

THE NATIONAL PRO BONO CENTRE
Company Number:7226359
Charity Number:1137708
(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 December 2016

THE NATIONAL PRO BONO CENTRE
(A company limited by guarantee)

INDEX	Page
Legal and administrative information	1
Report of the directors and trustees	2 - 5
Independent examiner's report	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 14

LEGAL AND ADMINISTRATIVE INFORMATION

Status

The National Pro Bono Centre is a charitable company limited by guarantee, incorporated on 16th April 2010. The members, who are the Trustees, have undertaken to contribute, to the extent set out in the Memorandum of Association, to the assets of the company in the event of it being wound up.

Charity Registration Number: 1137708

Company Registration Number: 7226359

Trustees and directors

The Trustees of the charity, who are also directors of the company, as at 31 December 2016 were:

Rebecca Hilsenrath
Sir Robin Knowles CBE
Michael Napier CBE, QC (Hons)
Paul Newdick CBE, QC (Hons)
Rebecca Wilkie
Guy Beringer (Legal Education Foundation)
Diane Burleigh (CILEx)
Mark Hatcher (Bar Council)
Desmond Hudson (Law Society) (resigned 16 February 2016)

Registered Office

10 Norwich Street
London
EC4A 1BD

Operational Address:

48 Chancery Lane
London
WC2A 1JF

Website: www.nationalprobonocentre.org.uk

Head of Finance and Administration

Andrew Ledward

Solicitors

MacFarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Independent Examiner

Richard Dunford
Chartered Accountant
26 High Trees Avenue
Bournemouth
Dorset
BH8 9JX

Bankers

Coutts & Co
440 Strand
London
EC1N 2HR

REPORT OF THE DIRECTORS AND TRUSTEES

The Trustees of the National Pro Bono Centre present their annual report together with the financial statements of the charity for the year ended 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011 as amended by the Companies Act 2006, the Memorandum and Articles of Association, the Charities Statement of Recommended Practice (SORP) (FRS102) 2015 and Update Bulletin 1.

OBJECTIVES AND ACTIVITIES

The National Pro Bono Centre currently houses the Bar Pro Bono Unit, LawWorks (the Solicitors Pro Bono Group) and other legal charities. The Centre is designed to facilitate pro bono charities in the sector and support the wide range of projects and brokerage which the charities provide, helping individuals and community groups all over England and Wales.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

When planning the Charity's activities for the year, the Trustees have considered the Charity Commission's guidance on public benefit.

The Charity's objects are specifically restricted to promoting, for the public benefit, the efficiency and effectiveness of charities established to promote the upholding and proper administration of the law through any or all of the following means:

- the provision of Pro Bono Legal Services
- the education and training of lawyers undertaking or intending to undertake such Services
- the support, encouragement and advice to lawyers in the provision of such Services or the undertaking of voluntary work in the administration of the law, education, social services, community work and other charitable activities for the benefit of the community.

by the provision of services or facilities, included but not limited to the provision of premises, directed towards supporting improvement in the administration of those charities or otherwise supporting them in being more efficient so as to enhance the service provided to beneficiaries of those charities.

The employment of a finance and administration team, led by a qualified accountant is of particular benefit to the resident charities in enabling them to concentrate on their core activities/service provision.

FINANCIAL REVIEW

The financial statements report a deficit of £100,084 for the year. This deficit is due to increased rent charges over the second half of the ten year lease and the timing of fundraising income. Steps have been taken since the year end to increase licence fees received by the charity in order to remove this deficit and to provide a balanced cashflow to the end of the second half of the ten year lease.

REPORT OF THE DIRECTORS AND TRUSTEES

Principal Funding Sources

The Charity is exceptionally grateful for the wide and varied support received. Support has been generously given by both individuals and organisations alike to help continue the development on the Centre. The Charity also receives contributions, from charities based at the Centre, towards the costs it incurs in making provision to help them achieve their objectives. A list of the generous initial sponsors appears in the window at the front of the Centre. The Charity is working with the Commercial Litigators Forum and GC100 to develop new sponsorship opportunities and is very grateful for their support.

