

REGISTERED COMPANY NUMBER: 01480110 (England and Wales)
REGISTERED CHARITY NUMBER: 279699

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2018
FOR
NORTH KENSINGTON LAW CENTRE**

F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

NORTH KENSINGTON LAW CENTRE
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for the year ended 31 March 2018

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NORTH KENSINGTON LAW CENTRE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2018

TRUSTEES

Ms C Alkaff (appointed 11.4.18)
Ms R L Attwell (resigned 11.4.18)
Ms L Daniel (appointed 11.4.18)
Ms P Healy (appointed 11.4.18)
D Howells (resigned 11.4.18)
P Kandler (appointed 11.4.18)
D Martin (appointed 11.4.18) (resigned 25.5.18)
J Nash (resigned 11.4.18)
Councillor D Nicholls (resigned 11.7.17)
D H Rands (resigned 11.4.18)
Ms J Skolnick (appointed 24.4.17) (resigned 11.4.18)
Ms M A E Thomas (appointed 11.4.18)
Ms E Watson (resigned 11.4.18)

COMPANY SECRETARY

Ms A Campbell

REGISTERED OFFICE

Unit 15, Baseline Studios
Whitchurch Road
London
W11 4AT

REGISTERED COMPANY NUMBER

01480110 (England and Wales)

REGISTERED CHARITY NUMBER

279699

AUDITORS

F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Law Centre is a charity whose objectives, as defined by the Articles of Association as amended on 11 July 2016, are:

- * to relieve poor persons resident or working in the Benefit Area by providing such persons with legal services which they could not otherwise obtain through lack of means;
- * the advancement of education of persons resident or working in the Benefit Area; and
- * the advancement of any charitable purposes as are beneficial to the community for persons resident or working in the Benefit Area.

The Benefit Area means the area of Greater London or elsewhere in the United Kingdom as the Charity shall from time to time consider.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

OBJECTIVES AND ACTIVITIES

Significant activities

The principal activity of the Law Centre continues to be the provision of legal advice and representation to persons resident or working within Greater London and beyond with priority given to those who live or work or have a connection with the Royal Borough of Kensington and Chelsea. The Law Centre focuses on Housing and Immigration (including cases funded by Legal Aid, where eligible) and Welfare Benefits and Employment (for which Legal Aid is not available). The organisation holds the Lexcel Quality Mark in all these areas of practice.

At the start of the year, the Law Centre successfully underwent its annual Legal Aid Contract Audit and the full Legal Quality Mark Audit (Lexcel Accreditation). Our offices were closed for two days in June, but we continued provision of services (see below). We also started to deliver services to clients in criminal defense cases.

In addition to our provision of advice in the areas we specialise in (Housing, Immigration, Employment, Welfare Benefits and Crime) we coordinated pro bona advice in other areas of law for Grenfell residents (family, probate, insurance, trust, etc). This advice was provided by specialist lawyers from other firms at the Law Centre.

We continued aiding Grenfell and Lancaster West Estate residents (mainly housing and immigration) in addition to our normal services. Sophie Earnshaw was seconded from Child Poverty Action Group to the Law Centre to deal specifically with Grenfell housing casework.

Our Senior Solicitor and Immigration Solicitor/Supervisor, Martina Flanagan, left after 4.5 years at the Law Centre. Thalatha Wickramasinghe, Housing Solicitor and Supervisor became Senior Solicitor. We continue to provide assistance to Grenfell and Walkways residents mainly with housing advice and representation. We had to reduce the number of new immigration cases we took on given the departure of our Senior Immigration Solicitor. The Lexcel audit scheduled had to be postponed due to the late appointment of the Interim Director.

Following the fire on 14 June, the Law Centre offices in Baseline Studios were not accessible for two days but we continued to provide assistance to our clients remotely from the Clement James Centre. We immediately set up a daily legal advice drop-in clinic to assist Grenfell residents and had legal volunteers dealing with enquiries from residents at the Al-Manaar Mosque, Methodist Church and Venture Centre. A dedicated mobile number was also set up to deal with urgent enquiries from residents affected by the Grenfell fire (out of hours and weekends).

We met increased demand through the dedication of staff working extremely long hours and by marshalling volunteers from across the legal profession to staff the daily drop-in clinics and developing a database of over 400 lawyers and a rota system to ensure that lawyers with the right skill sets were available.

