

EALING LAW CENTRE
TRUSTEES' REPORT AND ACCOUNTS
31 MARCH 2017

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LEGAL AND ADMINISTRATIVE INFORMATION

Principal Address	210 Northfield Avenue London W13 9SJ
Registered Charity No.	1151243
Registered Company No.	8151033
Trustees	Lynn Knowles – Chair Sue James – Treasurer Peter Bartram Simon Mullings Clarissa Stoneham Suchitra Hammond (from 20/12/2016)
Supervising Solicitor	Vicky Fewkes
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	APEX ACCOUNTANCY 9a High Street, West Drayton, Middlesex, UB7 7QG.

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ABOUT EALING LAW CENTRE

Ealing Law Centre exists to challenge disadvantage, poverty and exclusion. We do this in a number of ways - we provide people in crisis with expert legal services free of charge, we undertake strategic litigation to improve or change the way the law is administered, and we collaborate with other voluntary sector agencies and professional organisations in Ealing and neighbouring boroughs - to provide advice and representation services. We also provide local organisations with expert support and training to improve their understanding of the law and how it can be used to combat disadvantage.

We were set up in 2012 at a time of crisis in the advice sector in Ealing when the main advice provider, Law For All, collapsed (in 2011), leaving us with an "advice desert". Our specific role is to provide specialist legal services in cases where front-line agencies have reached the limit of their ability to help.

Our solicitors and caseworkers provide free legal advice and representation in the areas of immigration, housing and welfare rights law. Our clients come to us as referrals from front line agencies across the borough, and through the housing repossession helpdesk service at Brentford County Court, which we help de

liver. We represent our clients in negotiations and, where necessary, in tribunals and courts up to Court of Appeal level. This work is supported through a blend of Legal Aid and grant funding. We are the only non-profit Legal Aid provider based in Ealing, with Legal Aid contracts in housing and immigration.

Our charitable status gives us the ability to attract resources which enable us to extend our services well beyond the limited areas for which Legal Aid is available; since ELC was set up we have brought some £369,000 of charitable funding into the Borough. We attracted several major grants to develop a citizenship project for young people that has now become an independent charity in its own right, and with the help of the City Bridge Trust and more recently the Henry Smith Charity we have established an Anti-Poverty Unit which provides the only representation service in the Borough for people who need to appeal to a benefits tribunal.

We run regular helplines on immigration, housing and welfare rights issues so that we can advise people who would not otherwise have access to legal advice – this includes a "Sanctions Hotline" through which front-line agencies across the Borough can refer people whose benefits have been stopped.

We are active members of a number of borough-wide initiatives within the advice sector which aim to rebuild an integrated network of advice services in Ealing. We collaborate closely with a wide range of front-line agencies, providing their staff and volunteers with advice and training on legal issues, and we are members of the consortium delivering the Big Lottery's Help Through Crisis programme in Ealing.

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REVIEW OF THE YEAR 2016-2017

Tackling destitution

It was becoming clear to us from 2015 that dealing with welfare benefits issues would have to become central to the work of Ealing Law Centre if we were to stand any chance of tackling the corrosive influences of destitution, poverty and exclusion that blight so many lives in West London. Many of our clients were facing destitution and/or homelessness as a result of adverse benefits decisions and needed access to professional help and representation with complex appeals and tribunal cases. This is an area of law which is no longer covered by Legal Aid, and there were no such services in Ealing.

We set up our Anti-Poverty Unit in November 2015, and took on our first part time Welfare Rights Caseworker and to start this much-needed service. We were determined that this was to be the start of something bigger and more sustainable, and put a lot of time and resource during the year into developing bids for longer-term funding.

The funding strategy and effort paid off. At the beginning of the financial year 2016-17 we heard that we had been awarded a grant of £51,200 per year for 3 years by the City Bridge Trust, and that we would be receiving funding for two part-time posts in our Welfare Rights Unit as part of a successful consortium bid to the Big Lottery Fund's Help Through Crisis programme. This meant that we were able to expand our Anti-Poverty Unit to two part-time Welfare Rights Caseworkers, a Crisis Navigator to provide support to people facing destitution as a result of benefit problems. We took on a second Housing Solicitor to help us extend our services to people facing homelessness whose cases do not qualify for funding through the Legal Aid scheme. These were in addition to our full-time Supervising (housing) Solicitor, our Immigration Solicitor and Admin/Volunteer Coordinator.

