

South West London Law Centres

(A Company Limited by Guarantee)

Company No. 05018587

Charity No. 1102433

Report and financial statements

For the year ended

31 March 2016

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For the year ended 31 March 2016

Trustees:	Chair	James Banks
	Treasurer	Peter Greig
	Trustee	Derek Sutton
	Trustee	Patricia Nabatanzi (resigned 3 rd August 2016)
	Trustee	Gold Ordor (resigned 3 rd August 2016)
	Trustee	Nirmalan Kugathanasan
	Trustee	Davendra Singh
	Trustee	Carol O'Donnell
	Trustee	Florence Brocklesby
	Trustee	Sarah Towler
	Trustee	John Linwood
	Trustee	Marion Edge
	Trustee	Clara Clint (appointed 16 th June 2016)
Company Secretary:	Secretary	Derek Sutton
Chief Executive:	Chief Executive	Patrick Marples
Company number:	05018587	
Charity number:	1102433	
Registered office:	5th Floor Davis House Robert Street Croydon CR0 1QQ	
Auditors:	haysmacintyre, 26 Red Lion Square, London, WC1R 4AG	
Bankers	CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ	

South West London Law Centres

Report and financial statements

For the year ended 31 March 2016

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2016.

The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects of the Charity are: the relief of poverty, suffering and distress by the provision of legal advice, assistance and representation, and the advancement of education for those resident, working or in full time education in South West London, including the London boroughs of Croydon, Kingston upon Thames, Merton, Richmond upon Thames, Sutton and Wandsworth and, in exceptional circumstances, residents from other areas; and the promotion of other such purposes which are exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

The main activities undertaken in relation to those purposes are:

- Activity 1 - Delivery of professional services in casework and representation in various areas of social welfare law
- Activity 2 - Delivery of the housing court duty solicitor scheme in housing cases in Croydon, Wandsworth and Kingston County Courts.
- Activity 3 - Pro Bono Legal Advice Clinic service.

Public benefit

The Trustees referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the law centres aims and objectives and in planning and reviewing all our activities. South West London Law Centres (SWLLC) is a community based, legal practice working to relieve poverty, suffering and distress for the most disadvantaged and vulnerable members of our communities, in need of help at difficult times in their lives to resolve legal problems. Public benefit is delivered by the provision of free legal advice, affordable charges for services and representation at court in social welfare law.. The professional services and the housing court duty scheme are funded by legal aid and by other donors, which operates from four branches in, Battersea, Croydon, Merton, and Kingston, as well as providing services via outreach and in client's homes across South West London. We charge for services in employment and immigration where funding through legal aid is no longer available. Our Pro Bono legal advice clinics are free and staffed by volunteer advisors.

By these means, the Charity aims to improve access to justice to vulnerable members of the community in South West London.

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Volunteers

The use of volunteer has been, for a long time, at the heart of what this law centre does, with SWLLC now running one of the largest Pro Bono Legal Advice Clinic services in the country through a team of around 400 volunteer lawyers. The clinic service overarching aim is to empower clients by encouraging them to take better steps to resolve problems themselves, with some limited follow-up by advisers' e.g. drafting documents or writing letters on clients' behalf. Volunteers also help us in every aspect of our work supporting reception during the daytime and in the evening with administrative tasks, to working as casework assistants to support our casework teams. Work includes undertaking legal research, assisting with creating bundles of documents, note taking and drafting letter. Such a volunteer is typically a person on benefits seeking voluntary experience to help them get a job or one is semi-retired and wanting to give something back. We also have students just out of college or university seeking experience to enhance their CV. The majority of the volunteers that leave the law centre do so to embark on a full time role in the paid sector proving that we enhance their employability. Most of our day time volunteers stay with the law centre for between 3 to 6 months and we recruit around 80 volunteers per year. At a conservative estimate, the value of volunteering to the law centre calculated on obtaining services at an hourly rate elsewhere is £303,525. For this year, we have added a note of the economic value.

Achievements and performance

In 2015/16, we assisted 8,858 clients (8,436 2014/15), with direct face to face services and received over 60,000 calls for assistance. Our website received 809,000 hits and over 30,000 unique visitors in 2015.

