

Company Registration Number - 07126773

The Charity Registration Number is :- 1134778

Harrow Law Centre

Report and Accounts

31 March 2018



Harrow Law Centre

Report and accounts for the year ended 31 March 2018

Contents

| | Page |
|--|-------------|
| Trustees' Annual Report | 1 |
| Statement of directors' responsibilities | 4 |
| Independent Examiner's Report | 6 |
| <i>Funds Statements:-</i> | |
| Statement of Financial Activities | 8 |
| Statement of Financial Activities - Prior Year statement | 9 |
| Movements in funds | 10 |
| Income and Expenditure account | 11 |
| | |
| Balance sheet | 12 |
| Notes to the accounts | 13 |

Harrow Law Centre

Company Registration Number - 07126773

Trustees' Annual Report for the year ended 31 March 2018

The Trustees present their Report and Accounts for the year ended 31 March 2018, which also comprises the Directors' Report required by the Companies Act 2006.

The Law Centre employs an expert staff team of 11 people delivering legal advice and representation in areas of social welfare law to approximately 3000 beneficiaries each year. The Law Centre has a growing reputation for excellence and there is no shortage of clients. The Law Centre is able to assist those who would otherwise have little prospect of receiving legal advice and representation from other providers. We are Lexcel accredited and have legal aid contracts in Community Care, Housing, Immigration and Asylum, Public Law and Welfare Benefits.

Reference and administrative details

The charity name.

The legal name of the charity is:- Harrow Law Centre

The charity's areas of operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1134778

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation. There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and

The trustees are all individuals.

The principal operating address, telephone number, email and web addresses of the

The Lodge
64 Pinner Road, Harrow
Middlesex, HA1 4HZ
Telephone 020 8863 4355 Email Address info@harrowlawcentre.co.uk Web address
harrowlawcentre.org.uk

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were:-

Adam Convisser
Anne Whitehead
Cyril Dennemont
Dr. Ben Lucas

The following persons served as Trustees during the year ended 31 March 2018 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the All the trustees are also members of the charity.

Harrow Law Centre

Company Registration Number - 07126773

Trustees' Annual Report for the year ended 31 March 2018

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The main objects of the Law Centre are the relief of financial hardship by the provision of free, independent legal advice and assistance to persons who, through lack of means, would otherwise be unable to obtain such advice; to advance education in the laws of England and Wales from time to time in force for the public benefit; and to advance such other charitable purposes as the directors at their absolute discretion may from time to time determine.

The main activities undertaken in relation to those purposes and public benefit during the year.

The Law Centre has provided a specialist quality assured legal casework service representation and advice in the following areas of social welfare law: Asylum, Education, EU rights, Housing, Modern Day Slavery, Public Law, Trafficking and Welfare Rights. Sadly we have had to stop providing community care advice due to a lack of funding for this area of work. Our housing work is primarily focused on assisting those with access to housing, homelessness, housing conditions and possession action. We continue to see people who are homeless as a result of benefit cuts. We regularly represent client at the County Court to defend against possession proceedings. The main areas of welfare benefits work are representing clients at appeals to the first or upper tribunal. These appeals are largely in respect of people impacted by welfare reforms such as the benefit cap, reduced housing allowance as well as increased sanctions. Our immigration work concentrates on asylum, trafficking, modern day slavery. In addition we have seen a steep increase in those seeking our assistance as to the impact of the UK leaving the EU. The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

The main achievements and performance of the charity during the year.

The Law Centre has continued to provide specialist advice and representation to local people and has maintained a very high success rate across all subject areas. We were delighted to take part in a range of activities with the Mayor of Harrow having been named as one of the Mayor's charities for the year. We were immensely sad at the death in January of our patron Sir Henry Brooke. Sir Henry was a passionate advocate for access to justice and a huge support to Harrow Law Centre.

The difference the charity's performance during the year has made to the beneficiaries of the charity.

