED OFFICE	The Green House 244-254 Cambridge Heath Road London E2 9DA
REGISTERED COMPANY NUMBER	02849833 (England and Wales)
REGISTERED CHARITY NUMBER	1025557
AUDITORS	Wilkins Kennedy Audit Services Statutory Auditor 2nd Floor, Regis House 45 King William Street London EC4R 9AN
BANKERS	CAF Bank Kings Hill West Malling Kent ME19 4TA

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The Trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

COMPANY AND CHARITY DETAILS

Statutory information

Protect (Whistleblowing Advice) Limited is a registered charity (No. 1025557) and a company limited by guarantee (No. 02849833). The name of the charity was changed on 20 August 2018 from Public Concern at Work. Our registered address, with effect from 12 April 2019, is The Green House, 244-254 Cambridge Heath Road, London, E2 9DA.

Charitable Objects and Principal Activity

The charity was established in 1993. The charity's aim is to protect society by encouraging workplace whistleblowing. We do this by:

- Advising individuals with whistleblowing dilemmas at work
- Supporting organisations with their whistleblowing arrangements
- Informing public policy, undertaking research and seeking legislative change.

Public Benefit

When setting our objectives and planning all of our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Through the activities described above we promote the role of whistleblowing in furthering organisational accountability, individual responsibility and public confidence. All our activities help to promote the public interest and are for the public good in that they protect the interests of citizens, consumers, patients, regulators, shareholders, tax payers and the vulnerable, both individually and collectively.

We were closely involved in setting the scope and detail of the Public Interest Disclosure Act 1998 (PIDA), which provides a framework for the promotion and protection of public interest whistleblowers. We monitor the effective operation of the Act in the workplace and in the legal system and we promote whistleblowing to corporate and public governance across the UK and abroad.

ACHIEVEMENTS AND PERFORMANCE

Advising individuals with whistleblowing dilemmas

Objectives and strategy:

We will continue to provide expert advice and assistance to those who wish to raise a matter of public concern in the workplace.

Activities:

- 2,913 individuals contacted our advice line in 2018 compared to 2,590 in 2017. Of these, 1,988 (68%) were calling about public interest concerns compared to 1,789 (73%) in 2017. This is the most cases that the charity has ever dealt with in a given year (up from 2,854 in 2013).
- Health was once again the sector from which we received most calls. In 2018, 20% of our calls were from health, 15% from the education sector and 14% from care. The charity sector has maintained its position as our fourth highest sector, having represented only 6% of calls 4 years ago.
- We continued our work intervening in key whistleblowing cases, this time in the case of *Timis & Sage v Osipov*, which has had far-reaching positive consequences for the strength of whistleblower protection. We continue to be involved in providing advice and support to high profile whistleblowers and have received greater media coverage as an organisation because of this.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

ACHIEVEMENTS AND PERFORMANCE - continued

Advising individuals with whistleblowing dilemmas - continued

- The subscription service to the advice line - whereby employers make a modest contribution per year in exchange for support with their whistleblowing arrangements – continues to be successful in (a) promoting awareness of our services in workplaces, and (b) improving the governance of the subscribing organisation.

Supporting organisations with their whistleblowing arrangements

Objectives and strategy:

We will continue to support organisations in fostering a culture which respects and appreciates the important role workplace whistleblowers play in bringing malpractice and wrongdoing to light, safeguarding the public interest, promoting accountability and protecting society at large.

Activities:

- The charity celebrated its 25th anniversary in 2018, which was also the 20th anniversary of the enactment of PIDA. A number of events took place to mark these anniversaries, raise awareness of the charity and the issues it supports.
- We carried out substantial work for employers from the private, public and voluntary sectors in the UK. This work included on-going support, consultancy and in-house training, including but not exclusively to WaterAid, Ofqual, Durham University, Manchester City Council, NMC, Lloyds Bank, John Lewis Partnership and NHS Scotland.
- We delivered open training courses, which included delegates from organisations such as Guide Dogs, Southmead Hospital, Rugby Council, Public Health Wales, and Speedy Services.
- We also delivered courses specifically for the financial services sector to support organisations in developing effective arrangements and in implementing the Financial Conduct Authority's whistleblowing rules.
- We gave presentations on whistleblowing at various conferences and workshops including a Journalists and Whistleblowing conference in Brussels, a Patient Conference in Manchester, and a Good Corporate Governance Conference in Edinburgh.
- We maintained our focus on developing new business products to support whistleblowing including the launch of our 360-degree benchmarking framework for organisations to assess their whistleblowing arrangements.

