

Company number: 1302947  
Charity number: 268468

# Islington Law Centre

Report and financial statements  
For the year ended 31 March 2017

Contents

For the year ended 31 March 2017

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Reference and administrative information .....	1
Management committee's annual report .....	3
Independent auditors' report .....	12
Statement of financial activities (incorporating an income and expenditure account) .....	16
Balance sheet .....	17
Consolidated statement of cash flows .....	18
Notes to the financial statements .....	19

Reference and administrative information

For the year ended 31 March 2017

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**Company number** 1302947

**Charity number** 268468

**Registered office  
and operational  
address** 38 Devonian Road  
London  
N1 8JH

**Members of the  
management  
committee** Members, who are also directors under company law, who served during the  
year and up to the date of this report were as follows:

Jemima Joll	Chair until 15/12/2016
Peter Mant	Vice Chair and Chair Audit and Risk Sub-Committee from 15/12/2016
Susan Lee	Vice Chair
Peter McCormack	Chair from 15/12/2016 (Chair Audit and Risk till 15/12/2016)
Onika Adams	
Paula Alessandro	(appointed 31 May 2016)
Laurence Mills	(appointed 7 November 2016)

The following members served during the course of the year:

Amelia Sleat	(resigned 18 June 2017)
Trevor Mistlin	(died 18 October 2016)
Jamie Susskind	(appointed 15 September 2015, resigned 14 September 2016)

The following members were appointed following the end of the financial  
year:

Anna O'Rourke	(appointed 20 June 2017)
Lyndsay Edkins	(appointed 17 October 2017)
Marian Ellingworth	(appointed 1 December 2017)

**Key management  
personnel** Ruth Hayes                      Centre Director

**Bankers** Lloyds Bank  
Highbury Corner  
31-33 Holloway Road  
London  
N7 8JU

Reference and administrative information

For the year ended 31 March 2017

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<b>Solicitors</b>	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

**Management committee's annual report**

**For the year ended 31 March 2017**

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The management committee presents their report and the audited financial statements for the year ended 31 March 2017.

Reference and administrative information set out on page 1 and 2 forms part of this report. 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 Charity objectives include the relief of poverty in the area of benefit by the provision of legal advice, aid and assistance. The Law Centre has established a range of services in furtherance of these aims, which have been carried out during the year in question.

The management committee reviews the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The management committee reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the management committee ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The management committee has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the management committee considers how planned activities will contribute to the aims and objectives that have been set.

### **Organisational Structure**

The Charity has an active management committee, which has established two sub-committees (Audit and Risk and Employment). During the course of the year, the management committee reviewed its terms of reference and established new governance procedures.

The Charity employs a staff team that includes:-

Centre Director

Supervisors (including solicitors) – 15 covering all areas of the Law Centre's work

Solicitors and caseworkers – 12

Trainee solicitor – 1

Reception and Referral team – 2

Office Manager – 1

## **Achievements and performance**

The charity's main activities and who it tries to help are described below. All its charitable activities focus on people on low incomes and are undertaken to further Islington Law Centre's charitable purposes for the public benefit.

Primary activities include:-

- An open door reception and referral service to help people identify the key legal issues they are facing and to link them with appropriate support (both within the organisation and via other agencies)
- Specialist casework teams in consumer/debt, education, employment, housing, immigration/asylum, public law and welfare benefits.
- An outreach programme delivering 18 specialist legal advice sessions each week, based in front line services and community venues
- A pro bono programme which includes 3 evening advice sessions each week, providing direct face to face assistance with the help of volunteer lawyers, as well as other pro bono activity linked to specific projects and other casework teams
- Specialist projects focussing on target client groups – Streetlegal (a youth homelessness project), the Migrants' Law Project and (MLP) the Migrant and Refugee Children's Legal Unit (MiCLU).

All areas of the charity's activities have been well used by clients and have made an impact during the year. The charity maintained a client caseload of around 1,500 substantive matters during the course of the year.

### **Reception and Referral Service**

In the year 2016/7, the service dealt with 5,801 enquiries, of which 2,409 came from people contacting the Law Centre for the first time, 1,741 from existing clients, and 1,515 from people who had had previous contact with the Law Centre. 137 clients received ongoing support from the service.

Areas of law attracting high volumes of enquiries included: welfare benefits (1,569); housing (1,551); immigration and asylum (852); debt (592) and employment (504).