In the last year we have provided representation in 599 complex cases and provided advice to a further 750 people. The largest category of work we undertook was that of immigration cases, comprised of asylum, trafficking, modern day slavery and EU rights. This was followed closely by housing and welfare benefits cases. We have a success rate of between 80% and 90% in our casework. The difference we make to the individual is often life-saving and certainly life changing. Where we secure refugee status for a client it means they are safe from persecution. In housing cases we deal with the most vulnerable and more and more see families who are street homeless or sleeping in cars. Where we intervene we ensure that our clients are housed. Where we represent a client at a benefits appeal we secure the benefits that they are entitled to ensuring that they have food on the table and are able to pay their rent.

The degree to which the achievements and performance during the year have benefited wider society.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity' (PD2). The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

Harrow Law Centre

Company Registration Number - 07126773

Trustees' Annual Report for the year ended 31 March 2018

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

The trustees are appointed having regard to the specific skills that are required for the governance of the charity. In view of the size of the Centre, the trustees consider that they have a wide range of experience that is suitable for the governance of a charity.

The charity as a part of a wider network.

Harrow Law Centre is a member of the Law Centre Network (LCN) which is an umbrella organisation to all Law Centres in the UK. In addition the Law Centre is part of a network of organisations that have come together to provide advice and support to EU nationals under the Living Rights Project funded by the EU.

Bankers Unity Trust Bank, 9 Brindleyplace, Birmingham, B1 2HB
Accountants J W Grogan, 95 Headstone Lane, Harrow, Middlesex, HA2 6JL

Financial review

The charity's financial position at the end of the year ended 31 March 2018

The financial position of the charity at 31 March 2018 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

| | 2018 | 2017 |
|--|---------------|---------------|
| | £ | £ |
| Net income | 65,951 | 11,941 |
| Unrestricted Revenue Funds available for the general purposes of the charity | 95,050 | 29,099 |
| Restricted Revenue Funds | 2,040 | 2,040 |
| Total Funds | 97,090 | 31,139 |

Financial review of the position at the reporting date, 31 March 2018 .

The accounts reflect the current financial difficulties affecting much of the voluntary sector, however the Law Centre has managed to increase its income over the last year and shows a healthy increase in reserves. Income from legal aid has increased by approximately 80% The trustees consider the financial performance by the charity during the year to have been satisfactory.

Policies on reserves.

The trustees have set a policy to maintain reserves at a minimum level required if the Centre was to cease operations. At present the trustees assess the charity as a going concern and therefore do not envisage that reserves to cease operations would need to be called upon in the near future.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Plans For the Future

Summary of plans for the future and the trustees' perspective of the future direction of the charity.

The main aim for the Law Centre is to continue to meet the demand for legal advice locally. We expect the demand to continue to increase with further welfare reforms. We therefore aim to increase provision for representation at Tribunals in Welfare Benefits cases.

Harrow Law Centre

Company Registration Number - 07126773

Trustees' Annual Report for the year ended 31 March 2018

Details of The Independent Examiner

Myrnel Abdullahi BA (Hons)

Chartered Management Accountant

3 Stapenhill Road

North Wembley

Middlesex

HA0 3JF

Statement of the Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- 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 charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

Harrow Law Centre

Company Registration Number - 07126773

Trustees' Annual Report for the year ended 31 March 2018

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 8 to 24.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016)

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 3 December 2018.

Cyril Dennemont
Director and Trustee

Harrow Law Centre

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 March 2018

I report to the Trustees on my examination of the financial statements of the charitable company on pages 8 to 24 for the year ended 31 March 2018 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW), and under the historical cost convention and the accounting policies set out on page 13.

Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report

As described on page 4, you, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to:-

- a) examine the financial statements of the charity under Section 145 of the Act;
- b) follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of Independent Examiner's Statement and scope of work undertaken

Since the charitable company's gross income exceeded £250,000, the charitable company's examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am an authorised member of Chartered Management Accountant, which is one of the listed bodies.

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. In carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide

Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

Harrow Law Centre

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that:-

The accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

The gross income of the charitable company in the year ended 31 March 2018 appears to exceed the sum specified in Section 145(3) of the Act, namely £250000, and that I am qualified to act as Independent Examiner in accordance with that section by virtue of my being a qualified member of Chartered Management Accountant;

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by Section 386 of the Companies Act 2006 and Section 130 of The Charities Act 2011;

the financial statements do not accord with those records; or

the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 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;

have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP).

