

Company No: 3316471
Charity No: 1061055

Blackfriars Advice Centre
Report & Financial Statements
31 March 2014

Blackfriars Advice Centre
Charity Information
For the year ended 31 March 2014

Status	The organisation is a charitable company limited by guarantee, incorporated on 11 February 1997 and registered as a charity on 4 March 1997.
Governing document	The organisation was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.
Company number	3316471
Charity number	1061055
Registered Office	Cambridge House 1 Addington Square London SE5 0HF
Honorary officers	Chris Sanford – Chair Chris Snow – Vice Chair
Principal Staff	Helen Rice - Chief Executive Officer
Bankers	Unity Trust Bank Limited Nine Brindley Place Birmingham B1 2HB
Auditors	Haines Watts, Chartered Accountants Old Station House Station Approach Newport Street Swindon Wiltshire SN1 3DU

Report of the Trustees

The trustees present its report and the audited financial statements for the year ended 31 March 2014.

The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Background

Blackfriars Advice Centre (BAC) was established in 1997 as an independent generalist advice centre, providing advice and advocacy to the communities of Southwark. BAC became an independent, incorporated charity as part of a move to further improve our services, targeting the increasingly diverse communities we are now able to serve. These included mainly, but not exclusively, Southwark residents and workers. The organisation has now established a reputation as a flagship advice centre influencing local and national policy.

Organisational structure

The trustees delegate everyday decisions of running of Blackfriars Advice Centre (BAC) to a Chief Executive, who is supported by the senior management team. Staff are split into specialist senior casework roles, generalist advisors or operational roles.

Risk assessment

The trustees and staff team carry out an annual organisational risk assessment and have prioritised the risks and planned how to manage each of them.

Vision

Our vision is of a self-confident community that works for local economic progress and social justice; of a community service that moves beyond citizen information and advice to enablement and empowerment.

Mission

To tackle poverty, social injustice, disadvantage and discrimination by responding to the diverse needs and aspirations of the people we serve – putting community problem solving at our heart.

Values

- *Responsive*: addressing the social determinants of health that create health inequalities; tackling issues affecting people's financial, civic and digital capability.
- *Innovative/Creative*: building knowledge, vocational skills and employability through new technologies and innovative approaches.
- *Collaborative*: enhancing citizen capability by working collaboratively with local communities to solve individual and community problems.
- *Engaged*: building community and individual education through long-term engagement.

We are the largest specialist debt agency in South London with a policy specialism in financial inclusion. We put the community at the heart of our approach and we do this through a number of different mechanisms:

- Working with community groups and front line workers to provide information, advice and capability services built around people's everyday affairs. We focus on early intervention and prevention, relevant to the specific needs of individuals and communities.
- Providing education and self-help guides to equip communities with the essential skills needed to support themselves.
- Providing online and digital services aimed at tackling the digital divide through the development of online citizen capability and community information guides - helping communities and individuals to help themselves.
- Providing advice and information on key aspects of personal well-being including housing, welfare benefits, employment, immigration and health and social care.
- Providing volunteer training and development to those who provide community support and information on basic aspects well-being while enhancing their employability skills.

- Working in collaborative networks with the not-for-profit, public and private sectors to maximise resources and deliver bottom-up, localised services that provide lasting results and that help to reduce social inequalities and promote social justice.
- Actively campaigning on social policy issues at a local, regional and national level.

Achievements and Performance for the year

- Diversifying our income further to ensure our sustainability for the future;
 - Setting up a translation and interpreting business
 - Further developing our training business, including educational programmes in schools
 - Delivering paid research programs
- The opening of our Guided Self-Help Centre which ensures that;
 - We can deliver our strategic vision of prevention and enablement
 - We have space that allows the development of education and training services
 - We can begin enabling voice and engagement with our clients in a new more innovative way
- Implementing our growth strategy so that we can;
 - Meet the demands of our growing and changing client group
 - Meet the demands of the future for advice
 - Position ourselves strategically for a successful future

Plans for the Future

Delivering our strategic plan this year is an exciting proposition covering the following areas of:

- Organisational capacity development
- The implementation of a digital platform
- Revision of our brand and marketing
- Strategic positioning for the future
- Development of our employment work
- Implementation of our new prevention services
- Exploration of further employment services
- Development of new partnerships to meet the demands of service needs for migrants

Reserves policy

During this financial year we restructured the organisation to meet the new strategic plan for 2014-17. This included new line management capacity and an increased focus on prevention and digital inclusion. We are focusing on the diversification of income including trading income over the next three years with plans to grow in direct relation to client need.

Our reserves are designated at £50K for unforeseen staffing costs such as maternity leave, recruitment, sickness and other costs. We are working towards a three month running cost with a minimum of a 10% reserve level. We are pleased to have rebuilt reserve levels as predicted.