### **Casework, advocacy and representation**

The Law Centre opened 1,074 new substantive matters in the year (an increase on the previous year) –

Welfare Benefits – 354

Pro bono evening clinics – 231

Debt – 175

**Management committee's annual report**

**For the year ended 31 March 2017**

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Housing – 82

Immigration and asylum – 162

Employment – 54

Education – 15

Other – 1

There were significant casework successes in all areas of law, with a reduction in poverty as a result of increased household income, lower indebtedness, as well as improvements in clients' housing, employment and educational situations and resolution of immigration status.

For example, the welfare benefits team secured over £1,076,140 in backdated benefits and increased household income, and debt team reduced indebtedness by £499,025 via bankruptcy and Debt Relief Order applications, as well as generating £21,329 in Trust Fund applications, debt reduction and compensation.

The Law Centre also undertook both legal education and social policy work – for example providing training to local community organisations, and responding to government consultations.

**Outreach**

Specialist advisors delivered sessions at Islington Council's housing offices as well as the following community venues: Help on Your Doorstep, Islington Bangladesh Association, Community Language Support Services, Ambler Children's Centre, New River Green Children's Centre, Latin American Women's Rights Service, Shelter from the Storm, Hackney Migrant Centre, Haringey Migrants' Support Centre and The Prince's Trust.

Over 2,000 appointments were delivered to clients via the outreach provision, enabling the Law Centre to meet the needs of people who may not have been able to access mainstream provision and to maximise the impact of solicitors and caseworkers' time by building strong partnerships with other agencies.

**Pro bono activity**

The Law Centre continued to run three evening advice sessions each week, with volunteer lawyers providing initial advice and assistance in drafting documents. The service involves teams of pro bono lawyers from seven City law firms and in-house teams and has assisted clients with issues such as reclaiming deposits from landlords, Criminal Injuries Compensation and small claims proceedings. The Law Centre has also been able to sustain a pro bono immigration project, working with law students and two City law firms. During the year, the Law Centre became a London partner in a new initiative led by Central England Law Centre, Kids in Need of Defense, which works with children and young people to secure pro bono legal assistance around issues of immigration status. It is estimated that in excess of 1,800 pro bono hours are provided to the Law Centre's clients via these arrangements – the equivalent of more than one full time member of staff – which we otherwise would not be able to provide

### **Specialist projects**

The Law Centre's specialist projects had a highly successful year with not only a range of casework successes but also wider impact on behalf of vulnerable groups.

MiCLU launched a detailed report on the legal needs of undocumented children and young people "Precarious Citizenship: Unseen, Settled and Alone" which was launched in March 2017 and has attracted a lot of interest.

The MLP has continued to undertake strategic litigation work and to build on the links with Citizens UK in addressing the legal needs of children and young people separated from their families due to immigration issues.

Law Centre was delighted to be a finalist in the prestigious Legal Aid Lawyer of the Year awards in 2016.

### **Changes in profile of work**

Demand for the Law Centre's services is very high, and during the course of the year, the Council entered into new grant agreements to ensure the delivery of advice services to Islington residents. The Law Centre has been awarded a new grant over 3.5 years, but there has been a reduction in the level of funding. The Law Centre has nearly concluded a round of voluntary redundancies, in order to ensure continued financial viability, but the smaller core grant has meant that there has been a reduction in opening hours to the public and in the scale of some of the services provided.

The Law Centre has managed to attract a number of new sources of funding and to extend the range and scale of work with pro bono lawyers and volunteers, and is seeking to engage with other partners to identify ways in which we can use technology to maximise the impact of staff time.

The Law Centre is increasing the capacity of the senior management team to ensure that quality can be maintained, and that staff and volunteers are supported in their work, whilst also enabling a greater focus on securing unrestricted income and increasing capacity to meet the needs of the community.

The Law Centre holds the Law Society's Lexcel Quality Standard, and was re-awarded this following a reassessment in April 2017.

### **Beneficiaries of our services**

The Law Centre works with low-income clients and as at 31 March 2017 had a live caseload of 1,494 cases. The majority of clients are women (around 60%) and two thirds are from black and minority ethnic communities.



The Law Centre is seeing an increasing number of clients who are without any income, and/or do not have a permanent address, and it has developed links with other local agencies such as the Food Bank, to help link up clients with suitable agencies to assist in mitigating the impact of their circumstances where there is not an immediate legal remedy.

Clients increasingly have legal issues that involve more than one matter, or one area of law, and there has been an increase in the percentage of welfare benefits clients who require assistance with an appeal.

For the Law Centre as a whole, around 36% of clients are recorded as having at least one disability. However, for outreach services, this rises to 70%, with a majority having more than one long-term illness and/or disability.

Beneficiaries can self-refer, or are referred or signposted from other agencies, and a number of referrals are received from mental health professionals, as well as community organisations, children's centres and the local authority.