We continued to offer a daily legal advice drop-in for residents affected by Grenfell (Tower, Walk and Lancaster West Estate) and outreach presence in several community/faith organisations thanks to over 120 legal volunteers who dedicated their time and skills pro bono during this time. We also visited Grenfell clients who were unable to come to NKLC (illness, mobility or trauma) at their hotels. Our mobile number was available for out of hours and weekend enquiries. Our legal advice drop-in for residents affected by Grenfell continued daily to ensure residents unable to attend the Law Centre in the aftermath of the fire were still able to access our services immediately without the need to book an appointment. We also visited hotels to meet with Grenfell residents and relatives too traumatised to return to the area. We continue to offer a triage service for new Grenfell enquiries and appointments are arranged with our specialist caseworkers when appropriate.

Clients supported during the year

The Law Centre sits at the base of Grenfell Tower and Law Centre has had to step up and provide a range of advice services that has stretched staff to their limits. The resulting cases and need emanating from the local community will dominate the shape of the Law Centres work for at least the next two years. In total the Law Centre has 70 cases related directly to Grenfell, 50 in housing and 20 in immigration the majority of which are on a pro bono basis. In total we triaged 2948 enquiries

Housing

In addition to the Grenfell cases we opened 71 legal help cases. We undertook 1 full Judicial review and 13 civil legal aid cases (homelessness, disrepair, appeals, rent arrears, possessions evictions, anti-social and nuisance).

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

OBJECTIVES AND ACTIVITIES

Significant activities

Employment

2017-18 we triaged around 700 employment enquiries and provided just under 400 clients with either one off advice or undertook more substantive casework.

Immigration and Asylum

We have triaged 1500 clients. We have provided one off advice on the telephone and face to face to 400 clients at undertaken.

Crime

There were 95 crime enquiries between 1 Apr 2017 and 31 March 2018. Out of those we signposted 9 and the rest were passed on to our crime team where we undertook pro bono casework on 90 cases and a further 12 we have got legal aid.

Welfare benefits

We assisted 100 clients including representing clients at appeal and undertaking substantive casework. We saw 2 clients a day for pre-booked appointments as well as dealing with drop in's and emergencies. We concentrate on appeal at the first Tier Tribunal however also had 5 cases in the Upper Tribunal.

Policy and Communications

Following the fire, the Law Centre appointed a part time policy and communications officer Alex Diner. We have played a key role in influencing policymakers in both central and local government to improve their Grenfell-related policies and ensure they better reflect the needs and experiences of the Law Centre's clients. For instance, the Law Centre made a substantive contribution to the consultation on the Council's wider Grenfell rehousing policy and has been successful in pressuring the Council to make many improvements to its rehousing policies. Over the year we have extended that role further and we are active participants in the numerous policy reviews that are taking place in light of the fire. Our expertise, drawn from experience of working with survivors, is now widely recognised and as a result our dedicated Grenfell Housing solicitor gave evidence at the Grenfell fire select committee hearing on 20 June 2018. In addition, we are regularly cited in the Guardian, the Independent and other reputable news outlets.

Public benefit

The trustees consider that the objectives and activities stated above of the Law Centre provide public benefit within the meaning and terms of the Charities Act 2011.

Staff and volunteers

Annie Campbell Viswanathan took over the role of Director in April 2018. She is responsible for the executive management of the organization and is the principal point of liaison between the staff and trustees.
Thalatha Wickramansinghe took over as senior solicitor.

The Law Centre also welcomed Rachael Marchal and Angela Danquah onto the staff during the year. Rachael is an immigration solicitor who brings a wealth of experience from the refugee sector. Debbie has fifteen years' experience working in Law Centres and brings a wealth of administrative experience in compliance, HR, governance, fundraising, monitoring and evaluation and managing Legal Aid contracts.

In addition to paid staff, the Law Centre relies heavily on the volunteers who help to run triage and offer additional support to caseworkers. Our volunteers undertake six-month placements (minimum one day a week) in triage or casework, depending on experience. Some volunteers continue to work at the Law Centre after the six-month placement.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

FINANCIAL REVIEW

Financial position

Finances for the year to 31 March 2018 remained relatively stable in the short term. Total incoming resources for the year (which represented the total funding we had available for our activities) amounted to £441,251 (2017 £374,067), an increase mainly due to donations in relation to Grenfell. Funds earned from the provision of legal services were not our largest single source of income in the year at £45,922 (2017 £88,372). This includes our income from Legal Aid and our earned income from fees charged to clients.

Our other income amounted to £395,329 (2017 £285,695), which includes grant funding of £274,638 (2017 £283,236), donations £120,691. (2017 £2,445) and interest of nil (2017 £14).

