

GREATER MANCHESTER LAW CENTRE

(COMPANY LIMITED BY GUARANTEE)

COMPANY REGISTRATION NUMBER: 9698401

CHARITY REGISTRATION NUMBER: 1170317

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

**GREATER MANCHESTER LAW CENTRE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
REGISTERED IN ENGLAND NO: 9698401**

A REGISTERED CHARITY NO: 1170317

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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Report of the trustees for the year ended 31st March 2018

The trustees present their annual directors' report and financial statements of the charity for the year ended 31st March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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).

Reference and administrative information

Charity Name: Greater Manchester Law Centre

Charity Number: 1170317

Company Number: 9698401

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Trustees and Directors

John Nicholson	Chair
Ian Wait	Treasurer
Denise McDowell	Company Secretary
John Clegg	
Norma Turner	
Sukhdeep Singh	
Mala Wainwright	
Giles Elliot	(appointed 28.9.17)
Kevin Allsop	(appointed 28.9.17)
Aisha Khan	(appointed 28.9.17)
Mark Schwenk	(resigned 28.9.17)
Paul im Thurn	(resigned 1.6.17)

Supervising solicitor

Ngaryan Li

Registered Office

159 Princess Road
Manchester
M14 4RE

Independent Examiners

Community Accountancy Service Limited
The Grange, Pilgrim Drive
Beswick, Manchester, M11 3TQ

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Bankers

Lloyds Bank plc
8 Foregate Street
Chester

Objectives and activities

The purposes of the charity are:

- to relieve poor persons in the ten boroughs making up the counties of Greater Manchester (the designated area) by providing such persons with legal services which they could not otherwise obtain through the lack of means
- The advancement of education among persons resident or working in the designated area
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the designated area

The main activities are:

Services

GMLC offers specialist welfare rights advice and representation for those who are most disadvantaged in society. Not only has the Government removed Legal Aid for those who seek help with the overly complicated benefit system, they have introduced a host of welfare reforms to slash billions from the welfare budget.

Our specialist advisors help people from the very start by assisting them to complete ESA, Universal Credit and PIP claim forms. These forms are not simple, but the Department of Work and Pensions (DWP), and later the Tribunals Service, use these to assess entitlement to benefits, and claims can be severely compromised if vital information is missed at the very start.

Our work focuses on the needs of clients who are unable to access this support anywhere else. Face-to-face advice is particularly important for vulnerable clients. All our specialist volunteer advisors have extensive knowledge of welfare benefits appeals and have successfully challenged DWP decisions both at review and appeal stage.

We also provide opportunities for volunteer translators and for those who cannot commit to a regular volunteering role in providing support for attending medical assessments. We also have a highly empathetic front of house service to help people with their initial enquiries and/or to signpost them for further help on their issues.

We have been running an employment clinic and have helped 93 employees with issues such as unlawful deduction from their wages, unfair dismissal, race/sex/religious discrimination as well as a broad range of other issues affecting people's employment status.

We have a team of Front of House volunteers who deal with the reality of the lack of support and advice currently available to people. They assist with clients issues whenever possible, carry out research, help people to gain access to further advice where necessary and often make clients feel better by just listening and acknowledging the difficulties that people are faced with.

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Working with GMIAU/Case Study

Greater Manchester Law Centre (GMLC) and Greater Manchester Immigration Aid Unit (GMIAU) successfully worked together to represent a client whose benefits were not only stopped by the Department of Work and Pensions (DWP), but they demanded 7 years' worth of benefits of over £30,000, back from him. The reason was that he was wrongly classified as having no leave to remain by the Home Office.

Unfortunately this is just another example that has come to light affecting the Windrush generation and shows the burden it puts on victims and their families. As ever, the focus needs to be on challenging legislation and the treatment of migrants as a whole, as these cases aren't anomalies, they're part of a purposefully-created hostile environment. But we are glad to have been able to help in this instance.

GMLC represented him in his DWP case and GMIAU represented him in his immigration case.