Policy, Public Education and legal reform

Objectives and strategy:

We will continue to campaign for a framework of appropriate and effective legislative and regulatory safeguards to provide protection to individuals in the workplace who raise a matter of public concern. We will raise awareness of the availability of support and protection for workplace whistleblowers, particularly across high-risk sectors.

Activities:

- We published a 25th anniversary report looking back at the charity's work and looking forward to future reform of whistleblowing rights in the future.
- We campaigned through lobbying with Ministers and MPs in relation to the Greg Pytel whistleblowing case.
- We campaigned for an EU Directive and better safeguards in the Trade Secrets Directive with European partners in civil society.
- We updated and improved our website with more policy information about whistleblowing and more guidance for whistleblowers.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

ACHIEVEMENTS AND PERFORMANCE – continued

Policy, Public Education and legal reform – continued

- We submitted evidence to the following enquiries, consultations and Parliamentary Committees: 1) the Financial Reporting Council's Corporate Code 2) Transposition in the UK of the EU Directive on Trade Secrets 3) the Women and Equalities Select Committee's inquiry into sexual harassment and discrimination (our Chief Executive gave evidence on the misuse of non-disclosure agreements) and written evidence on the same issues 4) the Frank Field Inquiry into workers' rights enforcement.
- We have contributed as a member of the steering committee to research by Cardiff University and others into the implementation of Freedom to Speak Up Guardians in the NHS.

Management, Governance and Growth

Objectives and strategy:

We will continue to operate at the highest levels of governance and will in addition deliver growth plans so that the advice and assistance provided by our expert staff is extended and more individuals and organisations that could benefit from our services are aware of them.

Activities:

- We continued to embed the new strategic framework that was approved by the Trustees in 2017.
- We maintained strong governance through our quarterly Trustee meetings where executive officers update Trustees on the charity's activities. Our budget and quarterly management accounts are considered in detail by our Audit and Risk Committee which then makes reports and recommendations to the Trustees in the Board meetings. Officers provide written reports, management accounts and other documentation to Trustees prior to each meeting. Trustees are drawn from diverse backgrounds with complementary skills and experiences and are required to declare any conflict of interests at beginning of each meeting. Our full-time staff equivalent in 2018 was 19.3 (14.1 in 2017).

FINANCIAL REVIEW

Where does the money come from?

Currently our funds come mainly from subscriptions organisations take out for our advice line and related services within their organisation, income earned from our consultancy and training work with organisations together with charitable donations and legacies from individuals and organisations. This income funds not only the advice line and services work but also our policy, research and public education work, and our management and governance activities.

The Trustees ensure that our self-funding status does not result in conflicts which could undermine or constrain our independence and the charitable and public benefit purposes of all our activities.

In our 25 years of operation, the charity has received no grant-in-aid from the state.

Review of Financial Activity

Despite an increase in income in 2018 of £727,212 compared to 2017 (£707,951), the charity recorded a deficit for the year of £215,010, compared to the deficit of £100,854 for the previous year. The deficits in 2018 and 2017 reflect the shortfall income due to increasing costs (including the investment in 2017 and 2018 in additional sales staff), the absence of key staff, lower than expected income and the decision to invest in new products. Trustees are focused on addressing this performance by taking efforts to reduce costs and increase consultancy and advice line income.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL REVIEW - continued

Review of Financial Position

The charity has an adequate balance sheet at year end with net funds of £74,235 (2017: £289,245), subject to the matters covered in the Reserves Policy section below, and a good level of cash of £134,266 (2017: £225,481).