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 financial statements to be reached.

Signed:-

Myrnel Abdullahi BA (Hons) - Independent Examiner

Chartered Management Accountant

3 Stapenhill Road
North Wembley
Middlesex
HA0 3JF

This report was signed on 3 December 2018

Harrow Law Centre - Statement of Financial Activities for the year ended 31 March 2018

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 March 2018, as required by the Companies Act 2006)

| | SORP Ref | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|--------------------------------------|--------------|---------------------------------|-------------------------------|--------------------------|------------------------|
| | | 2018 | 2018 | 2018 | 2017 |
| | | £ | £ | £ | £ |
| Income & Endowments from: | | | | | |
| Donations & Legacies | A1 | 9,259 | - | 9,259 | 5,870 |
| Charitable activities | A2 | 246,505 | 174,397 | 420,902 | 326,555 |
| Total income | A | 255,764 | 174,397 | 430,161 | 332,425 |
| Expenditure on: | | | | | |
| Charitable activities | B2 | 189,813 | 174,397 | 364,210 | 320,484 |
| Total expenditure | B | 189,813 | 174,397 | 364,210 | 320,484 |
| Net income for the year | | 65,951 | - | 65,951 | 11,941 |
| Net income after transfers | A-B-C | 65,951 | - | 65,951 | 11,941 |
| Net movement in funds | | 65,951 | - | 65,951 | 11,941 |
| Reconciliation of funds:- | E | | | | |
| Total funds brought forward | | 29,099 | 2,040 | 31,139 | 19,198 |
| Total funds carried forward | | 95,050 | 2,040 | 97,090 | 31,139 |

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All activities derive from continuing operations

The notes attached on pages 13 to 24 form an integral part of these accounts.

Harrow Law Centre - Statement of Financial Activities for the year ended 31 March 2018

Harrow Law Centre - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

| | SORP Ref | Prior Year Unrestricted Funds 2017 £ | Prior Year Restricted Funds 2017 £ | Prior Year Total Funds 2017 £ |
|------------------------------------|----------|--|--|-------------------------------------|
| Income from: | | | | |
| Donations & Legacies | A1 | 5,870 | - | 5,870 |
| Charitable activities | A2 | 153,874 | 172,680 | 326,555 |
| Total income | A | <u>159,744</u> | <u>172,680</u> | <u>332,425</u> |
| Expenditure on: | | | | |
| Charitable activities | B2 | 147,303 | 173,180 | 320,484 |
| Total expenditure | B | <u>147,303</u> | <u>173,180</u> | <u>320,484</u> |
| Net income for the year | | 12,441 | (500) | 11,941 |
| Net income after transfers | | <u>12,441</u> | <u>(500)</u> | <u>11,941</u> |
| Net movement in funds | | <u>12,441</u> | <u>(500)</u> | <u>11,941</u> |
| Reconciliation of funds:- | E | | | |
| Total funds brought forward | | 16,658 | 2,540 | 19,198 |
| Total funds carried forward | | <u>29,099</u> | <u>2,040</u> | <u>31,139</u> |

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.'

The notes attached on pages 13 to 24 form an integral part of these accounts.

Harrow Law Centre - Statement of Financial Activities for the year ended 31 March 2018

Harrow Law Centre - Resources applied in the year ended 31 March 2018 towards fixed assets for Charity use:-

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Funds generated in the year as detailed in the SOFA | 65,951 | 11,941 |
| Net resources available to fund charitable activities | 65,951 | 11,941 |

The notes attached on pages 13 to 24 form an integral part of these accounts.

Movements in revenue and capital funds for the year ended 31 March 2018

Revenue accumulated funds

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Last year Total Funds 2017 £ |
|--|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Accumulated funds brought forward | 29,099 | 2,040 | 31,139 | 19,198 |
| Recognised gains and losses before transfers | 65,951 | - | 65,951 | 11,941 |
| | 95,050 | 2,040 | 97,090 | 31,139 |
| Closing revenue funds | 95,050 | 2,040 | 97,090 | 31,139 |

Summary of funds

| | Unrestricted and Designated funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Last Year Total Funds 2017 £ |
|---------------------------|--|----------------------------------|-----------------------------|---------------------------------------|
| Revenue accumulated funds | 95,050 | 2,040 | 97,090 | 31,139 |

The notes attached on pages 13 to 24 form an integral part of these accounts.