Our expenditure for the year increased from the previous year, with the total figure of £418,980 (2017 £378,037) reflecting the work required to be done on behalf of Grenfell.

The result was a net surplus for the year of £22,271 (2017 deficit £3,970) and funds carried forward of £54,104 (2017 £31,833) of which £52,604 were free reserves and £1,500 restricted.

Principal funding sources

The Law Centre is funded from a variety of sources including grants, donations and income derived from our contracts with the Legal Aid Agency in the areas of Housing and Immigration.

Employment is part funded by grants from the Trust for London and the Royal Borough of Kensington and Chelsea.

The Royal Borough of Kensington and Chelsea continues to provide us with core funding, which in turn allows us to continue to continue our vital work in Welfare Benefits.

The impact of the Grenfell tragedy on the Centre's ability to earn fees, as staff time has been dedicated to this project, was in part covered by many generous donations from the public and institutions helped to enable the Law Centre to face the challenges and huge increase in workload it faced by the Grenfell fire.

Reserves policy

The trustees have considered the charity's requirements for reserves and have established a policy that aims that the unrestricted funds not invested in tangible fixed assets held by the charity should be at least three months' expenditure.

The trustees aspire to increase the reserves of the charity over the coming years to reach the specified level. However, because most of the Law Centre's income is derived under contracts to perform specific work or by restricted grants, the trustees cannot simply increase reserves by reducing the scope and ambition of the organisation's activities as to do so could jeopardise income as much as it reduced costs. We hope through an active campaign of fundraising over the coming years to increase the resources of the organisation and to develop the reserve.

Going concern

The Trustees are aware that work done for victims of the Grenfell fire has impacted on the Law Centre's earning capacity. Although there was funding to cover the majority of the work done, there was a large drop in legal cases under Legal Aid started during the year resulting in a fall in work in progress, which will have an impact on the future cash flow of the Law Centre. In addition, a number of grants came to an end at the end of the year. Again due to the work required by Grenfell, the documentation for renewal was not sent out in sufficient time to secure the funds.

Currently, the Law Centre is experiencing the cash flow problems, but new grant applications have gone out and are expected to result in a number being granted. In addition the Legal Case work has picked up and will generate income in the future. During this difficult transition period, the Law Centre is grateful to those funders who have renewed their contracts.

FUTURE PLANS

Currently, the Centre is actively seeking new funds to enable it to overcome the cash flow shortage expected and then commence to build its reserves to a level where the Centre become a financial stable entity. The Trustees are acutely aware of the needs of the community and are expected to be proactive in helping to achieve this objective.

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The memorandum and articles of association were last amended on 11 July 2016.

Recruitment and appointment of new trustees

On 11 April 2018, the following trustees resigned: E Watson, R Atwell, D Howells, J Skolnick and J Nash, and a new board was appointed consisting of: L Daniels, M Thomas(chair), Z Khan, D Martin, P Healy and T Alkaff. The board subsequently appointed P Kandler to the Management Committee. Two trustees have since resigned: Z Khan and D Martin and the current trustees would like to thank them for their contribution.

Peter Kandler founded the Law Centre in 1970 and the remaining board members are former trustees. They bring with them many years of experience of working with Law Centres. biographical information concerning all our current trustees is available on our website.

The Law Centre seeks to ensure its trustees possess the requisite balance of developmental, legal and management skills to promote the success of the organisation and the furtherance of its objectives.

We continue to seek suitably qualified trustees to join the Law Centre with a view to bringing new skills to the organisation and promoting trustee diversity.

Organisational structure

The Law Centre is controlled by a voluntary Management Committee comprising its trustees and is led at the executive level by a Director and Senior Solicitor.

Decision making

The Management Committee has formal corporate and legal responsibility for all activities and functions of the organisation and operates as follows:

- * The full Management Committee meets approximately every two months during the year.
- * The Finance and Personnel Sub-committee meets usually five times a year, approximately every two months and oversees the financial control, human resources management of the organisation and approves the annual budget.

The annual general meeting is usually held in the third quarter of each financial year.

The trustees have an overall responsibility for ensuring that the Law Centre has an appropriate systems of controls, financial and otherwise. The systems of internal controls are designed to provide reasonable but not absolute assurance against material misstatement of results of operations or financial position and to guard against insolvency. These systems and controls include:

- * A strategic plan and annual budget approved by the trustees;
- * Regular consideration by the trustees of financial information, variance from budgets and non-financial performance indicators;
- * Delegation of authority and segregation of duties;
- * Identification and management of risks.