Citizenship

One of the challenges the Law Centre took on from its early days was dealing with the cases of undocumented young people and we were fortunate in having the support of the Paul Hamlyn Foundation and Unbound Philanthropy to enable us to develop our expertise in this area. The Project for Registration of Children as British Citizens – which we had resourced and incubated – floated off to become a charity in its own right. We continue to support a number of these young people.

The focus of this work has shifted slightly to concentrate on young people living in Ealing and neighbouring boroughs. Our goal is to ensure that every young person in Ealing can get the help they need to resolve their citizenship status, and we will be looking to develop a new project in this area over the coming year.

The core programme

During the course of 2016-17 our Housing and Immigration Solicitors provided legal representation for 254 clients including 147 new cases, telephone advice to a further 499 helpline callers, and advice and support to 114 people facing potential homelessness through the Brentford County Court Duty Scheme for repossession cases. Despite only being set up halfway through the financial year, by the year end our Anti-Poverty Unit had

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helped 240 people and recovered £126,123 that our clients were entitled to but wrongly denied.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and organisational structure

Ealing Law Centre is constituted as a Charity and a Company Limited by Guarantee, registered with the Charity Commission on 14th March 2013. The year covered by these accounts is therefore the Charity's fourth full year of operation.

The Trustees who held office during the financial year are set out on page 1. Trustees are elected at the Law Centre's Annual General Meeting; Trustees are both directors of the Company and Trustees of the Charity.

The Law Centre employs staff to provide legal and other services, and also benefits from the contributions of volunteers, to whom we are very grateful.

Ealing Law Centre works closely with other local voluntary advice-giving organisations to support the development of an effective network of advice services for the people of Ealing.

Objects and activities

Ealing Law Centre exists to tackle unmet legal needs. Its principal activity is the provision of legal advice, aid and assistance to people in need – mainly, those living or working in the London Borough of Ealing.

The Law Centre aims to relieve poverty, suffering and distress, to advance the education of individuals and community organisations on legal issues in the area of social welfare law, and to work with other charities to advance charitable purposes which are beneficial to people in need living or working within its area of operation.

In planning the Charity's activities for the year the Trustees keep in mind the Charity Commission's guidance. The Charity aims to provide its services to people who are in need of them, regardless of personal background, faith, gender or personal circumstances, and welcomes volunteers and staff on the same basis. We believe this philosophy of openness to all enriches everyone through the sharing of the skills, aptitudes and life experiences of our service users and volunteers.

There is an appropriate induction procedure for new Trustees which is designed to encourage, enthuse and suitably equip people who have no previous knowledge about the formalities and customs associated with serving on the Board of a voluntary organisation.

Risk management

The identification of potential risk and plans to manage the occurrence of risk is an integral part of work plans for all the Law Centre's activities and the risks facing the organisation are reviewed regularly as part of the Board's ongoing work. Consequently the major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and actions have been taken to mitigate those risks.

Public benefit

In planning and overseeing the delivery of its work, ELC's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and consider that the Charity exists for the purpose of public benefit as defined in Section 4 of the Charities Act 2011.

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FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 9 of the accounts.

Summary of key points

- This is the Charity's fourth full year of operation. The Law Centre's business strategy is for the main sources of income for its core services to be split between voluntary income from grants and donations, and fees earned from litigation based on its Legal Aid contracts. In the longer term the aim is for roughly equal amounts to come from each of these sources.
- However given the nature of legal aid funding, income from legal casework inevitably only builds up gradually. Of the Law Centre's total income of £205,585 in 2016-17, 51% (£105,254) came from earned income; this represents an increase in earnings of 19% on 2015-16, following year-on-year increases of 26%, and 36% in the two previous years, and was broadly in line with the business plan.
- Grant income during the year was as follows:-

Trust For London	£37,500
City Bridge Trust	£30,217
Help Through Crisis Fund (via ECVS)	£18,833
Access to Justice Fund	£5,000
Dispossessed Fund	£5,000
London Legal Support Trust	£5,000
	<u>£96,550</u>

(Note: The figures for the Trust For London, City Bridge Trust and the Dispossessed Fund represent the portions of grants stretching over more than one year which have been accounted for during the financial year 2016-17; the remaining balances of the TFL and City Bridge awards have been accounted for as grants in advance)

In addition we received generous donations from individuals of £3,781. The Law Centre is very grateful to all of these funders and donors, without whose support we could not have achieved so much.

