

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

**REPORT AND UNAUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016**

## **SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**

(Company limited by guarantee and not having share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors, who are also the trustees, present their report and the accounts for the year ended 31 March 2016.

#### **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 2016 (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
G Scott	(deceased 15 April 2015)
CA Cunio	
Dr SD Reeve	
A Golden	
DI Goodall	
C Hammond	(appointed 8 April 2015)

## **SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**

(Company limited by guarantee and not having share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (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.

#### **Review of Activities**

We managed to restore a five day working week and achieved towards 6,000 client episodes (2015: 4,400) 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 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 £15,027 (2015: deficit of £2,621). The total reserves of the charity at the year end were £86,298 (2015: £101,325) including restricted funds of £1,903.

Southampton City Council have utilised a three year funding cycle. The amount awarded reduces by 5% in each of years 2 and 3. These accounts reflect the final year of the cycle. This created financial pressure in the third year. 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 2016 (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.

#### **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 standard 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 2016 (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  
and signed on their behalf by

27 SEPTEMBER 2016

A handwritten signature in black ink, appearing to read 'D G Wrighton', written over a horizontal line.

**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 2016 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

5 OCTOBER 2016

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 2016

(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
<b>INCOME</b>					
Donations and legacies		5,179	-	5,179	4,964
Charitable activities	3	210,077	45,196	255,273	238,999
Investment income		299	-	299	171
<b>TOTAL INCOME</b>		<b>215,555</b>	<b>45,196</b>	<b>260,751</b>	<b>244,134</b>
<b>EXPENDITURE</b>					
Cost of raising funds	5	795	-	795	795
Charitable activities	5	230,082	44,901	274,983	245,960
<b>TOTAL EXPENDITURE</b>		<b>230,877</b>	<b>44,901</b>	<b>275,778</b>	<b>246,755</b>
<b>NET (EXPENDITURE)/INCOME FOR YEAR</b>		<b>(15,322)</b>	<b>295</b>	<b>(15,027)</b>	<b>(2,621)</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>99,717</b>	<b>1,608</b>	<b>101,325</b>	<b>103,946</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>84,395</b>	<b>1,903</b>	<b>86,298</b>	<b>101,325</b>

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**

(Company limited by guarantee and not having share capital)

REGISTERED NUMBER : 05582643

**BALANCE SHEET AT 31 MARCH 2016**

	Notes	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	6		2,523	5,188
<b>CURRENT ASSETS</b>				
Debtors	7	3,190	3,682	
Cash at bank and in hand		102,150	94,165	
		<u>105,340</u>	<u>97,847</u>	
<b>CREDITORS: amounts falling due within one period</b>	8	<u>(21,565)</u>	<u>(1,710)</u>	
<b>NET CURRENT ASSETS</b>			83,775	96,137
<b>NET ASSETS</b>			<u>86,298</u>	<u>101,325</u>
<b>FUNDS</b>				
Restricted funds	9		1,903	1,608
General funds			84,395	99,717
<b>TOTAL FUNDS</b>			<u>86,298</u>	<u>101,325</u>

For the financial year ended 31 March 2016, 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 27/9/16  
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 2016**

#### **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 2016**

#### **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 2016 (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, Hampshire, SO19 2JB.

#### **3 INCOME FROM CHARITABLE ACTIVITIES**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funding contracts and grants:</b>					
Southampton City Council		190,611	10,000	200,611	182,122
SASA	9	-	16,881	16,881	39,409
SVS	9	-	3,940	3,940	2,092
Henry Smith Charity			14,375	14,375	-
Unison		500	-	500	600
Other small grants		18,966	-	18,966	14,776
		<u>210,077</u>	<u>45,196</u>	<u>255,273</u>	<u>238,999</u>

The SASA grant funding and SVS income in 2015 was restricted. All other income received in 2015 was unrestricted.