Clients are asked about their experience of the service via a questionnaire, with over 95% of clients saying they are satisfied or very satisfied. Clients frequently comment on the impact that the service has had on them, not only in terms of their legal issues, but wider access to justice and health, wellbeing and quality of life. Examples include:-

"My case had little hope, but I won it, thanks to the professional help"

"You helped me to stand and fight for my rights. I was sanctioned for 5 months; even though I had not had any income, thanks to you my case was won".

"Excellent service. Cannot fault anything or anybody."

"I felt the advice, help and support was outstanding "

"I believe that my case would not have been resolved if not for Islington Law Centre".

## **Financial review**

Despite the reduction in the financial value of the grant from the local authority during the year, the Law Centre's total income showed a slight increase on the prior year, and there was a small surplus.

However, there was a decrease in the value of unrestricted income of over £125,000 compared with the prior year, and action has been taken to reduce costs in order to ensure that the organisation remains sustainable, and that activities are aligned to income streams.

The Law Centre has been able to secure a number of new grants and is restructuring to support strategies to increase unrestricted income and to build reserves.

## Principal risks and uncertainties

This is a difficult time for specialist legal advice charities. The cuts to Legal Aid made in 2013 have not only led to a loss of funding for some types of case, but have led to an overall drop of almost 75% in civil legal aid cases. Legal Aid is not available for many of the issues for which the Law Centre's clients are seeking help. There is increasing competition for other funding streams, and many of these are targeted at discrete client groups and/or areas of work, rather than "open door" services. The Legal Aid Agency was due to commence the re-tender of civil legal aid contracts in April 2017, but this was delayed due to the announcement of the General Election and has not yet been concluded.

The Law Centre has been able to meet its aim to retain expertise in all key areas of law, but we now only have one member of staff in some areas.

Far more people want to access ILC's services than capacity will allow for, and we are working with local partners to pilot activity to increase capacity for early interventions and to provide greater support to clients whilst they are awaiting an appointment with a specialist advisor.

The restructuring process placed significant demands on the Law Centre's infrastructure in 2016 but a range of steps have been taken to engage staff and the management committee in reviewing the Law Centre's activities, and to develop a fresh vision and plan for the next 3 years.

## Reserves policy and going concern

The management committee are committed to building reserves to provide three months' normal running costs, approximately £400,000. The reserves (unrestricted general funds) at the year end were £88,737. The management committee is conscious that the current level of reserves is lower than the reserves policy. They are committed to increasing this figure to three months of normal running costs in order to enable the organisation to meet operational cash flow needs, be flexible enough to manage changes in funding streams and to meet staff costs in the event of long term sickness, maternity leave and/or redundancy.

The charity has also designated £126,145 towards the migrants' law project.

## Plans for the future

The Law Centre is undergoing an internal review and will be setting out key priorities for 2018 to 2021 by the end of 2017.

The charity is actively involved with work that the Law Centres Network is developing around improved IT infrastructure and use and is pleased to be represented on the Civil Justice Council's working group on IT.

**Management committee's annual report**

**For the year ended 31 March 2017**

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The organisation was delighted to have received a grant for a Trainee Solicitor under the Legal Education Foundation's Justice First Fellowship programme, and we will be recruiting a new Trainee Solicitor under this programme to work within the Migrant and Refugee Children's Legal Unit shortly.

A new grant has allowed the development of advocacy work in relation to people claiming welfare benefits and the level of appeals undertaken by the Law Centre has increased significantly.

The Law Centre is progressing work to update its governing documents and will be liaising with the Charity Commission in relation to proposed new wording to reflect the changing profile of needs.

## **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated on 16 March 1977 and registered as a charity on 23 November 1977.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All members of the management committee give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The Law Centre was very sad that one of the members of the management committee died in October 2016, and would place on record thanks to Trevor Mistlin, who had made an enormous contribution in a number of ways to the Law Centre movement, and to the work of ILC.

## **Appointment of members of management committee**

The management committee has reviewed its membership and has taken steps to recruit new members with experience in charity accounts, employment law and voluntary sector management and development, as these were identified as areas that could be strengthened. This has included advertising for people with relevant experience/skills set.

All potential members of the management committee are requested to complete a membership form and to meet with the Centre Director before being invited to attend a meeting of the management committee as an observer prior to co-option or election.

Members of the management committee receive an induction pack (which includes, for example, our safeguarding and other similar policies) and are invited to attend various training courses. Bespoke training is also being provided for the management committee as a group.

