

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

**REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

THURSDAY



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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 2015

The directors, who are also the trustees, present their report and the accounts for the year ended 31 March 2015.

Legal status

The company incorporated on 4 September 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
Hampshire
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 2015 (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:

G Scott	Chair
J Brear	Vice-Chair
DC Murray	Treasurer
DG Wrighton	Secretary
T O'Rourke	(resigned 8 October 2014)
CA Cunio	
Dr SD Reeve	
A Golden	
DI Goodall	
R Stokes	

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015 (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 2014 we had our AQS external audit which we easily passed. The auditor highlighted many areas where we exceeded the national standards.

Review of Activities

Despite continuing the four day working week we have still achieved over 4,400 client episodes and assisted at over 150 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. Again we generated over £2 for every pound invested in our service, money that is spent in the local economy. We are a founder member of Southampton Advice Services Alliance a partnership of the major advice giving agencies in the city. We received funding from the Big Lottery and 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 £2,621 (2013: surplus of £11,351). The total reserves of the charity at the year end were £101,325 (2013: £103,946) including restricted funds of £1,608.

This year was the second in the Southampton City Council three year funding cycle. The amount awarded reduces by 5% in each of years 2 and 3. This will create financial pressure in the second and third years unless we can obtain additional funding. This illustrates the prudence of our reserve policy. As planned we have completely upgraded our computer infrastructure. 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.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015 (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 turnover;
- (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.

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 directors are responsible for preparing the 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;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in operation.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

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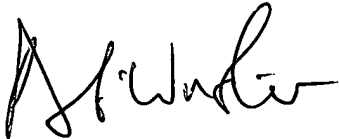
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015 (continued)

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 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
and signed on their behalf by

A handwritten signature in black ink, appearing to read 'D G Wrighton', written in a cursive style.

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 2015 set out on pages 7 to 13.

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.

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.

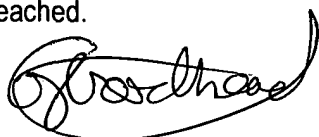
BASIS OF INDEPENDENT EXAMINER'S REPORT

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 with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 (revised 2008);
- 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.



C J Goodhead FCA

KNIGHT GOODHEAD LIMITED

Chartered Accountants

22 June 2015

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 2015

(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		4,964	-	4,964	5,202
Investment income		171	-	171	183
Incoming resources from charitable activities	2	197,498	41,501	238,999	233,608
TOTAL INCOMING RESOURCES		202,633	41,501	244,134	238,993
RESOURCES EXPENDED					
Cost of generating funds	4a	795	-	795	795
Charitable activities	4a	196,644	46,603	243,247	223,984
Governance costs	4b	2,713	-	2,713	2,863
TOTAL RESOURCES EXPENDED		200,152	46,603	246,755	227,642
NET INCOME/(EXPENDITURE) FOR YEAR		2,481	(5,102)	(2,621)	11,351
FUND BALANCE AT 1 APRIL 2014		97,236	6,710	103,946	92,595
FUND BALANCE AT 31 MARCH 2015		99,717	1,608	101,325	103,946

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

REGISTERED NUMBER : 05582643

(Company limited by guarantee and not having share capital)

BALANCE SHEET AT 31 MARCH 2015

	Notes	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	5		5,188	344
CURRENT ASSETS				
Debtors	6	3,682	7,953	
Cash at bank and in hand		94,165	101,128	
		<u>97,847</u>	<u>109,081</u>	
CREDITORS: amounts falling due within one period	7	<u>(1,710)</u>	<u>(5,479)</u>	
NET CURRENT ASSETS			96,137	103,602
NET ASSETS			<u>101,325</u>	<u>103,946</u>
FUNDS				
General funds			99,717	97,236
Restricted funds	8		1,608	6,710
TOTAL FUNDS			<u>101,325</u>	<u>103,946</u>

For the financial year ended 31 March 2015, 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 17.06.2015
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 2015

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2005 (revised 2008) and the Companies Act 2006.

(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 imposed by the donor.

(c) Incoming resources

All incoming resources are 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:

Voluntary income is 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.

(d) Resources expended

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.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include Independent Examination fees and the costs linked to the strategic management of the charity.

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.

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

(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:

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

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Notes	Unrestricted £	Restricted £	2015 £	2014 £
Funding contracts and grants:					
Southampton City Council		182,122	-	182,122	188,000
Eastleigh Borough Council		-	-	-	7,000
SASA	8	-	39,409	39,409	17,161
SVS	8	-	2,092	2,092	2,670
Unison		600	-	600	550
Other small grants		14,776	-	14,776	18,227
		<u>197,498</u>	<u>41,501</u>	<u>238,999</u>	<u>233,608</u>

3 STAFF COSTS

	2015 £	2014 £
Wages and salaries	182,231	163,724
Social security costs	14,097	14,898
Pension	7,294	5,698
	<u>203,622</u>	<u>184,320</u>

The average number of staff employed during the year was 8 (2014: 7). No employee received emoluments of £40,000 or more during this year or the prior year.

During the year or the prior year no trustees were reimbursed for expenditure incurred on behalf of the charity.

At the year end there were outstanding pension contributions payable of £nil (2014: £nil).

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

4 a TOTAL RESOURCES EXPENDED	Unrestricted £	Restricted £	2015 £	2014 £
Costs directly allocated to activities				
Direct staff costs (see note 3)	164,088	39,534	203,622	184,320
Staff and volunteer expenses	550	1,250	1,800	2,009
Staff welfare	362	-	362	303
Training and recruitment	709	1,350	2,059	877
	<u>165,709</u>	<u>42,134</u>	<u>207,843</u>	<u>187,509</u>
Support costs allocated to activities				
Rent and rates	12,222	1,657	13,879	14,102
Light and heat	4,184	-	4,184	4,755
Cleaning	303	-	303	295
Computer costs	5,181	-	5,181	5,182
Publications and subscriptions	358	1,100	1,458	2,047
Telephone	2,459	-	2,459	2,140
Postage printing and stationery	538	871	1,409	1,994
Insurance	1,839	700	2,539	3,962
Equipment maintenance	2,057	-	2,057	2,309
Depreciation	2,589	141	2,730	417
Loss on disposal of fixed assets	-	-	-	67
	<u>197,439</u>	<u>46,603</u>	<u>244,042</u>	<u>224,779</u>
b GOVERNANCE COSTS			2015 £	2014 £
Accountancy and examination fees			1,453	1,603
Quality mark monitoring fees			1,260	1,260
			<u>2,713</u>	<u>2,863</u>

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

5 TANGIBLE ASSETS

	Leasehold improvements £	Office equipment £	Furniture & fittings £	Total £
Cost				
At start of the year	40,489	17,954	3,880	62,323
Additions	-	7,574	-	7,574
Disposals	-	(16,794)	-	(16,794)
At end of year	<u>40,489</u>	<u>8,734</u>	<u>3,880</u>	<u>53,103</u>
Depreciation				
At beginning of the year	40,489	17,610	3,880	61,979
Charge	-	2,730	-	2,730
Eliminated on disposals	-	(16,794)	-	(16,794)
At end of period	<u>40,489</u>	<u>3,546</u>	<u>3,880</u>	<u>47,915</u>
Net book value				
At end of year	<u>-</u>	<u>5,188</u>	<u>-</u>	<u>5,188</u>
At beginning of year	<u>-</u>	<u>344</u>	<u>-</u>	<u>344</u>

6 DEBTORS

	2015 £	2014 £
Prepayments	3,682	4,031
Accrued income	<u>-</u>	<u>3,922</u>
	<u>3,682</u>	<u>7,953</u>

7 CREDITORS: amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	<u>1,710</u>	<u>5,479</u>

SOUTHAMPTON ADVICE & REPRESENTATION CENTRE

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

8 RESTRICTED FUNDS

	Funds b/fwd £	Incoming resources £	Outgoing resources £	Funds c/fwd £
SASA	5,534	39,409	(44,803)	140
SVS - SO18 Big Local	1,176	2,092	(1,800)	1,468
	<u>6,710</u>	<u>41,501</u>	<u>(46,603)</u>	<u>1,608</u>

SASA

SASA is funded by the Big Lottery and is a partnership of local advice service providers. SARC are founder members and with this funding stream, we employ an outreach worker who provides advice hosted by other partners within SASA.

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.

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2015 £
Tangible fixed assets	5,048	140	5,188
Debtors	3,682	-	3,682
Bank and cash	92,697	1,468	94,165
Creditors	(1,710)	-	(1,710)
	<u>99,717</u>	<u>1,608</u>	<u>101,325</u>