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

#### **4 STAFF COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	205,067	182,231
Social security costs	16,246	14,097
Pension	8,098	7,294
	<u>229,411</u>	<u>203,622</u>

The average number of staff employed during the year was 9 (2015: 8). No employee received emoluments of £60,000 or more during this year or the prior year.

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

Total pension contributions of £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 2016 (continued)

5 EXPENDITURE	Unrestricted	Restricted	2016	2015
	£	£	£	£
<b>Costs directly allocated to activities</b>				
Direct staff costs (see note 3)	188,603	40,808	229,411	203,622
Staff and volunteer expenses	1,697	393	2,090	1,800
Staff welfare	393	-	393	362
Training and recruitment	1,284	-	1,284	2,059
	<u>191,977</u>	<u>41,201</u>	<u>233,178</u>	<u>207,843</u>
<b>Support costs allocated to activities</b>				
Rent and rates	12,252	1,760	14,012	13,879
Light and heat	4,685	-	4,685	4,184
Cleaning	382	-	382	303
Computer costs	5,169	-	5,169	5,181
Publications and subscriptions	1,039	1,100	2,139	1,458
Telephone	2,966	-	2,966	2,459
Postage, printing and stationery	2,977	-	2,977	1,409
Insurance	1,548	700	2,248	2,539
Equipment maintenance	1,794	-	1,794	2,057
Depreciation	2,525	140	2,665	2,730
	<u>35,337</u>	<u>3,700</u>	<u>39,037</u>	<u>36,199</u>
<b>Governance costs</b>				
Accountancy and examination fees	1,303	-	1,303	1,453
Quality mark monitoring fees	1,260	-	1,260	1,260
Pension scheme set up costs	1,000	-	1,000	-
	<u>3,563</u>	<u>-</u>	<u>3,563</u>	<u>2,713</u>
	<u>230,877</u>	<u>44,901</u>	<u>275,778</u>	<u>246,755</u>

Included within accountancy and examinations fees above are amounts due to the independent examiners in relation to independent examination of £1,140 (2015: £1,140) and £101 for other work (2015: £313).

In 2015, £46,603 of expenditure was restricted with the remaining £200,152 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 2016 (continued)**

### **6 TANGIBLE ASSETS**

	<b>Leasehold improvements £</b>	<b>Office equipment £</b>	<b>Furniture &amp; fittings £</b>	<b>Total £</b>
Cost				
At the start and end of the year	40,489	8,734	3,880	53,103
Depreciation				
At beginning of the year	40,489	3,546	3,880	47,915
Charge	-	2,665	-	2,665
At end of period	40,489	6,211	3,880	50,580
Net book value				
At end of year	-	2,523	-	2,523
At beginning of year	-	5,188	-	5,188

### **7 DEBTORS**

	<b>2016 £</b>	<b>2015 £</b>
Prepayments	3,190	3,682

### **8 CREDITORS: amounts falling due within one year**

	<b>2016 £</b>	<b>2015 £</b>
Accruals and deferred income	21,565	1,710

# **SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**

(Company limited by guarantee and not having share capital)

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

### **9 RESTRICTED FUNDS**

	<b>Funds b/fwd £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Funds c/fwd £</b>
SASA	140	16,881	(17,021)	-
SVS - SO18 Big Local	1,468	3,940	(5,408)	-
Henry Smith grant	-	14,375	(12,472)	1,903
Disability advisor	-	10,000	(10,000)	-
	<u>1,608</u>	<u>45,196</u>	<u>(44,901)</u>	<u>1,903</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.

#### **Henry Smith Grant**

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

#### **Disability Advice Grant**

Additional support awarded on a one off basis to provide additional resources to deal with benefit advice reform advice and representation.

### **10 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2016 £</b>
Tangible fixed assets	2,523	-	2,523
Debtors	3,190	-	3,190
Bank and cash	100,247	1,903	102,150
Creditors	(21,565)	-	(21,565)
	<u>84,395</u>	<u>1,903</u>	<u>86,298</u>

## **SOUTHAMPTON ADVICE & REPRESENTATION CENTRE**

(Company limited by guarantee and not having share capital)

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (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 2016	(20,125)
Amounts released from previous years	-
Net movement in the Statement of Financial Activities	<u>(20,125)</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 2016, 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 2016 and the annual commitment is £12,325. The total amount payable until the end of the lease is £98,600.

