

REGISTERED COMPANY NUMBER: 01480110 (England and Wales)
REGISTERED CHARITY NUMBER: 279699

NORTH KENSINGTON LAW CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Berringers LLP
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

NORTH KENSINGTON LAW CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 March 2020

TRUSTEES	Ms C Alkaff Ms L Daniels Ms P Healy Mr P Kandler Ms M A E Thomas (resigned 8.1.2020) Mr S Caro (appointed 16.10.2019) Mr I Saloojee (appointed 18.9.2019) (resigned 5.11.2020) Mr T J M Delaney (appointed 1.5.2019) (resigned 21.10.2020) Ms M L Hartley Mr Z Khan Ms M J Wolfe (appointed 20.11.2019) Mr D Sweeney (appointed 26.2.2020) (resigned 2.8.2020)
COMPANY SECRETARY	Ms A Campbell
REGISTERED OFFICE	Unit 15, Baseline Studios Whitchurch Road London W11 4AT
REGISTERED COMPANY NUMBER	01480110 (England and Wales)
REGISTERED CHARITY NUMBER	279699
AUDITORS	Berringers LLP Lygon House 50 London Road Bromley Kent BR1 3RA

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Law Centre is a charity whose objectives, as defined by the Articles of Association as amended on 11 July 2016, are:

- * to relieve poor persons resident or working in the Benefit Area by providing such persons with legal services which they could not otherwise obtain through lack of means;
- * the advancement of education of persons resident or working in the Benefit Area; and
- * the advancement of any charitable purposes as are beneficial to the community for persons resident or working in the Benefit Area.

The Benefit Area means the area of Greater London or elsewhere in the United Kingdom as the Charity shall from time to time consider.

Significant activities

The principal activity of the Law Centre continues to be the provision of legal advice and representation to persons resident or working within Greater London and beyond with priority given to those who live or work or have a connection with the Royal Borough of Kensington and Chelsea. The Law Centre focuses on Housing and Immigration (including cases funded by Legal Aid, where eligible) and Welfare Benefits and Employment (for which Legal Aid is not available). The organisation holds the Lexcel Quality Mark in all these areas of practice.

North Kensington Law Centre sits in the shadow of Grenfell Tower. Following the fire in June 2017, all resources were diverted towards assisting residents to resolve their immediate problems. Appropriate as this response was, it left the Law Centre facing financial difficulties. In the year ended 31 March 2019 a new strategy was put in place to reduce costs and improve grant and legal aid income which paid off and with some new grants in place the Law Centre has turned a corner is financially secure and is now looking to expand its legal team.

In staffing terms, we have welcomed several new members of staff this financial year;

In October 2019 we successfully applied for a grant to support people affected by the Windrush Scandal claim compensation. Holly Stow (a former volunteer) who had just completed her law degree was appointed as the Windrush Compensation Paralegal in October 2019. Since being appointed she has represented the Law Centre (and her clients) publicly in the press and on radio commenting on the shortcomings of the scheme and developing a formula to calculate losses.

Alex Iossifidis joined the Law Centre in January 2020 as an employment paralegal. He has a background in advice work, having trained at Lewisham Citizens Advice Bureau and then going on to Student Adviser roles within universities. He was a Unison shop steward for five years, which grew his interest in employment law and inspired him to retrain to become a solicitor. He is currently in his final year of the legal Practice Course.

Ally Eugenio's (Crime Team Manager) left in August 2019 and McKenzie Webster took over as our Criminal Defence Solicitor in September 2019. McKenzie has been volunteering for over a year and has many years' experience of criminal defence work both in the US and the UK. We are really pleased to have her on the team.

Angela Danquah (LEF Fellow) finished her training contract in July 2019 and was admitted to the roll in August 2019. She left in January 2020.

We have a team of volunteers working on reception and also to present seminars for young people to inform them of their rights in the criminal justice system.

A further volunteer led project working with the organisers of the Carnival to act as legal observers meant that we were present at Carnival in that capacity.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

OBJECTIVES AND ACTIVITIES

Objectives & activities continued

Public benefit

The trustees consider that the objectives and activities stated above of the Law Centre provide public benefit within the meaning and terms of the Charities Act 2011.

Staff and volunteers

Annie Campbell Viswanathan took over the role of Director in April 2018. She is responsible for the executive management of the organization and is the principal point of liaison between the staff and trustees.

Thalatha Wickramasinghe took over as senior solicitor.

In addition to paid staff, the Law Centre relies heavily on the volunteers who help to run triage and offer additional support to caseworkers. Our volunteers undertake six-month placements (minimum one day a week) in triage or casework, depending on experience. Some volunteers continue to work at the Law Centre after the six-month placement.

The Law Centre sits at the base of Grenfell Tower and the Law Centre has been working with the local community since the fire supporting residents with their legal issues. We anticipate that this work will continue for several years. In total the Law Centre has 48 cases related directly to Grenfell, 7 in housing and 41 in immigration the majority of which were pro bono basis however in February 2020 we were awarded a grant by the Kensington and Chelsea Foundation to cover the costs of a full time caseworker dedicated to Grenfell cases. This from one grateful client whose immigration matter we managed to resolve.

'That's great news!!! We're so relieved and pleased! With the Inquiry starting up again, it's become stressful again. Thank you so much for your time and continued support! We can't thank you enough!!!!'

We continue to serve the legal needs of the local community. In all we assisted 2243 clients either through direct casework or one-off advice.

Housing

In addition to the Grenfell cases we opened 74 legal help cases and 4 civil legal aid cases (homelessness, disrepair, appeals, rent arrears, possessions evictions, anti-social and nuisance). Our housing team under Thalatha Wickramasinghe continues to work to prevent homelessness as well as ensuring that peoples' homes are fit for habitation.

Client X was forced to move back onto Grenfell estate as unable to afford temporary accommodation rent. She had let RBKC know that she intended to do this, but council told her she couldn't move back as her home was not fit for habitation: repairs were still outstanding in bathroom, kitchen, toilet and wall paint, and still pending results of asbestos test. So client stuck with high rent, quickly went into arrears which accumulated - primarily because her daughter (20) moved out and ceased to contribute financially, and there had been a mistake in calculating her eligibility for housing benefit. She was also being charged council tax for both properties from October 2018. Client moved back onto estate, only to find that only half the repairs were done. We filed a formal complaint. She'd had assistance from CAB Kensington who'd applied for DHP (Discretionary Housing Payment) but she'd been refused. NKLC made a formal complaint, demanding they clear any arrears arising from her temporary accom, she had been paying the value of her Grenfell rent, and should not have to pay more since she was homeless by virtue of Grenfell. We also requested that her property be prioritised for repairs, since she was living there and had already waited to move back in - luckily, all repairs could be done in situ. Finally, we submitted that she should not be liable for council tax at both properties.

RBKC waived arrears on council tax (£200), did a full inspection of works to be done at property and granted a £4,000 credit to her arrears, consisting of a £2,000 back-payment for Housing Benefit that she was entitled to, and a £2,000 discretionary payment to clear the remainder of the arrears. RBKC agreed that she should not have been liable for the higher temporary rent from the date she informed them she would be moving home. So, complaint almost entirely upheld and client now content with her housing position.

We have a weekly drop in clinic which is run by BPP School of Law under the supervision of Tony Martin who is a qualified Housing solicitor employed by BPP. Typically, law students see 6 - 8 clients a week about their housing issues. Where appropriate the students assist the clients to resolve their housing problems under the supervision of Tony Martin and the more complex cases are taking up by our housing team.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

OBJECTIVES AND ACTIVITIES

Objectives & activities continued

Employment

2019 - 2020 we triaged 670 employment enquiries and provided just under 300 clients with either one off advice or undertook more substantive casework. The employment team has continued to help clients from all over London with employment matters ranging from one off advice to legal work. This work is supported by a grant from Trust for London

Weekly employment law clinics have been introduced and are very well used. The following is an example of the way that having expert advice can facilitate a good outcome.

Our client, F, worked in a café chain and was the only ethnic minority staff member. She was treated less favourably than her colleagues who received more support, training and opportunities. Not long after starting, F resigned following an incident of unfavourable treatment. She subsequently submitted a grievance without success. F then came to us with a goal of having the company acknowledge they mistreated her. We explained the legal position and the process of making an employment tribunal claim. We helped her draft and submit her employment tribunal claim, which led to the employer agreeing to settle the claim. We helped F with the negotiations which resulted in compensation, a reference and an apology. Whilst the apology was not adequate, she felt she had made an impact and the company would think more about how they treat BAME staff members.

Immigration and Asylum

We have provided one off advice on the telephone and face to face to 701 clients. We represented 64 asylum clients through legal aid and a further 9 client's making applications as the victims of domestic violence. We also provided a low-cost service for immigration cases and we have assisted 41 clients in making immigration applications including spouse visas, applications to naturalise and registering as British Citizens. We have undertaken 4 legal challenges to the lawfulness Home Office decisions.

As well as taking referrals from support agencies we have set up a legal clinic in conjunction with the Clement James Centre. They book the clients in to the clinic and the advice session is held at the Clement James Centre. We see up to 6 clients every 2 weeks and where appropriate we take clients on as full cases.

Client has leave under the Grenfell Policy. She was detained re-entering the UK by immigration enforcement for a historic NHS debt of £18,000. NKLC arranged for the hospital to provide a detailed breakdown of the debt in order to negotiate a payment plan. On discussing the client's history with her it became clear that she was the victim of human trafficking. NKLC arranged for her to be referred to the NRM and she was found to be a victim of trafficking. Under the NHS charging regulations NHS trusts cannot impose a charge on a person who has been found to be a victim of trafficking and as a result her NHS debt has been written off.

Welfare Benefits

We assisted in excess of 400 clients including representing clients at appeal and undertaking substantive casework. We saw 2 clients a day for pre-booked appointments as well as dealing with drop in's and emergencies. We concentrate on appeal at the first Tier Tribunal however we also had 3 cases in the Upper Tribunal. Every client represented at Tribunal succeeded.

Client A was an ESA overpayment and entitlement to ESA case. The client was deemed to have been overpaid £14,000 ESA for a two-year period. The client was also deemed to have no entitlement to ESA for the two years. Having no entitlement to ESA meant that the client also had no entitlement to Housing Benefit for the same period. There was an overpayment of £17,000 for Housing Benefit, we had previously been able to reduce the Housing Benefit overpayment to £3,000. The case was partially successful, the DWP conceding that the client had some entitlement to ESA, this decision will reduce the ESA overpayment and it will also clear the Housing Benefit overpayment of £3,000.

Criminal Defence

We remain the only Law Centre with a criminal defence contract. For the period March 2019-April 2020 we worked on 35-40 cases and dealt with 65-80 inquiries.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

OBJECTIVES AND ACTIVITIES

Objectives & activities continued

An 18-year old black man with schizo-affective disorder was singled out by the police and chased at Notting Hill Carnival last year. He was roughed up a bit and searched and found to have no weapons or drugs. He was then charged with assault on an emergency worker for dropping/'throwing' a cup with liquid at one of the officers while being chased (speculation that the officers were upset at not finding anything more substantive, but wanted to charge the case anyway so made up the assault charge). We advised the client to plead 'not guilty' and choose jury trial in crown court. After months of advocacy (including several letters listing the reasons why the case should not be prosecuted), the court leaned on the Crown to drop the case completely in July 2020.

Windrush Compensation Scheme

In October 2019 we successfully applied to the LCN for a grant to employ a paralegal to assist people affected by the Windrush Scandal claim compensation. We were awarded just over £11,000 to start a project to help victims maximise their compensation claims and support their applications. In March we secured a further £3,000 from JCWI to continue this important work. We have developed a formula drawing on our expertise in employment and personal injury law to quantify financial and non-financial losses, including damages for injury to feelings, exemplary and aggravated damages. We worked with a Forensic Accountant who gave his time pro bono to assist in the quantification of financial loss where, for example, someone has had to sell their home, pension loss etc. We advise clients on eligibility, gathering evidence and compiling a bundle of evidence with a calculation of claim which is submitted with supporting representations. We have also taken on a few cases for review where people have submitted their own claims and have received what they feel are inadequate offers. One case involves a father and son who were separated when the son was 16 in 1974 and only reunited in February 2019. The offer of £8000 and £3000 respectively is inadequate and we are working to get evidence to show the traumatic impact on both father and son. As of 31st March 2020, we were assisting 15 people and we have attracted a lot of press attention for our work. We have been quoted in the Guardian, Huffington Post, Daily Mirror and My London and appeared on Radio 1 and Portobello Radio.

Client Voices Project

In July we secured a Big Lottery Awards For All grant of £9,950 to work with our clients capturing their stories. On average over two thousand individuals access our services each year and we wanted to document and share their stories to raise awareness of our work and the way it can lead to positive transformations in peoples' lives. We spoke to clients about this project, one of them said "there are so many people who find themselves in less fortunate circumstances and can't afford Legal fees or have no one else to turn to...it's a lifeline". Through capturing and sharing these stories, we wanted to create a greater understanding of law centres and their function in the community. Working with a specialist organisation called Sound Delivery we ran a series of creative digital storytelling workshops for clients and others who have used our services so that they can develop their skills and confidence to share their experiences publicly. The group explored different storytelling techniques including video, audio, blogging and photography so that they could choose which they connected with most and helped develop their skills in the areas they are most passionate about. Participants gained tangible digital skills, knowledge and confidence which are transferable and valuable to other aspect of their lives.

Policy and Communications

We continue to be a voice for the community and our housing paralegal Spike Western was been interviewed by BBC Radio London after the Grenfell inquiry report came out in September. He also took part in a pre-election debate on housing in November and appeared on BBC word news (TV) when a Grenfell inquiry panel member dropped out in February was again interviewed on BBC Radio London to explain what legal privilege is.

In policy terms the Director is working closely with the Mayor's Office to secure changes to the bereaved relative's policy.

Quality

We continue to believe that the service we offer should be comparable to anything on offer in the magic circle firms. We successfully went through a Full Lexcel audit in March 2020 The auditor found that:

The Centre should be highly commended for sustaining a very high level of compliance against the Lexcel Standard. It remains very clear that compliance is a deeply embedded part of the culture and, in Lexcel terms, the Centre is an extremely efficient and extremely well-run organisation!!

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

FINANCIAL REVIEW

Financial position

Finances for the year to 31 March 2020 remained relatively stable in the short term. Total incoming resources for the year (which represented the total funding we had available for our activities) amounted to £416,361 (2019 £385,924), an increase mainly due to increase in grants secured. Funds earned from the provision of legal services were £93,680 (2019 £106,882). This includes our income from Legal Aid and our earned income from fees charged to clients.

Grant funding amounted to £320,099 (2019 £252,876), donations of £2,462 (2019 £24,216), and training income nil (2019 £1,950).

Our expenditure for the year increased from the previous year, with the total figure of £384,278 (2019 £374,992) reflecting the work required to be done.

The result was a net surplus for the year of £32,083 (2019 £10,932) and funds carried forward of £97,119 (2019 £65,036) of which £85,119 were free reserves and £12,000 restricted.

Principal funding sources

The Law Centre is funded from a variety of sources including grants, donations and income derived from our contracts with the Legal Aid Agency in the areas of Housing and Immigration. A list of grantors can be found in the notes to the accounts.

The Royal Borough of Kensington and Chelsea continues to provide us with core funding, which in turn allows us to continue to continue our vital work in Welfare Benefits.

Reserves policy

The trustees have considered the charity's requirements for reserves and have established a policy that aims that the unrestricted funds not invested in tangible fixed assets held by the charity should be at least three months' expenditure.

The trustees aspire to increase the reserves of the charity over the coming years to reach the specified level. However, because most of the Law Centre's income is derived under contracts to perform specific work or by restricted grants, the trustees cannot simply increase reserves by reducing the scope and ambition of the organisation's activities as to do so could jeopardise income as much as it reduced costs. We hope through an active campaign of fundraising over the coming years to increase the resources of the organisation and to develop the reserve.

Going concern

The work done for the victims of the Grenfell fire impacted the Law Centre's earning capacity at that time by a large drop in legal cases and a number of grants coming to an end not being renewed due to insufficient time. Since then the Centre has increased its Legal Aid income and secured a number of grants to secure its future. The cash flow problems that were incurred have improved and the Trustees considered that the Centre has a more secure future, but additional funds are still required to build up reserves against unforeseen circumstances.

FUTURE PLANS

The Centre is actively seeking additional funds to build their reserves and secure the future of the Centre to enable it to continue to serve their community for many more years.

The Centre has continued to serve the Community during the current COVID-19 pandemic and has already secured a number of grants and donations to that effect. The Trustees will continue to monitor the situation to ensure that the community can best served by the Centre.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The memorandum and articles of association were last amended on 11 July 2016.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Peter Kandler founded the Law Centre in 1970 and the remaining board members are former trustees. They bring with them many years of experience of working with Law Centres. Biographical information concerning all our current trustees is available on our website.

The Law Centre seeks to ensure its trustees possess the requisite balance of developmental, legal and management skills to promote the success of the organisation and the furtherance of its objectives.

We continue to seek suitably qualified trustees to join the Law Centre with a view to bringing new skills to the organisation and promoting trustee diversity.

Organisational structure

The Law Centre is controlled by a voluntary Management Committee comprising its trustees and is led at the executive level by a Director and Senior Solicitor.

Decision making

The Management Committee has formal corporate and legal responsibility for all activities and functions of the organisation and operates as follows:

- * The full Management Committee meets approximately every two months during the year.
- * The Finance and Personnel Sub-committee meets usually five times a year, approximately every two months and oversees the financial control, human resources management of the organisation and approves the annual budget.

The annual general meeting is usually held in the third quarter of each financial year.

The trustees have an overall responsibility for ensuring that the Law Centre has an appropriate systems of controls, financial and otherwise. The systems of internal controls are designed to provide reasonable but not absolute assurance against material misstatement of results of operations or financial position and to guard against insolvency. These systems and controls include:

- * A strategic plan and annual budget approved by the trustees;
- * Regular consideration by the trustees of financial information, variance from budgets and non-financial performance indicators;
- * Delegation of authority and segregation of duties;
- * Identification and management of risks.

Key management remuneration

	2020	2019
	£	£
Key management compensation in year	<u>93,248</u>	<u>92,299</u>

Trustee changes

Michelle Thomas resigned as chair in January 2020 and a new chair, Melanie Wolfe, was appointed in February 2020. Melanie is a local activist with a background in the creative arts and brings with her a wealth of experience. Tina Alkaff was elected vice chair in the same meeting

Joe Delaney was appointed on May 2019 and resigned in October 2020.

Imran Saloojee was appointed treasurer in September 2019 and resigned in November 2020.

Melanie Wolfe was appointed to the board in November 2019.

Danny Sweeney was appointed to the board in February 2020 and resigned in August 2020.

Simon Caro was appointed in October 2019.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of North Kensington Law Centre for the purposes of company law) are responsible for preparing the Report of the trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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.

AUDITORS

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 25 November 2020 and signed on its behalf by:

Ms M J Wolfe - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTH KENSINGTON LAW CENTRE

Opinion

We have audited the financial statements of North Kensington Law Centre (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of financial activities, the Balance sheet 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 (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; and
- 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

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 Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTH KENSINGTON LAW CENTRE

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 Report of the trustees.

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 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 take advantage of the small companies exemption from the requirement to prepare a Strategic report or in preparing the Report of the trustees.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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, 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.

Our 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 a Report of the independent auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Paul Allan BSoc Sc FCA (Senior Statutory Auditor)
for and on behalf of Berringers LLP
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

25 November 2020

NORTH KENSINGTON LAW CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations	2	2,462	-	2,462	24,216
Charitable activities	5				
Provision of legal services		187,276	226,503	413,779	359,758
Other trading activities	3	-	-	-	1,950
Investment income	4	120	-	120	-
Total		189,858	226,503	416,361	385,924
EXPENDITURE ON					
Raising funds		5,531	-	5,531	-
Charitable activities	6				
Provision of legal services		149,303	216,003	365,306	362,293
Support costs		13,441	-	13,441	12,525
Other		-	-	-	174
Total		168,275	216,003	384,278	374,992
NET INCOME		21,583	10,500	32,083	10,932
RECONCILIATION OF FUNDS					
Total funds brought forward		63,536	1,500	65,036	54,104
TOTAL FUNDS CARRIED FORWARD		85,119	12,000	97,119	65,036

The notes form part of these financial statements

NORTH KENSINGTON LAW CENTRE

BALANCE SHEET
31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	764	-	764	1,011
CURRENT ASSETS					
Work in progress	13	54,034	-	54,034	20,446
Debtors	14	65,601	-	65,601	41,742
Cash at bank		133	67,583	67,716	60,795
		119,768	67,583	187,351	122,983
CREDITORS					
Amounts falling due within one year	15	(35,413)	(55,583)	(90,996)	(58,958)
NET CURRENT ASSETS		84,355	12,000	96,355	64,025
TOTAL ASSETS LESS CURRENT LIABILITIES		85,119	12,000	97,119	65,036
NET ASSETS		85,119	12,000	97,119	65,036
FUNDS	16				
Unrestricted funds				85,119	63,536
Restricted funds				12,000	1,500
TOTAL FUNDS				97,119	65,036

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 November 2020 and were signed on its behalf by:

Ms M J Wolfe - Trustee

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Such income is only deferred where the donor specifies that the grant or donation can be used in a future accounting period, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to performance conditions is recognised as earned. Grant income included in this category provides funding to support advice/performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Contract and performance related grant income is deferred when received in advance of the performance of event to which they relate.

Turnover is measured at fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include both the direct and support costs relating to these activities. All support costs relate to unrestricted charitable activities.

Where VAT is irrecoverable as a result of partial exemption, this amount is charged to charitable activities.

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Work in progress

Work in progress is valued at net realisable value, after making due allowances for slow recovery and potential irrecoverable fees.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity will remain a going concern despite the difficulties faced in the past and the accounts have been prepared on that basis. A feasibility study was carried out previously indicating where costs needed to be reduced and income maximised. Currently, the Centre has stabilised the income from Legal cases, additional grants have been secured and costs have risen only slightly. The trustees will continue to monitor the situation.

Donated Assets

Donated assets are estimated at market value based on condition when received.

2. DONATIONS

	2020	2019
	£	£
Donations	<u>2,462</u>	<u>24,216</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Other income	-	1,950
	<u> </u>	<u> </u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	120	-
	<u> </u>	<u> </u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Legal services	93,680	106,882
Grants	320,099	252,876
	<u> </u>	<u> </u>
	413,779	359,758
	<u> </u>	<u> </u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Royal Borough of Kensington & Chelsea	63,596	63,598
Trust for London	45,000	50,000
The Tudor Trust	40,000	40,000
City Bridge Trust	50,000	-
Access to Justice	-	10,000
AB Charitable Trust	20,000	-
Law Centre Network	11,300	-
Legal Education Foundation	55,746	79,278
London Legal Support Trust	10,000	10,000
Kensington & Chelsea Foundation	4,007	-
Westway Trust	500	-
Big Lottery Fund	9,950	-
Hollick Family Foundation	10,000	-
	<u> </u>	<u> </u>
	320,099	252,876
	<u> </u>	<u> </u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Provision of legal services	365,306	-	365,306
Support costs	-	13,441	13,441
	<u>365,306</u>	<u>13,441</u>	<u>378,747</u>

7. SUPPORT COSTS

	Governance costs £
Support costs	<u>13,441</u>

Support costs, included in the above, are as follows:

Governance costs

	2020 Support costs £	2019 Total activities £
Auditors' remuneration	5,000	5,000
Legal & professional fees	1,721	1,145
Bookkeeping fees	6,720	6,554
	<u>13,441</u>	<u>12,699</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	5,000	5,000
Depreciation - owned assets	<u>247</u>	<u>780</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	268,880	284,674
Social security costs	20,879	17,854
Other pension costs	6,519	4,495
	<u>296,278</u>	<u>307,023</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Direct	9	9
Administration	2	2
	<u>11</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations	24,216	-	24,216
Charitable activities			
Provision of legal services	180,480	179,278	359,758
Other trading activities	<u>1,950</u>	<u>-</u>	<u>1,950</u>
Total	206,646	179,278	385,924
EXPENDITURE ON			
Charitable activities			
Provision of legal services	183,015	179,278	362,293
Support costs	12,525	-	12,525
Other	<u>174</u>	<u>-</u>	<u>174</u>
Total	<u>195,714</u>	<u>179,278</u>	<u>374,992</u>
NET INCOME	<u>10,932</u>	<u>-</u>	<u>10,932</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	52,604	1,500	54,104
TOTAL FUNDS CARRIED FORWARD	<u>63,536</u>	<u>1,500</u>	<u>65,036</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2019 and 31 March 2020	<u>4,824</u>	<u>3,392</u>	<u>8,216</u>
DEPRECIATION			
At 1 April 2019	4,824	2,381	7,205
Charge for year	-	247	247
At 31 March 2020	<u>4,824</u>	<u>2,628</u>	<u>7,452</u>
NET BOOK VALUE			
At 31 March 2020	<u>-</u>	<u>764</u>	<u>764</u>
At 31 March 2019	<u>-</u>	<u>1,011</u>	<u>1,011</u>

13. WORK IN PROGRESS

	2020 £	2019 £
Work in progress	<u>54,034</u>	<u>20,446</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	38,776	21,984
Other debtors	18,275	15,171
VAT	3,196	-
Prepayments	5,354	4,587
	<u>65,601</u>	<u>41,742</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	3,116	-
Social security and other taxes	5,889	17,535
VAT	-	796
Other creditors	3,027	829
Accruals and deferred income	55,583	20,000
Accrued expenses	23,381	19,798
	<u>90,996</u>	<u>58,958</u>

16. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted funds			
General fund	63,536	21,583	85,119
Restricted funds			
Fixed Assets	1,500	-	1,500
Windrush	-	10,000	10,000
Celebration of 50 years	-	500	500
	<u>1,500</u>	<u>10,500</u>	<u>12,000</u>
TOTAL FUNDS	<u>65,036</u>	<u>32,083</u>	<u>97,119</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	189,858	(168,275)	21,583
Restricted funds			
Legal Services	85,000	(85,000)	-
Legal Advice	105,746	(105,746)	-
Windrush	21,300	(11,300)	10,000
Celebration of 50 years	500	-	500
Client voices project	9,950	(9,950)	-
Grenfell Tower	4,007	(4,007)	-
	<u>226,503</u>	<u>(216,003)</u>	<u>10,500</u>
TOTAL FUNDS	<u>416,361</u>	<u>(384,278)</u>	<u>32,083</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	52,604	10,932	63,536
Restricted funds			
Fixed Assets	1,500	-	1,500
TOTAL FUNDS	<u>54,104</u>	<u>10,932</u>	<u>65,036</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	206,645	(195,713)	10,932
Restricted funds			
Legal Services	90,000	(90,000)	-
Legal Advice	81,588	(81,588)	-
Training	7,691	(7,691)	-
	<u>179,279</u>	<u>(179,279)</u>	<u>-</u>
TOTAL FUNDS	<u>385,924</u>	<u>(374,992)</u>	<u>10,932</u>

The Fixed Asset fund is to purchase fixed assets specified by the grant documents. This was provided by the Royal Borough of Kensington & Chelsea.

The Legal Service fund is to provide the salaries of caseworkers, key management and their associated costs. This is funded by Trust for London and the Tudor Trust supported the Centre in this area.

The Legal Advice Fund is to enable the charity to improve access to legal advice services. This includes grants from the Legal Education Foundation for a trainee solicitor and publicity officer and their associated costs, and City Bridge Trust for a triage co-ordinator and their associated costs.

The Windrush Fund is to cover the legal cost of people affected by the government removing those who came over to the UK on the Windrush.

The Celebration Funds are carried forward to celebrate the Centre's 50th anniversary.

The Client Voice Project was funded by the Big Lottery Fund to document and raise awareness of the Centre's work.

The Grenfell fund is to support the salary and associated costs of a paralegal/caseworker to support clients with cases related to the Grenfell Tower Fire and is funded by the Kensington & Chelsea Foundation.

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.