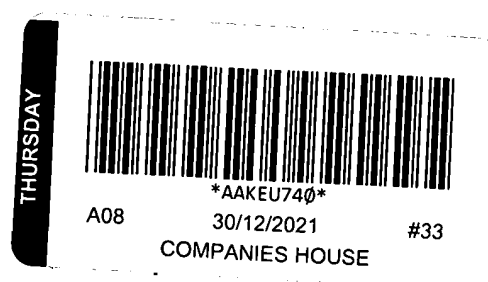


Charity number 1170317
Company number 09698401

Greater Manchester Law Centre

Charitable Company Limited by Guarantee
Report and Financial Statements

For The Year Ended
31 March 2021



Greater Manchester Law Centre
Charitable Company Limited by Guarantee

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Report for the trustees for the year ended 31 March 2021

The trustees who are also directors for the purposes of company law present their annual directors report and financial statements for the charity year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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 (FRS102) (October 2019)

Reference and Administrative Information

Charity Name: Greater Manchester Law
Charity Number: 1170317
Company Number: 9698401

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

| | | |
|----------------------------------|---|--------------------------------|
| Trustees & Directors | Andrew Walsh | Chair (from 24 November 2020) |
| | John Nicholson | Chair (Until 24 November 2020) |
| | Norma Turner | Treasurer |
| | Aisha Khan | Vice Chair |
| | Sukhdeep Singh | |
| | Giles Elliot | |
| | Kevin Allsop | |
| | Craig Holmes | |
| | Ben Clay | (from 24 November 2020) |
| | Ciara Bartlam | (from 24 November 2020) |
| | Lamin Touray | (from 24 November 2020) |
| Secretary | Denise McDowell | Company Secretary |
| Director | Jason Tetley | |
| Registered Office | 667/669 Stockport Road Manchester M12 4QE | |
| Registered Charity Number | 1170317 | |
| Supervising Solicitor | Kathleen Cosgrove | |
| Independent Examiners | MHA Moore and Smalley Richard House 9 Winckley Square Preston Lancashire PR1 3HP | |
| Bankers | Lloyds Bank Plc 8 Foregate Street Chester | |

Report for the trustees for the year ended 31 March 2021

Objectives and Activities

The purposes of the charity are:

- To relieve poor persons in the ten boroughs making up the counties of Greater Manchester (the designated area) by providing such persons with legal services which they could not otherwise obtain through the lack of means
- The advancement of education among persons resident or working in the designated area
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the designated area

Public Benefit

The trustees confirm that they have referred to the charity commissions guidance on public benefit when reviewing the charities aims and objectives, in planning future activities, and setting the policies for the year.

Structure, Governance and Management

Greater Manchester Law Centre is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 June 2015. It is registered as a charity with the charity commission with effect from 22 November 2016.

Appointment of trustees

As set out in the Articles of Association, trustees of the company, may by ordinary resolution appoint a person who is willing to act as a director and determine the rotation in which any additional directors are to retire.

Trustee Induction and training

Trustees undertake an induction when they join the board, discuss their prospective role and responsibilities with the Chair, the Director, and other key trustees. Any training is bespoke to this role.

Organisation

The board of trustees administers the charity. The board normally meets every two months. Senior Managers are appointed by the trustees to manage the day-to-day operations of the charity.

Achievements and Performance

The main achievements during the year are summarised in the report, below:

Trustees Report For 2020-2021

We started as a **protest** against cuts and closures of law centres in Greater Manchester -and we succeeded in gathering individual and community support, so that we were able to open an office, through the commitment, enthusiasm, and determination of our volunteers.

We then became a **provider**, of legal advice and representation, with huge gains for many individual people across Greater Manchester. Since August 2016 we've raised over £3.5 million in reclaimed welfare benefits which the DWP has wrongly refused to local people in need.

We have a vision of a fairer society. Our advice services assist individual need and specific issues, but the problems faced by millions of people require wider solutions.

In April 2019 we launched our own Manifesto: "**Fighting Together for Free Access to Justice**" that detailed our demands or change. [Please see www.gmlaw.org.uk].

Report for the trustees for the year ended 31 March 2021 (Continued)

The Manifesto confirmed that at heart the Law Centre is a campaigning advice organisation that demands both legal and societal change to overcome the issues of social injustice and poverty facing our communities. We demand:

- **The restoration of a fully funded Legal Aid system;** as a pillar of the welfare state. A system that allows people to be empowered, providing them with access to free specialist advice to enforce their rights, preventing inequality and exclusion.
- **A supportive social security system:** that protects and supports society's most vulnerable members, without prejudice or stigma.
- **The right of everyone to a secure home;** through the protection of renter's rights, building of public housing that is safe and secure and the ending of homelessness.
- **An end of the hostile environment for claimants and migrants:** for the Government to stop discriminatory policies and language that marginalises vulnerable people and leads to injustices such as the Windrush Scandal.
- **Investment and training of the next generation of welfare lawyers** - to ensure that specialist advice is available now and in the future of those in need
- **A nationwide network of community Law Centres** that can provide access to specialist advice to people in their community, tackling systemic injustice at both an individual and strategic level.