## Related parties and relationships with other organisations

Islington Legal Community Interest Company, trading as GreenRoots, is a wholly owned subsidiary of Islington Law Centre. The Director of GreenRoots is also a member of the management committee of Islington Law Centre.

## Remuneration policy for key management personnel

The Law Centre has a pay framework which includes all staff including key management personnel. This is designed to provide a clear structure to promote recruitment and retention, and to ensure a level of transparency. The Law Centre is an accredited Living Wage employer.

## Statement of responsibilities of the members of the management committee

The members of the management committee (who are also directors of Islington Law Centre for the purposes of company law) are responsible for preparing management committee's 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 members of the management committee 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the members of the management committee 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 management committee is responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Management committee's annual report**

**For the year ended 31 March 2017**

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In so far as the management committee is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- members 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

The management committee is 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.

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 2017 was eight (2016: 9). The members of the management committee are members of the charity but this entitles them only to voting rights. The members have no beneficial interest in the charity.

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

## **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The management committee's annual report has been approved by the management committee on 12 December 2017 and signed on their behalf by

Peter McCormack  
Chair, Management Committee

## Independent auditor's report

to the members of

Islington Law Centre

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### Opinion

We have audited the financial statements of Islington Law Centre (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



## Independent auditor's report

to the members of

Islington Law Centre

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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Noelia Serrano (Senior statutory auditor)

14 December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2017

		Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
	Note						
<b>Income from:</b>							
Donations and legacies	2	70,908	203,291	274,199	53,908	–	53,908
Charitable activities	3						
General social welfare and core services		288,673	822,909	1,111,582	433,737	891,460	1,325,197
Migrant and Refugee Children's Legal Unit		–	133,511	133,511	–	148,561	148,561
Migrants' Law Project		–	131,246	131,246	–	121,538	121,538
Investments		1,038	–	1,038	3,203	–	3,203
Other trading income		33,100	–	33,100	28,628	–	28,628
<b>Total income</b>		<b>393,719</b>	<b>1,290,957</b>	<b>1,684,676</b>	<b>519,476</b>	<b>1,161,559</b>	<b>1,681,035</b>
<b>Expenditure on:</b>							
Charitable activities	5						
General social welfare and core services		455,571	800,217	1,255,788	498,447	857,114	1,355,561
Migrant and Refugee Children's Legal Unit		–	168,878	168,878	–	83,489	83,489
Migrants' Law Project		–	247,718	247,718	–	181,351	181,351
Community buildings and resource centres		–	–	–	–	5,288	5,288
<b>Total expenditure</b>		<b>455,571</b>	<b>1,216,813</b>	<b>1,672,384</b>	<b>498,447</b>	<b>1,127,243</b>	<b>1,625,690</b>
<b>Net income for the year</b>	6	<b>(61,852)</b>	<b>74,144</b>	<b>12,292</b>	<b>21,029</b>	<b>34,316</b>	<b>55,345</b>
Transfers between funds		–	–	–	(59,813)	59,813	–
<b>Net movement in funds</b>	20	<b>(61,852)</b>	<b>74,144</b>	<b>12,292</b>	<b>(38,784)</b>	<b>94,129</b>	<b>55,345</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		276,734	155,342	432,076	315,518	61,213	376,731
<b>Total funds carried forward</b>		<b>214,882</b>	<b>229,486</b>	<b>444,368</b>	<b>276,734</b>	<b>155,342</b>	<b>432,076</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

## Balance sheet

Company no. 01302947

As at 31 March 2017

	Note	The group 2017 £	2016 £	The charity 2017 £	2016 £
<b>Fixed assets:</b>					
Tangible assets	11	31,892	53,429	31,892	53,429
Investments		–	–	1	1
		<u>31,892</u>	<u>53,429</u>	<u>31,893</u>	<u>53,430</u>
<b>Current assets:</b>					
Stock	14	246,600	236,634	246,600	236,634
Debtors	15	212,626	306,894	220,884	304,292
Cash at bank and in hand		247,434	141,674	246,548	138,149
		<u>706,660</u>	<u>685,201</u>	<u>714,032</u>	<u>679,074</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	(261,553)	(244,096)	(259,053)	(229,198)
		<u>445,107</u>	<u>441,105</u>	<u>454,979</u>	<u>449,876</u>
<b>Net current assets</b>					
		<u>476,999</u>	<u>494,534</u>	<u>486,872</u>	<u>503,306</u>
<b>Total assets less current liabilities</b>					
		<u>476,999</u>	<u>494,534</u>	<u>486,872</u>	<u>503,306</u>
Creditors: amounts falling due after one year	18	(32,631)	(62,458)	(32,631)	(62,458)
		<u>444,368</u>	<u>432,076</u>	<u>454,241</u>	<u>440,848</u>
<b>Total net assets</b>					
		<u>444,368</u>	<u>432,076</u>	<u>454,241</u>	<u>440,848</u>
<b>Funds:</b>	20				
Restricted income funds		229,486	155,342	229,486	155,342
Unrestricted income funds:					
Designated funds		126,145	126,145	126,145	126,145
General funds		88,737	150,589	98,610	159,361
		<u>214,882</u>	<u>276,734</u>	<u>224,755</u>	<u>285,506</u>
<b>Total unrestricted funds</b>					
		<u>214,882</u>	<u>276,734</u>	<u>224,755</u>	<u>285,506</u>
<b>Total funds</b>					
		<u>444,368</u>	<u>432,076</u>	<u>454,241</u>	<u>440,848</u>