Investment Policy

Historically the level of funds held by the Charity has not necessitated a policy other than the use of current account banking facilities. The Trustees preference is for conservative, risk-free investment and the use of standard bank deposit accounts, including those of a short fixed term nature.

Reserves Policy

The Charity built a large reserve in the first five years of the lease which is now being used to reduce the impact of the increased rent. This reduction will be balanced by the need to ensure a sufficient level of reserves to meet the expected liability for dilapidations at the end of the lease.

PLANS FOR FUTURE PERIODS

The National Pro Bono Centre will continue to provide the support detailed in the aims and objectives above, in order to ensure that charities providing pro bono services to the public, have adequate facilities & support to carry out their aims and objectives. To this end, the Centre will need, as referred to above in the financial review, periodically, to carry out sponsorship fundraising. The Charity will also keep under regular review the services which it provides, such as accounting and administration, to resident charities. The Board is developing plans for the future of The National Pro Bono Centre after the end of the current lease.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of Trustees

The Charity is governed by a Board of Trustees who are all volunteers. No paid employee, whether in full or part time employment, is a member of the Board.

When appointing Trustees, the Board has regard to the skills and experience appropriate to the needs of the organisation, and also the particular provisions in this regard in the Articles. The Board of Trustees meets about 4 times a year.

Risk Management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operation and finances, and are satisfied that, where appropriate, systems are in place to mitigate exposure to major risks. Internal control risks are minimised by the procedures in place for the authorisations of expenditure and commitments.

REPORT OF THE DIRECTORS AND TRUSTEES

The Charity retains risk in relation to the continuation of adequate external funding and this risk is continually monitored and actively managed by the Trustees and employees of the Charity.

The Charity and two of the larger resident charities are, by the nature of the funding of the premises lease, mutually at risk of a funding shortfall if any of the 3 organisations experiences funding difficulty. This particular risk is monitored regularly, by both the National Pro Bono Centre's Head of Finance, and the Trustees of each charity, through the provision of regular financial information, in particular future cashflow forecasts.

Organisational Structure

The Charity has carried out and is in the process of implementing an extensive review of governance arrangements after consultation with pro bono organisations and supported by MacFarlanes LLP as pro bono legal advisors.

The Charity is governed by the Board of Trustees, who retain all authority for expenditure and commitments. The Charity employs two staff to provide finance and administration services to the Charity itself and, to varying degrees, to the resident charities.

The staff have daily access to, and weekly contact, with at least two of the Trustees. Staff pay is set by the Board based on current market rates.

Related Parties

A number of the trustees and both chief executives of two of the Centre's resident charities, LawWorks and the Bar Pro Bono Unit, are involved with the management of the National Pro Bono Centre. If the National Pro Bono Centre were to fail to meet its liabilities, this would impact on the ability of LawWorks and the Bar Pro Bono Unit to occupy the Centre.

Solicitors Pro Bono Group T/A LawWorks, is a registered charity (1064274) & company limited by guarantee (3410932)

Bar Pro Bono Unit is a registered charity (1057620) & company limited by guarantee (4211688)

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also Directors of The National Pro Bono Centre for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principle in the Charities SORP,

REPORT OF THE DIRECTORS AND TRUSTEES

- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 detection and prevention of fraud and other irregularities.

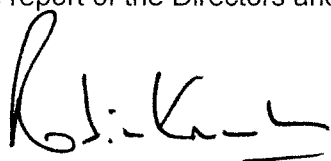
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Directors are aware, there is no relevant review information of which the charitable company's independent reviewer is unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant review information and to establish that the company's independent reviewer is aware of that information.

The trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year end and up to the date of this report are set out on page 1.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The report of the Directors and Trustees was approved by



SIR ROBIN KNOWLES CBE

Director and Trustee

Date: 25/9/2017

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND TRUSTEES OF THE NATIONAL PRO BONO CENTRE

I report on the accounts of The National Pro Bono Centre for the year ended 31 December 2016, which are set out on pages 8 to 14.