Mr A is a Sierra Leone national, born in the mid 50's, who came to the UK in 1970 when he was 15 years old. He arrived to join his parents and has the passport he arrived on which is endorsed with an entry certificate 'to join parents' and no restrictions on entry.

He was in receipt of benefits but had this stopped in 2016 because he was deemed to have no status in the UK. He then received a decision from the DWP seeking to recover all the benefits paid to him since 2009, adding up to a total of over £30,000. This was in April 2016

These decisions were made by the DWP on the basis that they had contacted the Home Office to find out whether Mr A was entitled to benefits and had been told, in March 2016, that Mr A 'had no leave to remain in the UK'. Since his arrival Mr A had no contact with the Home Office, so they would have no records of his existence on their system.

The DWP would, in particular, have no proof of his entry to the UK as his landing card would have been one of those destroyed by the Home Office in 2010. The Home Office also did not contact Mr A at any stage to find out about his history, so it is clear that they automatically classified him as having 'no status' because he was not on their system.

This wrong classification has directly led to Mr A having no income and consequently no accommodation since April 2016 and having to live with the stress of owing over £30,000 in benefits plus a possible criminal charge for defrauding the benefits system. In the meantime, he was supported by his family.

GMLC appealed against the decisions that he owed this money and the DWP confirmed at an initial hearing that their decision was solely based on the Home Office response that he had no status.

He then applied for, and was granted, a permanent stay card under the 'Windrush' procedure.

The DWP have just recently confirmed that they are withdrawing their decision given that he has received his ILR card.

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Not only was Mr A relieved of the pressure of having to pay back a vast amount of money, but the fight for his rights by GMIAU and GMLC resulted in him receiving in July this year £8,041.01 in back dated benefits.

In his thank you card to us he says: *"Thanks for your perseverance and doing the right thing."*

We are now fighting for additional compensation for the mental stress that he has been under because of the totally incorrect classification by the Home Office that he had no status which directly led to his benefits being stopped

Feedback

I saw a patient today who you have helped with a disability benefits appeal. He told me how helpful the GM Law Centre have been and I wanted to pass on the compliment. With best wishes, Dr. James

Hello, I am contacting you to say thank you for the help given with my PIP application. I'm happy to say my claim was successful with enhanced rate both for care and mobility and also as an ongoing award. Your help was greatly appreciated and I would happy if you could pass this message on to the gentlemen (Roger) who helped me with my claim. Kind regards, Lisa

A friend of our client Veronica telephoned to ask us to thank Tony for his assistance in dealing with her. Apparently, Tony did such a great job in completing Veronica's ESA50 that she was not asked to attend a WCA and was placed into the Support Group. *"Veronica is thrilled and wanted to pass on her appreciation to Tony."*

Key Performance Data

Number of cases:

503 in total

262 of those are form filling

241 appeals, 96 of those have been heard at Tribunal

GMLC cases dealt with 2017/18 across Greater Manchester

Bolton 69

Manchester 283

Oldham 7

Rochdale 9

Salford 20

Stockport 26

Tameside 9

Trafford 28

Wigan 16

Bury 5

Plus 30 additional cases covering Greater Manchester.

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In addition our front of house volunteers have dealt with over 2500 enquiries, face to face, by telephone and by email.

By 31st March 2018 the GMLC appeals team has helped to recover over £820,000 in benefit that claimants were entitled to but denied by poor decision making.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities, and setting the policies for the year.

Structure, governance and management

Greater Manchester Law Centre is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23rd June 2015. It is registered as a charity with the Charity Commission with effect from 22nd November 2016.

Appointment of trustees

As set out in the Articles of Association trustees the company may by ordinary resolution appoint a person who is willing to act as a director and determine the rotation in which any additional directors are to retire.

Trustee induction and training

Trustees visit the Law Centre & discuss their prospective role on the Board with the Chair, the Supervising Solicitor, and other key trustees. Any training is bespoke to this role.