Reporting performance				
Inputs	Activities	Outputs	Outcomes	Impact
Housing Team: 11 solicitors including one who undertakes community care and welfare rights cases; Debt Team; 4 case workers; Immigration Team: 3 (1 solicitor and 2 OISC registered caseworkers) including one who undertakes public law, Employment Team: 1 caseworker and 2 trainee solicitors attached to the teams	Activity I - Provision of cases and representation in social welfare law covering the areas of community care, debt, employment, housing, immigration, asylum, public law and welfare rights	2,625 cases (2,671 2014/15)	See below for further details on the types of outcomes achieved	See below for further details on the types of impacts achieved

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Housing Team above	Activity 2 – Housing Court Duty Scheme	1,681 cases (1,919 2014/15)	See below for further details on the types of outcomes achieved	See below for further details on the types of impacts achieved
Client Services Manager, daytime and evening reception staff, and pro bono lawyers	Activity 3 - Pro Bono Legal Advice Clinic service averaging 15 per week across 5 locations in South West London	4,447 clients seen (3,846 2014/15)	See below for further details on the types of outcomes achieved	See below for further details on the types of impacts achieved

Activity 1

Outcomes - full specialist casework service in a broad range of social welfare law in the areas of community care, debt, employment, housing, immigration and asylum, public law and in a limited field of welfare rights – collectively referred to as 'Social welfare law'. Our legal work has a broad range of outcomes:

- **Community Care Law** - We help people get the appropriate community care assessment and services that they are entitled to.
- **Debt** - We help people with a strategy for dealing with debts as early as possible in the process as well as challenging unenforceable debts.
- **Employment Law** – We help people on a wide range of issues including; dismissal, suspension, discrimination, unpaid wages and failure to pay the minimum wage; notice or redundancy pay, holiday pay, breach of contract, grievances, appeals; and settlement agreements.
- **Housing** - We work with people on a wide-range of different housing issues covering possession, unlawful eviction, homelessness, disrepair and anti-social behaviour.
- **Immigration and asylum** - We cover a broad range of services including those that are no longer covered by legal aid on immigration and asylum issue focusing on applications for leave to remain on human rights grounds and procedures to stop deportation.
- **Public law** -We have the ability to litigate against public authorities, this includes dealing with Home Office delays and refusals to make decisions on immigration and asylum cases.
- **Welfare Rights** - We can assist people with cases including appeals to the second tier Tribunal. We can further litigate suitable cases beyond this.

Impact - There are a range of impacts from our casework including:

- Our **community care** casework enables people with mental illness, learning disabilities or other care needs to get the support they are entitled to. This also helps to reduce isolation for these often very lonely individuals struggling to cope alone in the community.
- Our **debt** work is focussed on reducing debt and finding affordable and manageable debt solutions. We work with individuals and families to calculate an affordable budget, so that they can get back on track. We also help people to apply for grants from a variety of sources to support their everyday needs.
-

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- Our **employment** work helps people to remain in the jobs and where appropriate to get redress for bad employment practice.
- Our **housing** work helps keep people in their homes by defending eviction proceedings, live in decent homes by getting repairs carried out. We also act for the homeless who are eligible by ensuring local authorities to accept their statutory duties to provide housing...
- Our work with **migrants and asylum seekers**, is focussed on enabling them to get Leave To Remain. With this 'gateway' status, they can work and earn an income legally, re-unite with family left behind and maximise their life chances. Many of the people who eventually come to us have failed to have their cases fully dealt with and were exploited by other lawyers. We have particularly specialised in dealing with unaccompanied minors,
- Our **welfare rights** work helps people to finally win welfare rights challenges and get them properly heard by a tribunal.

Activity 2

Outcome - Emergency housing representation across 3 county courts: Croydon, Wandsworth and Kingston for hearings listed that day helping clients to defend themselves against possession / home evictions in both rented and mortgage cases.

Impact - We continue to achieve a high success rate. In 2015/16 we had a positive outcome in 76% of cases which stopped immediate eviction.

Activity 3

Outcome - Pro Bono Legal Advice Clinic service averaging 15 per week across 5 locations in South West London addresses legal problems in their early stages and helps prevent them from escalating into bigger, more complex issues. Our clinics cover a wide range of legal subjects: Crime, Criminal Injury, Consumer, Employment, Family, General Litigation, Housing, Immigration, Inquests, Motoring Offences, Personal Injury, Small Claims, Wills and Probate.

Impact - The impact of a timely, accurate legal advice through a personalised intervention can prevent a problem from escalating and becoming far more damaging for an individual (as well as costly to taxpayers). Our pro bono advice clinics not only provide an avenue for clients to seek legal redress; they also empower them with new knowledge of the law and their rights, thereby increasing their confidence and capacity to approach legal problems. Our advice also helps improve the efficacy of other public services such as education, health or social services by helping eligible people exercise their rights to access these services in a timely fashion.

Further details of our casework and its impact on our clients can be found in our full annual report and on our website- www.swllc.org

Our other major achievements have included:

Operational successes

Throughout this period, the Law Centre has taken various steps to secure its future, which have borne fruit:

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- **Improved premises:** We have moved into new premises in Wandsworth (76 Falcon Road) and Croydon (Davis House). Now our estate includes a large head office in Croydon and smaller branch offices in Wandsworth, Merton and Kingston. The offices themselves are more appropriate spaces for our work, offering more interview rooms and accommodating a significantly larger footfall. With funds from our Roof4SWLLC fundraising drive and the insurance compensation from the loss of our Bolingbroke Grove (Wandsworth) office, we were able to relocate and carry out dilapidation works. This was complemented by a large donation of an electrical and data refit of the new Falcon Road office and a furniture donation for the new Croydon office.
- **Clinics surge:** Our improved office spaces have helped us see more and more people through our Pro Bono Clinic Legal Advice programmes. In 2015-16, our clinics saw a total of 4,447 clients, a significant increase on 2014-15. We have increased the *number* of clinics, as well as the *frequency* of family clinics (in Croydon and in Wandsworth) and the number of *advisors* (in Croydon).
- **New pro bono service:** We have launched a dedicated Rent Deposit Clinic (Croydon Tuesday evening) with the support of Norton Rose Fulbright as part of the UK Collaborative Plan on Pro Bono. The Clinic takes on and litigates unprotected rental deposits, assisting through the court process to recovery – already with some success.
- **Forthcoming new services:** We have also been working with Simmons & Simmons to develop another project to help claimants challenge benefits decisions through mandatory reconsideration and welfare benefit appeals. This has increased our capacity to help clients with their welfare rights after it was initially severely curtailed (to only the Upper Tribunal) by legal aid cuts. One of our caseworkers works part time for Simmons & Simmons to develop this pro bono project. Connections from this project have enabled us to successfully bid for a Big Lottery Fund grant through its 'Help Through Crisis' programme. This 5-years project will involve work with agencies in Westminster, Lambeth and Wandsworth and use students to deliver local welfare rights advice from summer 2016.
- **Building on discontinued services:** We concluded the Advice Services Transition Fund (ASTF) projects with collaboration with agencies in Wandsworth, Merton and Croydon. These have enabled us to further develop fee-charging models in employment and immigration law, to support our free work. Renewal of 3-year funding from Trust for London also allows us to maintain a mixture of chargeable and free employment work.
- **Workforce development:** We aim to continue to expand our casework team through taking on trainee solicitors, of which we currently have two. Laura Williams was recruited externally in July 2015. Another trainee solicitor, Jamie McLean, started out as an admin support worker. With support from the ASTF project (as above), we have put him through IAAS Level 1 exams, registered him as an OISC Level 2 immigration caseworker, and have given him a training contract from February 2016. SWLLC has a good trainee retention record: a quarter of our current caseworkers (5) have held training contracts with SWLLC, including our Head of Legal Practice.

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- **New funding to cover legal aid gaps:** As part of our efforts to diversify our funding base, we were successful in fundraising to help cover gaps created by LASPO cuts. From April 2016, Trust for London will support our employment work to the tune of £90,000 over 3 years. Thames Water funding of £70,000 over 2 years from January 2016 sustains a new full-time utility grants worker, complementing our debt team. Help through Crisis programme funding will support welfare Rights in Wandsworth, Westminster and Lambeth with £82,241 p.a. for 5 years, which will start in summer 2016. There are still gaps in Welfare Rights and Immigration services which we will seek to fill.
- **Retaining development capacity:** BLF's Local Sustainability Fund has granted us £58,409 for business support and consultants, as well as additional admin support to implement this. This project will start in summer 2016.
- **Excellence recognised:** Two of our teams have been shortlisted for national awards this year: the housing team for the Solicitors Journal awards and the debt team for the Institute of Money Advisers awards.

Financial review

Financially 2015//2016 has been another challenging year for SWLLC although we have made progress in reducing the losses sustained in the previous financial year, despite government austerity policies still taking their toll, chiefly the restrictions of the Legal Aid Sentencing and Punishment of Offenders Act (LASPO). The charity's incoming resources for the year were £1,204,740 compared to £1,119,879 (restated) in 2014/15. The total resources expended in the year were £1,228,945 compared to £1,263,186 (restated) in 2014/15. The net result was, therefore, a deficit of £24,205 (2014/15 – deficit £143,307). Restricted funds reduced by £7,588 and unrestricted general funds by £16,617.

SWLLC held funds of £296,168 at the year-end, of which £4,000 was restricted and £292,168 was unrestricted.

In 2015/16 South West London Law Centres main sources of funding remained government funding through Legal Aid. We also received funding and grants from Capitalise (Money Advice Service), Croydon, Merton and Wandsworth Councils, Access to Justice Foundation, London Legal Support Trust, Thames Water Trust Fund and Advice Service Transition Fund (Big Lottery Funded) through partnerships with Croydon CAB, Wandsworth CAB and Springfield Law Centre. SWLLC retained a number of donors and corporate sponsors as well as raising funds through various fundraising activities.

Reserve policy

The Trustees have considered the following factors when considering a reserves policy:

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- The organisation's contractual obligations to its staff in terms of parental rights, sickness pay and redundancy provisions;
- The organisation's obligations to maintain a safe and clean working environment;
- That certain equipment is essential for our work; and
- That the timing of legal aid income is uncertain.

The nature of the Centre's business means that at any one moment in time the Centre has very considerable work in progress. This is reflected in its material reserve position. The Trustees have decided that unrestricted funds equal to three month's expenditure on unrestricted activities. At March 2016 unrestricted reserves of £292,168 was the equivalent of 3.7 months expenditure. Because reserves are effectively held as work in progress rather than cash the Trustees continue to prioritise effective management of work in progress as well as looking for other means whereby cash reserves can be built up.

Going concern

Although the Trustees remain concerned at the continuing tight cash flow and by government changes to the legal aid system, South West London Law Centres remains a going concern. A budget for 2016/17 has been set with a small surplus backed up by a cash flow. These are regularly reviewed by the Trustees at Board level and through a Finance Sub Committee.

Principal risks and uncertainties

South West London Law Centres undertakes a formal risk management review throughout the year. This forms part of the business plan cycle. This involves identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying ways of mitigating the risks. The major risks are stated below and the full risk review is contained in business plan.

Risk Description	Potential Implications	Mitigating Actions
Loss of staff in the Senior Management Team	Loss of knowledge within the team - inability to carry out various management/facilities functions	Share knowledge within the team - 3 month notice period
Loss of casework staff	Loss of knowledge within the relevant team- inability to perform contracts	Continue to develop the team with trainees and newly qualified solicitors and in small teams - need to train up other caseworkers who are able to meet the supervisor requirements - 3 month notice period
Negligent advice - Failure to pass Legal Aid Agency audit	Poor service - Loss of contracts – recovery of costs – extrapolation of recovery	File reviews – supervision systems - Lexcel accreditation
Failure to meet income targets for casework	Cause severe financial difficulties for the law centre	Performance review – regular billing and work in progress

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For the year ended 31 March 2016

	and may affect our viability	reports distributed to all casework staff
Failure to meet targets under various grant funded projects	Loss or reduction of grant	Regular monitoring and review Project based meeting
Failure of equipment – unable to use an office	Unable to work in office	Use another SWLLC office – Business continuity plan

Plans for the future - The year Ahead – Our Strategic Objectives 2016 - 17

Despite the cuts made under LASPO we remain a viable business. We now have a more flexible organisation, with larger head office in Croydon – where the highest demand for our service is found and where we are growing the fastest – and smaller satellite offices in Kingston, Merton and Wandsworth. We will retain our existing pro bono services and continue to look at new ways to work with our partner firms and other providers to expand our service and cover more matters now out of legal aid scope.

There are two substantial pressures on the Law Centre: financial, including cash flow; and contractual, that is, Legal Aid performance. As part of our Local Sustainability Fund project, we will review this area in depth, with an aim to tackle current issues and bolster our service. Our main objectives are:

- Retention of the current scope of services
- Full business review under Local Sustainability Funded project
- Launch of new services including the setting up the delivery of Help through Crisis project
- Seeking renewal of funding including grants from Croydon Council and further fund raising activities around the development of volunteer services
- Development of staff including taking on further trainees

Structure, governance and management

Constitution and Organisational Structure

South West London Law Centres (SWLLC) is a Charitable Company limited by guarantee. It was incorporated under a Memorandum and Articles of Association dated 19 January 2004, and was granted charitable status on 2 March 2004. The overall responsibility of SWLLC belongs to the Trustees (board of directors) which meets bi-monthly. The Board is supported by a Finance Subcommittee. Day to day responsibility for managing the law centres is delegated to the charity's Chief Executive Officer (CEO) and the Senior Management Team.

Appointment of trustees

SWLLC is a charitable company managed by a board of voluntary trustees comprised of local groups and individuals. Voluntary organisations from SWLLC's catchment area, representing vulnerable individuals and groups in need of our services, are encouraged to become members of the organisation and stand for election to the board, as are concerned individuals from across the six boroughs. The board is elected annually from and by the members of the charity.

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There should be not less than three and not more than twenty five trustees in office at any given time. At each AGM all the trustees must retire from office but, if willing to act, may be re-appointed. Trustees may also be co-opted by the Board between AGMs if the need arises. SWLLC is currently reviewing its structure for appointment and retention of trustees and will be making recommendations at the next AGM.

Trustee induction and training

Skill gaps on the Board are regularly identified and as a result efforts are made to identify new Trustees capable of filling any gaps. Induction and training of trustees is currently carried out on an ad-hoc basis as and when the needs arise. The Trustees are in the process of developing an induction pack and reviewing training policies as part of its current review.

Related parties and relationships with other organisations

There are no related parties' transactions.

Remuneration policy for key management personnel

The CEO salary falls within the range of the Law Centre Salary Survey January 2016

Statement of responsibilities of the trustees

The trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom

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governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 85 (2015: 85). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the trustees are aware:

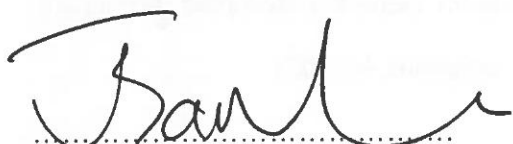
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

haysmacintyre were re-appointed as the auditors of the charitable company during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on ...15 September 2016

And signed on their behalf by;



Name

Trustees

South West London Law Centres

Independent auditors' report to the members of South West London Law Centres

For the year ended 31 March 2016

We have audited the financial statements of South West London Law Centres for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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).

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

Respective responsibilities of trustees and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2016 and of 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records 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 in preparing the Trustees' Annual Report incorporating the Strategic Report.


.....
Murtaza Jessa

(Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

Date: 15/9/2016

**26 Red Lion Square
London
WC1R 4AG**

South West London Law Centres

Statement of financial activities (Incorporating income and expenditure account)

For the year ended 31 March 2016

		Restricted Funds	Unrestricted Funds	Total funds 2016	Total funds 2015 Restated
	Notes	£	£	£	£
INCOME FROM					
Donations	2	15,228	186,956	202,184	118,397
Charitable Activities - Legal and advice services	3	250,855	751,687	1,002,542	1,001,465
Investments		-	14	14	17
TOTAL INCOME		<u>266,083</u>	<u>938,657</u>	<u>1,204,740</u>	<u>1,119,879</u>
EXPENDITURE ON					
Raising Funds	4	-	60,411	60,411	72,263
Charitable Activities - Legal and advice services	5	273,671	894,863	1,168,534	1,190,923
TOTAL EXPENDITURE		<u>273,671</u>	<u>955,274</u>	<u>1,228,945</u>	<u>1,263,186</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		<u>(7,588)</u>	<u>(16,617)</u>	<u>(24,205)</u>	<u>(143,307)</u>
NET MOVEMENT OF FUNDS		<u>(7,588)</u>	<u>(16,617)</u>	<u>(24,205)</u>	<u>(143,307)</u>
RECONCILIATION OF FUNDS:					
Total funds at 1 April 2015 (as restated)	15	11,588	308,785	320,373	463,680
TOTAL FUNDS AT 31 MARCH 2016	13	<u>4,000</u>	<u>292,168</u>	<u>296,168</u>	<u>320,373</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 25 form part of these financial statements

All amounts derive from continuing activities.

Balance sheet

As at 31 March 2016

	Notes	2016		2015 Restated	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	9		12,060		2,699
CURRENT ASSETS					
Stocks and work in progress	10	434,982		451,635	
Debtors	11	470,294		583,547	
Cash at bank		173,364		186,798	
		<u>1,078,640</u>		<u>1,221,980</u>	
CREDITORS: amounts falling due within one year	12	<u>794,532</u>		<u>904,306</u>	
NET CURRENT ASSETS			<u>284,108</u>		<u>317,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>296,168</u>		<u>320,373</u>
NET ASSETS	14		<u><u>296,168</u></u>		<u><u>320,373</u></u>
CHARITY FUNDS					
Restricted Funds	13		4,000		11,588
Unrestricted funds					
General funds	13		292,168		308,785
			<u>296,168</u>		<u>320,373</u>

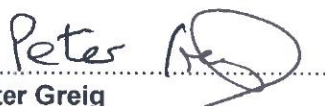
The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15.12.2016.



James Banks

Director and Trustee (Chair)



Peter Greig

Director and Trustee (Treasurer)

The notes on pages 17 to 25 form part of these financial statements.

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Statement of cash flows

As at 31 March 2016

	Note	2016 £	2015 £
Net cash provided by (used in) operating activities	A	(13,112)	(55,101)
Cash flows from investing activities			
Interest income		14	17
Interest paid		(336)	(587)
Purchase of tangible fixed assets		-	(2,014)
Cash provided by (used in) investing activities		(322)	(2,584)
Increase (decrease) in cash and cash equivalents in the year		(13,434)	(57,685)
Cash and cash equivalents at the beginning of the year		186,798	244,483
Total cash and cash equivalents at the end of the year		173,364	186,798

A: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period	(24,205)	(143,307)
Adjustments for:		
Investment income	(14)	(17)
Interest paid	336	587
Depreciation charge	5,179	2,600
Gifts in kind – fixed assets	(14,540)	-
(Increase)/decrease in debtors	113,253	(51,003)
(Increase)/decrease in stocks and work in progress	16,653	(11,391)
Increase/(decrease) in creditors	(109,774)	147,430
Net cash provided by (used in) operating activities	(13,112)	(55,101)

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the new Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in 2014, applicable accounting standards and the Companies Act 2006. Following the adoption the new SORP, the results for the year to 31 March 2015 have been restated to reflect the revised format of the Statement of Financial Activities, the inclusion of an accrual for Holiday Pay and various other disclosures. A reconciliation of previously published results and the 2015 comparatives presented herein is shown in Note 15.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legal Aid Agency income is accounted for on a receivable basis when the income is measurable and certain. In the case of Legal Aid, the Legal Aid Agency income is usually recognised once they have confirmed the payment. Legal Help income is recognised under the Unified Contract when SWLLC has closed the cases and is entitled to claim the fee.

Voluntary income is received by way of donations and covenants and is included in full in the statement of financial activities when receivable.

Grant income is recognised in full in the statement of financial activities in the year in which it is receivable or received whichever is the earlier.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff time.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes to the financial statements (continued)

For the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

Support costs are those incurred directly in support of expenditure on the objects of the company. Any irrecoverable VAT is written back to general expenditure.

Governance costs are those incurred in connection with enabling the company to comply with external regulation, constitutional and statutory requirements, and in providing support to the Trustees in the discharge of their statutory duties.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture fittings and equipment - Over 3 years

1.7 Stocks and work in progress

Work in Progress represents the value of all open legally aid funded cases. These cases had been opened but were not yet completed, as at 31 March 2016. Work in progress has been valued at the lower of cost and net realisable value taking into account payments that have already been received.

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

1.9 Pensions

The company contributes to defined contribution pension schemes for employees which are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the company to the schemes. The society has no liability under the scheme other than for payment of those contributions.

1.10 Investment policy

The charity does not hold sufficient funds to invest for the medium or long term. Investment income derives from bank interest paid on current and deposit accounts. All reserves are needed for working capital requirements. Should the charity find itself in a position to invest for the longer term, the Trustees would select low risk investment opportunities, such as fixed deposits and short term bonds.