This report is made solely to the trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the trustees as a body for my independent examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND TRUSTEES OF THE
NATIONAL PRO BONO CENTRE**

Independent examiner's statement

In connection with my examination, no other matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep proper accounting records in accordance with Section 386 of the Companies Act 2006; and

- to prepare accounts which accord with the accounting records and comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

have not been met: or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



R. J. DUNFORD

Chartered Accountant

Date: 17th September 2017

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted funds 2016 £	Unrestricted funds 2015 £
INCOME			
Sponsorship and donations	2	22,758	7,414
Charitable activities	2	257,847	251,872
TOTAL INCOME		<u>280,605</u>	<u>259,286</u>
EXPENDITURE			
Raising funds	3	11,361	10,114
Charitable activities	3	355,967	316,900
Other costs	3	13,361	11,864
TOTAL EXPENDITURE		<u>380,689</u>	<u>338,878</u>
NET EXPENDITURE AND NET MOVEMENT IN FUNDS		(100,084)	(79,592)
Funds brought forward at 1 January 2016		223,668	303,260
FUNDS CARRIED FORWARD AT 31 DECEMBER 2016		<u>123,584</u>	<u>223,668</u>

All amounts derive from continuing operations.

All gains and losses for the year are included in the Statement of Financial Activities.

The notes on pages 10 to 14 form an integral part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2016
Company Registration Number 7226359

	Note	2016		2015	
		£	£	£	£
TANGIBLE FIXED ASSETS	7		85,553		109,430
CURRENT ASSETS					
Debtors	8	80,111		75,291	
Cash at bank and in hand		34,391		71,990	
		<u>114,502</u>		<u>147,281</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>76,471</u>		<u>33,043</u>	
NET CURRENT ASSETS			38,031		114,238
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>123,584</u>		<u>223,668</u>
NET ASSETS			<u>123,584</u>		<u>223,668</u>
FUNDS					
Unrestricted funds	10		<u>123,584</u>		<u>223,668</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102 Charities SORP and Update Bulletin 1.

These financial statements were approved by the board of directors and trustees on 14 June 2017 and signed on behalf of the board of directors by


SIR ROBIN KNOWLES CBE

Director and trustee

The notes on pages 10 to 14 form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016**

1 STATUTORY INFORMATION

The National Pro Bono Centre is a private company limited by guarantee and incorporated in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administration Information page.

2 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Update Bulletin 1 and the Companies Act 2006.

The National Pro Bono Centre meets the definition of a public benefit entity under FRS 102.

b) Going concern

No material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern have been identified by the trustees, therefore, the accounts have been prepared on a going concern basis.

c) Income

Licence fees receivable are accounted for in the period in which the service is provided.

Sponsorship and donations received for the general purposes of the charity are credited to unrestricted funds. Any sponsorship and donations for purposes restricted by the wishes of the donor are taken to restricted funds.

d) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate.

Costs which do not relate to raising funds or charitable activities relate to running the charity, including independent examination costs, preparation of statutory accounts and attending to statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016

e) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets over their estimate useful lives as follows:

Short-term leasehold improvements	-	straight line over 10 years
Furniture	-	straight line over 5 years
Equipment	-	straight line over 5 years

f) 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 income and expenditure account as incurred.

g) Pension scheme arrangements

The company makes contributions to personal pension arrangements in respect of its employees. Contributions are shown as expenditure in the year in which they are paid. The company has no liability in this respect other than the amounts actually paid in any year.

2 INCOME

Income continues to be from sponsorship and donations and from licence fees.

3 EXPENDITURE

	Staff costs £	Other direct costs £	2016 Total £	2015 Total £
Raising funds	1,880	9,481	11,361	10,114
Charitable activities	58,914	297,053	355,967	316,900
Other costs	1,880	11,481	13,361	11,864
Total expenditure	<u>62,674</u>	<u>318,015</u>	<u>380,689</u>	<u>338,878</u>

4 NET MOVEMENT IN FUNDS

	2016 £	2015 £
Net movement in funds is stated after charging:		
Directors' emoluments	----	----
Independent examiner	2,000	1,750
Depreciation - owned tangible fixed assets	26,256	28,539
Operating lease rentals - land and buildings	<u>171,726</u>	<u>137,036</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016

5 STAFF COSTS	2016	2015
	£	£
Wages and salaries	59,128	58,180
Social security costs	2,832	3,801
Pension costs	714	2,970
	<u>62,674</u>	<u>64,951</u>

No employees earned at the annual rate of more than £60,000 in both 2016 and 2015.