Reserves Policy

The Trustees have reviewed the reserves policy and overall approach to funding and our financial situation. The charity aims to retain sufficient reserves to allow it to be resilient to normal operating risks (including the loss of a major customer) and, in the unlikely event that it should be necessary, to allow for a solvent cessation or transfer of its activities to another organisation. The Trustees keep the required level of reserves under review. The reserves policy states that the charity should maintain reserves in range of £200,000 - £400,000 but the position as at 31 December 2018 is below this level at £74,235 (2017: £289,245) and the Trustees are focused on addressing this by taking efforts to increase profitability by reducing costs and increasing consultancy and business support income. The approved budget for 2019 indicates a surplus and performance against this budget is being monitored closely.

Risk Management

The Trustees take into account risk in all Board meetings and discussions and formally consider the principal risks once a year. The Audit and Risk Committee maintains a Risk Register and consider key risks prior to discussion by the Board.

The following risks are deemed to have the biggest potential impact:

- *Income Shortfall*
Loss of key clients or failure to achieve income to cover costs are key risks. As can be seen throughout this report, the Trustees monitor the financial situation very closely.
- *Reputational risk arising from poor legal advice*
We are currently reviewing the efficiency and effectiveness of the operations of the advice line to ensure we continue to provide a quality service.
- *Loss of key staff*
Loss of senior level and legally qualified staff would have a high impact. We need to ensure we have in place robust succession planning and the ability to attract and retain key staff. The Trustees have established a Committee of the Board, the Remuneration Committee, to monitor, review and make recommendations on pay and structure for the Board.

FUTURE PLANS

The Trustees are convinced that the charitable company delivers very useful public benefit through its various activities described earlier in this report. They would like those benefits to be more widely available and have greater impact as there are still too many examples of workers, organisations and third parties coming to harm which could have been reduced by earlier identification, investigation and remediation of the activities causing the harm. For this reason the Trustees agreed in 2017 a new strategic framework for the charity so that it can help more whistleblowers and more organisations. The key components of that framework are:

- A strapline which encapsulates the charity's overall goal: *stop harm sooner...by speaking up safely.*
- Two strategic outcomes which we continue to pursue:
 1. Effective arrangements for identifying and addressing workers' concerns are a good thing ... and there should be more of them.
 2. Protect, as a charity, is a good thing ... and there should be more of it.

In pursuit of growth we continue to take steps to increase awareness amongst organisations of the ways in which we can support them, are reviewing the ways in which we interact with potential whistleblowers and reviewing the efficiency and effectiveness of our operations. In 2017, the Trustees agreed to invest in additional sales staff during 2017 and 2018 to promote that growth and positive results are starting to be seen.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors/Trustees

The Directors are also the charity Trustees for the purposes of charity law. Individually the Trustees bring expertise and experience from the various key areas within which the charity operates. Trustees meet at least four times a year and have established Audit and Risk, Remuneration and Nomination Committees as well as other ad hoc working groups as and when a specific project requires Trustees' input.

The Trustees who served during the year were:

Paul Boyle (Chair)
Geoff Dart (Deputy Chair and Chair of the Remuneration and Nomination Committees)
Alex Gardiner (appointed as a Trustee on 19 February 2018)
Simon Gaysford
Karen Jordan (Chair of the Audit and Risk Committee) (appointed as a Trustee on 19 February 2018)
James Laddie QC (resigned on 21 December 2018)
Frances Morris-Jones
Richard Vize
Gary Walker (resigned on 19 February 2018)
David Widdowson (appointed as a Trustee on 5 October 2018)

Executive Officers

The Trustees delegate responsibility for the day-to-day running of the organisation to Francesca West, Chief Executive, and Jon Cunningham, Development Director.

Staff remuneration and organisational structure is delegated to the Remuneration Committee for consideration, and subject to approval by the Board. In making its recommendations, the Remuneration Committee takes into account: the financial position of the charity, developments in the labour market, changes to the level of inflation and the overall performance of the charity in the previous year. The Remuneration Committee makes annual recommendations to the Trustees covering the base pay of all the charity's staff and may also make recommendations for performance awards to senior staff on the basis of their individual performance. It conducts a detailed benchmarking of salaries against relevant comparator groups every three years, or more frequently if circumstances necessitate.

