

5

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

**REGISTERED NUMBER 05582643**

**CHARITY REGISTERED NUMBER 1112999**



**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**DIRECTORS**

JP Bameveld  
Dr MT Bennett \*  
J Brear \*  
CA Cunio (Vice-chair)  
A Dods (Chair)  
GF Drake  
JA Haig- Haddow \*\*\*  
T O'Rourke (Treasurer) \*  
Dr SD Reeve \*  
G Scott  
M Tucker \*  
LSC Williams \*\*  
A Woods MBE  
DG Wnghton

\* appointed 24 May 2006

\*\* resigned 24 May 2006

\*\*\* resigned 7 June 2006

**SECRETARY**

DG Wnghton

**REGISTERED OFFICE**

11 Porchester Road, Woolston, Southampton, SO19 2JB

**COMPANY NUMBER**

05582643

**CHARITY REGISTERED NUMBER**

1112999

**BANKERS**

CAF Bank Ltd, West Malling, Kent

**AUDITOR**

Keith Powers FCA  
AIMS Accountants for Business  
PO Box 241, Sansbury Green, SO31 1DF

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**CONTENTS**

Pages	3	Directors' / Trustees' Report
	6	Auditor's Report
	8	Statement of Financial Activities
	9	Profit and Loss Account
	10	Balance Sheet
	11 to 14	Notes to the Financial Statements

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**DIRECTORS' / TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

**ADMINISTRATIVE DETAILS**

Relevant details of the charity are given on page 1. The Co-ordinator, to whom the day to day management of the charity has been delegated by the trustees, is Gary Edwards

**DIRECTORS RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to -

- 1) select suitable accounting policies and then apply them consistently
- 2) make judgements and estimates that are reasonable and prudent
- 3) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

**STATEMENT OF DISCLOSURE TO AUDITORS**

In the case of each of the persons who are directors at the time when the directors' report is approved

- a) so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity was constituted by the memorandum and articles of association (incorporated 4 September 2005) as a company limited by guarantee. On 1 April 2006 the company commenced operations when the assets and liabilities of the organisation bearing the same name were

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**DIRECTORS' / TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

transferred to the charity

Trustees are elected to post having been selected from suitable candidates to ensure that the board contains an appropriate balance of expertise. Trustees undergo an initial induction and thereafter attend training courses as appropriate to enable them to continue to carry out their duties effectively.

The trustees meet monthly to attend to the legal and administrative affairs of the company and to review and set the policy and long term strategies of the charity. There are two subcommittees: Personnel and Service Development. The latter is charged with developing and monitoring delivery of the strategic plan. The day to day operations of the charity are delegated to the co-ordinator and the management team.

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and believe effective insurance, checks, controls and procedures are in place to mitigate those risks. As required by the CLS Quality Mark procedures, there is a full set of office manuals including financial procedures.

#### **PRINCIPAL ACTIVITY**

The principal activity of the charity is the provision of advice and representation in the fields of employment law and welfare benefits to residents of Southampton and Eastleigh.

#### **OBJECTIVES AND ACTIVITIES**

Within the fields of employment rights and welfare benefits, the charity aims to provide its clients with high quality, accurate advice and (when appropriate) representation at tribunals etc. This service is available to all who live within the areas of Southampton and Eastleigh, and those from other areas such as trade unions and housing association with which the charity has funding agreements.

The strategies for achieving the aims and objectives may be summarised as follows:

- a) Staff - all staff are encouraged to provide an exceptional level of commitment to the client group. The charity has a well-developed training programme that ensures that the quality of advice is sound, consistent and accurate.
- b) The Community Legal Services Quality Mark - adherence to the Quality Mark ensures that management and staff are committed to excellence based on a strong qualitative base.
- c) Centre of Excellence - the charity strives to be recognised as providing high quality advice and representation in its areas of expertise.
- d) Specialists - the charity focuses only on its areas of expertise in welfare benefits and employment law.
- e) Outreach - in order to ensure that its services are available to all members of the community, the charity operates a number of outreach centres.
- f) Equality of opportunity - the charity's staff complement is intended to be broadly representative of the community which it serves.

Advice is available daily by telephone, by appointment at the main Woolston centre, and drop in arrangements are in place at outreach sites.

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**DIRECTORS' / TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

During the year, the charity has delivered training on Age Discrimination to the voluntary sector in Southampton and other areas. This has provided additional income and the trustees will explore other training opportunities in the coming year

Following a service review by the Service Development Sub-committee there is no intention to extend or contract the current broad level of service and the current policy to concentrate on the areas of expertise will continue

**ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW**

The statement of financial activities is the main summary of the financial activities of the charity for the year. This shows reserves generated from charitable activities of £6,052 for the year

In addition an amount of £58,455 was transferred from the predecessor trust of the same name leaving £64,507 in reserves at the year end, all of which is free of any restrictions

**RESERVES**

The trustees' objective is to maintain sufficient reserves to fund six months operating overheads and the employers liability for notice pay and redundancy

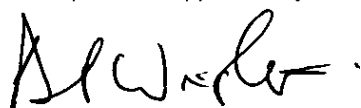
**AUDITOR**

The auditor, Keith Powers FCA, is deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 27 June 2007

**SMALL COMPANY EXEMPTIONS**

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

This report was approved by the board on 27 June 2007 and signed on their behalf



Signed  
DG Wrighton

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**FOR THE YEAR ENDED 31 MARCH 2007**

I have audited the financial statements of Southampton Advice & Representation Centre for the year ended 31 March 2007 which comprise Statement of Financial Activities, Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein, the requirements of the Financial Reporting Standard for Smaller Entities (Effective 2007) and the Statement of Recommended Practice (2005) relating to Charities.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. 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 my audit work, for this report, or for the opinions I have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you whether in my opinion the information given in the Directors' Report is consistent with the financial statements.