Achievements and Performance

The last year has been one of the most challenging since the Greater Manchester Law Centre (GMLC) was created out of the protest in 2016. The year was dominated by the Covid19 pandemic with the UK entering into lockdown in Mid-March 2020 and Greater Manchester itself as a region being under severe restrictions for almost an entire year, despite a brief respite in summer 2020.

The challenge we faced was to continue to provide a responsive advice service to our community safely and inclusively. We moved our advice services remotely during the initial stages of the lockdown with enquiries being dealt with by telephone and where appropriate by teleconference through Teams and Zoom. We were aware that for some clients remote advice is not the way forward and we remain committed to face-to-face advice. We developed a risk-assessed in person appointment service for those that are vulnerable and this is under constant review.

Legal Advice & Representation

Despite the pandemic we managed to develop our advice and representation services and were able to take on more cases across more areas of law than ever before.

The number of enquiries from the public was slightly down on the previous year reflecting the fall off in demand during the initial lockdown in Mar – June 2020, but we still dealt with almost 2,000 contacts from individuals seeking advice, primarily through our telephone enquiry line.

The actual number of cases and individuals that received specialist advice increased. This reflected the additional capacity that we have developed; through the recruitment of new staff and the on-going development and commitment of our volunteer advisors. In the year GMLC managed to undertake over

- 750 cases which was up from 450 cases in the previous year.
- 230 Housing Cases and a further 200+ initial enquiries
- 319 Benefit Cases
- 30 Public Law Challenges
- 177 Employment Cases with a primarily volunteer service until January 2021

Report for the trustees for the year ended 31 March 2021 (Continued)

We have supported people in every borough across the GM region, over 40% of our clients are from outside the City of Manchester.

The impact of this work can be illustrated in a number of ways:

Stopping Homeless and preventing destitution: GMLC prevented the Home Office from evicting over 4,000 destitute failed asylum seekers from temporary accommodation through strategic litigation in late 2020 and early 2021. The importance of this work has been acknowledged nationally and led to our own Kathy Cosgrove being recognised as Legal Aid Housing Lawyer of the Year for her work on the case.

In addition, over 100 people at risk of homelessness have been housed as a result of GMLC casework in ensuring that local authorities discharge their statutory homeless duties.

£637,000 to Greater Manchester residents in reclaimed benefits from benefit appeals and casework.

Since 2016 GMLC has reclaimed over £3.5m of wrongly refused benefits to local people in need.

Campaigning & Community Support

The impact of the Covid19 overall, has magnified the issues facing the poor and marginalised, shining a spotlight on the structural inequality that exists within UK society. Those from BAMER Communities, those on low incomes, in overcrowded houses, and people in insecure employment have been affected most; both in terms of the health and economic impact.

The crisis provided real examples of the power of communities to act collectively and support the most vulnerable: thousands of people across Greater Manchester have been involved in neighbourhood mutual aid and support. We have also seen a growing recognition that benefits and low income employment has fuelled food poverty. We saw structural changes in employment markets and more unscrupulous employers using the pandemic to alter workers' terms and conditions through "Fire and Re-Hire." The Black Lives Matter movement has brought the issues of institutional racism and the social and economic injustice faced by black people to the forefront and inspired a new generation of activists across Greater Manchester and the wider UK.

The Covid19 pandemic also demonstrated the immense power of the State to act, quickly and decisively to avert crisis where there is a political will to do so. We have demanded that Government uses the opportunity of the pandemic to go further and undertake a series of changes to eradicate the long standing issues of poverty, employment and housing insecurity and the hostile environment.

GMLC has focussed its community and campaigning work on a number of areas:

COVID Support – we developed a Covid Survival Guide and distributed 10,000 of these to local organisations with information on housing, benefit and employment issues. We supported the Zero Covid campaign highlighting the systemic failures in the Government response to the pandemic. We have started to work with the Long Covid Support Group to fully explore the issues facing the long-term effects of the virus, who are facing job insecurity with little protection under existing employment law.

Benefit Poverty – the £20 Universal Credit uplift showed there was a recognition of the desperately low poverty levels that benefits had been set at. GMLC campaigned both for the extension of the uplift to all "legacy" benefits and for the longer term raising of all benefits to eradicate years of under-funding by successive governments.

Homelessness and evictions prevention: GMLC has continued to work with others to highlight the Government's refusal to enact legislation that will provide long-term protection for tenants, through abolishing no-fault evictions and providing better security for renters. The failure to do so means in **Greater Manchester over**

Report for the trustees for the year ended 31 March 2021 (Continued)

20,000 households are still at risk of eviction. We have also sought commitments from social landlords to take the lead in not using mandatory grounds to evict their tenants.

Employment Rights: we have developed our employment service to provide individual advice whilst calling for workers to organise for better terms and conditions, working with unions and campaigners to produce materials for care workers and those impacted by Long-Covid.

Immigration Support and advice: We were part of a coalition of North West providers, co-ordinated by GM Immigration Aid Unit, that sought to share information and learning on issues facing those within the immigration system.

Training the Next Generation of Social Welfare Lawyers

We have continued to progress the law careers of **new social welfare lawyers**, arising from our work with local universities. Their students represent law centre appellants in Social Security Tribunals and increasingly use this experience to good effect in developing their own careers – we have seen 6 volunteers gain barrister “pupillages”. The 2 trainee lawyers funded through the Justice First Fellowship have continued to develop and we have committed to retain them both post-qualification, building our long-term advice capacity and demonstrating our commitment to “growing our own” lawyers.

Developing our Infrastructure

Internally we have managed to **maintain a strong infrastructure both in terms of management, finances and resources.**

We have maintained a very **strong and experienced Management Committee.** Andy Walsh became chair in November picking up the baton from John Nicholson, who had guided GMLC and the Board from its inception. In addition three new Trustees were recruited; bringing a diverse range of skills and experience to complement the existing board members.

We have invested in a new case management system and upgraded IT systems to meet the challenge of remote working.

We have **maximised income and increased our reserve** levels. We saw our income more than double in the year as we were successful in obtaining grants across a wide-range of activities. Income rose from £214,000 to over £443,008 and we saw our reserves more than double. In addition we saw our staff numbers increase from 8 to 12 as we recruited new project staff and invested in our campaigns work with a designated staff member.

Our legal aid income in the year was disappointing and reflected both our concentration on non-legal aid areas of advice such as welfare benefits and employment advice and the difficulties in ensuring we were billing for the work we did do remotely. Whilst we do not wish to be wholly reliant on Legal Aid Income it will remain an important part of our funding going forward and this will be a priority in the year ahead. There is more scope to develop this income as we take on more strategic litigation, and as our trainee lawyers develop their own case work.

We continue to **aim for financial self-sufficiency**, not reliant on state funding (legal aid as run by the Legal Aid Agency), and not reliant in the long term on any one charitable trust alone.

Report for the trustees for the year ended 31 March 2021 (Continued)

Within the year we continued to receive support for our continued development from our major funders; Legal Education Fund and the ABC Charitable Trust. In addition we received funding from the Ministry of Justice through the Access to Justice Foundation to support litigants in person and to develop our employment service; this project is delivered across the North West in partnership with Citizens Advice Lancashire.

Report for the trustees for the year ended 31 March 2021 (Continued)

Individual giving and membership: We have gained more than 80 standing orders from individuals and lawyers, trades union branches and community groups. This is still below our long-standing target of 150. We need to renew our efforts to grow regular giving and membership: in particular as we look to widen and strengthen our GM-wide service offer; although we recognise even this will not be enough on its own to provide sustainability for the quality of work that we need to do.

Most of all, we continue to be supported by a **fantastically committed range of volunteers**. Even during lockdown there are still over 50 people volunteering with the law centre each month, ensuring that our fight for free access to justice, is more than a slogan.

Looking Ahead

The impact of the Covid19 pandemic will be felt for months, if not years to come and our challenge is to both continue to provide responsive advice services to those affected but also to use our experience to push for wider policy changes.

We are already seeing a regression in the Government support available to the poorest in Society – the ending of the Universal Credit Uplift in October 2021 will see 200,000 households put back into poverty.

Large numbers of people have to top up their rent from benefits, not because they live in large or opulent houses but simply because market rent is now far above housing benefit levels in the areas they live.

Housing insecurity will only rise over the coming months as the courts start to deal with eviction, which have a limited or no legal defence, but are based upon rent arrears arising out of the economic impact of Covid.

We are faced with on-going redundancies and job losses and there is the potential for some employers to use this opportunity to reduce wages and working conditions – 20% of GM employees currently earn under the Real living wage and in work poverty is on the rise.

We welcome the campaigns against food poverty and acknowledge the amazing work of local activists and projects in meeting the needs of their neighbours and communities but the fact remains that the latest GM Poverty Action report shows that there are 620,000 people across the region live below the poverty line.

The Board has undertaken a strategic review in the past few months aiming to put the Manifesto ambitions into action and to build upon the expansion in services that we have seen over the last year.

Our aim is that GMLC becomes a hub of specialist advice and a space where the community, campaigners and lawyers can exchange their skills, knowledge and experience in fighting for justice. GMLC aims to not only be provide advice services but to become a resource to other organisations in upskilling their workers and fighting for their clients' rights. We will collaborate with others in fighting for change; from tenants' rights to combatting structural inequality with disability rights and racial equality campaigners. We will add our voice and support those opposing the proposed Police & Crime Bill that will restrict the very ability of community to protest against the injustices they face.

We will do this by:

Continuing to undertake strategic challenges against systemic injustice; in the Welfare Benefits system, housing and homelessness administration and practice and against unfair Government policy against asylum seekers.

Report for the trustees for the year ended 31 March 2021 (Continued)

Fighting every eviction and continuing to support tenants groups to establish and provide mutual aid whilst providing advice, training and materials to those affected. Publicising and supporting the work of the Renters Reform Coalition.

Developing our employment advice service and working with unions and other workers' rights campaigners and developing resources so that employees are aware of their rights and how to exercise them.

Developing training and support with front-line agencies across the region, allowing better access to our specialist advice services and referrals to those that require representation.

All this will **inform our policy demands**. We continue to take up both individual cases and wider issues with policy makers and politicians. **Publicising the fight for justice** by ourselves and others through our campaigning work and our newsletter, social media and newsletters.

We want to be outward-looking, developing joint services and fund-raising in Greater Manchester. We want upward-looking promotion of policy demands to government and other policy-makers; and we need to secure the base of the law centre through strategic management of finances, premises and workforce.

We will work as community activists across Greater Manchester, using our legal skills and knowledge, not as detached "Activist Lawyers" but as advocates and representatives of local people, highlighting injustice and fighting together with them and others to combat the poverty and inequality that they face every day.

Financial Review

GMLC continues to thrive. Over the course of the last year, we have grown our resources, taken on staff, successfully bid for funding from a wide range of sources, helped more clients, and benefited from the generosity of many of our funders and supporters.

We managed to derive a surplus driven by a number of large grant donations in the year that allowed us to double our income, although this also funded a significant increase in staff and on-going overheads that will need to be managed going forward. Reserves will be required as we enter uncertain times as finances come under pressure post-pandemic and a number of our current funding streams come to an end.

Figures

| | 31/3/21 | 31/3/20 |
|-----------------------|----------------|----------------|
| Cash at Bank | £242,624 | £154,307 |
| Regular Donors | 83 | 71 |
| Income | £443,008 | £214,231 |
| Expenditure | £327,369 | £213,305 |

Report for the trustees for the year ended 31 March 2021 (Continued)

Investment Powers and Policy

The trustees, having regard to the liquidity requirements of operating the charity will seek to keep available funds in an interest-bearing deposit account.

Reserves policy and going concern

The balance held in unrestricted reserves on 31 March 2021 was £193,259 of which £186,894 are free reserves, after allowing for the carry forward of restricted funds and funds tied up in tangible fixed assets.

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 3 months of unrestricted charitable expenditure and to ensure there is sufficient reserves to cover any accrued redundancy liability to staff. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The Charity's main source of income is grants and donations. The trustees consider that it is appropriate to prepare the accounts on a going concern basis and, consequently, the accounts do not include any adjustments that would be necessary if these sources of income should cease.

Risk management

The trustees have conducted a review of the major risks which the charity is exposed, and systems have been established to mitigate those risks. During the Pandemic in addition to the everyday risk management, the trustees ensured that risks resulting specifically from COVID19 and its impact to clients, staff and the service were kept under constant review.

Plans for Future Periods

As noted in the Trustees' Report, we intend to continue developing our services offered at Stockport Road Offices, and to develop a wider reach across Greater Manchester through the development of partnerships and referral agreements with other agencies across the region. We will continue to fight together for free access to justice across the whole of Greater Manchester.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager with any service providers must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Greater Manchester Law Centre for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the charity 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 the financial statements, the trustees are required to:

Report for the trustees for the year ended 31 March 2021 (Continued)

- Select suitable accounting principles and then apply them consistently
- Observe the methods and principles in the applicable Charities SORP (FRS 102);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on an ongoing concern basis unless it is appropriate to presume that the charity will not continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention of detection of fraud and other irregularities.

By order of the board of trustees

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



A Walsh

Chair

Date: 22/12/2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GREATER MANCHESTER LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021, set out on pages 11 to 24

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act: or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Nicola Mason

Nicola Mason FCA DChA
MHA Moore and Smalley
Richard House
Winckley Square
Preston
PR1 3HP

Date: 29/12/2021

Greater Manchester Law Centre

Charitable Company Limited by Guarantee

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Unrestricted funds | Restricted Funds | Total Funds 2021 | Total Funds 2020 |
|------------------------------------|-------|--------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Income From | | | | | |
| Donations and Legacies | 3 | 42,498 | - | 42,498 | 14,158 |
| Charitable Activities | 4 | 50,966 | 349,523 | 400,489 | 180,604 |
| Other Trading Activities | 5 | - | - | - | 19,435 |
| Investment Income | | 21 | | 21 | 34 |
| Total Income | | <u>93,485</u> | <u>349,523</u> | <u>443,008</u> | <u>214,231</u> |
| Expenditure On | | | | | |
| Charitable Activities | 6 | - | 327,369 | 327,369 | 213,187 |
| Raising Funds | 6 | - | - | - | 317 |
| Total | | <u>-</u> | <u>327,369</u> | <u>327,369</u> | <u>213,504</u> |
| Net Income/(Expenditure) | | 93,485 | 22,154 | 115,639 | 727 |
| Transfers Between Funds | 14 | - | - | - | - |
| Net Movement in Funds | | <u>93,485</u> | <u>22,154</u> | <u>115,639</u> | <u>727</u> |
| Reconciliation of Funds | | | | | |
| Total Funds Brought Forward | 14 | 99,774 | 1,283 | 101,057 | 100,333 |
| Total Funds Carried Forward | | <u>193,259</u> | <u>23,437</u> | <u>216,696</u> | <u>101,057</u> |

The statement of financial activities includes all gains and losses in the year.

The notes on pages 14 to 24 form part of these accounts.

Greater Manchester Law Centre
Charitable Company Limited by Guarantee

Balance sheet as at 31 March 2021

| | Notes | 2021 | 2020 |
|-------------------------------------|-------|-----------------|-----------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible Fixed Assets | 10 | 7,176 | 7,285 |
| Current Assets | | | |
| Debtors and Prepayments | 11 | 40,943 | 8,353 |
| Cash at Bank and in Hand | | 242,624 | 154,307 |
| | | <u>283,567</u> | <u>162,660</u> |
| Creditors | | | |
| Amounts falling due within one year | 12 | <u>(74,047)</u> | <u>(68,888)</u> |
| Net Current Assets | | 209,520 | 93,772 |
| Total Net Assets | | <u>216,696</u> | <u>101,057</u> |
| Accumulated Reserves | | | |
| Unrestricted Funds | 14 | 193,259 | 99,774 |
| Restricted Funds | 14 | 23,437 | 1,283 |
| | | <u>216,696</u> | <u>101,057</u> |

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

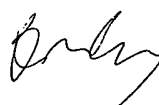
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

Approved on behalf of the board of trustees/directors



Director
Andrew Walsh



Director
Ben Clay

Date 22/12/2021

The notes on pages 14 to 24 form part of these accounts

Company number: 09698401

Statement of Cash flows for the year ending 31 March 2021

Reconciliations for net movement in funds to net cash flow from operating activities

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Net Movement in Funds | 115,639 | 727 |
| Add Back Depreciation | 4,268 | 1,987 |
| Decrease/(Increase) in Debtors | (32,590) | 14,790 |
| Increase/(Decrease) in Creditors | 5,159 | 17,459 |
| Net Cash Used in Operating Activities | <u>92,476</u> | <u>34,963</u> |
| Cash Flows from Investment Activities: | | |
| Purchase of Fixed Assets | <u>(4,159)</u> | <u>(6,601)</u> |
| Net Cash Provided by Investing Activities | (4,159) | (6,601) |
| Increase/(Decrease) in Cash and Cash Equivalents during the Year | 88,317 | 28,382 |
| Cash and Cash Equivalents Brought Forward | 154,307 | 125,945 |
| Cash and Cash Equivalent Carried Forward | <u><u>242,624</u></u> | <u><u>154,307</u></u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

a Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice. Accounting and reporting by charities preparing their accounts in accordance with the financial Reporting standard applicable in the UK and Republic of Ireland. (FRS102) issued October 2019 and the Financial Reporting standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS102. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have considered the impact of the Government response to Covid 19 and consider that any impact on the charity can be managed appropriately.

b Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. When the requirements of the restricted funds are met (e.g., assets are purchased) the transaction is shown as a movement in funds from restricted to unrestricted funds. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

c Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations and grants are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity, and it is probable that those conditions will be filled in the reporting period. Grants received for future periods are deferred. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid and payable by the bank.

d Expenditure Recognition

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 settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

e Taxation & Irrecoverable VAT

All grant income and donations are outside the scope of VAT. Contract fees and certain other income are exempt supplies and therefore the company is not liable to be registered for VAT. Irrecoverable VAT or expenditure is attributed to the category of expenditure on which it is incurred. No provision has been made for taxation as exemption has been granted by HMRC from taxation. Under Section 466 to 493 of the Corporation Taxes Act 2010 or Section 26 of the Taxation of Capital Gains Act to the extent that surpluses and gains are applied for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

f Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal and professional fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on staff time and the usage of facilities and services for management purposes.

The allocation of support and governance costs is analysed in note 7.

g Charitable Activities

Costs of charitable activities include governance costs and an apportionment of support costs as shown in note 7.

h Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged on the following basis.

| | |
|------------------------------|----------------|
| Computer Equipment | 33 33% on asst |
| Office Furniture & Equipment | 20% on Cost |
| Fixtures & Fittings | 20% on Cost |

The total of any capital grants is recognised in the Statement of Financial Activities in the year they are received as required by the SORP and not deferred over the life of the related assets.

i Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying values of their purchase value If acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end of the year and their varying value. Realised and unrealised investment gains and Losses are combined in the Statement of Financial Activities.

j Pension

The pension scheme is an auto enrolment compliant scheme. The charity has no liabilities beyond making the contributions and paying across the deductions for the employee's contributions

k Operating Leases

Payments under operating losses are charged to the income and expenditure account in the period to which they relate.

l Contingent liabilities

There were no contingent liabilities on 31st March 2021 (2020 none)

m Donation Services

The charity has on average 10 volunteers at any one time assisting with providing advice. No financial value has been reflected in the accounts for these donated services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

n Debtors

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

o 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 the 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 the resettlement amount after allowing for any trade discounts due.

2 Net Incoming Resources for The Year

| | 2021 | 2020 |
|--------------------------------|-------|-------|
| This is stated after charging: | | £ |
| Depreciation | 4,268 | 1,987 |
| Independent Examiners Fees | 1,200 | 811 |
| Other Financial Services | 1,440 | 840 |

3 Donations and Legacies

| | Unrestricted | Restricted | Total 2021 | 2021 |
|-----------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Donations | 42,498 | - | 42,498 | 12,478 |
| Gift Aid | - | - | - | 1,680 |
| | <u>42,498</u> | <u>-</u> | <u>42,498</u> | <u>14,158</u> |

Income from donations and legacies in the year ended 31 March 2020 all related to unrestricted funds.

4 Income from Charitable Activities

| | Unrestricted | Restricted | Total 2021 |
|--|---------------|----------------|----------------|
| | £ | £ | £ |
| AB Charitable Trust | 45,000 | - | 45,000 |
| Access to Justice Foundation | - | 50,121 | 50,121 |
| SHED | - | 35,000 | 35,000 |
| Legal Education Foundation- Justice First Fellow | - | 39,883 | 39,883 |
| Legal Education Foundation- Tackling Homelessness | - | 5,833 | 5,833 |
| Legal Education Foundation- Law Centre Manager/Fund-raiser | - | 46,000 | 46,000 |
| Law Centres Network | - | 140,000 | 140,000 |
| Manchester Metropolitan University | - | 5,000 | 5,000 |
| University of Manchester | - | 3,000 | 3,000 |
| The Three Guineas Trust | - | 4,882 | 4,882 |
| We Love Mcr | - | 18,500 | 18,500 |
| Legal Help Claims | 4,906 | - | 4,906 |
| Other | - | 1,304 | 1,304 |
| Affiliations | 775 | - | 775 |
| Membership | 285 | - | 285 |
| | <u>50,966</u> | <u>349,523</u> | <u>400,489</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Prior Year

| | Unrestricted | Restricted | Total 2020 |
|---|---------------|----------------|----------------|
| | | | £ |
| AB Charitable Trust (£18,760 released) | 33,750 | 18,750 | 52,500 |
| Legal Education Foundation | - | 18,750 | 18,750 |
| Legal Education Foundation- Justice First Fellow | - | 19,167 | 19,167 |
| Legal Education Foundation- Tackling Homelessness | - | 32,333 | 32,333 |
| Legal Education Foundation- JFF Training Contract | - | 9,971 | 9,971 |
| Guardian Christmas Appeal Grant | - | 17,500 | 17,500 |
| Manchester Metropolitan University | - | 12,500 | 12,500 |
| University of Manchester | - | 7,583 | 7,583 |
| We Love Mcr | - | 1,216 | 1,216 |
| Legal Help Claims | 7,944 | - | 7,944 |
| Other | 119 | - | 119 |
| Affiliations | 680 | - | 680 |
| Membership | 341 | - | 341 |
| | <u>42,834</u> | <u>137,770</u> | <u>180,604</u> |

5 Income from other Trading Activities

| | Unrestricted | Restricted | Total 2021 | Total 2020 |
|--------------------------------------|--------------|------------|------------|---------------|
| | £ | £ | £ | £ |
| Fundraising Events | - | - | - | 2,551 |
| Staff Secondment | - | - | - | - |
| Certificated Work | - | - | - | 15,009 |
| Contributor to Running Costs (GMIAU) | - | - | - | 1,875 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,435</u> |

Income from trading activities in the year ended 31 March 2020 was unrestricted.

6 Expenditure on Raising Funds

| Expenditure on Raising Funds | Total 2021 | Total 2020 |
|------------------------------|------------|------------|
| | £ | £ |
| Fees for certificated work | - | 317 |
| | <u>-</u> | <u>317</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Expenditure on Charitable Activities

| | | Advice Services | Total 2021 | Total 2020 |
|-----------------------------------|--------------------|----------------------------|-------------------|-------------------|
| | | £ | £ | £ |
| Wages and Salaries | Staff Time | 237,174 | 237,174 | 135,397 |
| Recruitment Costs | Staff Time | - | - | 1,250 |
| Childcare Voucher Admin Fees | Staff Time | - | - | 39 |
| Rent and Rates | Floor Area | 5,000 | 5,000 | 1,743 |
| Project Partner Costs | By Project | 31,503 | 31,503 | 10,000 |
| Consultancy & External Workers | By Project | - | - | 13,200 |
| Telephone | By Project | 1,479 | 1,479 | 1,270 |
| Travelling & Subsistence Expenses | By Project | - | - | 332 |
| Volunteer Expenses | By Project | - | - | 646 |
| Volunteer Training | By Project | 500 | 500 | - |
| Staff Training | By Project | 222 | 222 | 662 |
| Publications and Subscriptions | By Project | 9,724 | 9,724 | 1,997 |
| Accreditation | By Project | 2,079 | 2,079 | 756 |
| Professional Indemnity Insurance | By Project | 2,600 | 2,600 | 3,378 |
| Website Costs | By Project | 46 | 46 | 14 |
| Marketing & Publicity | By Project | - | - | 749 |
| Support Costs | By Project | 34,402 | 34,402 | 40,953 |
| Governance Costs | By Project | 2,640 | 2,640 | 811 |
| | | 327,369 | 327,369 | 213,187 |
| | | | 2021 | 2020 |
| | | | £ | £ |
| | Restricted Funds | | 327,369 | 144,923 |
| | Unrestricted Funds | | - | 68,581 |
| | | | 327,369 | 213,504 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7 Allocation of Governance and Support Costs

| | | Support Costs | Governance Costs | 2021 Total | 2020 Total |
|-----------------------------------|------------|--------------------------|-----------------------------|-------------------|-------------------|
| | | £ | £ | £ | £ |
| Rent & Rates | Floor Area | 15,000 | - | 15,000 | 15,686 |
| Heat, Light and Water | Floor Area | 6,000 | - | 6,000 | 3,378 |
| Broadband | Direct | 662 | - | 662 | 709 |
| Repairs & Maintenance | Floor Area | - | - | - | 6,197 |
| Moving Costs | Direct | - | - | - | 2,055 |
| Cleaning | Floor Area | 134 | - | 134 | 1,030 |
| Computer Maintenance and Software | Direct | 4,259 | - | 4,259 | 3,496 |
| Minor Equipment | Direct | - | - | - | - |
| Printing, post and stationery | Direct | 1,464 | - | 1,464 | 4,098 |
| Payroll Costs | Direct | 1,221 | - | 1,221 | 840 |
| Insurance | Direct | 390 | - | 390 | 378 |
| Miscellaneous | Direct | 1,003 | - | 1,003 | 1,044 |
| Depreciation | Direct | 4,269 | - | 4,269 | 1,986 |
| Bank and Payment Admin Charges | Direct | - | - | - | 56 |
| Accountancy | Governance | - | 2,640 | 2,640 | 811 |
| Legal Fees | Governance | - | - | - | - |
| Total | | 34,402 | 2,640 | 37,042 | 41,764 |

8 Staff Costs

| | Total 2021 | Total 2020 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and Salaries | 213,359 | 125,570 |
| Social Security Costs | 19,297 | 6,498 |
| Pension costs | 4,518 | 2,229 |
| | 237,174 | 135,397 |

No employee earned £60,000 per annum or more.

No trustees received any remuneration for their services or pension contribution during the year.

The charity considers key staff comprises both the direct and the supervising solicitor.

The remuneration, including pension contributions of key staff in the year was £76,115 (2020 £64,541).

The charity employed an average of 10 (2020 7) people during the year.

9 Trustees Remuneration and Expenses

No remuneration has been paid or is due to be paid to any of the trustees in respect of the of the period. Except as disclosed no reimbursement of expenses has been made or is due to be made to any of the directors in respect of the period. Travel two trustees £Nil (2020: £1,023).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 Fixed Assets

| | Fixtures & Fixings | Computer Equipment | Furniture & Office Equipment | Total |
|----------------------|--------------------|--------------------|------------------------------|---------------|
| Cost | £ | £ | £ | £ |
| At 1 April 2020 | 4,357 | 7,729 | 3,161 | 15,247 |
| Additions | - | 4,159 | - | 4,159 |
| Disposals | | | | |
| At 31 March 2021 | <u>4,357</u> | <u>11,888</u> | <u>3,161</u> | <u>19,406</u> |
| Depreciation | £ | £ | £ | £ |
| At 1 April 2020 | 749 | 4,695 | 2,518 | 7,962 |
| Provided in the year | 903 | 2,722 | 643 | 4,268 |
| Disposals | | | | |
| At 31 March 2021 | <u>1,652</u> | <u>7,417</u> | <u>3,161</u> | <u>12,230</u> |
| Net Book Value | | | | |
| At 31 March 2021 | <u>2,705</u> | <u>4,471</u> | <u>-</u> | <u>7,176</u> |
| At 31 March 2020 | <u>3,357</u> | <u>3,035</u> | <u>893</u> | <u>7,285</u> |

11 Debtors and Prepayments

| | Total 2021 | Total 2020 |
|----------------|---------------|--------------|
| | £ | £ |
| Other Debtors | 28,719 | 2,591 |
| Accrued Income | 1,680 | 3,237 |
| Prepayments | 10,544 | 2,525 |
| | <u>40,943</u> | <u>8,353</u> |

12 Creditors: Amounts falling

| | Total 2021 | Total 2020 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade Creditors | 24,529 | 5,472 |
| Other Creditors | 1,620 | 1,620 |
| Accruals | 16,172 | 11,406 |
| Deferred Income | 31,724 | 50,388 |
| | <u>74,045</u> | <u>68,888</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13 Deferred Income

| | Total 2021 | Total 2020 |
|--|---------------|---------------|
| | £ | £ |
| Deferred Income Comprises grants in advance | | |
| Balance as at 1 April | 50,388 | 28,500 |
| Amount released to income from charitable activities | (50,388) | (28,500) |
| Amount deferred in year | 31,724 | 50,388 |
| Balance at 31 March | <u>31,724</u> | <u>50,388</u> |

14 Analysis of Charitable Funds

| | Balance at 01-Apr-20 | Incoming | Transfers | Outgoing | Balance at 31-Mar-21 |
|--|-------------------------|----------------|-----------|------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Restricted: | | | | | |
| Big Lottery- Celebrate | 67 | - | - | (67) | - |
| Access to Justice Foundation | - | 50,121 | - | (50,121) | - |
| SHED | - | 35,000 | - | (12,374) | 22,626 |
| The Three Guineas Trust | - | 4,882 | - | (4,882) | - |
| Legal Education Foundation- JFF | - | 39,883 | - | (39,883) | - |
| Legal Education Foundation- TH | - | 5,833 | - | (5,833) | - |
| Legal Education Foundation- Law Centre Manager | - | 46,000 | - | (46,000) | - |
| Law Centres Network | - | 140,000 | - | (140,000) | - |
| We Love Manchester | 1,216 | 18,500 | - | (18,905) | 811 |
| Manchester Metropolitan University-LASP | - | 5,000 | - | (5,000) | - |
| University of Manchester- LASP | - | 3,000 | - | (3,000) | - |
| Other small grants | - | 1,304 | - | (1,304) | - |
| | <u>1,283</u> | <u>349,523</u> | <u>-</u> | <u>(327,369)</u> | <u>23,437</u> |
| Unrestricted: | | | | | |
| General Funds | 99,774 | 93,485 | - | - | 193,259 |
| | <u>99,774</u> | <u>93,485</u> | <u>-</u> | <u>-</u> | <u>193,259</u> |
| | <u>101,057</u> | <u>443,008</u> | <u>-</u> | <u>(327,369)</u> | <u>216,696</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14 Analysis of Charitable Funds (continued)

| | Balance at 01-Apr-19 | Incoming | Transfers | Outgoing | Balance at 31-Mar-20 |
|---|-------------------------|----------------|-----------|------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Restricted: | | | | | |
| AB Charitable Trust | - | 18,750 | - | (18,750) | - |
| Big Lottery- Celebrate | 134 | - | - | (67) | 67 |
| Legal Education Foundation | 6,302 | 18,750 | - | (25,052) | - |
| Legal Education Foundation- JFF | 1,834 | 9,971 | - | (11,085) | - |
| Legal Education Foundation- TH | 168 | 32,333 | - | (32,499) | - |
| Legal Education Foundation- Director | - | 19,167 | - | (19,167) | - |
| Guardian Appeal Grant | - | 17,500 | - | - | - |
| We Love Manchester | - | 1,216 | - | - | 1,216 |
| Manchester Metropolitan University-LASP | - | 12,500 | - | - | - |
| University of Manchester- LASP | - | 7,583 | - | - | - |
| | 8,436 | 137,770 | - | (144,923) | 1,283 |
| Unrestricted: | | | | | |
| General Funds | 67,282 | 78,461 | - | (43,949) | 99,774 |
| Designated Funds- Seedbad Trust | 24,632 | - | - | (24,652) | - |
| | 91,891 | 78,461 | - | (68,581) | 99,774 |
| | 100,350 | 214,231 | - | (213,604) | 101,057 |

Purpose of Restricted Funds:

| | |
|---------------------------------|--|
| AB Charitable Trust | Towards supervising solicitor post |
| Legal Education Foundation | Towards establishing a law centre and engaging a supervising solicitor. |
| Legal Education Foundation- JFF | Toward the justice first follow programme |
| Legal Education Foundation- TH | Towards the legal solutions to tackling homelessness and destitution in Greater Manchester programme |
| Legal Education Foundation | Towards funding of law centre manager/fundraiser |
| We Love Manchester | Towards the cost of laptops, balance represents future depreciation |
| MMU- LASP | Towards the cost of a casework supervisor for students |
| University of Manchester- LASP | Towards the cost of a casework supervisor for students |
| Designated Funds: | |
| Seedband Trust | Earmarked for the costs of carrying out litigation, publicity and campaigning and a further year of our development manager post |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15 Analysis of Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2021 |
|-----------------------------|--------------------|------------------|----------------|
| | £ | £ | £ |
| Tangible Fixed Assets | 6,365 | 811 | 7,176 |
| Net Current Assets | 186,894 | 22,626 | 209,520 |
| Net Assets at 31 March 2021 | <u>193,259</u> | <u>23,437</u> | <u>216,696</u> |
| Prior Year | | | |
| | £ | £ | £ |
| Tangible Fixed Assets | 6,002 | 1,238 | 7,285 |
| Net Current Assets | 93,772 | - | 93,772 |
| Net Assets at 31 March 2020 | <u>99,774</u> | <u>1,238</u> | <u>101,057</u> |

16 Constitution

The company is limited by guarantee and does not have a share capital. In the event of a winding up all members (the trustees under the governing documents) have agreed to contribute an amount not exceeding £1.

17 Capital Commitments

| | | |
|----------------------------------|------------|------------|
| | £ | £ |
| Constructed but not provided for | <u>nil</u> | <u>nil</u> |

18 Operating Lease Commitments

| | | |
|--|---------------|---------------|
| | 2021 Total | 2020 Total |
| | £ | £ |
| The total future lease payments indicated on the lease for land and buildings are: | | |
| Within One Year | 20,000 | 20,000 |
| Between 2-5 Years | 10,000 | 30,000 |
| | <u>30,000</u> | <u>50,000</u> |

The lease on the property commenced in October 2019. It will expire in September 2022.

19 Related Party Transactions

During the year one of the Trustees, a self employed barrister received a legal aid payment in respect of a case completed on behalf of Greater Manchester Law Centre.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19 Related Party Transactions (continued)

Denise McDowell is chief executive of Greater Manchester Immigration Aid Unit (GMIAU) and also a trustee of GMLC. The organisations share premises and some support costs.

20 Ultimate Controlling Party

The company is under control of the board of management.

21 Financial Instruments

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