

Charity Registration No. 1039776

Company Registration No. 2946921 (England and Wales)

PORTSMOUTH CITIZENS' ADVICE BUREAU
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2002



PORTSMOUTH CITIZENS' ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr T R Abram
D K Allsopp Esq, O B E
Mr A R Browne
Mrs J Budge
Cllr G Goble
Dr P S Haskell
Mrs C Hopwood
Dr J Howard
Mrs S Hutchins
Mrs C Johnson
Mrs P Lodder
Mr R Neithercut
Mr B Oliver
J L Peer Esq, M B E
Cllr R Pettigrew
Ms B Phagura
Mr J E Romney

Secretary

Mr J E Romney

Charity number

1039776

Company number

2946921

Principal address

Dugald Drummond Street
Portsmouth
Hampshire
PO1 2BB

Registered office

Dugald Drummond Street
Portsmouth
Hampshire
PO1 2BB

Auditors

Jones Avens
53 Kent Road
Southsea
Hampshire
PO5 3HU

Bankers

National Westminster Bank Plc
130 Commercial Road
Portsmouth
Hampshire
PO1 1ES

PORTSMOUTH CITIZENS' ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Lapthorn
1 Barnes Wallis Road
Segensworth
Hampshire
PO15 5UA

PORTSMOUTH CITIZENS' ADVICE BUREAU

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PORTSMOUTH CITIZENS' ADVICE BUREAU

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2002

The trustees present their report and accounts for the period ended 31 March 2002.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The charity is a company limited by guarantee and was formed on 8 July 1994. The charity's objects, as set out in the Memorandum of Association, are the promotion of any charitable purposes for the benefit of the community in the area of Portsmouth by the advancement of education, the protection of health and the relief of poverty, sickness and distress. The aims of the company are to ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available; or through an inability to express their needs effectively and equally to exercise a responsible influence on the development of social policies and services, both locally and nationally.

The policies adopted in furtherance of these objects are set out in note 1 to the accounts and there has been no change in these during the period.

The charity operates from its head office in Portsmouth and its second office in Cosham, with outreach services within the city boundaries.

Review of activities

Our greatest step forward this year has been the Drummond House renovation work, which now gives our staff comfortable, well decorated and appointed office spaces with a modern telephone system and cabling ready for the NACAB computerisation programme. It also gives our customers a much brighter and cleaner impression of our organisation than that formerly gleaned from the previous dark, cramped and dingy surroundings.

However, that is very much the good news, elsewhere most of the year has been overshadowed by continuing money worries, particularly trying to balance the delivery of a service commensurate with the service agreement we have with PCC against a funding which is several years astern of 2002. While we have managed to overcome the worst in this year we are, nevertheless, only too well aware that in November 2002 we will have to address the necessary provisions for year three of the current service level agreement, namely 1 April 2003 to 31 March 2004; as well as producing funding bids, wherever possible to cover some of the shortfalls.

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the period were:

Mr T R Abram

D K Allsopp Esq, O B E

Mr A R Browne

Mrs J Budge

Cllr G Goble

Dr P S Haskell

Mrs C Hopwood

Dr J Howard

Mrs S Hutchins

Mrs C Johnson

Mrs P Lodder

Mr R Neithercut

Mr B Oliver

J L Peer Esq, M B E

Cllr R Pettigrew

PORTSMOUTH CITIZENS' ADVICE BUREAU

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

Ms B Phagura
Mr J E Romney

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees appointed during the year were Mrs C Hopwood, Dr J Howard, Mrs S Hutchins and Ms B Phagura.

The trustees who resigned during the year were Mr C P Barlow, Mr A Beardsley, Mrs B Day, Ms L Tookey, Mr R B Tweed, Mrs B J Winter and Mr J Wynne.

Review of financial position

The trustees report an excess of outgoing resources over incoming resources for the year as set out on the Statement of Financial Activities and Balance Sheet on pages 5 and 6.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been eroded during the year and the trustees are considering with some urgency other ways of generating additional income, failing which a cost cutting exercise will need to be adopted.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Asset cover for funds

Note 13 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jones Avens be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



J L Peer Esq, M B E

Chairman

Dated: 16 August 2002

PORTSMOUTH CITIZENS' ADVICE BUREAU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees 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 that the company will continue in business.