Organisation

The board of trustees administers the charity. The board normally meets every month. Senior Managers are appointed by the trustees to manage the day-to-day operations of the charity.

A review of our achievements and performance

The main achievements during the year are summarised in the Chair's Report, below:

Chair's Report

Greater Manchester Law Centre continues to "fight together for free access to justice".

Each of these words means something and everyone involved in the law centre is involved in carrying them out.

For example, we opened our doors to the public just over 2 years ago and since then our volunteer benefits advisers and local law students have regained nearly £1 million in entitlements which the DWP had refused to give people in Greater Manchester.

This is a tremendous achievement, especially when it has mostly been thanks to unpaid volunteers. But sadly this is only the tip of the iceberg of a very hostile environment,

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particularly against claimants and migrants. We have also provided essential information and campaigning, together with the excellent support of the Greater Manchester Immigration Aid Unit, for people affected by revelation of the Windrush scandal. Our front of house volunteers received these inquiries and many more from the local community; as always, trying to help people either directly with our own advice services or finding others who might be able to do so.

We don't do this because we are nice people (though we mostly are) nor because of a desire just to do good. We do it because we are committed to changing things.

And we would like to be able to do more; often there simply is no immediate solution we can provide. The law centre is not a panacea for everything. That is why we know we have to campaign with others for restoration of a properly funded welfare state, with publicly funded and accountable health, social security and housing services, within which a fully funded legal aid system should take its rightful place. That is why we have pleased to be able to work with other voluntary organisations, such as Disabled People Against Cuts (DPAC), Greater Manchester Housing Action (GMHA), Acorn (Tenants Union), against the ill-thought-out and iniquitous implementation of Universal Credit. That is why we call for a new generation of social welfare lawyers - with social welfare included in their university curriculum and without being saddled with tens of thousands in student debt before they can even start to work.

It was particularly useful that Richard Burgon, Shadow Secretary for Justice, used our public meeting on the future of legal aid to promise to restore legal aid for all housing matters. He, like many others in public life, welcome our publications, mostly written by young law students and other campaigning volunteers, and as a result of these we have been quoted in the House of Commons by local MPs. Likewise our Submission to the Select Committee on Work and Pensions on the failure of "Mandatory Reconsideration" in the benefits system - which was taken directly from the spoken experiences of claimants who were willing to share these with us - was well referenced by that Committee.

It is because we need to end the vicious benefit sanctions, stop homelessness and combat the rise in racism that law centres such as ours need to join with others to fight for justice. And that is why at year's Annual General Meeting we decided to be more "strategic" in our casework. We want to make legal challenges that will improve things for many people, more than the individuals in front of us; and we have set up an organising group to identify and bring challenges based on issues raised with us. Hopefully the next year will bring some fruition to this, with the legal aid contract in public law which we have gained, the appointment of our own (first) Housing Solicitor, and our encouragement of other local lawyers to become involved likewise.

Meanwhile we continue to be grateful to the three main charitable trust funds whose financial assistance has made it possible for us to organise the development of our work so far. Thanks to AB Charitable Trust, Legal Education Foundation and Tudor Trust, we are half way through our first three years of employing a Supervising Solicitor, Trainee Solicitor (Justice First Fellowship) and Development Manager (job-share). The shared aim we have is of developing financial and organisational sustainability for the longer term by the end of next year (2019). This has not proven easy so far - and we will be discussing this further during the coming

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months. Some lawyers and law firms have been generous - particular thanks to Kenworthys Chambers for donating a % of their income to us, something we hope may be taken up by others. We continue to receive support, including public commendation, from the North West Trades Union Council - we need all trades unions locally to see the importance of legal aid to their members. The universities have recently doubled their support for our project to organise law student representation at tribunal appeals - and we are grateful to both Manchester Metropolitan University for their continuing work with us and to the University of Manchester for joining them more recently. This will help to create the lawyers of the future.

And we have taken on legal aid contracts, in housing, debt, welfare and public law. These should give us funding for casework, but anyone dealing with the Legal Aid Agency as it stands will know that there is a great deal of onerous administration which goes with these contracts - and we must not let our advice and representation be limited to what is currently "in scope" of the LAA requirements.

Any current charity analysis will show that there is more and more reliance on existing donors to pay for more and more of the shortfall caused by public cuts. While we seek "pro bono" assistance from lawyers (and thanks especially to the advice sessions provided by our employment solicitor, recently joined by an employment barrister) and while we seek every possible individual donation and standing order (thanks everyone for these), it is still our case that access to justice should not depend on crowdfunding and car boot sales. And we will all go on saying this. The very existence and continuation of the GMLC is a campaign, for law centres, for legal aid, for social welfare lawyers, and for justice!

These financial accounts for 2017-18 show that we have done extraordinarily well in starting the law centre - with nothing - and managing to maintain it, over another full year - with individual, community, and charitable support. In doing so, we may have encouraged others to try to do likewise in their own areas - as have our own volunteers in parts of Greater Manchester, notably Bolton - we wish good luck to all these endeavours. It remains however a fact that we have brought nearly £1.5 million into this county, through reclaimed benefits for individual claimants and charitable trust fund grants, while we have received not a penny from the statutory sector's local authorities, health decision-makers, or the (now not so) recently constituted Greater Manchester Combined Authority.

To ensure meaningful, walk-in, face-to-face access to legal advice and representation, for everyone in the ten districts of Greater Manchester, something more will have to be done. That task remains. We thank those who have supported us this year and invite everyone to join with us in keeping up the fight for the long term future.

John Nicholson
GMLC Chair

Financial review

GMLC continues to thrive. Over the course of the last year, we have grown our resources, taken on staff, successfully bid for funding from several sources, helped many clients, and benefited from the generosity of many of our funders and supporters.

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Figures

	31/3/17	31/3/18
Cash at bank	£89,670	£122,872
Regular Donors	17	38
Employees	3	6
Income	£109.2.k	£173,000
Expenditure	£43.9k	£135,000,

Investment powers and policy

The trustees, having regard to the liquidity requirements of operating the charity, will seek to keep available funds in an interest bearing deposit account.

Reserves policy and going concern

The balance held in unrestricted reserves at 31st March 2018 was £87,538 of which £84,325 are free reserves, after allowing for funds tied up in tangible fixed assets.

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately 3 months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The Charity's main source of income is grants and donations. The trustees consider that it is appropriate to prepare the accounts on a going concern basis and, consequently, the accounts do not include any adjustments that would be necessary if these sources of income should cease.

Risk management

The trustees have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

Plans for Future Periods

As noted in the Chair's Report, we intend to continue developing our services offered at Princess Road, and also work on areas of strategic litigation. We have been successful in bidding for two Legal Aid Agency contracts (in Housing, and Public Law). We will continue to fight together for free access to justice.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager with any service providers must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Trustees responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Greater Manchester Law Centre for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in

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accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- Select suitable accounting principles and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will not continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board of trustees



John Nicholson
Chair

Date: 31st July 2018

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GREATER MANCHESTER LAW CENTRE

I report on the accounts of the company for the year ended 31ST March 2018, set out on pages 11 to 20.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act) ;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Except as disclosed below in connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006, ; and
- which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



EL Anderson MA FCA CTA
Community Accountancy Service Ltd
The Grange, Pilgrim Drive
Beswick, Manchester, M11 3TQ

