

**SOUTHAMPTON ADVICE &
REPRESENTATION CENTRE**
(REGISTERED NUMBER : 05582643)

**REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

TUESDAY



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COMPANIES HOUSE

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors, who are also the trustees, present their report and the accounts for the year ended 31 March 2017.

Legal status

The company incorporated on 4 October 2005 and commenced its charitable activities on 1 April 2006. The registration number of the company is 5582643. The company is also a registered charity (number 1112999). The charity is constituted by its memorandum and articles of association.

The liability of the members is limited by their guarantee. In the event of the company being wound up during the period of their membership (or within a year following), members undertake to contribute such amounts as may be required, up to a maximum of £1.

Registered office

11 Porchester Road
Woolston
Southampton
SO19 2JB

Accountants

Knight Goodhead Limited
7 Bournemouth Road
Chandler's Ford
Eastleigh
Hampshire
SO53 3DA

Bank

CAF Bank Ltd
Kings Hill
West Malling
Kent
ME19 4JQ

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 West End Parish.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Objectives and activities

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

The strategies for achieving these 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 the quality of advice is sound, consistent and accurate;
- b) The Advice Service Alliance - 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 area 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 operated 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.

Directors and trustees

The directors who served during the year were:

J Brear	Chair
R Stokes	Vice chair
DC Murray	Treasurer
DG Wrighton	Secretary
CA Cunio	(resigned 1 February 2017)
Dr SD Reeve	
A Golden	
DI Goodall	
C Hammond	

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

The charity is managed by the trustees, who delegate day to day responsibility to Gary Edwards, manager, and the management team.

Appointment of trustees

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 course.

The trustees meet bi-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 is one subcommittee: Personnel and Development, which is charged with developing and monitoring delivery of the strategic plan.

Risk assessment

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and believe effective insurance, checks, controls and procedures are in place to manage those risks. As required by the AQS Quality Mark procedures, there is a full set of office manuals including financial procedures. In March 2016 we had our AQS external audit which we easily passed. The auditor highlighted many areas where we exceeded the national standards. The next audit will take place within the first quarter of 2018.

Review of Activities

We managed to continue a five day working week and achieved 6,000 client episodes and assisted at over 170 tribunal proceedings. Once again there has been an increase in demand for welfare benefit advice and representation as the welfare reform agenda starts to impact on our client base. We have tried to be innovative in our delivery methods to try and best meet the demands of our service. We have protected and expanded our outreach provision and these services have only been possible due to full funding. In the financial year no justified complaints were received, only compliments and donations. We generated over £3 of financial benefit for our service users for every pound invested in our service, money that is spent in the local economy. We are a founder member of Advice Southampton, a partnership of the major advice giving agencies in the city. We received funding from the Henry Smith Charity and with this are able to employ a welfare benefit worker who operates across the partnership.

Financial review

A summary of the charity's financial performance is shown on page 7 of the accounts. The charity made a deficit of £20,409 (2016: deficit of £15,027). The total reserves of the charity at the year end were £65,889 (2016: £86,298) including restricted funds of £7,719.

Southampton City Council have previously utilised a three year funding cycle. This year they simply rolled over the award for another year. These accounts reflect the same level of funding as in the final year of the cycle. This created financial pressure in the third and subsequent years. This illustrates the prudence of our reserve policy. Once again we continued to explore every avenue of potential funding and have achieved a number of additional funding streams in the year, though not to the level that could replace the funding loss from the council. The council will move to a contract based form of funding from January 2018. At present we are awaiting the outcome of our submission and have transitional funding until end of January 2018.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Reserves policy

The trustees' objective is to maintain sufficient reserves to fund;

- (i) Operating costs to enable the organisation to continue trading during any unusual disruption to income. This is estimated to represent at least 5% of annual income;
- (ii) Costs of closure including redundancy costs, holiday pay and other final payments to creditors;
- (iii) Anticipated building repairs and maintenance to ensure compliance with contractual obligations in terms of the lease and for an ongoing programme of equipment replacement.

On the above basis it is currently estimated that between £60,000 and £85,000 is required to be held in reserve.

Ahead of funding cuts SARC implemented cost saving measures to preserve the viability of the centre. Given the level of funding cuts SARC is facing, the centre is expected to run at a deficit for at least the current financial year. The Board has approved a strategy for the elimination of the deficit within a realistic timescale.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Directors' responsibilities

The charity trustees (who are also the directors 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 Generally Accepted Accounting Practice.

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

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

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

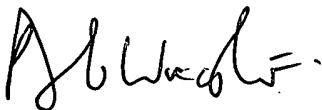
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

Approved by order of the board on 5th October 2017.
and signed on their behalf by



D G Wrighton
Secretary

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

I report on the accounts for the year ended 31 March 2017 set out on pages 7 to 15.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER

As described on pages 4 and 5, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed. The charity's gross income exceeded £250,000 and therefore I confirm I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- to state whether particular matters have come to my attention.

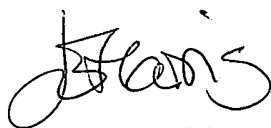
BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to the those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements;
 - a) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and the Charities SORP (FRS 102)have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



J E Harris FCCA

KNIGHT GOODHEAD LIMITED

Chartered Accountants

15 SEPTEMBER 2017

7 Bournemouth Road
Chandler's Ford, Eastleigh
Hampshire, SO53 3DA

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
INCOME					
Donations and legacies		6,807	-	6,807	5,179
Charitable activities	3	197,641	43,287	240,928	255,273
Investment income		140	-	140	299
TOTAL INCOME		204,588	43,287	247,875	260,751
EXPENDITURE					
Cost of raising funds	5	805	-	805	795
Charitable activities	5	230,008	37,471	267,479	274,983
TOTAL EXPENDITURE		230,813	37,471	268,284	275,778
NET (EXPENDITURE)/INCOME FOR YEAR		(26,225)	5,816	(20,409)	(15,027)
FUND BALANCES BROUGHT FORWARD		84,395	1,903	86,298	101,325
FUND BALANCES CARRIED FORWARD		58,170	7,719	65,889	86,298

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

REGISTERED NUMBER : 05582643

(Company limited by guarantee and not having share capital)


BALANCE SHEET AT 31 MARCH 2017

	Notes	£	2017 £	2016 £
FIXED ASSETS				
Tangible assets	6		319	2,523
CURRENT ASSETS				
Debtors	7	3,236		3,190
Cash at bank and in hand		94,774		102,150
		<u>98,010</u>		<u>105,340</u>
CREDITORS: amounts falling due within one period	8	<u>(32,440)</u>		<u>(21,565)</u>
NET CURRENT ASSETS			65,570	83,775
NET ASSETS			<u>65,889</u>	<u>86,298</u>
FUNDS				
Restricted funds	9		7,719	1,903
General funds			58,170	84,395
TOTAL FUNDS			<u>65,889</u>	<u>86,298</u>

For the financial year ended 31 March 2017, the company was entitled to exemption from audit under section 477 Companies Act 2006; and no notice has been deposited under section 476. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with section 386, and preparing accounts, which give a true and fair view of the state of affairs of the company as at the end of the year and of its surplus or deficit for the financial year, in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on *5th October 2017*
and signed on their behalf by



D Murray
Treasurer

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Southampton Advice and Representation Centre meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

(b) Fund accounting

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

Restricted funds are subjected to restrictions on their expenditure

(c) Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, when entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Resources are deferred when, at the end of an accounting period, they have been received but the charity has yet to become unconditionally entitled to them.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

1 ACCOUNTING POLICIES (continued)

(d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. It includes any VAT paid.

Costs are apportioned in line with the income received from that source during the year.

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

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

(e) Fixed assets

Fixed assets are capitalised for ongoing use within the company, where the individual cost of the asset exceeds £100.

Depreciation is provided on fixed assets to spread the cost over the estimated useful lives of the relevant assets at the following rates:

Leasehold improvements	33% Straight line
Office equipment	33% Straight line
Furniture and fittings	33% Straight line

(f) Pension costs

Contributions in respect of the company's defined contribution scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

2 LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 4 October 2005 in England and Wales and was registered on 15 February 2006 with the Charity Commission in England and Wales. The charity is a public benefit entity.

The registered office of the charitable company is 11 Porchester Road, Woolston, Southampton, SO19 2JB.

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Funding contracts and grants:				
Southampton City Council	189,601	-	189,601	200,611
SASA	-	-	-	16,881
SVS	-	3,553	3,553	3,940
Henry Smith Charity	-	35,125	35,125	14,375
Unison	1,000	-	1,000	500
Other small grants	7,040	4,609	11,649	18,966
	<u>197,641</u>	<u>43,287</u>	<u>240,928</u>	<u>255,273</u>

In 2016, £45,196 of this funding was restricted.

The restricted fund grants analysed above form part of the relevant funds as detailed in note 9.

4 STAFF COSTS

	2017	2016
	£	£
Wages and salaries	198,253	205,067
Social security costs	14,899	16,246
Pension	7,935	8,098
	<u>221,087</u>	<u>229,411</u>

The average number of staff employed during the year was 9 (2016: 9). No employee received emoluments of £60,000 or more during this year or the prior year.

Key management were paid a total of £40,375.

During the year or the prior year no trustees received any emolument, were paid any expenses or were reimbursed for expenditure incurred on behalf of the charity.