In addition I report to you if, in my opinion, the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

I read the Directors' Report and consider the implications for my report if I become aware of any apparent misstatements within it.

**Basis of opinion**

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

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE SHAREHOLDERS OF**  
**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**Opinion**

In my opinion

- 1) The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended
- 2) The financial statements have been properly prepared in accordance with the Companies Act 1985
- 3) The information given in the Directors' Report is consistent with the financial statements

Keith Powers FCA  
AIMS Accountants for Business  
Registered Auditor



28 June 2007

PO Box 241, Sansbury Green, SO31 1DF



**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 Unrestricted funds £                      £
<b>INCOMING RESOURCES</b>		
Income resources from generated funds	2	
Voluntary income		288,752
Other operating income	3	11,000
Investment income	5	3,846
<b>RESOURCES EXPENDED</b>		
Charitable activities		(2,761)
<b>Other resources expended</b>		
Staff costs		(248,088)
Depreciation	3	(2,200)
Establishment costs	3	(43,766)
<b>NET INCOMING RESOURCES BEFORE TAXATION</b>		<b>6,783</b>
Tax on ordinary activities	6	731
<b>NET INCOMING RESOURCES AFTER TAXATION</b>		<b>6,052</b>
<b>TOTAL FUNDS FOR THE YEAR TRANSFERRED TO RESERVES</b>	10	<b>£    6,052</b>

The notes on pages 11 to 14 form part of these financial statements

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £
<b>TURNOVER</b>	2	<b>288,752</b>
Cost of sales		<b>2,761</b>
<b>GROSS PROFIT</b>		<b>285,991</b>
Net operating expenses	3	<b>283,054</b>
<b>OPERATING PROFIT</b>	4	<b>2,937</b>
Interest receivable and similar income	5	<b>3,846</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>6,783</b>
Tax on ordinary activities	6	<b>731</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>6,052</b>
<b>RETAINED PROFIT TRANSFERED TO RESERVES</b>	10	<b>£ 6,052</b>

The notes on pages 11 to 14 form part of these financial statements

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**BALANCE SHEET**  
**AT 31 MARCH 2007**

	Note	2007 £	£
<b>FIXED ASSETS</b>			
Tangible assets	7		12,470
<b>CURRENT ASSETS</b>			
Debtors	8	917	
Cash at bank and in hand		59,235	
		<u>60,152</u>	
<b>CREDITORS</b> Amounts falling due within one year	9	8,115	
		<u>8,115</u>	
<b>NET CURRENT ASSETS</b>			<u>52,037</u>
<b>NET ASSETS</b>			<u>£ 64,507</u>
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted funds	10		<u>64,507</u>
<b>TOTAL UNRESTRICTED CHARITY FUNDS</b>			<u>£ 64,507</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985

The accounts were approved by the board of directors on 27 June 2007



T O'Rourke, Director

The notes on pages 11 to 14 form part of these financial statements

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 ACCOUNTING POLICIES**

**1a Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Statement of Recommended Practice (2005) relating to Charities

**1b Tangible fixed assets**

Fixed assets are shown at historical cost

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the straight line method

	<b>2007</b>
	<b>%</b>
Equipment	15

**1c Taxation**

Corporation tax payable is provided on taxable income at the current rate

**1d Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year

**1e Turnover**

Turnover and voluntary income represents grants and donations which are recorded at date of receipts and not accrued

**2 TURNOVER**

Turnover and profit on ordinary activities before taxation are attributable to the principal activity

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**3 NET OPERATING EXPENSES**

	2007 £
Net operating expenses	
Administrative expenses	291,854
Depreciation	2,200
Other operating income	(11,000)
	<hr/>
	£ 283,054
	<hr/>

**4 OPERATING PROFIT**

	2007 £
Profit on ordinary activities is stated after charging	
Auditor's remuneration Audit services	900
Depreciation and amortisation Tangible assets owned	<hr/> 2,200
and after crediting	
Grant - SCC Rent	<hr/> 11,000

The directors / trustees received no remuneration during the year

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2007 £
Bank interest receivable	3,846
	<hr/>
	£ 3,846
	<hr/>

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2007 £
UK Corporation tax	731
	<hr/>
	£ 731
	<hr/>

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**7 TANGIBLE FIXED ASSETS**

	Other Tangible Assets £	Total £
<b>Cost</b>		
Additions	14,670	14,670
At 31 March 2007	<u>14,670</u>	<u>14,670</u>
<b>Depreciation</b>		
For the year	2,200	2,200
At 31 March 2007	<u>2,200</u>	<u>2,200</u>
<b>Net Book Amounts</b>		
At 31 March 2007	<u>£ 12,470</u>	<u>£ 12,470</u>

**8 DEBTORS**

	2007 £
Social security and other taxes	269
Other debtors	648
	<u>£ 917</u>

**9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £
Corporation tax	731
Other creditors	3,157
Accruals and deferred income	4,227
	<u>£ 8,115</u>

**SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**10 RESERVES**

	Unrestriced funds
	£
Net reserves transferred from SARC	58,455
Surplus for the year	6,052
	<hr/>
At 31 March 2007	£ 64,507
	<hr/>