Key management remuneration

	2018	2017
	£	£
Key management compensation in year	92,395	82,091

NORTH KENSINGTON LAW CENTRE

REPORT OF THE TRUSTEES for the year ended 31 March 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of North Kensington Law Centre for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, F W Berringer & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 November 2018 and signed on its behalf by:

Ms M A E Thomas - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTH KENSINGTON LAW CENTRE

Opinion

We have audited the financial statements of North Kensington Law Centre (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 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 annual report, other than the financial statements and our Report of the independent auditors 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.

Opinion 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 Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTH KENSINGTON LAW CENTRE

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report or in preparing the Report of the trustees.

Responsibilities of trustees

As explained more fully in the Statement of trustees responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the independent auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the independent auditors.

Use of our report

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



Paul Allan BSoc Sc FCA (Senior Statutory Auditor)
for and on behalf of F W Berringer & Co
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

22 November 2018

NORTH KENSINGTON LAW CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2018

		Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations	2	120,691	-	120,691	2,445
Charitable activities	4				
Provision of legal services		204,520	116,040	320,560	371,608
Investment income	3	-	-	-	14
Total		325,211	116,040	441,251	374,067
EXPENDITURE ON					
Charitable activities	5				
Provision of legal services		273,089	121,130	394,219	355,678
Support costs		24,761	-	24,761	22,359
Total		297,850	121,130	418,980	378,037
NET INCOME/(EXPENDITURE)		27,361	(5,090)	22,271	(3,970)
RECONCILIATION OF FUNDS					
Total funds brought forward		25,243	6,590	31,833	35,803
TOTAL FUNDS CARRIED FORWARD		52,604	1,500	54,104	31,833

The notes form part of these financial statements

NORTH KENSINGTON LAW CENTRE

BALANCE SHEET At 31 March 2018

		Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds as restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	1,000	-	1,000	-
CURRENT ASSETS					
Work in progress	13	42,237	-	42,237	52,428
Debtors	14	35,850	-	35,850	52,349
Cash at bank and in hand		40,863	11,048	51,911	13,255
		<u>118,950</u>	<u>11,048</u>	<u>129,998</u>	<u>118,032</u>
CREDITORS					
Amounts falling due within one year	15	(67,346)	(9,548)	(76,894)	(86,199)
NET CURRENT ASSETS		<u>51,604</u>	<u>1,500</u>	<u>53,104</u>	<u>31,833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>52,604</u>	<u>1,500</u>	<u>54,104</u>	<u>31,833</u>
NET ASSETS		<u><u>52,604</u></u>	<u><u>1,500</u></u>	<u><u>54,104</u></u>	<u><u>31,833</u></u>
FUNDS	16				
Unrestricted funds				52,604	25,243
Restricted funds				<u>1,500</u>	<u>6,590</u>
TOTAL FUNDS				<u><u>54,104</u></u>	<u><u>31,833</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 22 November 2018 and were signed on its behalf by:

Ms M A E Thomas -Trustee

The notes form part of these financial statements

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Such income is only deferred where the donor specifies that the grant or donation can be used in a future accounting period, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to performance conditions is recognised as earned. Grant income included in this category provides funding to support advice/performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Contract and performance related grant income is deferred when received in advance of the performance of event to which they relate.

Turnover is measured at fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include both the direct and support costs relating to these activities. All support costs relate to unrestricted charitable activities.

Where VAT is irrecoverable as a result of partial exemption, this amount is charged to charitable activities.

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Work in progress

Work in progress is valued at net realisable value, after making due allowances for slow recovery and potential irrecoverable fees.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity will remain a going concern despite the difficulties faced and the accounts have been prepared on that basis. A feasibility study was carried out post year end indicating where costs needed to be reduced and income maximised. Currently the Centre has increased the income from Legal cases, additional grants have been secured and costs have been reduced. The trustees will continue to monitor the situation.

Donated Assets

Donated assets are estimated at market value based on condition when received.

2. DONATIONS

	2018	2017
	£	as restated £
Donations	<u>120,691</u>	<u>2,445</u>

The large increase in donations during the year were to help victims of the Grenfell tragedy. No expenditure was specified and the monies have been treated as unrestricted even though all the funds received specially for Grenfell did go towards the cost of helping the victims.