Total pension contributions of £7,935 (2016: £8,098) were paid by the charity and are included in the SOFA. There were no outstanding contributions payable at the end of this year or the prior year.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

5	EXPENDITURE	Unrestricted £	Restricted £	2017 £	2016 £
	Costs directly allocated to activities				
	Direct staff costs (see note 4)	186,040	35,047	221,087	229,411
	Staff and volunteer expenses	1,878	319	2,197	2,090
	Staff welfare	283	-	283	393
	Training and recruitment	716	-	716	1,284
		<u>188,917</u>	<u>35,366</u>	<u>224,283</u>	<u>233,178</u>
	Support costs allocated to activities				
	Rent and rates	13,508	805	14,313	14,012
	Light and heat	4,583	-	4,583	4,685
	Cleaning	238	-	238	382
	Computer costs	4,578	-	4,578	5,169
	Publications and subscriptions	1,698	550	2,248	2,139
	Telephone	2,695	-	2,695	2,966
	Postage, printing and stationery	2,196	400	2,596	2,977
	Insurance	1,732	350	2,082	2,248
	Maintenance	3,402	-	3,402	1,794
	Depreciation	2,683	-	2,683	2,665
		<u>37,313</u>	<u>2,105</u>	<u>39,418</u>	<u>39,037</u>
	Governance costs				
	Accountancy and examination fees	1,573	-	1,573	1,303
	Quality mark monitoring fees	1,260	-	1,260	1,260
	Pension scheme costs	1,750	-	1,750	1,000
		<u>4,583</u>	<u>-</u>	<u>4,583</u>	<u>3,563</u>
		<u>230,813</u>	<u>37,471</u>	<u>268,284</u>	<u>275,778</u>

Included within accountancy and examinations fees above are amounts due to the independent examiners in relation to independent examination of £1,140 (2016: £1,140) and £433 for other work (2016: £163).

In 2016, £44,901 of expenditure was restricted with the remaining £230,877 being expended against general funds.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

6 TANGIBLE ASSETS

	Leasehold improvements £	Office equipment £	Furniture & fittings £	Total £
Cost				
At start of the year	40,489	8,734	3,880	53,103
Additions	-	479	-	479
At end of the year	<u>40,489</u>	<u>9,213</u>	<u>3,880</u>	<u>53,582</u>
Depreciation				
At beginning of the year	40,489	6,211	3,880	50,580
Charge	-	2,683	-	2,683
At end of the year	<u>40,489</u>	<u>8,894</u>	<u>3,880</u>	<u>53,263</u>
Net book value				
At end of year	<u>-</u>	<u>319</u>	<u>-</u>	<u>319</u>
At beginning of year	<u>-</u>	<u>2,523</u>	<u>-</u>	<u>2,523</u>

7 DEBTORS

2017
£

2016
£

Prepayments

3,236

3,190

8 CREDITORS: amounts falling due within one year

2017
£

2016
£

Accruals and deferred income

32,440

21,565

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

9 RESTRICTED FUNDS

	Funds b/fwd £	Incoming resources £	Outgoing resources £	Funds c/fwd £
SVS - SO18 Big Local	-	3,553	(3,553)	-
Henry Smith grant	1,903	35,125	(29,309)	7,719
Thornhill You Plus grant	-	4,609	(4,609)	-
	<u>1,903</u>	<u>43,287</u>	<u>(37,471)</u>	<u>7,719</u>

SVS - SO18 Big Local

SO18 Big Local commissioned grant award to fully fund an outreach service, providing two advice sessions per month in Townhill Park for the local community.

Henry Smith Grant

Two years funding approved starting 1 November 2015. This funds the outreach worker post shared across the Advice Southampton Partnership.

Thornhill Plus You

This grant supports our work with the residents of Thornhill.

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2017 £
Tangible fixed assets	319	-	319
Debtors	3,236	-	3,236
Bank and cash	56,055	38,719	94,774
Creditors	(1,440)	(31,000)	(32,440)
	<u>58,170</u>	<u>7,719</u>	<u>65,889</u>

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

11 DEFERRED INCOME

An element of grant income received by the charity during the year has been deferred as it relates to later accounting periods. The movement in the year is detailed below:

	£
Incoming resources deferred in year to 31 March 2017	(31,000)
Amounts released from previous years	<u>20,125</u>
Net movement in the Statement of Financial Activities	<u><u>(10,875)</u></u>

12 COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital.

13 RELATED PARTY TRANSACTIONS

There were no related party transactions during this year or the prior year.

14 OPERATING LEASES

At 31 March 2017, the charity had annual commitments under non-cancellable operating leases for rent of the office building. This lease is due to expire on 31 March 2024 and the annual commitment is £12,325. The total amount payable until the end of the lease is £86,275.