#### **15 TRANSITION TO FRS 102**

The financial statements for the year ended 31 March 2015 were prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" 2005 (revised 2008). The financial statements for the year ended 31 March 2016 have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102, which legislation brought into effect from January 2015. This transition between financial reporting frameworks has given rise to a change in the accounting policy for the recognition of legacy income from when it is 'virtually certain' to when it is 'probable'. This has not given rise to any other changes to the accounting policies adopted.

The only change to the prior year figures is to reclassify governance costs on the face of the statement of financial activities. These costs are now included within charitable activities. This change has not affected the results of the charity for that year.





## **ANNUAL REPORT**

**September 2016**

**Southampton Advice & Representation Centre Ltd  
11 Porchester Road  
Woolston  
Southampton  
SO19 2JB**

**Phone: 023 8043 1435  
Fax: 023 8044 7031  
Email: [admin@sarc.org.uk](mailto:admin@sarc.org.uk)  
[www.sarc.org.uk](http://www.sarc.org.uk)**



**Registered Charity No: 1112999**

**Registered Company No: 5582643**

## **CHAIR'S INTRODUCTION**

### **A SUCCESSFUL AND CHALLENGING YEAR**

2016 has been a very successful year for SARC in which we have been able to help record numbers of local people through our unique service as the only local organisation which offers advice and representation to clients on welfare and employment issues as a core activity.

However it has also been a challenging year on two fronts firstly in relation to the increasing workload carried by our hardworking and dedicated staff and volunteers and secondly in relation to our available resources.

### **INCREASING DEMAND**

SARC continues to face the challenges of the radical change to the welfare and benefits system and the introduction of new benefits. A much tougher regime on Employment and Support Allowance, for example, has created uncertainty and increased demand. We have represented clients in over 140 tribunal and mandatory reconsideration proceedings with great success. We are the biggest provider of representation within the city and we believe the biggest such service outside of London in the south of England. The local full introduction of Universal Credit remains delayed possibly now until March 2017. This will be a massive change and will undoubtedly increase demand. Taking these changes together with the continuing economic position, we would expect that demand for our services will increase dramatically during the next few years. We continue to give out record number of basic bank food bank vouchers. Some of our clients are simply desperate and we have had to send staff on Suicide Awareness training.

Employment Tribunal fees were introduced in July 2013 and nationally the number of claims have fallen by 80%. This is affecting our clients and their ability to contest disputes with their employers. An unfair dismissal claim costs £1200 to pursue to a full hearing. It costs £390 to try and obtain wages, redundancy or holiday pay. Sadly those clients, who cannot get the fees exempted or at least partially exempted, are often denied access to the system to enforce their rights.

## **PRESSURE ON RESOURCES**

SARC continues to face considerable pressure in matching our resources to the increasing level of demand for our services and indeed the unmet need which we know exists within our City.

SARC is a charity which relies on, and is grateful for, the support it receives from the City Council, trade unions, businesses and other charitable and community organisations. We recognise that these organisations are not immune from financial pressures in the wider economy but we hope we can continue to make the case that what we do is effective and makes a real contribution to a better society by helping those who are in most need of support.

Thanks to temporary funding from Southampton City Council we have been able to return to five days operation for the current financial year April 2015 to March 2017. We also receive support from a number of other sources including a two year grant from the Henry Smith Charity to allow the roving Benefit adviser role to continue. Adrian Cooper provides outreach at the offices of Advice Southampton partners. We continue to explore ways to expand our welfare benefit training service, delivering bespoke training for voluntary and public sector agencies and health professionals. Please contact the Centre Manager Gary Edwards for more information or visit the training tab at [www.sarc.org.uk](http://www.sarc.org.uk)

## **OUR STAFF AND VOLUNTEERS**

We have only been able to cope with the increasing workload and pressure on our resources because of the commitment and dedication of our hardworking staff and volunteers. Many of our staff have long service which is itself an indication of their dedication to SARC and its clients and thanks are also due to all our volunteers who make a significant contribution of skills and enthusiasm. In 2016 we were delighted to welcome a new volunteer Mary Siddall who is a part time Employment Tribunal judge.

It is a testament to those who work for us in every capacity that once again we have received an excellent external audit of our services which means that we continue to be accredited with the Advice Quality Standard for casework for a further two years.

## **OUR BOARD**

Our Advice Quality Standard audit recognised the contribution that the voluntary members of the SARC Board have made to providing professional guidance and strategic direction to the organisation. Our Board Skills Audit has demonstrated the range of skills and life experience which the Board brings to SARC whilst identifying opportunities for further training.

## **ADVICE SOUTHAMPTON**

In 2016 SARC has played an active part in the development of Advice Southampton (formerly SASA), a consortium of city advice agencies who have come together to promote a joined up approach to offering advice which seeks to make the best and most strategic use of our common resources in terms of where we deliver services and what we deliver,

We recognise the need not just to work together but to make sure that what we offer is the best fit with key policy objectives for the City. SARC and its partners believe that the Advice Southampton Prospectus offers the basis for discussing with key local decision makers how we can improve the advice offer in the city, best target limited resources and attract additional funding.

## EVALUATING OUR SERVICES

Our services are regularly reviewed and evaluated by funders to ensure they are getting value for money, by professional auditors to ensure we meet exacting standards for the provision of legal services, by our Board to ensure we are innovative and cost effective but most importantly of all by those who use our services and rely on us to give them a voice - we are extremely proud of the positive feedback we receive from our clients year after year, this strengthens our commitment to provide essential advice, representation and support for those who need it most in our City.

John Brear

**Chair SARC**

## OUR PEOPLE 2015/2016

- Directors
- John Brear Chair
- Robert Stokes Vice Chair
- David Wrighton Secretary
- Derrick Murray Treasurer
- Christopher Hammond
- Carol Cunio
- Alison Golden
- David Goodall
- Sandra Reeve
- Robert Stokes

## Staff

- Gary Edwards Manager
- Suman Hothi Administrator
- Diane England Advisor
- Pat Moores Reception
- Sheila Smith Reception
- Emma Stodart Advisor
- Dave Thompson Advisor
- Joel Nicholson Deputy Manager
- Adrian Cooper Advice Southampton outreach Advisor
- Lyn Berry Volunteer
- Fran Osman-Newbury Volunteer
- Mary Siddall Volunteer

## Main Funders

- Southampton City Council
- Cystic Fibrosis Trust
- Unite
- Unison
- GMB
- Big Lottery via SASA Partnership
- SO18 Big Local
- Client donations
- Southampton Quakers
- Henry Smith Charity

### **What does SARC do?**

SARC is a registered charity which has since 1981 provided advice, support, and representation in the fields of welfare benefits and employment law to a wide range of clients across the City.

We are the only organisation in the City which offers representation as a core activity which means that we are uniquely placed, where necessary, to follow through the process of supporting clients from advice to a clear outcome. This is based on our ability to articulate the interests of clients through the complex arrangements which exist to determine entitlement to benefits or the interpretation of employment law at employment tribunals and beyond. On the basis of our employment tribunal work alone, we are the biggest representing organisation in the South of England outside of London.

Some examples of areas where we currently offer advice are:-

#### Welfare Benefits Advice

- Disability Living Allowance
- Attendance Allowance
- Careers Allowance
- Employment and Support Allowance
- Income Support
- Pension Credit
- Tax Credits
- Housing Benefit
- Council Tax Benefit
- Jobseekers Allowance
- Universal Credit
- Personal Independence Payments

#### Employment Law Advice

- Unfair Dismissal
- Sex Discrimination
- Race Discrimination
- Religion and Belief
- Age Discrimination

- Sexual Orientation Discrimination
- Part Time Working Discrimination
- Pregnancy Discrimination
- Disability Discrimination
- Unpaid Wages
- Redundancy
- Minimum Wage
- Holiday entitlement

## Where we operate

Our main office in Woolston (023 8043 1435) runs an appointment service presently five days a week, Monday to Friday. We also run a service at the following locations. Please contact us for full details as you may need to make an appointment and visit [www.sarc.org.uk](http://www.sarc.org.uk) for more details.

- LORDSHILL – Public Library
- THORNHILL – Community Library Hinkler Road
- TOWNHILL PARK –Community Centre
- St. MARY’S – St. Mary’s Surgery

Unfortunately we are unable to undertake home visits.

SARC has a very high percentage of our resources invested at the front line in a small team of high skilled advisers who specialise solely in welfare and employment advice and representation. We are clearly focussed on providing the kind of specialist support which only we can offer to clients and are thus not subject to “mission drift”.

Over a considerable period of time we have developed an organisation which has a set of skills which we believe cannot be replicated elsewhere, or easily reassembled from scratch as both knowledge and experience in our specialisms are difficult to find and take time to acquire.

Our staff have the formal knowledge of the complexities of benefits and employment law, regulations, and precedents (a body of knowledge which is not static and which they constantly update and develop), combined with a depth of practical experience of working with the legal and benefits agencies and of representing clients in formal and informal settings.

We believe that we offer an excellent standard of service in a totally cost effective way. Our service standards are subject to audit by the Advice Quality Standard where we score highly having achieved the Industry Quality Mark, our performance is regularly reviewed by our Board, and we work to service outcomes agreed with the City Council and most importantly of all we consistently receive via feedback the highest possible level of satisfaction from clients.

### CASE STUDY-BENEFITS

Disability Living Allowance recipient with serious mental health challenges. Denied Personal Independence Payment upon transfer. We appealed and Enhanced Daily Living and Standard Mobility awarded. This had a very positive outcome on their health and well-being.

## How Does SARC Fit with other Advice Agencies?

We have excellent working relationships with other advice agencies in the City and because we have such a clear mission statement we are able to quickly identify and refer clients who

have particular advice needs outside our core specialisms, for example debt advice and counselling, to other appropriate agencies.

We are proud founder members of Southampton Advice Services Alliance who have been successful in attracting over £360,000 over two years. This has enabled us to employ an extra worker to provide extra advice capacity within the partnership.

This works equally well with other agencies who have a clear understanding of our specialist skills and refer clients to us where we are the right organisation to advise/represent on welfare and/or employment issues.

On balance we feel that the advice support we have in the City is all the better for this since we have achieved a developed and mature advice network. Which is actually based on a real appreciation of the needs of the local community driven from the bottom up and, certainly in our experience, validated by feedback from our clients.

We occupy a discrete and clearly defined area of specialist advice provision. No other organisation does what we do or, indeed, seeks to do so; nor in our view is there an as yet untapped alternative source which can do what we do on the basis we do it. Putting it plainly if we did not exist we would have to be reinvented.

The Citizens Advice Bureau is the one organisation where an outside observer might feel there was some potential for overlap with our welfare and employment advice work. However this is not the case, and the shared view of both SARC and the CAB is that we **complement** each other rather than duplicate work. We both agree that the real problem is one of capacity to deal with unmet need faced by both organisations.

Working closely together we have developed a protocol with the CAB which clarifies the remits and working arrangements between the two organisations which is a practical example of how we work together.

#### CASE STUDY-BENEFITS

Jobseeker claiming benefit, unfairly sanctioned for failure to apply for an unsuitable job which was successfully overturned at an appeal hearing.

#### Does Southampton Need SARC?

We would hope that the answer is yes. Certainly we can defend the value of what we do in terms of client satisfaction and cost effectiveness, we have received support from the City Council under various administrations and the value of our work has been acknowledged.

We believe that the economic realities of Southampton and the implications of these for Southampton citizens mean that we are addressing real and pressing needs in the local population.

Some of the basic social, economic and demographic circumstances of Southampton include:-



- A population growth rate over the past ten years of twice the national rate
- The rich cultural and ethnic composition of the local population
- The existence of pockets of multiple deprivations where residents suffer from poor health, low qualifications, unemployment and higher crime rates.
- Southampton ranked 91<sup>st</sup> out of 354 local authorities within the most recent National Index of Deprivation. The City's most deprived wards are Woolston (Weston), Bevois (Northam), Bitterne (Thornhill), Millbrook, and Redbridge.
- Southampton is ranked second only to Brighton on the low income scale in the South East. Out of the City's 16 wards, five are amongst the worst 10% in the region for employment, six for health deprivation and disability eight for education, training and skills and ten for housing.
- Average salaries in Southampton are below the regional and county averages and the City has a high rate of residents who are economically inactive with almost one in eight residents of working age having no qualifications.

To build on this picture we could cite a wealth of research and strategy documents produced by the City Council and its partners and the local health service. However we will confirm ourselves to referring to a few examples.

The *Joint Strategic Needs Assessment (JSNA)* Consultation Refresh produced jointly by the City Council and Southampton City PCT identifies the impact of poverty, low income and poor environment on physical and mental health.

- Latest figures indicate that 12.6 % of the working age population were claiming out of work benefits compared to 9.5% across the South East Region.
- The economic recession has had a marked impact on Southampton and its residents. The City as a whole now has just over 12% of its working age population claiming out of work benefits. There are 13 Lower Super Output Areas where this rises to above 25% of the adult population and the worst affected area has a benefit claimant level of nearly 40%.
- Within Southampton the proportion of the workforce employed by the public sector is higher than the national average. As the cuts in public sector expenditure are implemented the rate of unemployment may rise and the incidents of mental health associated with unemployment may rise.
- Many Southampton families live on a low income of only about £10 per day per person.
- The most recent data (for 2011) indicates that there were 12,750 children living in poverty in Southampton which is approximately 27.5% of the total number of children. This rate is significantly higher than the national average of 21.8% and also

higher than many of the City's local authority peers. In Bargate and Bevois wards over 40% of children are estimated to be living in poverty.

- Using Hampshire County Council forecasts it is expected that the 40-64 age group within the City will increase by 1.6% by 2016, there will be an overall increase in the 65+ age group of 16.8% by 2016.
- The number of dwellings in Bargate and Bevois wards will increase by 3700 over the 2009-16 period with a 7.9% increase in the North and Central locality over the same period.
- The City has identified eleven priority neighbourhoods based on markers of deprivation where 50% of our population live. Life expectancy for males have been significantly lower in the priority areas than in the remainder of the City for the past few years. Life expectancy in 2006-8 for males in priority areas was 76.1 years and 79.6 elsewhere in Southampton a difference of 3.5 years.

The City of Southampton Strategy makes an important commitment to promoting social equity and justice and to work with communities to alleviate poverty and to address those health issues which are caused by environmental and economic factors, particularly for those experiencing poverty.

We cite these examples because they effectively illustrate the fact that Southampton, although a major city in an affluent part of the UK, has some serious social problems related to poverty and deprivation and a population structure that has specific and developing needs. These are problems that SARC helps address and which need our help to be met.

### **SARC Outcomes**

We can demonstrate that the work we do makes a significant and valued contribution to addressing the inequalities identified above; indeed it is our central purpose. There is for example an extremely close correlation between the eleven Southampton priority neighbourhoods based on markers of deprivation where 50% of the City's population live and the areas from which our clients come. This is perhaps not surprising but figures suggest that we are working with the grain of City priorities with the people we are helping.

SARC is not the whole solution to the problems caused by poverty and inequality within our City, but we are an important part of any solution.

We are able to provide support for those who have no other voice and relatively little power in society and act to secure the legal and welfare benefits to which they are entitled. Our resources place some practical limits on the number of people we are able to help but this is an issue of capacity not capability.

In relation to our welfare benefits caseload most people we represent find the complexity of the regulations and the welfare system daunting. In employment matters we will not represent clients who are members of trade unions as they have access to the support and advice of those organisations. However it is important to remember that in 2009 only 23.5% of the UK workforce belonged to a trade union while 46.6% were employed in a workplace where a trade union was present. Figures also show that 61.1% of trade union members

worked in the public sector. In Southampton the people we represent do not have access to the kind of support that a trade union can provide and do not usually work in sectors where the good employment practice that characterises many of the City's employers is usual.

There is no other agency or resource in the City whether a private enterprise or one in receipt of public funding which does/can do what we do. We offer a standard of representation which is as good if not better than a specialist lawyer could provide. We advise on complex matters in relation to employment and welfare benefits and we follow this through when required and we do not charge our clients. We should emphasise here that there are no national services either currently or in development which can do what we do.

If we cast the net wider and look at the position in relation to employment matters the major source of expertise for representation for employees come from a few large solicitors firms who work exclusively for trade unions. Even on a "no win, no fee" basis (which is not a free service if the case succeeds) other law firms have not wanted to take on employment tribunal work as they are unable to recover costs.

CASE STUDY-EMPLOYMENT
A man dismissed after many years' service by post. No hearing or chance to defend the allegation. Successful Employment Tribunal outcome and compensation received.

Our clients and our work reflect the City which we serve. The gender split amongst clients is 55% female and 45% male. Our clients come from a wide range of ethnic groups.

With regards to ethnicity, just 71% were classed as White British. The other 29% demonstrates that we are accessible to all the diverse local communities.

Through partnership working with EU Welcome we are able to provide a service to Eastern European clients with translators attending every Wednesday afternoon.

During the financial year 2015/2016 we recorded over 6300 client episodes. We achieved a financial outcome in excess of £639,000. Money which is spent in the local economy helping alleviate the effects of poverty and assist with health issues.

Our casework breaks down into 60% benefits work and 40% employment, this is the primary work we undertake although obviously in some cases we will deal with an employment case which may lead us to offer additional benefits advice and assistance and vice versa.

In particular we have been very busy assisting clients manage the migration from Disability Living Allowance to Personal Independence Payment. We have assisted with over 300 application forms and had to attend in excess of 90 Tribunal Appeal hearings. Delivering quality advocacy when the client most need support. Incredibly we have had a success rate of over 90%. This illustrates the problems with PIP and we intend to publish and widely distribute the findings of our detailed analysis. It is worth pausing for a moment to consider each of these clients who have serious health conditions, they have to have the courage to challenge the DWP decisions. We can only wonder at how they would have coped or worse simply given up without our support to obtain justice.

#### CASE STUDY-BENEFITS

A Pensioner saw us at an outreach and we identified an unclaimed premium worth £65 per week. This was backdated for over six months.

We believe that the positive outcomes for our clients and the City are as follows

- Our service helps tackle poverty
- Our service creates income to be spent in the local economy
- We are seen, and respected, as an independent agency
- We have a real presence as an organisation supported by the City Council in the priority neighbourhoods. As an example of the esteem with which we are held by the local community we have secured funding from Thornhill Plus You to enable us to continue with outreach activity which was in jeopardy as a consequence of reduced funding from the City Council.
- Our client base reflects those sections of the population who are in real need and without a voice.
- Supporting better health outcomes, for example mental health
- We promote an ethos of fairness and social cohesion within the City
- We provide a cost effective service which is free to Southampton residents.
- Feedback indicates that our service is valued which enhances our reputation and that of the City Council.

#### CASE STUDY-EMPLOYMENT

Employment Tribunal proceedings enabled two workers to get paid over £12,000 in unpaid overtime, allowances and notice pay.