Related Parties

During the year, the charity entered into no transactions with any parties deemed to be related.

The Trustees thank all those organisations, foundations and individuals that support us, whether by subscriptions, fees, grants, donations or benefits in kind.

The Trustees consider that staff have responded effectively to the demands of the charitable company during 2018 and are well placed to meet the challenges ahead.

Sounds interesting?

If you would like to know more, you will find further information about what we do and how we do it on our website – www.protect-advice.org.uk.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Protect (Whistleblowing Advice) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

In so far as the trustees are aware:

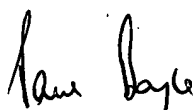
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Wilkins Kennedy Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Report of the Trustees was approved by the Board on 29 May 2019 and signed on their behalf by:



Paul Boyle
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PROTECT (WHISTLEBLOWING ADVICE) LIMITED

Opinion

We have audited the financial statements of Protect (Whistleblowing Advice) Limited (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, 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 opinion

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 charitable company 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 the provision available for small entities in the circumstances set out in note 1 to the financial statements 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 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 charitable company'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.

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.

Opinions 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PROTECT (WHISTLEBLOWING ADVICE) LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, 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 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.

WKL Kennedy Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date 17 June 2019

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018 Unrestricted funds £	2017 Unrestricted funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	3,619	1,692
Charitable activities	4		
Business support and fundraising		384,659	318,401
Advice line		337,307	383,590
Investment income	5	<u>1,627</u>	<u>4,268</u>
Total		727,212	707,951
 EXPENDITURE ON			
Charitable activities	6		
Business support and fundraising		304,259	261,177
Advice line		451,482	387,553
Public Education and Policy		147,222	126,376
Development and Growth		<u>39,259</u>	<u>33,699</u>
Total		942,222	808,805
 NET (EXPENDITURE)/INCOME		(215,010)	(100,854)
 RECONCILIATION OF FUNDS			
Total funds brought forward		289,245	390,099
 TOTAL FUNDS CARRIED FORWARD		<u>74,235</u>	<u>289,245</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

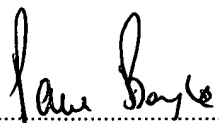
PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018**

		2018 Unrestricted funds £	2017 Unrestricted funds £
FIXED ASSETS	Notes		
Tangible assets	12	3,479	8,266
CURRENT ASSETS			
Debtors	13	355,356	313,436
Investments	14	-	148,000
Cash at bank		<u>134,266</u>	<u>225,481</u>
		489,622	686,917
CREDITORS			
Amounts falling due within one year	15	<u>(418,866)</u>	<u>(405,938)</u>
NET CURRENT ASSETS		<u>70,756</u>	<u>280,979</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,235</u>	<u>289,245</u>
NET ASSETS		<u>74,235</u>	<u>289,245</u>
FUNDS	17		
Unrestricted funds		<u>74,235</u>	<u>289,245</u>
TOTAL FUNDS		<u>74,235</u>	<u>289,245</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 29 May 2019 and were signed on its behalf by:



 P V Boyle -Trustee

The notes form part of these financial statements

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	19	<u>(240,842)</u>	<u>(114,815)</u>
Net cash provided by (used in) operating activities		<u>(240,842)</u>	<u>(114,815)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(5,983)
Current asset cash investments		148,000	150,000
Interest received		<u>1,627</u>	<u>2,913</u>
Net cash provided by (used in) investing activities		<u>149,627</u>	<u>146,930</u>
Cash flows from financing activities:			
Capital repayments in year		-	(780)
Net cash provided by (used in) financing activities		-	(780)
Change in cash and cash equivalents in the reporting period		<u>(91,215)</u>	<u>31,335</u>
Cash and cash equivalents at the beginning of the reporting period		<u>225,481</u>	<u>194,146</u>
Cash and cash equivalents at the end of the reporting period		<u><u>134,266</u></u>	<u><u>225,481</u></u>

The notes form part of these financial statements

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. STATUTORY INFORMATION

Protect (Whistleblowing Advice) Limited is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered address can be found on the Reference and Administrative Details page.