Approved by the management committee on 12 December 2017 and signed on their behalf by

Peter Martin McCormack  
Chair, Management Committee

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
<b>Cash flows from operating activities:</b>					
Net cash (used in) / provided by operating activities	21	127,914		(54,780)	
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		<u>1,038</u>		<u>3,203</u>	
Net cash provided by / (used in) investing activities		1,038		3,203	
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		<u>(23,192)</u>		<u>(9,161)</u>	
Net cash provided by / (used in) financing activities		<u>(23,192)</u>		<u>(9,161)</u>	
Change in cash and cash equivalents in the year		105,760		(60,738)	
Cash and cash equivalents at the beginning of the year		<u>141,674</u>		<u>202,412</u>	
Cash and cash equivalents at the end of the year	22	<u><u>247,434</u></u>		<u><u>141,674</u></u>	

## 1 Accounting policies

### Basis of preparation

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) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Islington Legal Community Interest Company on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

### Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### Going concern

The Management Committee considers that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimation of the value of work in progress.

The Management Committee does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legal contracts is recognised on the accruals basis. An asset is recognised for work done under legal contracts where the criteria of measurement, probability and entitlement are met.

### Accounting policies (continued)

#### Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor or which has been raised by the charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

#### Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs are allocated allocated to each activity based on staff time.

#### Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

#### Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                                |                           |
|--------------------------------|---------------------------|
| ● Long-term leasehold property | 15 years straight-line    |
| ● Fixtures and fittings        | 25% reducing balance      |
| ● Office equipment             | 25% reducing balance      |
| ● Computer equipment           | 3 – 5 years straight-line |

#### Investments in subsidiaries

Investments in subsidiaries are at cost.

#### Stocks

Stocks are work in progress and are valued at the net realisable value. Provision is made where necessary for irrecoverable amount of work in progress.

## 1 Accounting policies (continued)

### Debtors

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

### 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. Cash balances exclude any funds held on behalf of service users.

### 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.

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities as they fall due.

### Pensions

The charity operates a defined contribution pension scheme. Costs are allocated between restricted and unrestricted funds in accordance with the time spent on restricted and unrestricted work by staff members. There are no liabilities at year end.

## 2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Donations	70,908	203,291	274,199	53,908
	<u>70,908</u>	<u>203,291</u>	<u>274,199</u>	<u>53,908</u>

**3 Income from charitable activities**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
LB Islington	-	587,200	<b>587,200</b>	654,400
BBC Children in Need	-	27,891	<b>27,891</b>	31,818
Hackney Migrant Centre	-	31,147	<b>31,147</b>	20,000
Harringay Migrant Support Centre	-	4,742	<b>4,742</b>	-
The Big Lottery Fund	-	-	-	47,407
Cripplegate Foundation	-	100,000	<b>100,000</b>	108,750
Richard Cloudsley's Charity	-	49,793	<b>49,793</b>	20,012
The Three Guineas Trust	-	9,167	<b>9,167</b>	-
Legal Education Foundation JFF	-	9,469	<b>9,469</b>	-
Other grants	-	3,500	<b>3,500</b>	9,073
Fees and other income	288,673	-	<b>288,673</b>	433,737
Sub-total for general social welfare and core	288,673	822,909	<b>1,111,582</b>	1,325,197
Paul Hamlyn Foundation	-	10,000	<b>10,000</b>	35,000
Legal Education Foundation	-	12,655	<b>12,655</b>	40,700
Comic Relief	-	57,456	<b>57,456</b>	67,595
Kids in Need of Defence UK (KIND UK)	-	32,569	<b>32,569</b>	-
Worshipful Company of Tin Plate Workers	-	11,500	<b>11,500</b>	-
Other grants	-	9,331	<b>9,331</b>	5,266
Sub-total for Migrant and Refugee Children's Legal Unit	-	133,511	<b>133,511</b>	148,561
The AB Charitable Trust	-	2,000	<b>2,000</b>	20,000
Esmée Fairbairn Foundation	-	-	-	23,833
Joseph Rowntree Charitable Trust	-	35,000	<b>35,000</b>	30,000
Trust for London	-	34,876	<b>34,876</b>	37,225
Paul Hamlyn Foundation (Citizens UK)	-	35,000	<b>35,000</b>	-
Baring Foundation	-	15,000	<b>15,000</b>	-
Paul Hamlyn Foundation	-	12,500	<b>12,500</b>	-
Other grants	-	(3,130)	<b>(3,130)</b>	10,480
Sub-total for Migrants' Law Project	-	131,246	<b>131,246</b>	121,538
Total income from charitable activities	288,673	1,087,666	<b>1,376,339</b>	1,595,296