Date: 31st July 2018

**GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
INCOME FROM:					
Donations & Legacies	3	19,915	-	19,915	56,818
Charitable Activities	4	39,701	103,139	142,840	48,911
Other Trading Activities	5	10,248	-	10,248	3,500
Investment Income	6	2	-	2	-
TOTAL INCOMING RESOURCES		<u>69,866</u>	<u>103,139</u>	<u>173,005</u>	<u>109,229</u>
EXPENDITURE ON					
Charitable activities	6	23,598	111,656	135,254	43,971
TOTAL		<u>23,598</u>	<u>111,656</u>	<u>135,254</u>	<u>43,971</u>
NET INCOME (EXPENDITURE)		46,268	(8,517)	37,751	65,258
Transfers between funds	14	5,815	(5,815)	-	-
NET MOVEMENT IN FUNDS		<u>52,083</u>	<u>(14,332)</u>	<u>37,751</u>	<u>65,258</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		47,897	22,737	70,634	5,376
TOTAL FUNDS CARRIED FORWARD	14	<u>99,980</u>	<u>8,405</u>	<u>108,385</u>	<u>70,634</u>

The statement of financial activities includes all gains and losses in the year.

The notes on pages 14 to 20 form part of these accounts.

GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)

CO. REG. NO. 9698401

BALANCE SHEET AS AT 31 MARCH 2018

	NOTES	2018 £	2017 £
FIXED ASSETS			
Tangible Fixed Assets	10	3,908	4,445
CURRENT ASSETS			
Debtors & Prepayments	11	14,324	10,759
Cash at Bank and in Hand		<u>122,872</u>	<u>89,670</u>
		<u>137,196</u>	<u>100,429</u>
CREDITORS:			
Amounts falling due within one year	12	<u>(32,719)</u>	<u>(34,240)</u>
		<u>(32,719)</u>	<u>(34,240)</u>
NET CURRENT ASSETS		104,477	66,189
TOTAL NET ASSETS		<u>108,385</u>	<u>70,634</u>
ACCUMULATED RESERVES			
Unrestricted Funds	14	99,980	47,897
Restricted Funds	14	<u>8,405</u>	<u>22,737</u>
		<u>108,385</u>	<u>70,634</u>

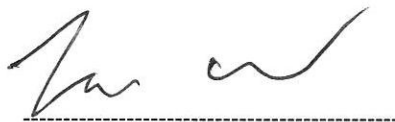
For the period in question the company was entitled to the exemption conferred by section 477 of the Companies Act 2006, and that no notice has been deposited under section 476 in relation to its accounts for the financial year; and the directors acknowledge their responsibilities for:

- complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, and the Financial Reporting Standard 102.

Approved on behalf of the board of trustee/directors:


Director: J Nicholson


Director: I Wait

Date: 31.7.2018

The notes on pages 14 to 20 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31ST MARCH 2018

Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net movement in funds	37,751	65,258
Add back depreciation	1,997	1,601
Decrease/(increase) in debtors	(3,565)	(10,759)
Increase/(decrease) in creditors	(1,521)	33,452
Net cash used in operating activities	<u>34,662</u>	<u>89,552</u>
Cash flows from investment activities:		
Purchase of fixed assets	(1,460)	(6,046)
Net cash provided by investing activities	<u>(1,460)</u>	<u>(6,046)</u>
Increase/(decrease) in cash and cash equivalents during the year	33,202	83,506
Cash and cash equivalents brought forward	89,670	6,164
Cash and cash equivalents carried forward	<u><u>122,872</u></u>	<u><u>89,670</u></u>

**GREATER MANCHESTER LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102. No restatements were required.

(c) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

When the requirements of the restricted funds are met (eg assets are purchased) the transaction is shown as a movement in funds from restricted to unrestricted funds.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

(d) Income recognition

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

Donations and grants are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Grants received for future periods are deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(e) Expenditure Recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(f) Taxation & Irrecoverable VAT

All grant income and donations are outside the scope of VAT. Contract fees and certain other income are exempt supplies and therefore the company is not liable to be registered for VAT. Irrecoverable VAT on expenditure is attributed to the category of expenditure on which it is incurred. No provision has been made for taxation as exemption has been granted by HMRC from taxation under Sections 466 to 493 of the Corporation Taxes Act 2010 or Section 256 of the Taxation of Capital Gains Act to the extent that surpluses and gains are applied for charitable purposes.

(g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal and professional fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on staff time and the usage of facilities and services for management purposes. The allocation of support and governance costs is analysed in note 7.

(h) Charitable Activities

Costs of charitable activities include governance costs and an apportionment of support costs as shown in note 6.

(i) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged on the following basis:

Computer Equipment	33.33% on cost
Office Furniture & Equipment	25% on cost

The total of any capital grants are recognised in the Statement of Financial Activities in the year they are received, as required by the SORP, and not deferred over the life of the related assets.

(j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their varying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(k) Pensions

A pension scheme is an auto enrolment compliant scheme. The charity has no liabilities beyond making its contributions and paying across the deductions for the employee's contributions.

(l) Operating Leases

Payments under operating leases are charged to the income and expenditure account in the period to which they relate.

(m) Contingent liabilities

There were no contingent liabilities at 31st March 2018 (2017 none).

(n) Donated Services

The charity has on average 10 volunteers at any one time assisting with providing advice. No financial value has been reflected in the accounts for these donated services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 NET INCOMING RESOURCES FOR THE YEAR

	2018	2017
	£	£
This is stated after charging:		
Depreciation	1,997	1,601
Independent Examiners Fees	800	800
Other financial services	667	24

	Unrestricted	Restricted	Total 2018	2017
	£	£	£	£
3 DONATIONS & LEGACIES				
Donations	8,880	-	8,880	56,818
Kenworthy's Chambers	11,035	-	11,035	-
	19,915	-	19,915	56,818

The year to 31st March 2017 included a one off donation of £50,000.

4 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total 2018	2017
	£	£	£	£
Big Lottery - Awards for All (£1,667 released)	-	1,667	1,667	8,333
AB Charitable Trust (£18,750 deferred)	-	23,014	23,014	8,382
Adactus	120	-	120	1,880
Big Lottery - Celebrate	-	-	-	4,438
Comic Relief - Forever Manchester (£2,917 released)	-	2,917	2,917	2,083
GM Police & Crime Commissioner (£3,341 released)	-	3,341	3,341	1,114
Legal Education Foundation (£3,750 deferred)	-	18,750	18,750	12,500
Lush Charity Pot	-	-	-	3,000
Tudor Trust	-	36,000	36,000	-
Access to Justice	-	12,000	12,000	-
Access to Advice	278	-	278	-
MMU	-	2,500	2,500	5,000
Better Community Business Network	-	2,950	2,950	-
We Love Mcr	2,145	-	2,145	-
Seedbed Trust	30,000	-	30,000	-
Other	5,733	-	5,733	481
Affiliations	1,255	-	1,255	1,550
Memberships	170	-	170	150
	39,701	103,139	142,840	48,911

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
Fundraising Events	2,748	-	2,748	500
Contribution to Running Costs (GMIAU)	7,500	-	7,500	3,000
	10,248	-	10,248	3,500

GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 EXPENDITURE ON CHARITABLE ACTIVITIES

		Advice Services	Total 2018	Total 2017
		£	£	£
Wages & Salaries	Staff Time	82,522	82,522	8,831
Recruitment	Staff Time	-	-	350
Childcare Voucher Admin Fees	Staff Time	158	158	-
Rent & Rates	Floor Area	1,794	1,794	1,010
Consultancy & sessional workers	By Project	5,096	5,096	4,488
Room Hire	Floor Area	-	-	490
Telephone	By Project	983	983	700
Travelling & Subsistence Expenses	By Project	865	865	-
Volunteer Expenses	By Project	2,856	2,856	745
Training	By Project	423	423	300
Publications & Subscriptions	By Project	3,070	3,070	807
Accreditation	By Project	990	990	-
Professional Indemnity Insurance	By Project	1,739	1,739	1,075
Translation	By Project	-	-	49
Catering & Hospitality	By Project	-	-	148
Website Costs	By Project	816	816	300
Marketing & Publicity	By Project	881	881	1,191
Launch Party	By Project	-	-	1,432
Support Costs		32,138	32,138	21,069
Governance Costs		923	923	986
		<u>135,254</u>	<u>135,254</u>	<u>43,971</u>

7 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

		Support Costs	Governance Costs	Total
		£	£	£
Rent & Rates	Floor Area	16,143	-	16,143
Heat, Light & Water	Floor Area	2,925	-	2,925
Broadband	Direct	666	-	666
Repairs & Maintenance	Floor Area	2,410	-	2,410
Cleaning	Floor Area	1,664	-	1,664
Computer Maintenance & Software	Direct	1,815	-	1,815
Minor Equipment	Direct	16	-	16
Printing, Post and Stationery	Direct	3,412	-	3,412
Payroll Costs	Direct	667	-	667
Insurance	Direct	373	-	373
Depreciation	Direct	1,997	-	1,997
Interest Paid	Direct	21	-	21
Bank Charges	Direct	29	-	29
Accountancy	Governance	-	800	800
Trustee Travel	Governance	-	95	95
Trustee - Other	Governance	-	28	28
TOTAL		<u>32,138</u>	<u>923</u>	<u>33,061</u>

**GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8 STAFF COSTS

	2018	2017
	£	£
Wages and Salaries	79,337	8,831
Social Security Costs	2,747	-
Pension Costs	438	-
	<u>82,522</u>	<u>8,831</u>

No employee earned £60,000 per annum or more.

No trustees received any remuneration for their services or pension contribution during the year.

The charity considers its key staff comprises the supervising solicitor.

The remuneration, including pension contributions, of key staff in the year was £35,290 (2017 £8,548).

The average number of employees during the year, excluding directors and voluntary staff

was:

Services	<u>4</u>	<u>1</u>
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9 TRUSTEES' REMUNERATION AND EXPENSES

No remuneration has been paid or is due to be paid to any of the trustees in respect of the period.

Except as disclosed below no reimbursement of expenses has been made or is due to be made to any of the directors in respect of the period.

Travel one trustee £95

10 FIXED ASSETS

	Computer Equipment £	Furniture & Office Equipment £	Total £
COST			
At 1 April 2017	2,939	3,107	6,046
Additions	779	681	1,460
Disposals	-	-	-
At 31 March 2018	<u>3,718</u>	<u>3,788</u>	<u>7,506</u>
DEPRECIATION			
At 1 April 2017	980	621	1,601
Provided in the year	1,239	758	1,997
Disposals	-	-	-
At 31 March 2018	<u>2,219</u>	<u>1,379</u>	<u>3,598</u>
NET BOOK VALUE			
At 31 March 2018	<u>1,499</u>	<u>2,409</u>	<u>3,908</u>
NET BOOK VALUE			
At 31 March 2017	<u>1,959</u>	<u>2,486</u>	<u>4,445</u>

11 DEBTORS & PREPAYMENTS

	2018	2017
	£	£
Other Debtors	9,489	9,250
Loan	3,437	-
Prepayments	1,398	1,509
	<u>14,324</u>	<u>10,759</u>

**GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					2018	2017
					£	£
Other Taxes & Social Security Costs					923	-
Other Creditors					748	-
Accruals					6,048	4,456
Deferred Income					25,000	29,784
					<u>32,719</u>	<u>34,240</u>
13 DEFERRED INCOME					2018	2017
					£	£
Deferred income comprises grants in advance.						
Balance as at 1st April					29,784	-
Amount released to income earned from charitable activities					(29,784)	-
Amount deferred in year					25,000	29,784
Balance at 31st March					<u>25,000</u>	<u>29,784</u>
14 ANALYSIS OF CHARITABLE FUNDS	Balance at	Incoming	Transfers	Outgoing	Balance at	
	01-Apr-17				31-Mar-18	
	£	£	£	£	£	
Restricted:						
Big Lottery - Awards for All	3,845	1,667		(5,512)	-	
AB Charitable Trust	(1,228)	23,014	(1,072)	(20,714)	-	
Adactus	214			(144)	70	
Big Lottery - Celebrate	4,209		(3,671)	(202)	336	
Comic Relief - Forever Manchester	2,083	2,917		(5,000)	-	
GM Police & Crime Commissioner	1,114	3,341		(4,455)	-	
Legal Education Foundation	12,500	18,750	(1,072)	(23,951)	6,227	
Tudor Trust	-	36,000		(34,228)	1,772	
Access to Justice	-	12,000		(12,000)	-	
MMU -LASP	-	2,500		(2,500)	-	
Better Community Business Network	-	2,950		(2,950)	-	
	<u>22,737</u>	<u>103,139</u>	<u>(5,815)</u>	<u>(111,656)</u>	<u>8,405</u>	
Unrestricted:						
General Funds	47,897	69,866	(24,185)	(23,598)	69,980	
Designated Funds: Seedbed Trust	-	-	30,000	-	30,000	
	<u>47,897</u>	<u>69,866</u>	<u>5,815</u>	<u>(23,598)</u>	<u>99,980</u>	
	<u>70,634</u>	<u>173,005</u>	<u>-</u>	<u>(135,254)</u>	<u>108,385</u>	

Purpose of Restricted Funds:

Big Lottery - Awards for All	towards the Welfare Benefits Advice Service
AB Charitable Trust	towards supervising solicitor post
	The transfer relates to a reallocation of 2017 costs.
Adactus	towards practical costs
	This grant is fully spent. The balance relates to the book value of assets still to be depreciated.
Big Lottery - Celebrate	towards a Celebration event to launch the community law centre
	The transfer relates to a reallocation of costs related to the launch event.
	This grant is fully spent. The balance relates to the book value of assets still to be depreciated.
Comic Relief - Forever Manchester	towards sessional costs for a solicitor
GM Police & Crime Commissioner	towards volunteer expenses, training, equipment etc
Legal Education Foundation	towards establishing a Law Centre and engaging a Supervising Solicitor
	The transfer relates to a reallocation of 2017 costs.
Tudor Trust	towards the costs of a development manager

**GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14 Purpose of Restricted Funds: (cont...)

Access to Justice	towards the costs of a part time solicitor
MMU- LASP	towards the costs of a casework supervisor for students
Better Community Business Network	towards volunteer training costs
Designated Funds	
Seedbed Trust	earmarked for the costs of carrying out litigation, publicity and campaigning and a further year of our development manager post

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Tangible Fixed Assets	3,213	695	3,908
Net Current Assets	96,767	7,710	104,477
Net Assets at 31 March 2018	99,980	8,405	108,385

16 CONSTITUTION

The company is limited by guarantee and does not have a share capital.
In the event of a winding up all members (the trustees under the governing documents) have agreed to contribute an amount not exceeding £1.

17 CAPITAL COMMITMENTS

	£	£
Contracted but not provided for	nil	nil

18 OPERATING LEASE COMMITMENTS

	Total 2018 £	2017 £
The total future lease payments indicated on the lease for land and buildings are:		
Within one year	16,500	16,500
Between 2 - 5 years	10,950	27,450
	27,450	43,950

We are still in discussion over the form of words of a lease agreement between ourselves and our landlord. It is to run to 3rd July 2019 with an option to extend for up to 2 years.

19 RELATED PARTY TRANSACTIONS

The charity received a remittance of residual grants totalling £4732.71 from Greater Manchester Immigration Aid Unit. GMIAU also made a contribution of £7,500 towards the running costs of GMLC. Denise Mc Dowell is chief executive of GMIAU and also a trustee of GMLC. Mala Wainwright and Ian Wait are trustees of GMLC and also of GMIAU.
The Chair is a barrister located at Kenworthy's Chambers. Kenworthy's Chambers made a donation to the charity of £11,035.

20 ULTIMATE CONTROLLING PARTY

The company is under the control of the Board of Management.

21 FINANCIAL INSTRUMENTS

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised on a transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at an amortised cost using the effective interest method.