2. ACCOUNTING POLICIES

Basis of Preparation

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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

Public Benefit

The charitable company meets the definition of a public benefit entity under FRS 102.

Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each trustee in the event of winding up is limited to £1.

Going Concern

After reviewing the charity's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund Accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. The charity currently has no designated funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. The charity currently has no restricted funds.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES - continued

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the charity that the distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities represents net amounts receivable, excluding any value added tax. Where income relates to services to be provided over a number of years, income is matched to the service provision and income invoiced in advance is deferred to future years.

Donated professional services and donated facilities are recognised as income when the charity has control over the item; any conditions associated with the donated item have been met; the receipt of economic benefit from the use by the charity of the item is probable; and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following heading:

Expenditure on charitable activities which includes costs in relation to Business Support and Fundraising; Advice Line; Public Education and Policy and Development and Growth.

Allocation and apportionment of costs

Resources expended that relate directly to specific activity are allocated solely to that activity. All other resources expended are allocated based on total staff time. Other resources expended and support costs are allocated to charitable activities based on total staff time.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 4 years straight line
Computer equipment	- 4 years straight line

Assets that are expected to be of continuing use to the charity are capitalised at either their cost to the charity or, if donated, at their estimated market value. Assets with a value of less than £1,000 are expensed at the point of purchase. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES - continued

Trade and other debtors

Trade and other debtors are measured at transaction price less any impairment.

Current asset investments

Current asset investments comprise cash deposits with an original maturity date of more than 3 months.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other creditors

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 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 II 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.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees consider that there are no significant judgements or estimates in the preparation of these financial statements.

3. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	<u>3,619</u>	<u>1,692</u>
	<u><u>3,619</u></u>	<u><u>1,692</u></u>

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018 £	2017 £
Incoming resources from charitable activities	Business support and fundraising	384,659	318,401
Incoming resources from charitable activities	Advice line	<u>337,307</u>	<u>383,590</u>
		<u>721,966</u>	<u>701,991</u>

5. INVESTMENT INCOME

	2018 £	2017 £
Investment income	<u>1,627</u>	<u>4,268</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Business support and fundraising	264,730	39,529	304,259
Advice line	392,825	58,657	451,482
Public Education and Policy	128,095	19,127	147,222
Development and Growth	<u>34,159</u>	<u>5,100</u>	<u>39,259</u>
	<u>819,809</u>	<u>122,413</u>	<u>942,222</u>

Work undertaken in Business Support and Fundraising comprises 60% public education of businesses and 40% money generation.

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018 £	2017 £
Staff costs	627,247	515,449
Non-staff costs	<u>192,562</u>	<u>187,365</u>
	<u>819,809</u>	<u>702,814</u>

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Business support and fundraising	24,733	14,796	39,529
Advice line	36,700	21,957	58,657
Public Education and Policy	11,967	7,160	19,127
Development and Growth	3,191	1,909	5,100
	<u>76,591</u>	<u>45,822</u>	<u>122,413</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Depreciation - owned assets	4,787	9,166
Operating lease rentals	87,230	65,325
Auditor's remuneration - statutory audit	5,000	5,000
Auditor's remuneration - other services	<u>1,000</u>	<u>1,380</u>

Non-staff costs are made up of:

	2018 £	2017 £
Premises	106,967	92,719
Communications	17,725	15,495
Depreciation	4,787	9,166
Training and library	6,699	3,627
Public relations and marketing	47,648	12,796
Service costs	654	43,977
Office expenses	23,237	14,008
Auditor's remuneration - statutory audit	5,000	5,000
Auditor's remuneration - non-audit services	1,000	1,380
Provision for bad debts	(190)	1,800
Professional fees	163	745
Trustee insurance	2,310	3,039
Other	<u>8,220</u>	<u>17,421</u>
	<u>224,220</u>	<u>221,173</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

No trustees received remuneration or other benefits during either the current or the prior year.