**4 Local and Government and Housing Act 1989**

The company received financial assistance from the London Borough of Islington. As required by Section 37 of the Local Government and Housing Act 1989 the following information is given.

London Borough of Islington provided funding towards the legal advice services in the following areas;

£510,000 was for the provision of free legal advice services to Islington residents in the areas of community care, debt, education, employment, housing, immigration and asylum and welfare benefits. The grant has been fully expended.

£77,200 was for the provision of independent advice for residents of London Borough of Islington housing in the areas of welfare benefits and housing law. The grant has been fully expended.

## 5 Analysis of expenditure

	Charitable activities							
	General social welfare and core services £	Migrant and Refugee Children's Legal Unit £	Migrants' Law Project £	Community buildings and resource centre £	Governance costs £	Support costs £	2017 Total £	2016 Total £
Staff costs (Note 7)	883,121	79,691	153,851	–	–	–	1,116,663	1,118,056
Other staff costs	95,127	13,787	29,743	–	–	–	138,657	101,543
Professional overheads	13,622	3,769	7,464	–	–	–	24,855	34,039
Expenses related to costs	10,754	429	926	–	–	–	12,109	16,868
Project costs	–	46,890	3,287	–	–	–	50,177	35,630
General office costs	32,466	4,580	9,880	–	–	135,695	182,621	133,779
Premises costs	–	–	–	–	–	97,575	97,575	140,850
Depreciation	–	–	–	–	–	21,537	21,537	23,833
Audit and accountancy	–	–	–	–	28,190	–	28,190	21,092
	1,035,090	149,146	205,151	–	28,190	254,807	1,672,384	1,625,690
Support costs	197,147	18,263	39,397	–	–	(254,807)	–	–
Governance costs	23,551	1,469	3,170	–	(28,190)	–	–	–
<b>Total expenditure 2017</b>	<b>1,255,788</b>	<b>168,878</b>	<b>247,718</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,672,384</b>	<b>1,625,690</b>
Total expenditure 2016	1,355,562	83,489	181,351	5,288	–	–	1,625,690	

Of the total expenditure, £455,571 was unrestricted (2016: £498,447) and £1,216,813 was restricted (2016: £1,127,243).

**6 Net income for the year**

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation		
– owned by the charitable group	21,537	24,449
Interest payable	6,304	9,161
Operating lease rentals:		
Property	42,600	85,000
Auditors' remuneration (excluding VAT):		
Audit	9,000	9,000
Under provision for earlier years	–	7,392
Other services	–	4,700
	<u>21,537</u>	<u>24,449</u>

**7 Analysis of staff costs, management committee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,013,871	1,019,391
Social security costs	96,364	96,830
Employer's contribution to defined contribution pension schemes	6,428	1,836
	<u>1,116,663</u>	<u>1,118,056</u>

No employee earned more than £60,000 during the year (2016: nil).

The total employee benefits including employer NI and pension contributions of the key management personnel were £57,922 (2016: £50,155).

The members of the management committee were not paid and received no other benefits from employment with the charity in the year (2016: £nil). No member received payment for professional or other services supplied to the charity (2016: £nil).

Management committee expenses were incurred by one member for subsistence and travel for a total of £286.09 in the year (2016: nil).

The charity made termination payments of £9,196.80 in the year (2016: nil) which were fully paid at the balance sheet date.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Average staff	43.0	38.0
	<u>43.0</u>	<u>38.0</u>

**9 Related party transactions**

One of Islington Legal Community Interest Company's former director and member of Management Committee of Islington Law Centre, Lindsay Edkins, is owed £1,500 by Islington Legal CIC (2016: £1,500).

