

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 2017

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(A company limited by guarantee)

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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, during the year to 31 December 2017 were:

Sir Robin Knowles CBE
Julian Bass (appointed 1 October 2017)
Guy Beringer
Isabel Carty (appointed 1 October 2017)
Stephen Crowne (appointed 1 October 2017)
Alasdair Douglas (appointed 1 October 2017)
Rebecca Hilsenrath (resigned 1 October 2017)
Michael Napier (resigned 1 October 2017)

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 2017 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 and the Charities Statement of Recommended Practice (SORP) (FRS102) 2015.

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 reduced deficit of £51,206 (2016 £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. The two main charities, LawWorks and the Bar Pro Bono Unit have increased their contribution since April 2017 in order to address 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 implemented 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 three staff to provide services to the Charity itself and, to varying degrees, to the resident charities.

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,
- make judgements and estimates that are reasonable and prudent,

REPORT OF THE DIRECTORS AND TRUSTEES

- 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.

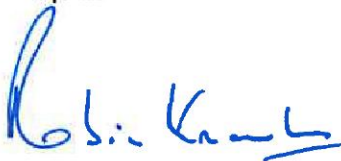
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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: 21/9/2018

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

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2017 which are set out on pages 7 to 14.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



R. J. DUNFORD

Chartered Accountant

Date: 24th September 2018

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted funds 2017 £	Unrestricted funds 2016 £
INCOME			
Sponsorship and donations	2	2,964	22,758
Charitable activities	2	350,980	257,847
TOTAL INCOME		<u>353,944</u>	<u>280,605</u>
EXPENDITURE			
Raising funds	3	14,395	11,361
Charitable activities	3	376,575	355,967
Other costs	3	14,180	13,361
TOTAL EXPENDITURE		<u>405,150</u>	<u>380,689</u>
NET EXPENDITURE AND NET MOVEMENT IN FUNDS		(51,206)	(100,084)
Funds brought forward at 1 January 2017		123,584	223,668
FUNDS CARRIED FORWARD AT 31 DECEMBER 2017		<u>72,378</u>	<u>123,584</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 2017
Company Registration Number 7226359

	Note	2017	2016
		£	£
TANGIBLE FIXED ASSETS	7	60,545	85,553
CURRENT ASSETS			
Debtors	8	64,857	80,111
Cash at bank and in hand		38,510	34,391
		<u>103,367</u>	<u>114,502</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>91,534</u>	<u>76,471</u>
NET CURRENT ASSETS		11,833	38,031
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>72,378</u>	<u>123,584</u>
NET ASSETS		<u>72,378</u>	<u>123,584</u>
FUNDS			
Unrestricted funds	10	<u>72,378</u>	<u>123,584</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 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.

These financial statements were approved by the board of directors and trustees on *17th September 2018* 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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	13	4,119	(35,220)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		---	(2,379)
Increase (decrease) in cash and equivalents in the year		<u>4,119</u>	<u>(37,599)</u>
Cash and cash equivalents at the beginning of the year		34,391	71,990
Total cash and cash equivalents at the end of the year		<u><u>38,510</u></u>	<u><u>34,391</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2017

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) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

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 2017

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.

h) Corporation tax

No provision for taxation, deferred or otherwise, has been made in the financial statements of the charity as The National Pro Bono Centre is a charity in accordance within the Charities Act 2011 and is exempt from taxation if income and gains are applied for charitable purposes under s. 505 of the Income and Corporation Taxes Act 1988 and s. 145 of the Capital gains Tax Act 1979.

2 INCOME

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

3 EXPENDITURE

	Staff costs £	Other direct costs £	2017 Total £	2016 Total £
Raising funds	4,480	9,915	14,395	11,361
Charitable activities	67,573	309,002	376,575	355,967
Other costs	2,612	11,568	14,180	13,361
Total expenditure	<u>74,665</u>	<u>330,484</u>	<u>405,150</u>	<u>380,689</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4 NET MOVEMENT IN FUNDS	2017 £	2016 £
Net movement in funds is stated after charging:		
Directors' remuneration	2,000	2,000
Independent examiner	25,008	26,256
Depreciation - owned tangible fixed assets	170,768	171,726
Operating lease rentals - land and buildings		
5 STAFF COSTS	2017 £	2016 £
Wages and salaries	70,256	59,128
Social security costs	3,415	2,832
Pension costs	994	714
	<u>74,665</u>	<u>62,674</u>

No employees earned at the annual rate of more than £60,000 in both 2017 and 2016.

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

	2017 No.	2016 No.
Governance and provision of services	<u>3</u>	<u>2</u>

All 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 2017 (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7 TANGIBLE FIXED ASSETS

	Short-term leasehold improvements £	Furniture £	Equipment £	Total £
COST				
At 1 January 2017	211,906	25,249	4,967	242,122
Additions	----	----	----	----
Disposals	----	----	----	----
At 31 December 2017	<u>211,906</u>	<u>25,249</u>	<u>4,967</u>	<u>242,122</u>
ACCUMULATED DEPRECIATION				
At 1 January 2017	129,240	22,987	4,342	156,569
Charge for the year	24,230	480	298	25,008
Disposals	----	----	----	----
At 31 December 2017	<u>153,470</u>	<u>23,467</u>	<u>4,640</u>	<u>181,577</u>
NET BOOK VALUE				
At 31 December 2017	<u>58,436</u>	<u>1,782</u>	<u>327</u>	<u>60,545</u>
At 31 December 2016	<u>82,666</u>	<u>2,262</u>	<u>625</u>	<u>85,553</u>

8 DEBTORS

	2017 £	2016 £
Trade debtors	4,400	26,169
Other debtors	3,939	918
Prepayments and accrued income	56,518	53,024
	<u>64,857</u>	<u>80,111</u>

All debtors are due within one year.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	3,300	4,724
Other creditors	365	2,795
Social security and other taxes	8,400	3,464
Accruals and deferred income	79,469	65,488
	<u>91,534</u>	<u>76,471</u>

10 FUNDS

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Unrestricted funds	<u>123,584</u>	<u>353,944</u>	<u>(405,150)</u>	<u>72,378</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 schemes held by its employees. There were no unpaid contributions outstanding at the end of the year or the preceding year.

13 RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net expenditure for the year (as per the Statement of Financial Activities)	(51,206)	(100,084)
Depreciation charge	25,008	26,256
(Increase)/Decrease in debtors	15,254	(4,820)
(Decrease)/Increase in creditors	15,063	43,428
Net cash inflow (outflow) from operating activities	<u>4,119</u>	<u>(35,220)</u>

14 TRANSACTIONS WITH RELATED PARTIES

One of the company's directors and trustees, Alasdair Douglas, was also a trustee of Solicitors Pro Bono Group t/a LawWorks. During the year ended 31 December 2017, the National Pro Bono Centre received licence fees of £144,912 (2016: £110,000) from LawWorks. As at 31 December 2017, the National Pro Bono Centre was owed £2,361 by LawWorks (2016: £918).

Another director, Sir Robin Knowles CBE is a trustee of the Bar Pro Bono Unit. During the year ended 31 December 2017, the National Pro Bono Centre received licence fees of £138,662 (2016: £85,000) from the Bar Pro Bono Unit. As at 31 December 2017 the National Pro Bono Centre owed £1,578 (2016: £nil) by the Bar Pro Bono Unit.

15 OTHER FINANCIAL COMMITMENTS

	2017	2016
	£	£
Total future minimum lease payments under non-cancellable operating leases which expire:		
Within one year	172,216	175,161
In two to five years	233,695	405,967
	<u>405,911</u>	<u>581,128</u>