

Company number: 1302947
Charity number: 268468

Islington Law Centre



Report and financial statements
For the year ended 31 March 2020

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For the year ended 31 March 2020

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Reference and administrative information

For the year ended 31 March 2020

Company number 1302947

Charity number 268468

Registered office and operational address 38 Devonian Road, London, N1 8JH

Members of the board Members, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Marian Ellingworth	Chair
Susan Lee	
Onika Adams	
Paula Alessandro	Resigned 20 July 2020
Lindsay Edkins	
Michael Collins	
Paul Lowenberg	
Russell Smith-Becker	
Jemima Joll	

Key management personnel	Stuart Hearne	Director
	Matthew Brown	Deputy Director Joined 24 June 2019

Bankers Lloyds Bank
Highbury Corner
31-33 Holloway Road
London
N7 8JU

Reference and administrative information

For the year ended 31 March 2020

Solicitors	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Trustees' annual report

For the year ended 31 March 2020

The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on pages 1 and 2 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: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Trustees review the aims, objectives and activities of the charity each year at a planning session. Following a review, the charity's articles of association were fully updated on 9 December 2019 and the objects were set out as follows:

- (a) The relief of poverty amongst persons resident or working in England and Wales in particular the London Borough of Islington and the surrounding area by providing such persons with legal advice services and representation which they could not otherwise obtain or which it would not be reasonably practicable or appropriate for them to obtain elsewhere; including by the provision of legal advice services and representation to help migrants, refugees and asylum seekers to take steps towards the regularization of immigration status where appropriate;
- (b) To advance the education of the public in the law of England and Wales and the application thereof

The Law Centre has established a range of services in furtherance of these aims, which have been carried out during the year in question.

The review also helps the Trustee Board ensure the charity's aims, objectives and activities remained focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help.

Trustees 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 its future activities. In particular, they consider how planned activities will contribute to the aims and objectives that have been set.

Organisational Structure

The Charity has an active Trustee Board, which meets at least 6 times a year. During the course of the year, the Trustee Board reviewed its terms of reference and governance procedures and made some changes to ensure that the entire Trustee board was involved in shaping the direction of the work.

The Charity employs a staff team that includes: –

Director and Deputy Director

Supervisors (including solicitors) – 8 covering all areas of the Law Centre's work

Solicitors – 14

Caseworkers – 10

Reception and Referral team – 2

Interim Office Manager – 1

Achievements and performance

The charity's main activities and who we assist are described below. The Law Centre is focused on assisting people to overcome the effects of poverty. All its charitable activities focus on people on low incomes and are undertaken to further Islington Law Centre's charitable purposes for the public benefit.

Primary activities include: –

- An open door reception and referral service available 5 days a week to help people identify the key legal issues they are facing and to link them with appropriate support (both within the organisation and via other agencies)
- Specialist casework teams in debt, education, housing, immigration/asylum, public law and welfare benefits.
- An outreach programme delivering 15 specialist legal advice sessions each week, based in front line services and community venues
- A pro bono programme which includes 3 evening advice sessions each week, providing direct face to face assistance with the help of volunteer lawyers, as well as other pro bono activity linked to specific projects and other casework teams
- Specialist projects focussing on target client groups – Street Legal (a youth homelessness project), the Migrants' Law Project (MLP) and the Migrant and Refugee Children's Legal Unit (MiCLU).

All areas of the charity's activities have been well used by clients and have made an impact during the year. The charity maintained a client caseload of around 2085 substantive matters during the course of the year.

The Covid 19 Pandemic

The Law Centre had in place a business continuity plan which assisted in the move to remote working which took place on 20 March 2020. All services have continued to be provided by the Law Centre throughout the pandemic with most services being provided by telephone or zoom. All the existing outreach services have continued with the same level of support provided to clients but provided through remote working. We have also set up a scheme to assist clients with little or no access to digital services to be able to access mobiles and data where needed to ensure

they could access services remotely. We would like to thank our partners in the Islington Strategic Advice Partners, particularly Islington People's Rights, Help on Your Doorstep, Citizen's Advice, Cripplegate Foundation, Cloudesley and Islington Council for all of the work that has been done to help us to come together during the pandemic to work to ensure that services across the Borough have worked to meet the needs of the community during this difficult time.