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 them to ensure that the accounts comply with the Companies Act 1985. they are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PORTSMOUTH CITIZENS' ADVICE BUREAU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTSMOUTH CITIZENS' ADVICE BUREAU

We have audited the accounts of Portsmouth Citizens' Advice Bureau for the period ended 31 March 2002 set out on pages 6 to 13. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of trustees and auditors

As described on page 3, the trustees, who are also the directors of Portsmouth Citizens' Advice Bureau for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

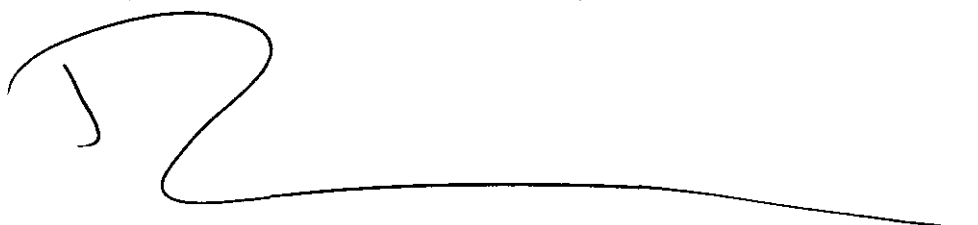
Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in notes 14 and 15 of the financial statements concerning the ongoing legal proceedings by a former employee. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Jones Avens
Chartered Accountants
Registered Auditor



PORTSMOUTH CITIZENS' ADVICE BUREAU

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF PORTSMOUTH CITIZENS' ADVICE BUREAU

53 Kent Road
Southsea
Hampshire
PO5 3HU

Dated: 16 August 2002

PORTSMOUTH CITIZENS' ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2002

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2002 £	Total 2001 £
Incoming resources						
Donations and legacies	2	23,972	-	200	24,172	31,616
Activities in furtherance of the charity's activities	3	225,302	-	254,839	480,141	381,767
Investment income	4	1,639	-	1,302	2,941	6,691
Other incoming resources	5	214	-	4,173	4,387	3,660
Total incoming resources		251,127	-	260,514	511,641	423,734
Resources expended						
Costs of generating funds						
Charitable expenditure						
Direct charitable expenditure		261,439	-	218,249	479,688	420,730
Management and administration		49,293	-	-	49,293	46,889
Total resources expended	6	310,732	-	218,249	528,981	467,619
Net (outgoing)/incoming resources before transfers		(59,605)	-	42,265	(17,340)	(43,885)
Transfers between funds		4,111	39,231	(43,342)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(55,494)	39,231	(1,077)	(17,340)	(43,885)
Fund balances at 1 April 2001		75,776	-	69,621	145,397	189,282
Fund balances at 31 March 2002		20,282	39,231	68,544	128,057	145,397

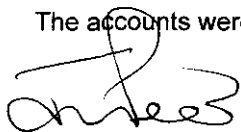
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

PORTSMOUTH CITIZENS' ADVICE BUREAU

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	9		71,213		12,081
Current assets					
Debtors	10	65,617		19,348	
Cash at bank and in hand		10,158		131,353	
		<u>75,775</u>		<u>150,701</u>	
Creditors: amounts falling due within one year	11	<u>(18,931)</u>		<u>(17,385)</u>	
Net current assets			<u>56,844</u>		<u>133,316</u>
Total assets less current liabilities			<u><u>128,057</u></u>		<u><u>145,397</u></u>
Income funds					
Restricted funds	12		68,544		69,621
Unrestricted funds:					
Designated funds			39,231		-
Other charitable funds			20,282		75,776
			<u><u>128,057</u></u>		<u><u>145,397</u></u>

The accounts were approved by the Board on 16 August 2002



J L Peer Esq, M B E
Chairman

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2002

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

1.2 Incoming resources

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	20% straight line
Fixtures, fittings & equipment	25% straight line

1.4 Designated Funds

The designated fund has been set up to assist in identifying those funds which are not free funds and it represents the net book value of fixed assets to the extent that these assets are not funded by restricted funds.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Donations and gifts	23,972	200	24,172	31,616

Portsmouth City Council provides the premises at Portsmouth and Cosham from which the company operates free of charge. This assistance has been valued at £22,500 (2001 - £22,500) and is reflected in Donations and gifts and Resources Expended.

3 Activities in furtherance of the charity's activities

	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
NACAB Grants	-	-	-	7,796
Local Authority Grants	225,302	140,919	366,221	294,998
Community Fund Grant	-	70,489	70,489	37,031
Legal Services Commission Grants	-	43,431	43,431	41,942
	225,302	254,839	480,141	381,767

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

4 Investment income

	Total 2002 £	Total 2001 £
Interest receivable	2,941	6,691

5 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Other income	214	4,173	4,387	3,660

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2002 £	Total 2001 £
Charitable expenditure:					
Direct charitable expenditure	371,782	17,504	90,402	479,688	420,730
Management and administration	27,741	7,411	14,141	49,293	46,889
	399,523	24,915	104,543	528,981	467,619

Management and administration costs includes payments to the auditors of £1,763 (2001 - £3,540) for audit fees.