Public benefit

The objectives and activities, and achievement and performance sections of this report clearly set out that the activities which the charity undertakes are for the public benefit.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by Blackfriars Advice Centre.

Responsibilities of the trustees

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

In preparing those financial statements, the charitable company is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.

Report of the Trustees (continued)

- State whether applicable accounting standards and statements of recommended practice have been followed, subject to material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue to operate.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable it to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each member of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Members of the trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the trustee board

The following served as trustees up to and during the year of this report unless otherwise indicated:

Cheryl Newsome	Resigned 21st May 2013
Ros Lucas	Resigned 30th July 2013
Andrew Boaden	Appointed 27th November 2013
Magdalena Nikolova	Appointed 27th November 2013
Chris Sanford	(Chair)
Chris Snow	(Vice Chair)
Denise Owusu-Ansah	
Lisa Harrison	
Robert Perrett	

Trustees members have no beneficial interest in the company and are not remunerated.

Membership of the trustee board

At each annual general meeting, all members must retire. All are eligible for re-election provided that no one serves for more than six consecutive years without vacating for at least one year. No person or body is entitled to appoint a board member.

Members are recruited to provide the skills and experience needed to run the charity. BAC uses open recruitment processes and seeks to fill vacancies where there are specific skills deficit on the board. The CEO and Chair meet with prospective trustees and provide an organisational brief, ensuring that all financial, HR and strategic issues are covered. The potential trustees are then invited to attend a board meeting as an observer, after which they can indicate if they would like to join the board. At the next board meeting the trustees take a vote on prospective new board members.

A full induction is prepared by the CEO and senior management team and training is provided as requested by trustees to ensure that all board members are properly supported to undertake their role.

Auditors

Haines Watts, Chartered Accountants were reappointed as auditors during and have expressed their willingness to continue in that capacity.

Small Company Provisions

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



Approved by the trustees on 9th June 2014 and signed on its behalf by the Chair, Chris Sanford

Independent Auditor's Report to the members of Blackfriars Advice Centre

We have audited the financial statements of Blackfriars Advice Centre for the year ended 31 March 2014 which comprise the Statement of Financial Activities (incorporating the summary income and expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material misstatements or inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records or returns; or
- Certain disclosures of the trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Susan Plumb

11 June 2014

Susan Plumb
Senior Statutory Auditor
For and on behalf of Haines Watts, Chartered Accountants and Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Blackfriars Advice Centre
Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 March 2014

	Note	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		-	-	-	-
Interest received		-	-	-	63
<i>Incoming resources from charitable activities:</i>					
Advice Centre	2	-	400,248	400,248	353,390
Multiple Debt Project		22,000	-	22,000	-
Duty Scheme		-	66,041	66,041	110,766
Emigrant Support Programme		12,500	-	12,500	20,000
Money Savvy Project		24,000	-	24,000	-
LSC funded advice work		-	11,358	11,358	133,238
Sure Start projects		-	46,137	46,137	61,137
Capitalise (Face to Face)		260,292	-	260,292	249,150
Rights Reach Project		85,015	-	85,015	83,613
Transition Fund		22,500	-	22,500	-
Other incoming resources		-	61,758	61,758	1,732
Total incoming resources		426,307	585,542	1,011,849	1,013,089
Resources expended					
<i>Charitable expenditure</i>					
Advice Centre		22,000	293,380	315,380	336,994
Court services		-	114,446	114,446	149,966
Emigrant Support Programme		18,387	-	18,387	24,654
Money Savvy Project		24,000	-	24,000	-
LSC funded advice work		-	86,020	86,020	174,364
Sure Start projects		-	31,989	31,989	53,143
Capitalise (Face to Face)		260,292	-	260,292	249,150
Rights Reach Project		85,015	-	85,015	88,220
Transition fund		23,415	-	23,415	-
<i>Governance costs</i>		-	3,200	3,200	3,100
Total resources expended	3	433,109	529,035	962,144	1,079,591
Net (outgoing) / incoming resources for the year before transfers	5	(6,802)	56,507	49,705	(66,502)
Transfers between funds	9	5,541	(5,541)	-	-
Net movement in funds		(1,261)	50,966	49,705	(66,502)
Funds 1 April 2013		4,273	60,619	64,892	131,394
Funds 31 March 2014		3,012	111,585	114,597	64,892

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 9 to the financial statements.