1.11 Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern the review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

1. ACCOUNTING POLICIES (continued)

1.12 Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Debtors

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

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors and provisions

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

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

2. DONATIONS

	Total Funds 2016 £	Total Funds 2015 £
General donations	81,713	31,602
City solicitors donations	120,471	86,795
	<u>202,184</u>	<u>118,397</u>

During the year, the charity received a donations of furniture (which it has valued at £14,540) and of electrical work (£7,000). These amounts have been included in General Donations above; the value of the furniture is shown as an addition to Fixed Assets (see note 9), while the electrical work is included within Support Costs.

The charity has also benefited during the year from pro bono legal volunteers, whose services have been valued at £303,525. It has not proved practical to evaluate such services in 2014/15 and therefore the services have not been reflected in the accounts of either year.

3. INCOME FROM CHARITABLE ACTIVITIES

	Total Funds 2016 £	Total Funds 2015 £
Legal and Advice Services	906,508	947,465
London Borough of Merton	56,034	54,000
London Borough of Croydon	40,000	-
	<u>1,002,542</u>	<u>1,001,465</u>

4. RAISING FUNDS

	2016 £	2015 Restated £
Support costs – staff (see note 6)	46,820	60,688
Other support costs	13,591	11,575
	<u>60,411</u>	<u>72,263</u>

5. EXPENDITURE ON ACTIVITIES

	2016 £	2015 Restated £
LEGAL AND ADVICE SERVICES		
Direct staff costs	659,137	641,633
Direct activity costs	31,050	31,953
Support costs (see note 6)	461,694	476,140
Decrease (Increase) in work in progress	16,653	41,197
	<u>1,168,534</u>	<u>1,190,923</u>

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

6. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Fundraising	Charitable	2016	2015 Restated
	£	£	£	£
Staff costs	46,820	185,292	232,112	333,186
Premises costs	5,902	120,023	125,925	68,054
Office, administration and insurance costs	7,287	148,197	155,484	138,851
Governance costs	402	8,182	8,584	8,312
Total	60,411	461,694	522,105	548,403

Overhead costs have been allocated to activities on the basis of staff time.

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	5,179	2,600
Auditors' remuneration - audit services	8,559	8,463
- other services	-	758
Pension costs	24,475	18,893

During the year, no Directors received any remuneration (2015- £Nil).

During the year, no Directors received any benefits in kind (2015 - £Nil).

During the year, no Directors received reimbursement of expenses (2015 - £Nil).

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2016 £	2015 Restated £
Wages and salaries	807,641	914,726
Social security costs	75,786	82,398
Pension costs	24,475	18,893
	907,902	1,016,017

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

	No.	No.
Legal service and advice	18	21
Support and fundraising	7	12
	25	33

No employee received remuneration amounting to more than £60,000 in either year. The remuneration of the Charity's key management personnel in the year was £44,472 (2015: £43,808).

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

9. TANGIBLE FIXED ASSETS	Furniture, fittings and equipment £	
Cost		
At 1 April 2015	91,773	
Additions	14,540	
At 31 March 2016	106,313	
Depreciation		
At 1 April 2015	89,074	
Charge for the year	5,179	
At 31 March 2016	94,253	
Net book value		
At 31 March 2016	12,060	
At 31 March 2015	2,699	
10. STOCKS AND WORK IN PROGRESS	2016	2015
	£	£
Work in progress	434,982	451,635
11. DEBTORS	2016	2015
	£	£
Due within one year		
Trade debtors	17,509	12,614
Other debtors	402,037	529,619
Prepayments	36,724	21,257
Accrued income	14,024	20,057
	470,294	583,547
12. CREDITORS: amounts falling due within one year	2016	2015 Restated
	£	£
Clients' funds held	173,217	176,604
Trade creditors	453,139	566,374
Social security and other taxes	40,814	47,750
Other creditors	25,327	17,251
Accruals	92,035	86,327
Sundry loan	10,000	10,000
	794,532	904,306

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

13. STATEMENT OF FUNDS

UNRESTRICTED FUNDS	Brought Forward Restated £	Incoming Resources £	Resources Expended £	Carried Forward £
General funds	307,624	924,117	951,175	280,566
Fixed Asset Fund	1,161	14,540	4,099	11,602
Total	308,785	938,657	955,274	292,168

Fixed Asset fund

This represents the net book value of fixed assets held within unrestricted funds.