7 Trustees

Two trustees received remuneration totalling £40,696 during the year (2001 - £44,923) for their services as officers of the company.

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

8 Employees

Number of employees

The average monthly number of employees during the period was:

	2002 Number	2001 Number
Average number of staff employed	33	32

Employment costs

	2002 £	2001 £
Wages and salaries	399,523	362,301

There were no employees whose annual emoluments were £50,000 or more.

9 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2001	-	23,855	23,855
Additions	34,095	49,952	84,047
At 31 March 2002	34,095	73,807	107,902
Depreciation			
At 1 April 2001	-	11,774	11,774
Charge for the period	6,819	18,096	24,915
At 31 March 2002	6,819	29,870	36,689
Net book value			
At 31 March 2002	27,276	43,937	71,213
At 31 March 2001	-	12,081	12,081

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

10 Debtors	2002	2001
	£	£
Trade debtors	2,241	-
Other debtors	-	600
Prepayments and accrued income	63,376	18,748
	<u>65,617</u>	<u>19,348</u>
11 Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	7,319	1,122
Accruals	11,612	16,263
	<u>18,931</u>	<u>17,385</u>

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2002
	Balance at 1 April 2001	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Outreach Advice Services Unit	33,921	22,309	(32,281)	(1,650)	22,299
Welfare Benefits Specialist Unit	1,157	43,547	(35,298)	(2,407)	6,999
Debtline	34,501	79,196	(76,373)	(30,060)	7,264
Debtline (Community Fund)	-	60,571	(60,571)	-	-
Gay Men's Project	42	-	-	(42)	-
Support Workers (Community Fund)	-	9,918	(10,816)	898	-
Court Desk (with Southern Focus Trust)	-	4,173	(2,910)	(1,263)	-
Capital Fund	-	40,800	-	(8,818)	31,982
	<u>69,621</u>	<u>260,514</u>	<u>(218,249)</u>	<u>(43,342)</u>	<u>68,544</u>

(a) The Outreach Advice Services Unit, funded by Portsmouth City Council (£21,500), was set up to provide care in the community.

(b) The Welfare Benefits Specialist Unit, funded by the Legal Services Commission (£43,431), was established to offer increased tribunal work in relation to welfare benefits.

(c) Debtline, funded by the Community Fund (£60,571), the Single Regeneration Budget (£65,632), and Portsmouth City Council (£12,810), was set up for the provision of a debt counselling service.

(d) The Gay Men's Project was set up as an advice service.

(e) The Support Workers Fund, funded by the Community Fund (£9,918), was set up to provide support and guidance to volunteers.

(f) The Court Desk (Southern Focus Trust Partnership), funded by the Legal Services Commission (£4,107), was set up to coordinate and participate in the Housing Possession County Court Desk pilot scheme.

(g) The Office Refurbishment Fund, funded by the Single Regeneration Budget (£30,800) and Portsmouth City Council (£10,000), was set up to provide for the major refurbishment works carried out at the Portsmouth headquarters during the year.

PORTSMOUTH CITIZENS' ADVICE BUREAU

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2002

13 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2002 are represented by:				
Tangible fixed assets	-	39,231	31,982	71,213
Current assets	32,116	-	43,659	75,775
Creditors: amounts falling due within one year	(11,834)	-	(7,097)	(18,931)
	<u>20,282</u>	<u>39,231</u>	<u>68,544</u>	<u>128,057</u>
Unrealised gains at 31 March 2002	-	-	-	-

14 Contingent liabilities

A former employee remunerated at the rate of £13556 per annum has brought proceedings against the company for disability discrimination and constructive dismissal, having left the company's employment in March 2001. The company's legal advisors have advised that were the employee successful in her claims she would receive an amount in respect of her financial loss suffered up to the date of the tribunal hearing. The date of the tribunal hearing is not known at this time. She may also receive an amount for future loss, although this would be unlikely to exceed twelve months pay. The former employee is under a duty to mitigate the loss that she has suffered and the legal advisors understand that she has had some success in this. The extent to which an employee is able to mitigate his/ her loss will be taken into account by an Employment Tribunal in calculating the award. She may also receive an injury to feelings award although this would be unlikely to exceed £5,000. Settlement negotiations have been initiated with the former employee but have been discontinued on the basis of the excessive and unrealistic settlement figure put forward by her representative.

It is not possible to quantify the liability, if any, which is dependent on the outcome of the tribunal hearing.

15 Going concern

Note 14 describes the uncertainty relating to legal proceedings being taken by a former employee of the Bureau.

The Trustees consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis. This assumes that the claim made by the former employee will be unsuccessful or that sufficient funding will be available to settle her claim. The financial statements do not include any adjustments that would result if the claim was successful and insufficient funds were available to meet the claim.