- The figure for earned income quoted above includes an amount of £51,392, which is the assessed value of work in progress built up during the year on cases which had not reached the point where they could be billed. The Law Centre's case management system records all activities for which claims can be made under LAA contracts and for higher court litigation. The figure for Work In Progress included in the accounts is 75% of the book value of ongoing litigation activities at the balance sheet date, excluding quick turnover cases funded under the "Legal Help" quota within the Legal Aid contracts. The factor of 75% follows the practice of the Legal Aid Agency in making payments on account for cases in progress. The Trustees therefore believe that this is a prudent assessment of the value of Work In Progress.
- This means in practice that, in the year under review, over £50,000 of the income shown in ELC's accounts – a quarter of the total – was due to be received at some point in the future, rather than having actually arrived in its bank account. This is an important way in which Law Centres differ from most other charities – their accounts can suggest that their finances are significantly healthier than is actually the case on a day to day basis; this is a factor which needs to be borne in mind by potential donors and others with an interest in assessing charities' financial performance and needs.

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- The gap between carrying out work and being paid for it poses cashflow challenges for all legal practices; in some cases it can be years after work has been carried out that funds are finally received. This is a particular problem for new enterprises which do not have the relative security of an ongoing revenue stream, and no track record to support an application for an overdraft. From ELC's early days, its Board has therefore paid particular attention to rigorous cashflow management as part of its overall risk mitigation strategy, and this has continued over the course of the year under review.
- To ensure that ELC has sufficient working capital, the Trustees' policy is to build its reserves to the point where they cover 6 months' operating costs; despite the fact that it was still in the early stages of its development, this goal had been achieved by the end of 2015-16. The level of reserves has reduced in cash terms during 2016-17 – from £91,413 to £84,533 – and reserve cover as a proportion of annual operating costs has reduced from 6.8 months to 4.8 months. Because so much of this amount is represented by Work In Progress, ELC's cash holdings had reduced to £49,023 at the end of the year from £107,251 the previous year – a 55% reduction.
- The apparent deterioration in ELC's reserve position was the result of a deliberate decision by the Board to invest some of ELC's retained earnings in recruiting a full complement of staff to the Anti-Poverty Unit, even though the cost of the Unit had not at that point been fully covered by grant income. The fact that there was no guarantee that full funding would be obtained made this a calculated risk; however the Board took the view that the pressing need for the Unit's services meant that it was important to get it fully-functioning as soon as it was feasible to do so, and the self-evident nature of the need – coupled with ELC's strong track record of successful grant applications – gave it confidence that full funding would eventually be found. This proved to be the case early in 2017-18, when the Henry Smith Charity joined City Bridge and the Help Through Crisis Fund as the Unit's third major funder.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that year. In preparing those financial statements the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles of the charities SORP
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether the policies adopted are in accordance with applicable accounting standards;
- e) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant information of which the Charity's Independent Examiner is unaware, and they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant financial information and to establish that the Charity's Independent Examiner is aware of that information.

**EALING LAW CENTRE
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PLANS FOR THE FUTURE

Ealing Law Centre's business strategy remains to develop a blend of funding to support its core activities with roughly half coming from grants and charitable donations, and the other half from fees earned from litigation and from its Legal Aid contracts. We will continue to focus on building up our caseload of certificated and higher court cases, using our quota of legal help cases funded under Legal Aid to develop this workstream.

In addition, we will continue to develop specific projects for activities which fall outside our core function of legal advice and casework, but are within our wider charitable purposes, and we will take any opportunities which arise to tender for the provision of legal advice services within the borough, including taking part in consortium bids where appropriate.

We will continue to keep our overheads low, while at the same time continuing to develop robust business processes and systems which ensure that we control our finances tightly and maximise our potential income.

Our first years of operation were extremely testing, but the experience of meeting and overcoming the difficulties of establishing and running a new law centre has strengthened the Board and staff group, and gave us the resilience and confidence to deal more easily with whatever the environment throws at us. Despite the challenges and cash flow crises, the law centre has grown year on year, and our financial position at the end of 2016-17 was strong enough to enable us to develop an entirely new – and much-needed – service: the Anti-Poverty Unit.

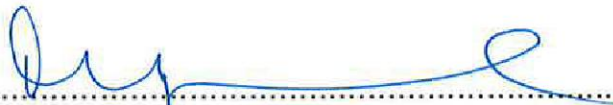
Thanks to our fundraising success and strong financial performance from our legal aid solicitors we are now in a position where we will be able to take on a part time finance worker. The volunteer business manager who has provided us with immeasurable help and support during the last three years will be able to retire. We are very grateful to him. The loss of our admin and volunteer co-ordinator has allowed us to restructure and we will be taking on a Head of Operations to ensure that our administration matches the excellence of our professional work with clients.

We expect the workload of the law centre to increase over the coming year. The rollout of Universal Credit is likely to bring more people to our doors as the inevitable delays in payment, adverse decisions and sanctions cause financial distress, homelessness and personal crisis to people already under immense strain because of insecure accommodation and employment.

We expect an increase in EU nationals seeking help with their immigration status and also benefit issues. Our immigration unit is likely to have to refocus some attention on this area of work. We expect to be developing projects around this and also on undocumented children in Ealing.

We still face major challenges, but we are looking forward to these, and facing them with a confidence based on our successful track record over our first four years.

Approved by the Trustees and signed on their behalf



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Lynn Knowles - Chair

13th September 2017

EALING LAW CENTRE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EALING LAW CENTRE

I report on the accounts of the Charity for the year ended 31 March 2017, which are set out on pages 9 to 12.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the Charity's Trustees you are responsible for the preparation of the accounts.

You consider that the audit requirement of section 144 of the Charities Act 2011 (the 2011 Act) does not apply and that an independent examination is needed.

It is my responsibility to examine the accounts under section 145 of the 2011 Act, follow procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and to 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 Commissioners. 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 STATEMENT

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

1. which gives me reasonable cause to believe that in any material respect the requirements
 - (a) to keep accounting records in accordance with section 130 of the Charities Act 2011; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave 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.

NAME: R.K. Maini for Apex Accountancy



Address: 9A HIGH STREET, WEST DRAYTON, MIDDLESEX, UB7 7QG

Date: 6th December 2017

EALING LAW CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
YEAR ENDED 31 MARCH 2017

	Unrestricted Funds	Restricted Funds	Totals 2017	Totals 2016
INCOMING RESOURCES				
Income from Charitable Activities				
Donations, Grants and Contract Income	108,042	97,543	205,585	194,792
Activities for Generating Funds				
Investment Income – Bank Interest	-	-	-	-
Miscellaneous Income	-	-	-	-
	<u>108,042</u>	<u>97,543</u>	<u>205,585</u>	<u>194,792</u>
TOTAL INCOMING RESOURCES	<u>108,042</u>	<u>97,543</u>	<u>205,585</u>	<u>194,792</u>
RESOURCES EXPENDED				
Charitable Activities				
Activity Costs	112,903	98,905	211,808	156,715
Activities for Generating Funds	566	-	566	2,788
Governance Costs	171	-	171	929
	<u>113,640</u>	<u>98,905</u>	<u>212,544</u>	<u>160,432</u>
TOTAL RESOURCES EXPENDED (Note 2)	<u>113,640</u>	<u>98,905</u>	<u>212,544</u>	<u>160,432</u>
NET (EXPENDITURE)/INCOME FOR YEAR	(5,598)	(1,362)	(6,960)	34,360
Transfer between funds	-	-	-	-
	<u>(5,598)</u>	<u>(1,362)</u>	<u>(6,960)</u>	<u>34,360</u>
NET MOVEMENT IN FUNDS	<u>(5,598)</u>	<u>(1,362)</u>	<u>(6,960)</u>	<u>34,360</u>
FUND BALANCES AT 1 APRIL 2016	90,131	1,362	91,493	57,133
	<u>90,131</u>	<u>1,362</u>	<u>91,493</u>	<u>57,133</u>
FUND BALANCES AT 31 MARCH 2017	<u>£ 84,533</u>	<u>£ -</u>	<u>£ 84,533</u>	<u>£ 91,493</u>