During the year, Islington Law Centre entered into transactions with its wholly owned subsidiary, Islington Legal CIC, as follows:

Islington Law Centre paid costs on behalf of the CIC of £6,555 (2016: £6,381).

Islington Law Centre extended an interest free, unsecured loan to the CIC of £1,000 (2016: £nil).

At 31 March 2017, Islington Law Centre was owed £11.909 by the CIC (2016: £326).

**10 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**11 Tangible fixed assets****The group and the charity**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>					
At the start of the year	76,419	16,602	91,088	10,962	195,071
At the end of the year	76,419	16,602	91,088	10,962	195,071
<b>Depreciation</b>					
At the start of the year	65,910	15,694	49,076	10,962	141,642
Charge for the year	5,097	227	16,213	–	21,537
At the end of the year	71,007	15,921	65,289	10,962	163,179
<b>Net book value</b>					
At the end of the year	5,412	681	25,799	–	31,892
At the start of the year	10,509	908	42,012	–	53,429

All of the above assets are used for charitable purposes.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Computer equipment	25,799	49,409

All of the above assets are used for charitable purposes.

**12 Subsidiary undertaking**

The charitable company owns the whole of the issued ordinary share capital of Islington Legal Community Interest Company, a company registered in England. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2017 £	2016 £
Turnover	2,053	26,690
Expenditure	(3,153)	(24,648)
Profit / (loss) for the financial year	(1,100)	2,043
The aggregate of the assets, liabilities and funds was:		
Assets	4,537	6,453
Liabilities	(14,408)	(15,224)
Funds	(9,871)	(8,771)

Islington Legal Community Interest Company is exempt from audit by virtue of s479a of the Companies Act 2006.

**13 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2017 £	2016 £
Gross income	1,682,623	1,640,550
Result for the year	13,392	53,302

**14 Stock**

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Work in progress	246,600	236,634	246,600	236,634
	246,600	236,634	246,600	236,634

**15 Debtors**

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	77,055	85,258	73,405	83,408
Amounts owed by group undertakings	–	–	11,908	–
Other debtors	77,818	74,480	77,818	74,480
Accrued income and prepayments	12,660	21,496	12,660	20,744
Grants receivable	45,093	125,660	45,093	125,660
	212,626	306,894	220,884	304,292

**16 Creditors: amounts falling due within one year**

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	10,005	9,329	10,005	9,329
Amounts owed to group undertakings	–	–	–	326
Amounts due under finance leases	25,823	23,192	25,823	23,192
Other creditors	105,642	78,192	103,142	75,692
Accruals	20,000	43,021	20,000	30,296
Deferred income	100,083	90,363	100,083	90,363
	261,553	244,096	259,053	229,198

**17 Deferred income**

Deferred income comprises the following grant income:

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Balance at the beginning of the year	90,363	40,602	90,363	40,602
Amount released to income in the year	(90,363)	(40,602)	(90,363)	(40,602)
Amount deferred in the year	100,083	90,363	100,083	90,363
Balance at the end of the year	100,083	90,363	100,083	90,363

## 18 Creditors: amounts falling due after one year

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Amounts due under finance leases with 1–5 years	32,631	62,458	32,631	62,458
	<u>32,631</u>	<u>62,458</u>	<u>32,631</u>	<u>62,458</u>

Finance leases are secured against the assets concerned.

## 19a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	23,883	–	8,009	31,892
Net current assets	97,485	126,145	221,477	445,107
Long term liabilities	(32,631)	–	–	(32,631)
Net assets at the end of the year	<u>88,737</u>	<u>126,145</u>	<u>229,486</u>	<u>444,368</u>

## 19b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	45,420	–	8,009	53,429
Net current assets	167,627	126,145	147,333	441,105
Long term liabilities	(62,458)	–	–	(62,458)
Net assets at the end of the year	<u>150,589</u>	<u>126,145</u>	<u>155,342</u>	<u>432,076</u>

## 20a Movements in funds (current year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
General social welfare and core services	48,528	822,909	(800,217)	–	71,220
Migrant and Refugee Children's Legal Unit	98,805	133,511	(168,878)	–	63,438
Migrant's law project	–	334,537	(247,718)	–	86,819
Community building and resource centre	8,009	–	–	–	8,009
<b>Total restricted funds</b>	<b>155,342</b>	<b>1,290,957</b>	<b>(1,216,813)</b>	<b>–</b>	<b>229,486</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Migrants' Law Project	126,145	–	–	–	126,145
<b>Total designated funds</b>	<b>126,145</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>126,145</b>
<b>General funds</b>					
Of the charity	159,360	391,666	(452,418)	–	98,608
Of Islington Legal Community Interest Company	(8,771)	2,053	(3,153)	–	(9,871)
<b>Total general funds</b>	<b>150,589</b>	<b>393,719</b>	<b>(455,571)</b>	<b>–</b>	<b>88,737</b>
<b>Total unrestricted funds</b>	<b>276,734</b>	<b>393,719</b>	<b>(455,571)</b>	<b>–</b>	<b>214,882</b>
<b>Total funds</b>	<b>432,076</b>	<b>1,684,676</b>	<b>(1,672,384)</b>	<b>–</b>	<b>444,368</b>