No trustees received reimbursements for expenses during either the current or the prior year.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

11. STAFF COSTS

	2018 £	2017 £
Salaries and wages	594,533	492,807
Social security costs	55,963	49,621
Employer's contribution to defined contribution pension scheme	38,104	27,268
Other staff costs	29,402	17,936
	<u>718,002</u>	<u>587,632</u>

The average full-time employees' equivalent number during the year was 19.3 (2017: 14.1).

Employees remunerated in excess of £60,000 excluding employer's pension contributions are as follows:

	2018 £	2017 £
£80,001 to £90,000	<u>1</u>	<u>-</u>

The aggregate employer pension expense in relation to these employees was £6,708 (2017: £nil).

Staff costs have been allocated on a percentage basis over the charitable activity cost headings.

The key management personnel comprises of the personnel given in the Report of the Trustees under Executive Officers. The total employee benefits of the key management personnel of the charitable company were £170,994 (2017: £186,384).

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	17,561	37,534	55,095
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>17,561</u>	<u>37,534</u>	<u>55,095</u>
DEPRECIATION			
At 1 January 2018	14,585	32,244	46,829
Charge for year	<u>2,340</u>	<u>2,447</u>	<u>4,787</u>
At 31 December 2018	<u>16,925</u>	<u>34,691</u>	<u>51,616</u>
NET BOOK VALUE			
At 31 December 2018	<u>636</u>	<u>2,843</u>	<u>3,479</u>
At 31 December 2017	<u>2,976</u>	<u>5,290</u>	<u>8,266</u>

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	314,067	267,862
Other debtors	17,132	17,783
Prepayments and accrued income	<u>24,157</u>	<u>27,791</u>
	<u>355,356</u>	<u>313,436</u>

14. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Cash equivalents on deposit	<u>-</u>	<u>148,000</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	12,163	3,277
Social security and other taxes	114,775	90,806
Other creditors	-	63,081
Accruals and deferred income	<u>291,928</u>	<u>248,774</u>
	<u>418,866</u>	<u>405,938</u>

Deferred income reconciliation:

	2018 £	2017 £
Brought forward balance at 1 January	234,420	250,319
Amounts recognised as incoming resources in the year	(234,420)	(250,319)
Amount deferred at 31 December	<u>291,928</u>	<u>234,420</u>
	<u>291,928</u>	<u>234,420</u>

Deferred income consists of subscription income and income in relation to retainers and consultancy fees. An element of the income has been deferred at the year-end due to the subscription period spanning over the financial year end or the income having been received in advance.

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

16. LEASING AGREEMENTS

Total minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	65,630	82,064
Between one and five years	231,423	-
Over five years	<u>14,464</u>	<u>-</u>
	<u>311,517</u>	<u>82,064</u>

The above commitment relates to the charity's office and the total commitment shown is for the length of the lease. Protect (Whistleblowing Advice) Limited can terminate the lease agreement at any time giving the landlord six months' notice in writing.

17. MOVEMENT IN FUNDS

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	289,245	(215,010)	74,235
	<u>289,245</u>	<u>(215,010)</u>	<u>74,235</u>
TOTAL FUNDS	<u>289,245</u>	<u>(215,010)</u>	<u>74,235</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	727,212	(942,222)	(215,010)
	<u>727,212</u>	<u>(942,222)</u>	<u>(215,010)</u>
TOTAL FUNDS	<u>727,212</u>	<u>(942,222)</u>	<u>(215,010)</u>

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The amounts payable at year end was £3,063 (2017: £3,398) and is included in creditors under other tax and social security.

	2018 £	2017 £
Contributions payable by the company for the year	<u>38,104</u>	<u>27,268</u>

PROTECT (WHISTLEBLOWING ADVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

19. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(215,010)	(100,854)
Adjustments for:		
Depreciation charges	4,787	9,166
Interest received	(1,627)	(4,268)
(Increase)/decrease in debtors	(41,920)	(64,250)
Increase in creditors	<u>12,928</u>	<u>45,391</u>
Net cash provided by (used in) operating activities	<u>(240,842)</u>	<u>(114,815)</u>

20. RELATED PARTY DISCLOSURES

There are no related party transactions to disclose for the current or the prior year.

21. ULTIMATE CONTROLLING PARTY

The company is considered to have no ultimate controlling party.