The average number of persons employed by the charitable company during the year was as follows:

	2016	2015
	No.	No.
Governance and provision of services	<u>2</u>	<u>2</u>

Both employees are considered to be key management personnel given the nature and size of the charitable company.

6 TRUSTEES' REMUNERATION AND EXPENSES

The trustees did not receive any remuneration nor reimbursement of expenses during the year ended 31 December 2016 (2015: £nil).

7 TANGIBLE FIXED ASSETS	Short-term leasehold improvements	Furniture	Equipment	Total
	£	£	£	£
COST				
At 1 January 2016	211,906	22,870	4,967	239,743
Additions	----	2,379	----	2,379
Disposals	----	----	----	----
At 31 December 2016	<u>211,906</u>	<u>25,249</u>	<u>4,967</u>	<u>242,122</u>
ACCUMULATED DEPRECIATION				
At 1 January 2016	105,012	21,955	3,346	130,313
Charge for the year	24,228	1,032	996	26,256
Disposals	----	----	----	----
At 31 December 2016	<u>129,240</u>	<u>22,987</u>	<u>4,342</u>	<u>156,569</u>
NET BOOK VALUE				
At 31 December 2016	<u>82,666</u>	<u>2,262</u>	<u>625</u>	<u>85,553</u>
At 31 December 2015	<u>106,894</u>	<u>915</u>	<u>1,621</u>	<u>109,430</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016

8 DEBTORS	2016	2015
	£	£
Trade debtors	26,169	11,942
Other debtors	918	1,033
Prepayments and accrued income	53,024	59,794
Recoverable taxation	---	2,522
	<u>80,111</u>	<u>75,291</u>

All debtors are due within one year.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016	2015
	£	£
Trade creditors	4,724	3,230
Other creditors	2,795	2,500
Social security and other taxes	3,464	1,534
Accruals and deferred income	65,488	25,779
	<u>76,471</u>	<u>33,043</u>

10 FUNDS	At 1 January 2016 £	Income £	Expenditure £	At 31 December 2016 £
Unrestricted funds	<u>223,668</u>	<u>280,605</u>	<u>(380,689)</u>	<u>123,584</u>

11 LEGAL STATUS

The National Pro Bono Centre is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10.

12 PENSION COMMITMENTS

The charitable company makes contributions to the personal pension scheme held by its employees. There were no unpaid contributions outstanding at the end of the year or the preceding year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016

13 TRANSACTIONS WITH RELATED PARTIES

Two of the company's directors and trustees, Sir Robin Knowles CBE and Paul Newdick CBE QC (Hons), were also trustees of Solicitors Pro Bono Group t/a LawWorks. Another of the company's directors and trustees, Rebecca Hilsenrath, was chief executive of LawWorks until 14 March 2014. During the year ended 31 December 2016, the National Pro Bono Centre received licence fees of £110,000 (2015: £125,000) from LawWorks. As at 31 December 2016, the National Pro Bono Centre was owed £918 by LawWorks (2015: £1,033).

Sir Robin Knowles CBE and Paul Newdick CBE QC (Hons) are trustees of the Bar Pro Bono Unit. During the year ended 31 December 2016, the National Pro Bono Centre received licence fees of £85,000 (2015: £85,000) from the Bar Pro Bono Unit. As at 31 December 2016 the National Pro Bono Centre owed £nil (2015: £nil) to the Bar Pro Bono Unit.

14 OTHER FINANCIAL COMMITMENTS

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Total future minimum lease payments under non-cancellable operating leases which expire:				
Within one year	170,831	170,831	4,330	4,330
In two to five years	402,505	573,336	3,462	7,792
	<u>573,336</u>	<u>744,167</u>	<u>7,792</u>	<u>12,122</u>

15 TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The charitable company transitioned to FRS 102 on 1 January 2016.

No adjustments were required upon transition.