Throughout the pandemic we have worked closely with the Islington Coronavirus Response Forum and one of the most positive aspects of this very difficult situation for so many people is the way that all of the statutory and voluntary organisations across Islington have come together to work to help to support the residents of Islington and adjoining Boroughs.

Reception and Referral Service

In the year 2019/20, the service dealt with 6,959 enquiries, of which 2,762 came from people contacting the Law Centre for the first time. This was an increase in just over 20% on the previous year.

Casework, advocacy and representation

The Law Centre worked on 2085 cases during the year, including –

Housing – 296

Welfare Benefits – 455

Immigration – 538

Debt – 168

Education – 87

The pro bono evening clinics assisted 564 people during the year.

We also managed the Court Possession Duty Scheme at Clerkenwell and Shoreditch County Court.

There were significant casework successes in all areas of law, with a reduction in poverty as a result of increased household income, lower indebtedness, as well as improvements in clients' housing, employment and educational situations and resolution of immigration status.

The Law Centre also undertook both legal education and social policy work – for example providing training to local community organisations and responding to government consultations.

Outreach

Specialist advisors delivered sessions at Islington Council's housing offices as well as the following community venues: Help on Your Doorstep, Islington Bangladesh Association, Community Language Support Services, Hackney Migrant Centre, and Haringey Migrants' Support Centre.

Trustees' annual report

For the year ended 31 March 2020

Over 1,200 appointments were delivered to clients via the outreach provision, enabling the Law Centre to meet the needs of people who may not have been able to access mainstream provision and to maximise the impact of solicitors and caseworkers' time by building strong partnerships with other agencies.

Pro bono activity

The Law Centre continued to run three evening advice sessions each week, with volunteer lawyers providing initial advice and assistance in drafting documents. The service involves teams of pro bono lawyers from seven City law firms and in-house teams and has assisted clients with issues such as reclaiming deposits from landlords, Criminal Injuries Compensation and small claims proceedings. The Law Centre has also worked been able to sustain a pro bono immigration project, working with law students and two City law firms. The Law Centre is a London partner in a new initiative led by Central England Law Centre, Kids in Need of Defense UK, which works with children and young people to secure pro bono legal assistance around issues of immigration status. It is estimated that in excess of 2,500 pro bono hours are provided to the Law Centre's clients via these arrangements – the equivalent of more than two full time members of staff – delivering front line help which we otherwise would not be able to provide

Specialist projects

The Law Centre's specialist projects had a highly successful year with not only a range of casework successes but also wider impact on behalf of vulnerable groups.

The MLP has continue to undertake strategic litigation work and to build on the links with Citizens UK in addressing the legal needs of children and young people separated from their families due to immigration issues.

The Migrant and Children's Refugee Legal Unit has worked with the Immigration Team at the Law Centre and with The Children's Society to highlight the issues faced by unaccompanied and separated children and young people trying to resolve their immigration status, following their success challenging the Lord Chancellors removal of legal aid from this area. As a result of our successful court challenge unaccompanied children in the immigration system now have access to legal advice under the Legal Aid scheme.

Changes in the organisation's infrastructure

Following an extensive internal review, the Law Centre has moved to improve our accounting and finance functions and to address an underlying deficit in the organisation's day to day finances. This review and the action taken have led to a strengthening of the organisation's financial position during the year. We have put in place improved financial arrangements and have moved to a new cloud-based accounting system. In addition, we have improved the IT facilities at the Law Centre by moving to a new cloud-based case management system and have upgraded the organisation's IT hardware along with a move to Office 365.

This improvement in the foundation of the Law Centre should build in increased resilience into the organisation and enable us to assist clients in a professional manner into the future. These changes also assisted the organisation to deal with effects of Covid 19 and to make it easier for us to move to remote working following the Governments Lockdown.

The Law Centre holds the Law Society's Lexcel Quality Standard and was re-awarded this following a full reassessment in April 2020.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on tackling poverty and improving access to justice and are undertaken to further Islington Law Centre's charitable purposes for the public benefit.

Beneficiaries of our services

The Law Centre works with low-income clients, who are often facing extreme hardship and as at 31 March 2020 had a live caseload of 2,085 cases, an increase on the previous year. The majority of clients are women (around 60%) and two thirds are from black and minority ethnic communities.

Clients increasingly have legal issues that involve more than one matter, or one area of law, and over the last couple of years there has been a sustained increase in the percentage of welfare benefits clients who require assistance with an appeal.

For the Law Centre as a whole, around 36% of clients are recorded as having at least one disability. However, for outreach services, this rises to 75%, with a majority having more than one long-term illness and/or disability.

Beneficiaries can self-refer, or are referred or signposted from other agencies, and a number of referrals are received from mental health professionals, as well as community organisations, children's centres and the local authority.

Clients are asked about their experience of the service via a questionnaire, as well as contacting us independently with feedback, and over 95% of clients say they are satisfied or very satisfied. Clients frequently comment on the impact that the service has had on them, not only in terms of their legal issues, but wider access to justice and health, wellbeing and quality of life.

Financial review

The Law Centre has undertaken considerable work over the past two years to address a previous structural deficit. This has included improving our financial accounting systems, reducing our expenditure and improving our income. We have also undertaken work to improve our billing procedures in regard to our legal aid income. This work has resulted in improved internal systems and has increased the Law Centre's resilience and has given us a stronger foundation. As

a result of this improved performance we are now building some reserves and are in a better place to deal with any financial issues that we may face in the future.

Our income for the year increased to £1,759,357 with expenditure of £1,572,828. We have managed to increase our unrestricted funds less work in progress to £141,106 and our overall funds to £643,764.

The Trustees have taken this action to ensure that the Law Centre is able to increase its unrestricted income and reserves over the next 3 years.

Principal risks and uncertainties

This is an extremely difficult time for specialist legal advice charities. Legal Aid is not available for many of the legal issues for which the Law Centre's clients are seeking help, and Legal Aid rates have been frozen for many years, which has led to a significant reduction in other sources of assistance for our beneficiary group.

The primary risks to the organisation are loss of key management personnel and risks associated with running legal aid contracts. We are managing these risks by having brought in a Deputy Director to expand the senior management team and by employing a Director with a solid track record in managing legal aid contracts over many years.

There is increasing competition for funding from Trusts and Foundations, and many of these funds are targeted at discrete client groups and/or areas of work, rather than "open door" services.

The Government is undertaking a review of the impact of LASPO (Legal Aid and the Sentencing and Punishment of Offenders act), and we have participated in this with a view to highlighting the significant levels of unmet need and the potential for legal aid to assist in reducing the need for other services.

We expect that the increase in poverty, and in particular child poverty and in-work poverty, combined with the roll out of Universal Credit, will increase demand for our services further over the coming period. We are also based in an area which is home to a significant number of European Nationals and we expect Brexit to have an impact on our community.

Reserves policy and going concern

The Trustees are committed to building reserves to provide three months' normal running costs, approximately £400,000. The free reserves (unrestricted general funds less unrestricted fixed assets) at the year-end were £338,108. This figure excludes funds that have been designated by the Trustees for work of the Migrants' Law Project of £146,681.

Trustees are conscious that the current level of reserves is lower than the reserves policy. They are committed to increasing this figure to three months of normal running costs in order to enable the organisation to meet operational cash flow needs, be flexible enough to manage changes in funding streams and to meet staff costs in the event of long term sickness, maternity leave and/or redundancy. The restructure of the organisation should enable steps to be taken to increase reserves over the coming years.

Fundraising

The Law Centre has increased the capacity of the Senior Management Team so that there is a greater level of focus on fundraising, and is adopting a new fundraising strategy.

Fundraising activity undertaken by the Law Centre currently includes the preparation and submission of applications to a range of Trusts and Foundations, and this is undertaken by paid staff and often in conjunction with other partner agencies and networks.

The Law Centre has participated in events organised by the London Legal Support Trust, such as an annual sponsored walk and has received donations from corporate law firms, individuals and Trusts.

The Law Centre's fundraising aims are to sustain and enhance existing services, and to build on these to meet new and/or additional needs, and to improve accessibility to those in greatest need.

The Law Centre has not engaged professional fundraisers or commercial participators, and has not undertaken activities which involve targeting members of the general public. It has not received any complaints in relation to fundraising activities nor has it acted in breach of any relevant codes.

Plans for the future

The Law Centre is committed to continuing to work for access to justice, and to ensuring a solid financial base for its services.

The Law Centre was awarded new Legal Aid contracts in housing, debt and welfare benefits, public law and immigration and asylum law.

In 2020/21, our aims include increasing the levels of publicly funded work that we do, thus increasing our percentage of unrestricted income, and to seek additional funds to enable us to respond to local needs, whilst retaining our strategic work and impact.

The Law Centre has undertaken work to improve the reception and interview facilities for clients and staff to improve the experience for clients receiving our services.

It is a priority for Trustees to seek to increase the level of unrestricted reserves held by the Law Centre in order to rebuild a solid financial foundation for the future.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 16 March 1977 and registered as a charity on 23 November 1977.

The company 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.

All members of the board give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Appointment of trustees

The Law Centre has a full Trustee Board having brought in new Trustees in the recent past. A new Trustee has been co-opted to the board this year who brings in experience of Employment Law.

Trustee induction and training

New Trustees receive an induction pack (which includes, for example, our safeguarding and other similar policies) and are invited to attend various training courses.

Bespoke training is also provided for Trustees as a group from time to time.

Statement of responsibilities of the trustees

The Trustees (who are also directors of Islington Law Centre 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Trustees 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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Trustees' annual report

For the year ended 31 March 2020

The Trustee Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee Board is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustee Board is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2020 was nine (2019: ten). The Trustees are members of the charity but this entitles them only to voting rights. The members have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the trustees on 7 December 2020 and signed on their behalf by

Marian Ellingworth
Chair

Independent auditor's report

To the members of

Islington Law Centre

Opinion

We have audited the financial statements of Islington Law Centre (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for

Independent auditor's report

To the members of

Islington Law Centre

the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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
- The Trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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 and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the statement of responsibilities of the Trustees set out in the Trustees' annual report, 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

Independent auditor's report

To the members of

Islington Law Centre

satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report

To the members of

Islington Law Centre

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

11 December 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

		Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
	Note						
Income from:							
Donations and legacies	2	90,569	-	90,569	74,720	7,866	82,586
Charitable activities	3						
General social welfare and core services		293,699	914,033	1,207,732	352,417	891,456	1,243,873
Migrant and Refugee Children's Legal Unit		41,340	190,141	231,481	1,501	244,537	246,038
Migrants' Law Project		104,577	125,000	229,577	54,492	200,815	255,307
Investments		-	-	-	48	-	48
Total income		530,185	1,229,174	1,759,359	483,178	1,344,674	1,827,852
Expenditure on:							
Charitable activities	5						
General social welfare and core services		124,703	1,011,388	1,136,091	394,038	847,529	1,241,567
Migrant and Refugee Children's Legal Unit		14,789	210,705	225,494	955	155,649	156,604
Migrants' Law Project		30,177	181,067	211,244	55,007	202,710	257,717
Total expenditure		169,669	1,403,160	1,572,829	450,000	1,205,888	1,655,888
Net income / (expenditure) for the year	6	360,516	(173,986)	186,530	33,178	138,786	171,964
Transfers between funds		(84,451)	84,451	-	6,114	(6,114)	-
Net movement in funds		276,065	(89,535)	186,530	39,292	132,672	171,964
Reconciliation of funds:							
Total funds brought forward		229,936	227,299	457,235	190,644	94,627	285,271
Total funds carried forward		506,001	137,764	643,765	229,936	227,299	457,235

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 18a to the financial statements.

Islington Law Centre

Balance sheet

Company no. 1302947

As at 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	10		<u>21,212</u>		<u>31,351</u>
			21,212		31,351
Current assets:					
Stock	12	356,885		377,953	
Debtors	13	259,870		238,370	
Cash at bank and in hand		<u>212,062</u>		<u>114,213</u>	
		828,817		730,536	
Liabilities:					
Creditors: amounts falling due within one year	16	<u>(193,752)</u>		<u>(240,446)</u>	
Net current assets			<u>635,065</u>		<u>490,090</u>
Total assets less current liabilities			656,277		521,441
Creditors: amounts falling due after one year	16		<u>(12,512)</u>		<u>(64,206)</u>
Total net assets			<u>643,765</u>		<u>457,235</u>
The funds of the charity:	18a				
Restricted income funds			137,764		227,299
Unrestricted income funds:					
Designated funds		146,681		128,348	
General funds		<u>359,320</u>		<u>101,588</u>	
Total unrestricted funds			<u>506,001</u>		<u>229,936</u>
Total charity funds			<u>643,765</u>		<u>457,235</u>

Approved by the management committee on 7 December 2020 and signed on their behalf by

Marian Ellingworth
Chair, Management Committee

Statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		186,530		171,964	
Depreciation charges		10,139		10,284	
Dividends, interest and rent from investments		(1,069)		(48)	
Repayments of borrowing		15,959		21,563	
Loss on the disposal of fixed assets		-		9,554	
Decrease / (increase) in stocks		21,068		(113,713)	
(Increase) / decrease in debtors		(21,500)		27,177	
(Decrease) / increase in creditors		(98,388)		41,795	
Net cash provided by operating activities			112,739		168,576
Cash flows from investing activities:					
Interest received		1,069		48	
Purchase of fixed assets		-		(41,148)	
Net cash provided by / (used in) investing activities			1,069		(41,100)
Cash flows from financing activities:					
Repayments of borrowing		(15,959)		(21,563)	
Net cash (used in) financing activities			(15,959)		(21,563)
Change in cash and cash equivalents in the year			97,849		105,913
Cash and cash equivalents at the beginning of the year			114,213		8,300
Cash and cash equivalents at the end of the year			212,062		114,213

1 Accounting policies

Statutory information

Islington Law Centre is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 38 Devonian Road, London, N1 8JH.

Basis of preparation

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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts have not been consolidated with the accounts of the charity's wholly owned subsidiary, Islington Legal Community Interest Company, as the subsidiary is immaterial. The company was dissolved on 2 July 2019.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimation of the value of work in progress.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legal contracts is recognised on the accruals basis. An asset is recognised for work done under legal contracts where the criteria of measurement, probability and entitlement are met.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor or which has been raised by the charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Resources expended 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 salary and overhead costs of the central function, is apportioned on the basis of staff time.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs are allocated to each activity based on staff time.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. 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.

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:

~ Long-term leasehold property	15 years straight-line
~ Fixtures and fittings	25% reducing balance
~ Office equipment	25% reducing balance
~ Computer equipment	3 - 5 years straight-line

Investments in subsidiaries

Investments in subsidiaries are at cost.

Stock

Stock is work in progress and is valued at the net realisable value. Provision is made where necessary for irrecoverable amount of work in progress.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities as they fall due.

Pensions

The charity operates a defined contribution pension scheme. Costs are allocated between restricted and unrestricted funds in accordance with the time spent on restricted and unrestricted work by staff members. There are no liabilities at year end.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted	Restricted	2019 Total £
Donations	90,569	-	90,569	74,720	7,866	82,586
	<u>90,569</u>	<u>-</u>	<u>90,569</u>	<u>74,720</u>	<u>7,866</u>	<u>82,586</u>

Notes to the financial statements

For the year ended 31 March 2020

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted	Restricted	2019 Total £
Grant LB Islington	-	450,000	450,000	-	450,000	450,000
Grant Cripplegate Foundation	-	113,313	113,313	-	110,688	110,688
Grant City Bridge Trust	-	60,100	60,100	-	-	-
Grant Three Guineas Trust	-	69,500	69,500	-	55,000	55,000
Grant Richard Cloudesley Foundation	-	74,500	74,500	-	43,847	43,847
Grant BBC Children in Need	-	48,813	48,813	-	47,796	47,796
Grant Paul Hamlyn Foundation	-	-	-	-	12,500	12,500
Grant Legal Education Foundation	-	29,884	29,884	-	70,806	70,806
Grant - Big Lottery	-	27,880	27,880	-	-	-
Grant Haringey Migrant Centre	-	24,139	24,139	-	24,600	24,600
Grant Hackney Migrant Centre	-	15,904	15,904	-	31,807	31,807
'London Legal Support Trust	-	-	-	-	30,000	30,000
Strategic Legal Fund (SLF)	-	-	-	-	11,912	11,912
The Access to Justice Foundation	-	-	-	-	2,500	2,500
Other grants	15,000	-	15,000	-	-	-
Fees and other income	278,699	-	278,699	352,417	-	352,417
Sub-total for general social welfare and core	293,699	914,033	1,207,732	352,417	891,456	1,243,873
Comic Relief	-	33,332	33,332	-	33,332	33,332
Kids in Need of Defence UK (KIND UK)	-	113,742	113,742	-	100,994	100,994
Strategic Legal Fund (SLF)	-	-	-	-	11,911	11,911
Paul Hamlyn Foundation	-	43,067	43,067	-	98,300	98,300
Fees and other income	41,340	-	41,340	1,501	-	1,501
Sub-total for Migrant and Refugee Children's	41,340	190,141	231,481	1,501	244,537	246,038
Esmée Fairbairn Foundation	-	30,000	30,000	-	30,000	30,000
Joseph Rowntree Charitable Trust	-	35,000	35,000	-	35,000	35,000
Trust for London	-	30,000	30,000	-	30,000	30,000
Baring Foundation	-	30,000	30,000	-	-	-
The AB Charitable Trust	-	-	-	-	17,000	17,000
Paul Hamlyn Foundation	-	-	-	-	85,000	85,000
Fees and other income	104,577	-	104,577	54,492	3,815	58,307
Sub-total for Migrants' Law Project	104,577	125,000	229,577	54,492	200,815	255,307
Total income from charitable activities	439,616	1,229,174	1,668,790	408,410	1,336,808	1,745,218

4 Local and Government and Housing Act 1989

The company received financial assistance from the London Borough of Islington. As required by Section 37 of the Local Government and Housing Act 1989 the following information is given.

London Borough of Islington provided funding towards the legal advice services in the following areas;

£450,000 (2019:£450,000) was for the provision of free legal advice services to Islington residents in the areas of debt, education, employment, housing, immigration and asylum and welfare benefits.

5 Analysis of expenditure (continued) - current year

	Charitable activities					2020 Total £	2019 Total £
	General social welfare and core services £	Migrant and Refugee Children's Legal Unit £	Migrants' Law Project £	Governance costs £	Support costs £		
Staff costs (Note 7)	855,295	160,165	164,923	-	-	1,180,383	1,195,211
Other staff costs	15,721	3,275	3,168	-	-	22,164	90,150
Professional overheads	13,315	2,023	2,000	3,705	-	21,043	19,774
Expenses related to costs	(4,823)	4,358	3,486	-	-	3,021	19,086
Project costs	16,464	13,720	4,678	-	-	34,862	22,238
General office costs	-	-	-	-	129,765	129,765	122,839
Premises costs	16,620	3,267	2,613	-	47,080	69,580	81,462
Depreciation	-	-	-	-	10,138	10,138	10,284
Audit and accountancy	-	-	-	54,986	-	54,986	50,400
Irrecoverable VAT	-	-	-	-	19,387	19,387	12,773
Bad debt	-	-	-	-	27,500	27,500	31,671
	912,592	186,808	180,868	58,691	233,870	1,572,829	1,655,888
Support costs	179,176	30,704	23,990		(233,870)	-	-
Governance costs	44,323	7,982	6,386	(58,691)	-	-	-
Total expenditure 2020	1,136,091	225,494	211,244	-	-	1,572,829	1,655,888
Total expenditure 2019	1,255,788	168,878	247,718	-	-	-	-

Of the total expenditure, £169,669 was unrestricted (2019: £450,000) and £1,403,160 was restricted (2019: £1,205,888).

5 Analysis of expenditure - prior year

	Charitable activities			Governance costs £	Support costs £	2019 Total £	2018 Total £
	General social welfare and core services £	Migrant and Refugee Children's Legal Unit £	Migrants' Law Project £				
Staff costs (Note 7)	900,884	104,630	189,697	-	-	1,195,211	1,116,891
Other staff costs	6,084	973	1,563	613	80,917	67,198	133,149
Professional overheads	15,131	1,893	2,750	-	-	29,806	37,035
Expenses related to costs	13,892	1,948	3,246	-	-	3,165	12,431
Project costs	21,216	383	639	-	-	93,377	13,791
General office costs	9,113	661	2,067	-	110,998	76,929	112,067
Premises costs	-	-	-	-	81,462	88,240	99,266
Depreciation	-	-	-	-	10,284	10,284	21,851
Audit and accountancy	-	-	-	50,400	-	50,400	40,575
Irrecoverable VAT	-	-	-	-	12,773	12,773	20,441
Bad debt	-	-	-	-	31,671	28,506	22,522
	966,320	110,488	199,962	51,013	328,105	1,655,888	1,630,019
Support costs	245,670	19,121	50,841	-	(315,632)	-	-
Governance costs	8,796	483	1,921	(11,200)	-	-	-
Total expenditure 2019	1,241,566	156,604	257,719	-	-	1,655,889	1,630,019
Total expenditure 2018	1,307,955	87,638	234,426	-	-	1,630,019	

Of the total expenditure, £450,000 was unrestricted (2018: £409,965) and £1,205,888 was restricted (2018: £1,220,054).

Notes to the financial statements

For the year ended 31 March 2020

6 Net income for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	10,138	10,284
Interest payable	1,069	1,581
Operating lease rentals:		
Property	22,500	22,500
Auditor's remuneration (excluding VAT):		
Audit	14,450	10,400
Under provision for earlier years	2,200	2,200
	<u>110,857</u>	<u>110,969</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,048,635	1,037,599
Social security costs	100,095	98,204
Employer's contribution to defined contribution pension schemes	31,654	22,504
Redundancy costs	-	36,904
	<u>1,180,383</u>	<u>1,195,211</u>

No employee earned more than £60,000 during the year (2019: nil).

The total employee benefits including employer NI and pension contributions of the key management personnel were £59,088 (2019: £58,360).

The trustees were not paid and received no other benefits from employment with the charity in the year (2019: £nil). No trustee received payment for professional or other services supplied to the charity (2019: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Average staff	36	37
	<u>36</u>	<u>37</u>

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At the start of the year	16,602	79,382	10,962	106,946
Additions in year	-	-	-	-
At the end of the year	16,602	79,382	10,962	106,946
Depreciation				
At the start of the year	16,262	48,371	10,962	75,595
Charge for the year	114	10,025	-	10,139
At the end of the year	16,376	58,396	10,962	85,734
Net book value				
At the end of the year	226	20,986	-	21,212
At the start of the year	340	31,011	-	31,351

All of the above assets are used for charitable purposes.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Computer equipment	20,986	31,011

All of the above assets are used for charitable purposes.

11 Subsidiary undertaking

The charitable company owned the whole of the issued ordinary share capital of Islington Legal Community Interest Company, a company registered in England, this being one share of £1. The company was dissolved on 2 July 2019.

12 Stock

	2020 £	2019 £
Work in progress	356,885	377,953
	356,885	377,953

Notes to the financial statements

For the year ended 31 March 2020

13 Debtors

	2020	2019
	£	£
Trade debtors	175,910	119,921
Other debtors	59,814	27,195
Accrued income and prepayments	24,146	19,435
Grants receivable	-	71,819
	259,870	238,370

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,366	12,574
Amounts due under finance leases	15,235	13,472
Other creditors	86,507	46,530
Accruals	60,597	66,204
Deferred income	29,047	101,667
	193,752	240,446

15 Deferred income

Deferred income comprises

	2020	2019
	£	£
Balance at the beginning of the year	101,667	68,750
Amount released to income in the year	(101,667)	(68,750)
Amount deferred in the year	29,047	101,667
Balance at the end of the year	29,047	101,667

16 Creditors: amounts falling due after one year

	2020	2019
	£	£
Amounts due under finance leases with 1-5 years	12,512	27,746
VAT payable	-	36,459
	12,512	64,206

Finance leases are secured against the assets concerned.

17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	21,212	-	-	21,212
Net current assets	350,620	146,681	137,764	635,065
Long term liabilities	(12,512)	-	-	(12,512)
Net assets at 31 March 2020	359,320	146,681	137,764	643,765

17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	31,351	-	-	31,351
Net current assets	134,442	128,348	227,299	490,089
Long term liabilities	(64,205)	-	-	(64,205)
Net assets at 1 April 2019	101,588	128,348	227,299	457,235

18a Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
General social welfare and core services	68,971	914,033	(1,011,388)	28,384	-
Migrant and Refugee Children's Legal Unit	158,328	190,141	(210,705)	-	137,764
Migrant's law project	-	125,000	(181,067)	56,067	-
Total restricted funds	227,299	1,229,174	(1,403,160)	84,451	137,764
Unrestricted funds:					
Designated funds:					
Migrants' Law Project	128,348	104,577	(30,177)	(56,067)	146,681
Total designated funds	128,348	104,577	(30,177)	(56,067)	146,681
General funds	101,588	425,608	(139,492)	(28,384)	359,320
Total unrestricted funds	229,936	530,185	(169,669)	(84,451)	506,001
Total funds	457,235	1,759,359	(1,572,829)	-	643,765

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2020

18b Movements in funds (prior year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2019 £
Restricted funds:					
General social welfare and core services	17,178	899,322	(847,529)	-	68,971
Migrant and Refugee Children's Legal Unit	69,440	244,537	(155,649)	-	158,328
Migrant's law project	-	200,815	(202,710)	1,895	-
Community building and resource centre	8,009	-	-	(8,009)	-
Total restricted funds	94,627	1,344,674	(1,205,888)	(6,114)	227,299
Unrestricted funds:					
Designated funds:					
Migrants' Law Project	130,758	54,492	(55,007)	(1,895)	128,348
Total designated funds	130,758	54,492	(55,007)	(1,895)	128,348
General funds	67,895	428,686	(394,993)	-	101,588
Non-charitable trading funds	-	-	-	-	-
Total unrestricted funds	198,653	483,178	(450,000)	(1,895)	229,936
Total funds	293,280	1,827,852	(1,655,888)	(8,009)	457,235

Purposes of restricted funds

General social welfare and core services includes core funding for General Legal Advice Services and the Three Advice Projects.

The Migrant and Refugee Children's Legal Unit was funded to work for social justice by changing policy and practice to ensure respect for the rights, and improve the lives, of migrant and refugee children in the UK through strategic casework, training, consultancy and policy work.

The Migrants' Law Project is a legal and public legal education project, which aims to improve the rights of migrants, refugees and asylum seekers through the use of public law.

The community buildings and resource centre project was to renovate and convert our community building.

19 Movements in funds (continued)**Purposes of designated funds****Migrants' Law Project**

Funds have been set aside by the Management Committee for the work of the Migrants' Law Project at the Law Centre to further the project objectives.

20 Analysis of cash and cash equivalents

	At 1 April 2019 £	Cash flows £	Other changes £	At 31 March 2020 £
Cash at bank and in hand	114,213	97,849	-	212,062
Total cash and cash equivalents	114,213	97,849	-	212,062

21 Finance lease commitments

The charity's total future minimum lease payments under non-cancellable finance leases is as follows for each of the following

	Property 2020 £	2019 £
Less than one year	15,235	13,472
Between 1-5 Years	12,512	27,746
	15,235	13,472

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2020 £	2019 £
Less than one year	22,500	18,586
Between 1-5 Years	148,125	-
	170,625	18,586

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is