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2018

3. INVESTMENT INCOME

	2018	2017 as restated
	£	£
Deposit account interest	-	14
	<u>-</u>	<u>14</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2018	2017 as restated
	Activity	£	£
Legal services	Provision of legal services	45,922	88,372
Grants	Provision of legal services	274,638	283,236
		<u>320,560</u>	<u>371,608</u>

Grants received, included in the above, are as follows:

	2018	2017 as restated
	£	£
Royal Borough of Kensington & Chelsea	75,097	62,350
Trust for London	23,333	36,860
The Tudor Trust	40,000	40,000
City Bridge Trust	12,500	50,000
Access to Justice	-	20,276
Local Sustainability Fund	-	73,750
AB Charitable Trust	70,000	-
Indigo Trust	15,000	-
Law Society	10,138	-
Law Centre Network	4,423	-
Legal Education Foundation	17,897	-
London Legal Support Trust	6,250	-
	<u>274,638</u>	<u>283,236</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Provision of legal services	394,219	-	394,219
Support costs	-	24,761	24,761
	<u>394,219</u>	<u>24,761</u>	<u>418,980</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2018

6. SUPPORT COSTS

	Governance costs
	£
Support costs	<u>24,761</u>

Support costs, included in the above, are as follows:

Governance costs

	2018	2017
	Support costs	Total activities as restated
	£	£
Auditors' remuneration	6,000	-
Accountancy	725	6,300
AGM expenses	-	13
Legal & professional fees	11,949	10,000
Bookkeeping fees	6,087	6,046
	<u>24,761</u>	<u>22,359</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
		as restated
	£	£
Auditors' remuneration	6,000	-
Depreciation - owned assets	500	-
	<u>6,500</u>	<u>0</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2018

9. STAFF COSTS

	2018	2017 as restated
	£	£
Wages and salaries	306,520	243,841
Social security costs	17,882	20,962
Other pension costs	3,309	3,264
	<u>327,711</u>	<u>268,067</u>

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

	2018	2017
Direct	9	6
Administration	3	2
	<u>12</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations	2,445	-	2,445
Charitable activities			
Provision of legal services	130,722	240,886	371,608
Investment income	14	-	14
Total	<u>133,181</u>	<u>240,886</u>	<u>374,067</u>
EXPENDITURE ON			
Charitable activities			
Provision of legal services	114,792	240,886	355,678
Support costs	22,359	-	22,359
Total	<u>137,151</u>	<u>240,886</u>	<u>378,037</u>
NET INCOME/(EXPENDITURE)	<u>(3,970)</u>	<u>-</u>	<u>(3,970)</u>
Transfers between funds	<u>(6,590)</u>	<u>6,590</u>	<u>-</u>
Net movement in funds	<u>(10,560)</u>	<u>6,590</u>	<u>(3,970)</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2018

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds	Restricted funds	Total funds as restated
	£	£	£
RECONCILIATION OF FUNDS			
Total funds brought forward	35,803	-	35,803
TOTAL FUNDS CARRIED FORWARD	<u>25,243</u>	<u>6,590</u>	<u>31,833</u>

11. PRIOR YEAR ADJUSTMENT

The allocation of costs between those deemed as support costs and those deemed charitable activity costs have been adjusted in the comparative 2017 figures to agree to the 2018 allocation. The trustees believe that this is the correct treatment for those costs and the financial statements now represent a truer reflection of the charity's activities.

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2017	10,321	43,288	53,609
Additions	-	1,500	1,500
Disposals	(5,497)	(42,187)	(47,684)
At 31 March 2018	<u>4,824</u>	<u>2,601</u>	<u>7,425</u>
DEPRECIATION			
At 1 April 2017	10,321	43,288	53,609
Charge for year	-	500	500
Eliminated on disposal	(5,497)	(42,187)	(47,684)
At 31 March 2018	<u>4,824</u>	<u>1,601</u>	<u>6,425</u>
NET BOOK VALUE			
At 31 March 2018	<u>-</u>	<u>1,000</u>	<u>1,000</u>
At 31 March 2017	<u>-</u>	<u>-</u>	<u>-</u>

13. WORK IN PROGRESS

	2018	2017 as restated
	£	£
Work in progress	<u>42,237</u>	<u>52,428</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Trade debtors	15,360	27,913
Other debtors	18,757	22,925
Prepayments	1,733	1,511
	<u>35,850</u>	<u>52,349</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Trade creditors	18,289	22,884
Social security and other taxes	7,179	7,528
VAT	30,537	34,219
Other creditors	9,711	15,918
Accrued expenses	11,178	5,650
	<u>76,894</u>	<u>86,199</u>

16. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted funds			
General fund	25,243	27,361	52,604
Restricted funds			
Fixed Assets	-	1,500	1,500
Local Sustainability Fund	6,590	(6,590)	-
	<u>6,590</u>	<u>(5,090)</u>	<u>1,500</u>
TOTAL FUNDS	<u>31,833</u>	<u>22,271</u>	<u>54,104</u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2018

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	325,210	(297,849)	27,361
Restricted funds			
Fixed Assets	1,500	-	1,500
Local Sustainability Fund	-	(6,590)	(6,590)
Legal Services	63,333	(63,333)	-
Legal Advice	31,522	(31,522)	-
Training	19,686	(19,686)	-
	<u>116,041</u>	<u>(121,131)</u>	<u>(5,090)</u>
TOTAL FUNDS	<u><u>441,251</u></u>	<u><u>(418,980)</u></u>	<u><u>22,271</u></u>

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
General fund	35,803	(3,970)	(6,590)	25,243
Restricted Funds				
Local Sustainability Fund	-	-	6,590	6,590
TOTAL FUNDS	<u><u>35,803</u></u>	<u><u>(3,970)</u></u>	<u><u>-</u></u>	<u><u>31,833</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	133,181	(137,151)	(3,970)
Restricted funds			
Local Sustainability Fund	73,750	(73,750)	-
Legal Services	76,860	(76,860)	-
Legal Advice	90,276	(90,276)	-
	<u>240,886</u>	<u>(240,886)</u>	<u>-</u>
TOTAL FUNDS	<u><u>374,067</u></u>	<u><u>(378,037)</u></u>	<u><u>(3,970)</u></u>

NORTH KENSINGTON LAW CENTRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **for the year ended 31 March 2018**

16. MOVEMENT IN FUNDS - continued

The Fixed Asset fund is to purchase fixed assets specified by the grant documents. This was provided by the Royal Borough of Kensington & Chelsea.

The Legal Service fund is to provide the salaries of caseworkers, key management and their associated costs. This is funded by Trust for London and the Tudor Trust supported the Centre in this area.

The Legal Advice fund is to enable the charity to improve access to legal advice services. This also includes grant for support workers dealing with Grenfell. This is funded by The Law Centre Federation, London Legal Support Trust and the Legal Education Foundation.

The Local Sustainability fund is to build robust operating platforms within the organisation, to develop the Law centre's public profile and to improve monitoring and evaluation.

The Training fund covers the costs of the trainee, supervising solicitor and associated costs. This is funded by The Law Society and The London Education Foundation.

Expenditure on restricted funds were salaries of the supported posts and their associated costs.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.

NORTH KENSINGTON LAW CENTRE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2018

	2018	2017
	£	as restated £
INCOME AND ENDOWMENTS		
Donations		
Donations	120,691	2,445
Investment income		
Deposit account interest	-	14
Charitable activities		
Legal services	45,922	88,372
Grants	274,638	283,236
	<u>320,560</u>	<u>371,608</u>
Total incoming resources	441,251	374,067
EXPENDITURE		
Charitable activities		
Wages	306,520	243,841
Social security	17,882	20,962
Pensions	3,309	3,264
Non-recoverable disbursements	833	32,232
Insurance	2,525	4,334
Rent & rates	7,842	20,227
Telephone	3,975	3,132
Postage and stationery	7,536	6,746
Sundries	2,689	2,960
Repairs & maintenance	1,635	525
Professional subscriptions	8,241	312
Computer & IT costs	12,583	8,065
Storage costs	2,927	2,910
Training costs	13,857	2,946
Volunteer expenses	1,072	1,722
Redundancy & other costs	-	1,500
Bank charges	293	-
Computer equipment	500	-
	<u>394,219</u>	<u>355,678</u>
Support costs		
Governance costs		
Auditors' remuneration	6,000	-
Accountancy	725	6,300
AGM expenses	-	13
Carried forward	6,725	6,313

This page does not form part of the statutory financial statements

NORTH KENSINGTON LAW CENTRE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2018

	2018	2017
	£	as restated £
Governance costs		
Brought forward	6,725	6,313
Legal & professional fees	11,949	10,000
Bookkeeping fees	6,087	6,046
	<u>24,761</u>	<u>22,359</u>
Total resources expended	418,980	378,037
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>22,271</u>	<u>(3,970)</u>

This page does not form part of the statutory financial statements