Blackfriars Advice Centre
Balance Sheet
As at 31 March 2014

	Note	2014 £	2013 £
Tangible fixed assets	6	<u>3,475</u>	<u>4,481</u>
Current assets			
Debtors	7	60,212	164,331
Cash at bank and in hand		<u>126,078</u>	<u>2,041</u>
		186,290	166,372
Creditors: Amounts falling due within one year	8	<u>75,168</u>	<u>105,961</u>
Net current assets		<u>111,122</u>	60,411
Net assets	10	<u>114,597</u>	<u>64,892</u>
Funds			
Restricted funds		3,012	4,273
Unrestricted funds		<u>111,585</u>	<u>60,619</u>
Total funds	9	<u>114,597</u>	<u>64,892</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the management committee on 9th June 2014 and signed on its behalf by the Chair, Chris Sanford



Chris Sanford - Chair

1. Accounting policies

- 1.1 The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).
- 1.2 All incoming recourses are included in the statement of financial activities when the charity is entitled to the income and it can be quantified with reasonable accuracy. The following specific provisions are applied:
- 1.2.1 Voluntary income received by way of donations is included in full in the statement of financial activities when receivable.
- 1.2.2 Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Fee income is included in the statement of financial activities on a receivable basis. Income relating to future periods is deferred.
- 1.2.3 Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets those criteria is identified to the fund.
- 1.2.4 Designated funds are funds earmarked by the management committee for specified purposes.
- 1.2.5 Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Transfers between funds are made where the income for the project is exceeded by costs incurred on the project, or where it has been agreed with the funder to use unspent balances at the end of a project on activities with a similar objective.
- 1.3 Resources expended, which include attributable VAT that cannot be recovered, are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the overhead costs of the central function, is apportioned on the basis of staff time spent on each activity.
- 1.4 Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.
- 1.5 Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:
- | | |
|---|---------|
| Computer equipment | 3 years |
| Fixtures, fittings and office equipment | 4 years |
- Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.
- 1.6 All leases of property and equipment are operating leases, and rental costs are recognised on a straight line basis over the period of each lease. No assets are held under hire purchase agreements.

2. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Advice Centre				
LB of Southwark - Generalist and Language Services	-	379,136	379,136	318,143
LB of Bromley - Debt Session	-	21,112	21,112	13,950
LB of Lambeth - Multiple Debt Project	22,000	-	22,000	21,297
Duty Scheme				
Legal Services Commission	-	66,041	66,041	110,766
Department of Foreign Affairs and Trade				
Emigrant Support Programme	12,500	-	12,500	20,000
LSC funded advice work				
Legal Services Commission	-	11,358	11,358	133,238
Children's Services (Sure Start)				
Southwark Primary Care Trust	-	46,137	46,137	61,137
Capitalise (Face to Face)				
Toynbee Hall	260,292	-	260,292	249,150
Big Lottery Fund				
Rights Reach Project	85,015	-	85,015	83,613
Transition Fund	22,500	-	22,500	-
Money Savvy Project	24,000	-	24,000	-
Other incoming resources	-			
J Paul Getty Jnr Charitable Trust		55,000	55,000	-
Other		6,758	6,758	1,732
	<u>426,307</u>	<u>585,542</u>	<u>1,011,849</u>	<u>1,013,026</u>

Blackfriars Advice Centre
Notes to the financial statements
For the year ended 31 March 2014

3. Total resources expended

	Sure Start £	LSC Advice Centre £	Advice Centre £	Court Services £	Rights Reach £	Money Savvy Project £	Transition Fund £	Emigrant Programme £	Capitalise (Face to Face) £	Governance Costs £	2014 Total £	2013 Total £
Staff costs (note 4)	31,989	34,931	259,361	77,401	59,202	24,000	23,415	18,387	214,966		743,652	750,134
Freelance and consultants		275	2,802		13,444				275		16,796	39,348
Volunteer costs					4,749				7		4,756	-
Other staff costs		9,154	7,619		1,079				5,825		23,677	45,149
Premises		24,380	17,976		6,404				24,460		73,220	68,998
Administration		9,955	12,814	14	137				8,657		31,577	60,502
Other		45	3,401						90		3,536	18,093
Client court services/disbursements		1,374	20	37,031							38,425	78,869
Subscriptions and publications		3,200	3,928						3,312		10,440	-
Depreciation			4,303								4,303	3,202
Audit										3,200	3,200	3,100
Bank charges			40	253					33		326	400
Committee expenses and training				237							237	357
Insurance			1,565	1,565					1,565		4,695	4,646
Legal & Professional											-	1,402
Irrecoverable VAT			1,101	1,101					1,102		3,304	5,391
Total resources expended	31,989	86,020	315,380	114,446	85,015	24,000	23,415	18,387	260,292	3,200	962,144	1,079,591

4. Staff costs and numbers

	2014	2013
	£	£
Salaries	674,819	680,537
Social Security costs	68,834	69,597
	<u>743,653</u>	<u>750,134</u>

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
Advice Centre	9.0	9.0
Court Services	0.9	0.9
Emigrant Support Programme	0.5	0.5
LSC funded advice work	2.0	4.0
Sure Start projects	1.3	1.3
Capitalise (Face to Face)	5.5	2.5
Santander	0.0	0.0
Transition Funding	0.6	0.0
Money Savvy Project	0.5	0.0
Rights Reach Project	1.5	1.5
	<u>21.80</u>	<u>19.70</u>

No employee earned more than £60,000 (2013: Nil)

5. Net incoming/(outgoing) resources for the year

	2014	2013
	£	£
This is stated after charging:		
Depreciation	4,303	3,204
Operating lease costs	-	-
Auditors' remuneration:		
Current year audit	3,100	3,100

Reimbursed travel expenses were paid to one trustee amounting to £237 during the year (2013: £357).