Harrow Law Centre - Statement of Financial Activities for the year ended 31 March 2018

**Harrow Law Centre
Income and Expenditure Account for the year ended 31 March 2018 as required by the
Companies Act 2006**

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Income | | |
| Income from operations | 430,161 | 332,425 |
| Investment income | | |
| Gross income in the year before exceptional items | 430,161 | 332,425 |
| Gross income in the year including exceptional items | 430,161 | 332,425 |
| Expenditure | | |
| Charitable expenditure, excluding depreciation and amortisation | 362,910 | 319,184 |
| Governance costs | 1,300 | 1,300 |
| Realised losses on disposals of social investments which are programme related | - | - |
| Total expenditure in the year | 364,210 | 320,484 |
| Net income before tax in the financial year | 65,951 | 11,941 |
| Tax on surplus on ordinary activities | - | - |
| Net income after tax in the financial year | 65,951 | 11,941 |
| Retained surplus for the financial year | 65,951 | 11,941 |

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 13 to 24 form an integral part of these accounts.

Harrow Law Centre - Balance Sheet as at 31 March 2018

| | SORP | | 2018 | 2017 |
|---|------|-----|-----------------|-----------------|
| | Note | Ref | £ | £ |
| Current assets | | B | | |
| Stocks | | B1 | 118,847 | 45,000 |
| Cash at bank and in hand | | B4 | 10,129 | 54,117 |
| Total current assets | | | <u>128,976</u> | <u>99,117</u> |
| Creditors: amounts falling due within one year | 11 | C1 | <u>(31,886)</u> | <u>(67,978)</u> |
| Net current assets | | | 97,090 | 31,139 |
| The total net assets of the charity | | | <u>97,090</u> | <u>31,139</u> |

The total net assets of the charity are funded by the funds of the charity, as follows:-

| | | | | |
|----------------------------|----|----|---------------|---------------|
| Restricted funds | | | | |
| Restricted Revenue Funds | 18 | D2 | 2,040 | 2,040 |
| Unrestricted Funds | | | | |
| Unrestricted Revenue Funds | 18 | D3 | 95,050 | 29,099 |
| Designated Funds | | | | |
| Total charity funds | | | <u>97,090</u> | <u>31,139</u> |

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 7.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006. applicable to companies subject to the small companies regime.

Cyril Dennemont

Trustee

Approved by the board of trustees on 3 December 2018

The notes attached on pages 13 to 24 form an integral part of these accounts.

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Risks and future assumptions

The charity is a public benefit entity.

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.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents grant income, donated income, or the value, net of value added tax and discounts, of work carried out in respect of services provided on behalf of clients.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated..

Policies relating to assets, liabilities and provisions and other matters.

Stocks and work in progress

Stocks represent work in progress on long term service contracts for legal work where the prudently calculated attributable profit can be assessed with reasonable certainty by reference to the stage of completion at the end of the accounting period.

Financial instruments including cash and bank balances

The charity has financial assets and 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. Cash and bank balances include only cash and short term highly liquid investments with a maturity of three months or less.

Leasing and hire purchase contracts and commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions - defined contribution schemes

The charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not fully recoverable by the charity, and the irrecoverable element is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

There are no significant implications of the use or importance of financial instruments to the operation of the charity.

5 Net surplus before tax in the financial year

| | 2018 | 2017 |
|---|-------|------|
| | £ | £ |
| The net surplus before tax in the financial year is stated after charging:- | | |
| Pension costs | 1,925 | - |

6 Staff costs and emoluments

| Salary costs | 2018 | 2017 |
|--|----------------|----------------|
| | £ | £ |
| Gross Salaries excluding trustees and key management personnel | 256,232 | 223,040 |
| Employer's National Insurance for all staff | 20,430 | 16,374 |
| Employer's operating costs of defined contribution pension schemes | 1,925 | - |
| Total salaries, wages and related costs | 278,587 | 239,414 |

| Numbers of full time employees or full time equivalents | 2018 | 2017 |
|---|-------------|-------------|
| The average number of total staff employed in the year was | 10 | 10 |
| The average number of part time staff employed in the year was | 6 | 9 |
| The average number of full time staff employed in the year was | 3 | 1 |
| The estimated full time equivalent number of all staff employed in the year was | 7 | 7 |

The estimated equivalent number of full time staff deployed in different activities in the year was:-

| | | |
|---|----------|----------|
| Engaged on charitable activities | 6 | 6 |
| Engaged on management and administration | 1 | 1 |
| The estimated full time equivalent number of all staff employed as above | 7 | 7 |

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

7 Defined contribution pension schemes

The charity operates a defined contribution pension scheme, the costs of which are shown above.

Any liabilities and assets associated with the scheme are shown under debtors and creditors.

8 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

9 Deferred income - Restricted funds

| | Opening Deferrals | Released from prior years | Received less released in year | Deferred at year end |
|--|----------------------|---------------------------------|--------------------------------------|-------------------------|
| | £ | £ | £ | £ |
| John Lyon's Charity | 33,917 | (33,917) | - | - |
| LCF Living Rights Project | 6,590 | (6,590) | - | - |
| 3 Guineas Trust | 12,018 | (12,018) | 12,018 | 12,018 |
| Gordon Family Trust | 1,667 | (1,667) | - | - |
| Trust For London | - | - | 2,333 | 2,333 |
| Total | 54,192 | (54,192) | 14,351 | 14,351 |
| | | | 2018 | 2017 |
| | | | £ | £ |
| These deferrals are included in creditors | | | 14,351 | 54,192 |

The deferrals included in creditors relate to funding specified by the funders as relating to specific periods and represent those parts of restricted funds which relate to periods subsequent to the accounting year end and are treated as grants in advance, or, alternatively, where there are conditions which must be fulfilled prior to entitlement or use of the restricted funds by the charity.

10 Stocks & Work in Progress

| | 2018 £ | 2017 £ |
|---------------------------|----------------|---------------|
| Stocks before write downs | 118,847 | 45,000 |
| | 118,847 | 45,000 |

Analysis of the carrying value of stocks and work in progress by activities

| Activity | Work in Progress | | Stocks | |
|----------------------------------|------------------|---------------|-----------|-----------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| Legal advice, aid and assistance | 118,847 | 45,000 | - | - |
| | 118,847 | 45,000 | - | - |

11 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|---------------|---------------|
| Accruals | 14,624 | 11,731 |
| Deferred Income - Restricted funds | 14,351 | 54,192 |
| PAYE, NIC VAT and other taxes | 2,911 | 2,055 |
| | 31,886 | 67,978 |

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

12 Loans to trustees included in debtors

No trustees or persons connected with them received any loans from the charity, or any related entity.

13 Guarantees made by the charity on behalf of trustees

No trustees or persons connected with them received any guarantees from the charity, or any related entity.

14 Financial commitments under operating leases

| 2018 | 2017 |
|------|------|
| £ | £ |

At the year end the charity had annual commitments under non-cancellable operating leases as set out below:

| | | |
|--|--------|--------|
| Operating leases which expire: within two to five years | 16,897 | 16,897 |
|--|--------|--------|

15 Income and Expenditure account summary

| 2018 | 2017 |
|------|------|
| £ | £ |

| | | |
|--------------------------------|---------------|---------------|
| At 1 April 2017 | 31,139 | 19,198 |
| Surplus after tax for the year | 65,951 | 11,941 |
| At 31 March 2018 | <u>97,090</u> | <u>31,139</u> |

16 No related party transactions

There were no transactions with related parties during the year.

17 Particulars of how particular funds are represented by assets and liabilities

| At 31 March 2018 | Unrestricted funds | Designated funds | Restricted funds | Total Funds |
|---------------------|--------------------|------------------|------------------|---------------|
| | £ | £ | £ | £ |
| Current Assets | 126,936 | | 2,040 | 128,976 |
| Current Liabilities | (31,886) | - | - | (31,886) |
| | <u>95,050</u> | <u>-</u> | <u>2,040</u> | <u>97,090</u> |
| At 1 April 2017 | | | | |
| | £ | £ | £ | £ |
| Current Assets | 97,077 | - | 2,040 | 99,117 |
| Current Liabilities | (67,978) | - | - | (67,978) |
| | <u>29,099</u> | <u>-</u> | <u>2,040</u> | <u>31,139</u> |

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

18 Change in total funds over the year as shown in Note 17 , analysed by individual funds

| | Funds brought forward from 2017 | Movement in funds in 2018 | Transfers between funds in 2018 | Funds carried forward to 2019 |
|--|---------------------------------|---------------------------|---------------------------------|-------------------------------|
| | £ | See Note 19 £ | See Note 0 £ | £ |
| Unrestricted and designated funds:- | | | | |
| Unrestricted Revenue Funds | 29,099 | 65,951 | - | 95,050 |
| Total unrestricted and designated funds | 29,099 | 65,951 | - | 95,050 |
| Restricted funds:- | | | | |
| Cold Weather Payments | 2,040 | - | - | 2,040 |
| Total restricted funds | 2,040 | - | - | 2,040 |
| Total charity funds | 31,139 | 65,951 | - | 97,090 |

19 Analysis of movements in funds over the year as shown in Note 18

| | Income | Expenditure | Other Gains & Losses | Movement in funds |
|--|----------------|------------------|----------------------|-------------------|
| | 2018 £ | 2018 £ | 2018 £ | 2018 £ |
| Unrestricted and designated funds:- | | | | |
| Unrestricted Revenue Funds | 255,764 | (189,813) | - | 65,951 |
| Restricted funds:- | | | | |
| Trust For London | 25,667 | (25,667) | - | - |
| Legal Education Foundation | 5,000 | (5,000) | - | - |
| LCF Living Rights Project | 32,250 | (32,250) | - | - |
| 3 Guineas Trust | 48,073 | (48,073) | - | - |
| Gordon Family Trust | 1,666 | (1,666) | - | - |
| London Borough of Harrow - Housing Solicitor | 6,349 | (6,349) | - | - |
| Access To Justice Fund | 15,000 | (15,000) | - | - |
| City Bridge Trust | 6,475 | (6,475) | - | - |
| John Lyon's Charity | 33,917 | (33,917) | - | - |
| | 430,161 | (364,210) | - | 65,951 |

Harrow Law Centre

Notes to the Accounts for the year ended 31 March 2018

20 The purposes for which the funds as detailed in note 18 are held by the charity are:-

Unrestricted and designated funds:-

| | |
|----------------------------|--|
| Unrestricted Revenue Funds | These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use. Harrow Law Centre is a London Legal Support Trust Centre of Excellence. As such it receives a proportion of funds from the annual sponsored walk. The funding is for core costs. |
|----------------------------|--|

Restricted funds:-

| | |
|--|--|
| Cold Weather Payments | These are grants funded by the London Community Foundation for people over pension age who are in fuel poverty. |
| Trust For London | Trust for London has funded Harrow Law Centre for three years to provide specialist advice in respect of EU law. This relates to both EU nationals but also asylum seekers and those affected by modern day slavery. |
| Legal Education Foundation | The funding from the Legal Education Foundation is a joint project with the LCN to generate additional income through EU funding streams. |
| LCF Living Rights Project | The Living Rights Project is a project funded by the European Funding and run by the Law Centres Network. It allows the Law Centre to provide information and advice to EU nationals living in Harrow. |
| 3 Guineas Trust | Three year funding has been provided to the Law Centre to establish a benefits tribunal unit. |
| Gordon Family Trust | A small grant has been provided by the Gordon Family to fund work providing advice and representation to older people in the borough. |
| London Borough of Harrow - Housing Solicitor | Harrow Law Centre receives only a small amount of support from the Local Authority which has reduced year on year and has now ended. The funding contributed to the cost of a solicitor to provide advice and representation on areas of social welfare law. |
| Access To Justice Fund | The Access to Justice Fund provided funding for two days a week salary for a housing solicitor to provide advice to families facing homelessness. |
| City Bridge Trust | Funding from City Bridge Trust allowed us to continue our housing work. This three year funding has now finished. |
| John Lyon's Charity | Funding from John Lyon's Charity has provided the Law Centre with the funds for a children and young person's law centre. This funding has now come to an end. |

21 Ultimate controlling party

The charity is under the control of its legal members.

Every member of the charity is obliged to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Harrow Law Centre

Detailed analysis of income and expenditure for the year ended 31 March 2018 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

22 Donations and Legacies

| | Current year Unrestricted Funds 2018 £ | Current year Restricted Funds 2018 £ | Current year Total Funds 2018 £ | Prior Year Total Funds 2017 £ |
|---|--|--|--|--|
| Donations and gifts from individuals | | | | |
| Small donations individually less than £1000 | 5,759 | - | 5,759 | 3,870 |
| Barnet Law Service | 2,500 | - | 2,500 | - |
| Landmark Chambers | 1,000 | - | 1,000 | - |
| J Whitehead | - | - | - | 2,000 |
| Total donations and gifts from individuals | 9,259 | - | 9,259 | 5,870 |
| Total Donations and Legacies | 9,259 | - | 9,259 | 5,870 |

23 Charitable income from funders

| | Current year Unrestricted Funds 2018 £ | Current year Restricted Funds 2018 £ | Current year Total Funds 2018 £ | Prior Year Total Funds 2017 £ |
|--|--|--|--|--|
| Contractual payments from public bodies to fund charitable activities | | | | |
| Legal Services Commission - Legal Aid/Help | 204,517 | - | 204,517 | 112,993 |
| Total contractual payments from public bodies | 204,517 | - | 204,517 | 112,993 |
| Performance related grants from public bodies to fund charitable activities | | | | |
| | - | 6,349 | 6,349 | 12,931 |
| Total performance related grants from public bodies | - | 6,349 | 6,349 | 12,931 |

Harrow Law Centre

Detailed analysis of income and expenditure for the year ended 31 March 2018 as required by the SORP 2015

Performance related grants from non public bodies to fund charitable activities

| | | | | |
|----------------------------|--------|--------|---------------|--------|
| London Legal Support Trust | 10,000 | - | 10,000 | 16,644 |
| City Bridge Trust | - | 6,475 | 6,475 | 25,850 |
| Trust For London | - | 25,667 | 25,667 | 28,000 |
| John Lyon's Charity | - | 33,917 | 33,917 | 37,000 |
| 3 Guineas Trust | - | 48,073 | 48,073 | 36,054 |
| Legal Education Foundation | - | 5,000 | 5,000 | 10,000 |
| Gordon Family Trust | - | 1,666 | 1,666 | 3,334 |
| Access for Justice | - | 15,000 | 15,000 | - |
| Law Centres Federation | - | 32,250 | 32,250 | 13,180 |
| Edward Harvest Trust | - | - | - | 1,487 |
| Evening Standard | - | - | - | 2,500 |
| AB Charitable Trust | - | - | - | 3,333 |

| | | | | |
|--|---------------|----------------|----------------|----------------|
| Total performance related grants from non public bodies | 10,000 | 168,048 | 178,048 | 177,382 |
|--|---------------|----------------|----------------|----------------|

Case work fees and disbursements

| | | | | |
|----------------------------------|--------|---|---------------|--------|
| Case work fees and disbursements | 31,988 | - | 31,988 | 23,249 |
|----------------------------------|--------|---|---------------|--------|

| | | | | |
|---|---------------|----------|---------------|---------------|
| Total Case work fees and disbursements | 31,988 | - | 31,988 | 23,249 |
|---|---------------|----------|---------------|---------------|

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Total Charitable income from funders | 246,505 | 174,397 | 420,902 | 326,555 |
|---|----------------|----------------|----------------|----------------|

24 Total Income from charitable activities

| | Current year Unrestricted Funds £ | Current year Restricted Funds £ | Current year Total Funds £ | Prior Year Total Funds £ |
|---|--|--|----------------------------------|--------------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| Total Charitable income from funders | 246,505 | 174,397 | 420,902 | 326,555 |
| Total from charitable activities | A2 246,505 | 174,397 | 420,902 | 326,555 |

Harrow Law Centre

Detailed analysis of income and expenditure for the year ended 31 March 2018 as required by the SORP 2015

25 Expenditure on charitable activities - Direct spending

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|--|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Gross wages and salaries - charitable activities | 107,790 | 148,442 | 256,232 | 223,040 |
| Employers' NI - Charitable activities | 8,595 | 11,835 | 20,430 | 16,374 |
| Defined contribution pension costs - charitable activities | 1,925 | - | 1,925 | - |
| Case costs | 45,518 | 1,000 | 46,518 | 38,174 |
| Total direct spending | B2a 163,828 | 161,277 | 325,105 | 277,588 |

26 Expenditure on charitable activities - Charitable trading

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|---------------------------------------|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Reallocated from support costs | 24,685 | 13,120 | 37,805 | 41,096 |
| Total charitable trading costs | B2b 24,685 | 13,120 | 37,805 | 41,096 |

27 Expenditure on charitable activities- Grant funding of activities

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|--------------------------------|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Grants made to individuals | - | - | - | 500 |
| Total grantmaking costs | B2c - | - | - | 500 |

Harrow Law Centre

Detailed analysis of income and expenditure for the year ended 31 March 2018 as required by the SORP 2015

28 Support costs for charitable activities

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|---|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| <i>Employee costs not included in direct costs</i> | | | | |
| Solicitors' training costs | 53 | 1,100 | 1,153 | 2,396 |
| Practicing certificates and accreditation | 619 | 2,900 | 3,519 | 3,744 |
| Travel and subsistence - staff | 515 | 320 | 835 | 253 |
| Recruitment expenses | - | - | - | 550 |
| <i>Premises Expenses</i> | | | | |
| Rent and room hire | 9,233 | 2,700 | 11,933 | 9,692 |
| Property insurance | 882 | 1,000 | 1,882 | 1,614 |
| <i>Administrative overheads</i> | | | | |
| Telephone, fax and internet | 2,368 | 1,500 | 3,868 | 4,740 |
| Postage and stationery | 4,812 | 3,100 | 7,912 | 7,133 |
| Library costs | 205 | - | 205 | 869 |
| Subscriptions | 2,833 | - | 2,833 | 3,063 |
| Computer expenses | 2,048 | 500 | 2,548 | 3,336 |
| Equipment, repairs, expenses and maintenance | 174 | - | 174 | 2,471 |
| <i>Professional fees paid to advisors other than the auditor or examiner</i> | | | | |
| Accountancy fees other than examination or audit fees | 854 | - | 854 | 1,140 |
| <i>Financial costs</i> | | | | |
| Bank charges | 89 | - | 89 | 95 |
| Support costs before reallocation | 24,685 | 13,120 | 37,805 | 41,096 |
| <i>Less support costs reallocated to specific activities</i> | | | | |
| To charitable trading costs | (24,685) | (13,120) | (37,805) | (41,096) |

The basis of allocation of costs between activities is described under accounting policies

Harrow Law Centre

Detailed analysis of income and expenditure for the year ended 31 March 2018 as required by the SORP 2015

29 Other Expenditure - Governance costs

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|-------------------------------------|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Independent Examiner's fees | 500 | - | 500 | 500 |
| Statutory accounts preparation fees | 800 | - | 800 | 800 |
| Total Governance costs | 1,300 | - | 1,300 | 1,300 |

30 Total Charitable expenditure

| | Current year Unrestricted Funds | Current year Restricted Funds | Current year Total Funds | Prior Year Total Funds |
|-------------------------------------|---------------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Total direct spending | B2a 163,828 | 161,277 | 325,105 | 277,588 |
| Total charitable trading costs | B2b 24,685 | 13,120 | 37,805 | 41,096 |
| Total grantmaking costs | B2c - | - | - | 500 |
| Total Governance costs | B2e 1,300 | - | 1,300 | 1,300 |
| Total charitable expenditure | B2 189,813 | 174,397 | 364,210 | 320,484 |