## 20b Movements in funds (prior year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
General social welfare and core services	14,182	891,460	(857,114)	–	<b>48,528</b>
Migrant and Refugee Children's Legal Unit	33,734	148,561	(83,489)	–	<b>98,805</b>
Migrant's law project	–	121,538	(181,351)	59,813	<b>–</b>
Community building and resource centre	13,297	–	(5,288)	–	<b>8,009</b>
<b>Total restricted funds</b>	<b>61,213</b>	<b>1,161,559</b>	<b>(1,127,243)</b>	<b>59,813</b>	<b>155,342</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Migrants' Law Project	185,958	–	–	(59,813)	<b>126,145</b>
<b>Total designated funds</b>	<b>185,958</b>	<b>–</b>	<b>–</b>	<b>(59,813)</b>	<b>126,145</b>
<b>General funds</b>					
Of the charity	140,373	492,786	(473,799)	–	<b>159,360</b>
Of Islington Legal Community Interest Company	(10,813)	26,690	(24,648)	–	<b>(8,771)</b>
<b>Total general funds</b>	<b>129,560</b>	<b>519,476</b>	<b>(498,447)</b>	<b>–</b>	<b>150,589</b>
<b>Total unrestricted funds</b>	<b>315,518</b>	<b>519,476</b>	<b>(498,447)</b>	<b>(59,813)</b>	<b>276,734</b>
<b>Total funds</b>	<b>376,731</b>	<b>1,681,035</b>	<b>(1,625,690)</b>	<b>–</b>	<b>432,076</b>

**Purposes of restricted funds**

General social welfare and core services includes core funding for General Legal Advice Services and the Three Advice Projects.

General legal advice services includes funding to deliver a range of specialist advice, casework and representation provision, including discrimination law and to refugee and migrant communities across various areas of social welfare law. In addition, it includes funds to provide access to tribunal appeals in both welfare benefits and employment law. It also includes funds for those with special educational needs and also for young people who are vulnerable and homeless, or at risk of homelessness.

The Three Advice Projects is funded to provide assistance towards the costs of legal services in debt, housing and welfare benefits law via outreach in the Finsbury Park neighbourhood.

The Migrant and Refugee Children's Legal Unit was funded to work for social justice by changing policy and practice to ensure respect for the rights, and improve the lives, of migrant and refugee children in the UK through strategic casework, training, consultancy and policy work.

The Migrants' Law Project is a legal and public legal education project, which aims to improve the rights of migrants, refugees and asylum seekers through the use of public law.

The community buildings and resource centre project was to renovate and convert our community building.



**20 Movements in funds (continued)**

**Purposes of designated funds**

Migrants' Law Project

Funds have been set aside by the Management Committee for the work of the Migrants' Law Project at the Law Centre to further the project objectives.

**21 Reconciliation of net income to net cash flow from operating activities**

	2017 £	2016 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>12,292</b>	<b>55,345</b>
Depreciation charges	21,537	24,449
Dividends, interest and rent from investments	(1,038)	(3,203)
Repayments of borrowing	23,192	9,162
(Increase)/decrease in stocks	(9,967)	(124,600)
Decrease / (increase) in debtors	94,268	55,328
(Decrease) / increase in creditors	(12,370)	(71,261)
<b>Net cash (used in) / provided by operating activities</b>	<b>127,914</b>	<b>(54,780)</b>

**22 Analysis of cash and cash equivalents**

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	141,674	105,760	–	247,434
<b>Total cash and cash equivalents</b>	<b>141,674</b>	<b>105,760</b>	<b>–</b>	<b>247,434</b>

**23 Operating lease commitments**

The group's and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2017 £	2016 £
Less than one year	60,000	52,500
One to five years	–	80,000
	<b>60,000</b>	<b>132,500</b>

**24 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**25 Contingent liabilities**

The charity has a possible but uncertain obligation relating to penalties due to HMRC on VAT liabilities. The charity aims to clarify the amount of any potential liabilities in the coming year.