**EALING LAW CENTRE
BALANCE SHEET
31 MARCH 2017**

	2017		2016
	£	£	£
TANGIBLE FIXED ASSETS (Note 3)		3,400	2,874
CURRENT ASSETS			
Cash at Bank and in Hand	49,023		107,251
Work in progress (Note 4)	51,392		32,433
Debtors (Note 5)	18,803		17,666
	<u>119,218</u>		<u>157,351</u>
CURRENT LIABILITIES			
Creditors and Accruals (Note 6)	<u>38,085</u>		<u>68,732</u>
NET CURRENT ASSETS		<u>81,133</u>	<u>88,619</u>
NET ASSETS		<u>£ 84,533</u>	<u>£ 91,493</u>
FUNDS:			
Unrestricted Funds	84,533		£90,131
Restricted Funds (Note 8)	-		1,362
	<u>£ 84,533</u>		<u>£ 91,493</u>


For the year ending 31st March 2017, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The accounts were approved by the Board of Directors on 13th September 2017 and signed on its behalf by


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Lynn Knowles - Chair

13th September 2017

**EALING LAW CENTRE
NOTES TO THE ACCOUNTS
31 MARCH 2017**

1. ACCOUNTING POLICIES

- (i) The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) 'Accounting by Charities' and with applicable accounting standards.
- (ii) General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Restricted funds are funds subject to specific restrictive conditions imposed by the donors.
- (iii) Depreciation is provided on the Furniture and Equipment on a straight line basis at the rate of 25% per annum.

2. TOTAL RESOURCES EXPENDED

	2017	2016
	£	£
Includes: Depreciation	2,033	1,394
Staff Costs	149,363	82,151
	<u> </u>	<u> </u>
The average number of employees was:		
Charitable Activities (full and part-time)	5.5	3.5
	<u> </u>	<u> </u>
Staff Costs:		
Gross Salaries	140,032	79,765
Social Security Costs	9,331	6,103
Pension Costs	-	-
	<u> </u>	<u> </u>
	<u>£149,363</u>	<u>£ 82,151</u>

No employee earned more than £60,000 in either year.

3. TANGIBLE FIXED ASSETS

		Furniture & Equipment
COST	At 1.4.16	5,574
	Additions	2,559
	Disposals	(-)
	At 31.3.17	<u>£ 8,133</u>
DEPRECIATION	At 1.4.16	2,700
	Charge for Year	2,033
	On disposals	(-)
	At 31.3.17	<u>£ 4,733</u>
NET BOOK VALUE	At 31.3.16	<u>£ 2,874</u>
	At 31.3.17	<u>£ 3,400</u>

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4. WORK IN PROGRESS	2017	2016
Legal Aid cases	28,045	18,849
Other litigation	22,347	13,584
	<u>£ 51,392</u>	<u>£32,433</u>

5. DEBTORS	2017	2016
Legal Aid Agency	11,549	7,732
Other debtors and prepayments	7,254	9,934
	<u>£ 18,803</u>	<u>£ 17,666</u>

6. CREDITORS	2017	2016
Sundry Creditors	35,421	67,516
Provision for independent review of accounts	840	840
Clients' account	1,824	376
	<u>£38,085</u>	<u>£ 68,732</u>

7. RESTRICTED FUNDS	2017	2016
Restricted funds brought forward	1,362	3,313
Grants and donations received during the year	97,543	95,484
Less: Cost of activities undertaken during the year	(98,905)	(97,436)
Restricted funds carried forward	<u>£ -</u>	<u>£1,362</u>

8. TRUSTEES' REMUNERATION

Trustees are not remunerated. Trustees received reimbursement of expenses for attending meetings and conferences amounting to £NIL.