RESTRICTED FUNDS	Brought Forward Restated £	Incoming Resources £	Resources Expended £	Carried forward £
DTI Capitalise	-	163,116	(163,116)	-
Awards for All	696	-	(696)	-
Raise the Roof Fund	6,892	15,228	(22,120)	-
Advice Transition Fund	-	15,784	(15,784)	-
Croydon Advice Providers Together	-	5,860	(5,860)	-
London Borough of Croydon	-	40,000	(40,000)	-
Access to Justice	-	10,000	(10,000)	-
Merton Voluntary Service Council	4,000	-	-	4,000
Wandsworth Discretionary Fund	-	7,500	(7,500)	-
Thames Water Trust	-	8,595	(8,595)	-
Total	11,588	266,083	273,671	4,000

Purpose of restricted funds:

The Capitalise fund income was received under a service contract in partnership with Toynbee Hall and a consortium of other London advice agencies, funded by the Money Advice Service for face to face debt advice across South West London

Awards for All were monies received in 2013 for capital costs of a new telephone and website which are being depreciated per annum.

Raise the Roof were monies raised through the London Legal Support Trust in support of gaining and fitting out new premises following the storm damage to our office in Battersea.

The Advice Transition Fund are project costs relating to merger negotiations with Springfield Law Centre, provision IT support and development of charging models

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

13. STATEMENT OF FUNDS (Continued)

The Croydon Advice Providers Together are project costs relating to development of charging models.

The London Borough of Croydon was a grant received towards rent of new office at Davis House.

Access to Justice was a grant received towards volunteer and pro bono clinics.

The Merton Voluntary Service Council Grant was received to deliver financial capability training in the community.

Wandsworth Discretionary Fund were monies for the continuation of providing pro bono services in the borough of Wandsworth

Thames Water Trust was a grant received towards Thames Water project worker.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2016	Unrestricted Funds 2016	Total Funds 2016	Total Funds 2015
	£	£	£	£
Tangible fixed assets	-	12,060	12,060	2,699
Current assets	4,000	1,074,640	1,078,640	1,221,980
Creditors: amounts falling due within one year	-	(794,531)	(794,531)	(904,306)
	<u>4,000</u>	<u>292,169</u>	<u>296,169</u>	<u>320,373</u>

15 RECONCILIATION OF RESERVES FOLLOWING RESTATEMENT OF PRIOR YEAR

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
Reserves as at 1 April 2014	9,852	453,828	463,680
Income in 2014/15	159,537	960,342	1,119,879
Expenditure in 2014/15 as previously stated	157,801	1,089,095	1,246,896
Holiday Pay cost	-	16,290	16,290
Expenditure for 2014/15 restated	<u>157,801</u>	<u>1,105,385</u>	<u>1,263,186</u>
Restated reserves as at 31 March 2015	<u>11,588</u>	<u>308,785</u>	<u>320,373</u>

16. OPERATING LEASE COMMITMENTS

At 31 March 2016, the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Expiry date:				
Within 1 year	62,629	6,192	7,563	-
Between 1 and 5 years	169,001	10,500	17,016	-
Over 5 years	59,983	-	-	-
	<u>291,613</u>	<u>16,692</u>	<u>24,579</u>	<u>-</u>

South West London Law Centres

Notes to the financial statements (continued)

For the year ended 31 March 2016

17. TAXATION

The Company is a Charity and therefore exempt from Corporation Tax on its charitable activities.

18. RELATED PARTY TRANSACTIONS

The aggregate of donations received from the Trustees in the year was £nil (2015: £nil).

There were no other transactions with related parties as at 31 March 2016 (2015: £nil).

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2015):

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
INCOME FROM:			
Donations	118,397	-	118,397
Charitable activities			
Legal and advice services	841,928	159,537	1,001,465
Investments	17	-	17
Total income	960,342	159,537	1,119,879
EXPENDITURE ON:			
Raising funds	72,263	-	72,263
Charitable activities – legal and advice services	1,033,122	157,801	1,190,923
Total expenditure	1,105,385	157,801	1,263,186
Net income / (expenditure)	(145,043)	1,736	(143,307)
Transfers between funds	-	-	-
Net movement in funds	(145,043)	1,736	(143,307)
Funds brought forward	453,828	9,852	463,680
Funds at 31 March 2015	308,785	11,588	320,373