6. Tangible fixed assets

	Computer equipment	Total
	£	£
Cost:		
At 1 April 2013	23,595	23,595
Additions in year	3,297	3,297
At 31 March 2014	<u>26,892</u>	<u>23,595</u>
Depreciation:		
At 1 April 2013	19,114	19,114
Charge for year	4,303	4,303
Disposals in year	-	-
At 31 March 2014	<u>23,417</u>	<u>23,417</u>
Net Book Value:		
At 31 March 2014	<u>3,475</u>	<u>3,475</u>
At 31 March 2013	4,481	4,481

Blackfriars Advice Centre
Notes to the financial statements (continued)
For the year ended 31 March 2014

7. Debtors	2014	2013
	£	£
Accrued income	50,283	150,004
Prepayments	332	525
Trade debtors	3,243	12,612
Other debtors	6,354	1,190
	<u>60,212</u>	<u>164,331</u>

Accrued income represents payments on results for work completed at the year end.

8. Creditors: Amounts falling due within one year	2014	2013
	£	£
Taxation & Social Security	39,277	56,824
Accruals	14,784	18,767
Other creditors and deferred income	21,107	30,370
	<u>75,168</u>	<u>105,961</u>

Included in other creditors and deferred income above is £17,500 (2013 £5,000) of deferred income. All deferred income is released in the following period.

9. Movement in funds					At 31 March 2014
	At 1 April 2013	Incoming resources	Outgoing resources	Transfers	£
	£	£	£	£	£
Restricted funds:					
Emigrant Support Programme	346	12,500	(18,387)	5,541	-
Rights Reach Project	3,012	85,015	(85,015)	-	3,012
Transition Fund	915	22,500	(23,415)	-	-
Multiple Debt Project	-	22,000	(22,000)	-	-
Money Savvy Project	-	24,000	(24,000)	-	-
Capitalise (Face to Face)	-	260,292	(260,292)	-	-
Total restricted funds	<u>4,273</u>	<u>426,307</u>	<u>(433,109)</u>	<u>5,541</u>	<u>3,012</u>
Unrestricted funds:					
General funds	10,619	585,542	(527,035)	(5,541)	61,585
Designated reserves					
Staffing	50,000	-	-	-	50,000
Total unrestricted funds	<u>60,619</u>	<u>585,542</u>	<u>(643,079)</u>	<u>-</u>	<u>111,585</u>
Total funds	<u>64,892</u>	<u>1,011,849</u>	<u>(962,144)</u>	<u>-</u>	<u>114,597</u>

Outgoing resources include a proportion of the governance costs.

Purposes of restricted funds:

Capitalise (Face to Face)	To provide face to face debt advice in Southwark. The Face to Face project is funded by Money Advice Service through the Capitalise lead agency, Toynbee Hall.
Department of Foreign Affairs and Trade; Emigrant Support Programme	Advice and advocacy services for members of the Irish community. Funded by the Embassy of Ireland for the year 1 st July 2013 to 30 th June 2014. £10,000 funding received for this period of which £7,500 was allocated to the 2013/2014 financial year.
Rights Reach Project	To provide services to emerging communities, giving advice and improving access to financial education, and so reducing poverty and improving the quality of life for people. Funded by Big Lottery Fund.
Transition Fund	To lead on the guided self-help programme and develop capacity to deal with welfare benefits issues relating to welfare reform.
Money Savvy Project	Delivering financial education training and workshops to a range of different groups including high risk social tenants in Southwark.
Multiple Debt Project	Pilot project in partnership with Lambeth Council and other organisations. To engage and research effectiveness of telephone advice in supporting clients in multiple debt.
Designated funds	Details of designated funds are given in the reserves policy in the Trustees Report.

10. Analysis of net assets between funds

	Restricted funds	Unrestricted funds	2014
	£	£	£
Tangible fixed assets	-	3,475	3,475
Current assets	5,512	180,778	186,290
Current liabilities	(2,500)	(72,668)	(75,168)
Net assets at 31 March 2014	<u>3,012</u>	<u>111,585</u>	<u>114,597</u>

11. Taxation

The charitable company is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes.