

# **MERSEYSIDE EMPLOYMENT LAW LIMITED**

**Trustees' Annual Report and  
Financial Statements  
for the year ended  
29<sup>th</sup> March 2018**

**Company Number: 04946069**

**Charity Number: 1101876**

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**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

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The trustees are pleased to present their annual report for the year ended 29<sup>th</sup> March 2018.

The financial statements comply with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

## **OBJECTIVES AND ACTIVITIES**

Merseyside Employment Law Limited (MEL) mission is to actively tackle poverty, injustice and discrimination by the provision of specialist employment law advice and specialist discrimination law advice and advocacy to individuals and organisations.

Also, to deliver advice and training in employment and discrimination law to charitable or voluntary sector organisations to improve the efficiency and effectiveness of the organisation. Furthermore, to advance the knowledge and understanding of employment law and discrimination law among Merseyside residents, businesses and employees

### **Objects**

The objects of the Charity are the promotion of any charitable purpose for the benefit of the community in Merseyside and to:

- Relieve poverty by the provision of advice and advocacy in employment and discrimination law to those persons otherwise unable to access such advice and advocacy
- Promote the efficiency and effectiveness of charities by the provision of advice and training in employment and discrimination law and
- Advance education by improving knowledge of employment and discrimination law and its operation of persons resident or employed in Merseyside

## **ACHIEVEMENTS AND PERFORMANCE**

The past 12 months has been a period of transition and turnaround for Merseyside Employment Law Limited (MEL). The long-standing manager left the organisation in June 2017. New Trustees joined the board and a new director was recruited to develop and grow the organisation. The Business Plan and Strategic Objectives were reviewed and re-developed and a new and refreshed three-year business plan was determined. Plans were made to re-locate after Gostin's Building was purchased by a Developers. The focus of the business plan is to achieve the long-term sustainability of the organisation and deliver a quality service.

### **Legal Aid Contract**

The Legal Aid Discrimination Contract expired in 2017. After a lengthy tender process, the contract has been awarded to MEL until August 2020 which MEL accepted.

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**Discrimination Casework**

Over 3,000 discrimination advice calls have been taken and 1,931 cases have been managed. These cases managed have covered all aspects of the Equality Act 2010.

The variety and spread of cases are noted in the table below:

Protected Characteristics    % of cases

- Disability                      50 %
  - Race                              22%
  - Age                                8%
  - Sex discrimination          7%
  - Clients with more than one type of discrimination          5%
  - Other types of discrimination as per the following:          8%
- Pregnancy and maternity
- Marriage and civil partnership
- Religion or belief
- Sexual Orientation
- Gender reassignment

**Employment Advice Line**

The employment advice line offers human resources (HR) or employment law advice to employees who have no other access to representation or support. The majority of enquiries have come from employees in low paid jobs employed or dismissed from organisations that do not have Trade Unions, employee assistance programmes or HR departments. Due to lack of funding and resources for this area of our work the service is offered on a limited basis. During this year over 550 employees have called for advice.

The variety and spread of employment cases have been as follows:

Grievance or disciplinary matters	19%
Dismissal	33%
Pay	15%
Terms and conditions/contract	10%
Other matters including:	23%
Pregnancy	
Redundancy	
Whistleblowing	

The majority of clients choose to settle outside of the court. Feedback from clients has indicated that the ongoing stress of their case has impacted on their health and well-being and an early resolution was required in order for them to move on.

# MERSEYSIDE EMPLOYMENT LAW LIMITED

## TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018

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The successful outcomes for clients have included:

- Financial settlements outside of court
- Financial award at court
- Other party action prevented
- Reasonable adjustments secured in the workplace
- Work related references
- Reasonable adjustments secured in housing
- Re-instatement in employment
- Explanation or apology obtained for client

#### **Volunteers**

MEL has always expressed a commitment to the involvement of volunteers, and there is recognition throughout the organisation that volunteering is a two-way process which benefits both the volunteers and the organisation. During the period of transition and business turnaround the volunteer programme has been maintained.

#### **Key Partnerships**

MEL values its relationships with partners and stakeholders whether it is to share best practice, tackle discrimination or fight against poverty. Our partnership with Liverpool Charity and Voluntary Services (LCVS) and Merseyside Network for Change continues to support voluntary sector organisations with capacity building advice. Over 280 organisations were supported in 2017/2018.

Our planned move to LCVS premises in Dale Street has further strengthened our collaborative relationship.

Strong links have been developed with Liverpool University Law and Social Justice Department. This has resulted in our significant contribution to a research project they carried out for The Equalities and Human Rights Commission regarding the cuts to the legal aid funding in 2012 and the huge impact this has had on access to justice for some of the poorest people in society.

#### **Business Development**

MEL received support from Liverpool Vision Business Growth programme and worked with a specialist adviser to identify growth opportunities for the future. This programme raised awareness of other growth programmes available to SME's which resulted in funding from Skills for Growth and New Markets to support the business growth plans. A comprehensive business plan and marketing plan has now been developed for the period 2018 to 2021.

#### **Learning and development**

During the year MEL successfully obtained Skills for Growth funding for training following a training needs analysis. We invested significantly in training and a comprehensive programme was developed by Pam Kenworthy OBE for Services to Legal Aid to enhance the knowledge and skills of the legal team in Equality and Employment Law to enhance and build on their knowledge to become the leading experts in the field of Employment Law. This programme commenced in May 2017 and continued throughout the year. Each course was accredited with 6 CPD points.

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**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**Website and marketing and rebranding**

MEL website was out of date and out of service and the brand was in need of an overhaul. Funding was secured from Big Lottery Fund Grant and New Markets programme to develop a marketing plan, new website and re-branding. During this year the marketing plan has been implemented, the website designed, and the re-branding completed. The new website will be launched in 2018/2019.

**FINANCIAL REVIEW**

Total income in the year was £200,769 (2017: £200,937) of which £16,657 (2017: £9,115), related to funding for projects upon which restrictions are placed.

Total expenditure in the year was £184,256 (2017 £196,302) leaving a surplus for the year of £16,513 (2017: surplus £4,635)

At 29<sup>th</sup> March 2018 the charitable company's reserves stood at £33,504 (2017: £16,991) of which £3,010 (2017: £nil) represented restricted funds

**Risk Management**

The Trustees' have a risk management strategy, which comprises:

- An annual review of the risks the charity may face.

- The establishment of systems and procedures to mitigate those risks identified in the plan.

- The implementation of procedures designed to minimise the potential impact of the charity should those risks materialise.

This work has identified only a few minor risks, but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. Particular attention has focused on the production of a new business plan.

**Reserves Policy**

It is the policy of the charitable company to maintain unrestricted funds, which are free reserves at a level to cover redundancy provision and three months running costs should no further funding be received.

As at the end of the financial year the unrestricted funds totalled £30,494. The charitable company requires £4,536 estimated for redundancy provision and £42,652 for three months running costs, total (£47,188). External funding is being accessed to develop income generator opportunities to increase the level of free reserves.

# **MERSEYSIDE EMPLOYMENT LAW LIMITED**

## **TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

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#### **PLANS FOR FUTURE**

We are an ambitious charity with the aim of becoming Britain's leading law practice specialising in HR, Employment Law and Discrimination in the charitable and voluntary sectors. Previously we have relied heavily on public sector funding and grant to cover our running costs. However, with a severe decline in public funding and ever-increasing competition from other charities for a limited funding pot, the Board recognises that MEL must move to a more commercial orientation to realise our full potential and become self-sustainable.

In the last 12 months we have implemented significant changes internally to help build the capacity and capability of the team with a view to creating a sustainable and effective business. Be it the legal advisor and HR provider of choice to SME's charitable and third sector employers

#### **Promoting and Marketing our activities**

Marketing our activities through public relations, digital platforms, communications, events and campaigns will be a critical success factor in growing the business. We will target SMEs, voluntary sector organisations and charities to become their preferred supplier of choice for HR, employment and discrimination legal services and for training and education in these areas. We will be promoting the cost-effective advice services and representation we can provide to individuals who face either employment issues or discrimination issues.

We are also working closely with our newly appointed accountants LCVS to manage and report our finances effectively and this strong working relationship will continue in 2018 and beyond.

#### **Partnership working and Social Impact**

In 2018/2019 and beyond we want to strengthen and build our relationships with policy makers and influencers to raise awareness and create solutions to make a real difference in society. We will be building the evidence base of the social impact our work makes to our communities and society. During 2018 /2019 we will prioritise evaluating our impact so that we can demonstrate the real difference Merseyside Employment Law makes to individuals, employers, communities and the wider economy.

The Equalities and Human Right's Commission (EHRC) produced the "Is Britain Fairer Report 2015" in which it sets the ongoing challenges in addressing inequality in our society. In 2018 and beyond we want to support the work of the EHRC by gathering data on the scale and impact of inequality and the beneficial social impact of MEL's work on the lives of individuals, employers, communities and the economy.

We work on discrimination cases across all areas of society, education, employment, housing, health, transport, retail, catering. Research undertaken by Equalities Human Rights Commission has identified" that while for certain people life has become fairer over the past five years, for others progress has stalled and for some life on many fronts has become more challenging." And that people from poorer areas of society are more likely to be discriminated against.

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**People**

We aim to become an employer of choice and want to attract, develop and retain highly skilled professional staff and Trustees. We are committed to our continuous professional development. We will work in partnership with like-minded organisations to advance our knowledge and ensure best practice in employment law, equality and HR. We will continue with our programme of training and development and we aim to become one of the one hundred best charitable organisations to work in the UK creating a supportive happy workplace MEL must consolidate to a level where it has become integral to the delivery of employment law and discrimination advice across Merseyside and the North West with a view to, subsequently, expanding its service nationwide.

We will re-launch our volunteer programme and we will strengthen our links with Universities to develop opportunities for student volunteers, interns and graduate

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The organisation is a charitable company limited by guarantee, incorporated on 23<sup>rd</sup> October 2003 (company number 04946069) and registered as a charity (charity number 1101876) on 3<sup>rd</sup> February 2004.

The Governing Instruments under which the charitable company operates comprise of the Memorandum and Articles of Association dated 15<sup>th</sup> October 2003.

The Board of Trustees has traditionally met quarterly to monitor the charities activities and performance, to determine strategy and attend to all other matters of governance.

In 2016/2017 a review of the Board skills was undertaken and it was determined that the Board membership should increase to cover specific business areas as follows

- Legal Expertise in employment law and discrimination
- Marketing: Digital, PR and content
- Business Development and Organisational Development
- Finance
- Fundraising
- Charity Sector and compliance
- Social Enterprise
- Equality and Diversity

Currently there are 4 Board members and it was agreed that the priority was to recruit new Board members aiming to recruit a diverse mix of skills and experience that supports the governance and management of the charity.

During the year the board of trustees have reviewed and updated the Business Continuity Policy, commissioned an external consultant to undertake a grievance and disciplinary investigation and have a workshop to review Vision and Values and Strategy. The Trustees have also referred to the Charity's Commissions draft guidelines on Good Governance and Trustees Expenses and payments.

A review of all systems and processes by an independent advisor is currently underway commissioned by The Board of Trustees



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**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

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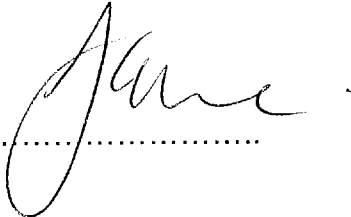
A Senior Manager has delegated authority to manage the day to day operations of the charity and facilitate effective operational matters including finance, HR, contract management and recruitment.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>NAME:</b>	Merseyside Employment Law Limited	
<b>COMPANY NUMBER</b>	04946069	
<b>CHARITY NUMBER</b>	1101876	
<b>REGISTERED OFFICE</b>	151 Dale Street Liverpool England L2 2AH	
<b>TRUSTEES:</b>	J Anderson	(Appointed 21 <sup>st</sup> December 2017)
	V Bews	(Resigned 27 <sup>th</sup> December 2017)
	J Ehlen	
	S Henney	
	A Kanteen	(Resigned 15 <sup>th</sup> December 2017)
	J Keegan	(Appointed 21 <sup>st</sup> December 2017)
<b>COMPANY SECRETARY</b>	J Nolan	(Resigned 31 <sup>st</sup> May 2017)
<b>INDEPENDENT EXAMINER</b>	Graham Wright BA (Hons) FCA DChA Liverpool Charity and Voluntary Services 151 Dale Street Liverpool L2 2AH	
<b>BANKERS:</b>	Co-Operative Bank PLC P O Box 250 Skelmersdale WN8 6WT	

**ON BEHALF OF THE BOARD:**

.....  
**J Ehlen**  
**Director**



Date: 20<sup>th</sup> December 2018

## **MERSEYSIDE EMPLOYMENT LAW LIMITED**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

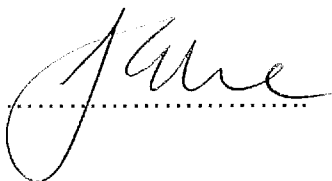
- select suitable accounting policies and then apply them consistently;
- observe the methods and principle in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue as a going concern;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

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

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015).

#### **ON BEHALF OF THE BOARD:**

.....  
**J Ehlen**  
**Director**



151 Dale Street  
Liverpool  
England  
L2 2AH

Date: 20<sup>th</sup> December 2018

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MERSEYSIDE EMPLOYMENT LAW LIMITED

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### Respective responsibilities of trustees and examiner

I report on the accounts of the charitable company for the year ended 29<sup>th</sup> March 2018, which are set out on pages 11 to 20.

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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with 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 the 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

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 and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charitieshave 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.

Name: **Mr. Graham Wright**

Relevant professional qualification or body: **FCA DChA**

Address: **c/o LCVS, 151 Dale Street, Liverpool, L2 2AH**

Dated: **20 December 2018**

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure)**  
**FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

	Notes	Unrestricted Funds 2018	Restricted Funds 2018	Total 2018	Total 2017
<b>Income and endowments from</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and legacies	3(a)	-	-	-	600
Charitable activities	3(b)	184,112	16,657	200,769	200,335
Investments	3(c)	-	-	-	2
<b>Total income</b>		<b>184,112</b>	<b>16,657</b>	<b>200,769</b>	<b>200,937</b>
<b>Expenditure on</b>					
Charitable activities	4	170,609	13,647	184,256	196,302
<b>Total expenditure</b>		<b>170,609</b>	<b>13,647</b>	<b>184,256</b>	<b>196,302</b>
<b>Net income, net movement in funds</b>		<b>13,503</b>	<b>3,010</b>	<b>16,513</b>	<b>4,635</b>
Total funds brought forward	10, 11	16,991	-	16,991	12,356
<b>Total funds carried forward</b>	<b>9-11</b>	<b>30,494</b>	<b>3,010</b>	<b>33,504</b>	<b>16,991</b>

The notes on pages 13 to 20 form part of these accounts.

All the above amounts relate to continuing activities of the charitable company.

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**BALANCE SHEET AS AT 29<sup>TH</sup> MARCH 2018**

Company No 04946069

	Notes	29 <sup>th</sup> March 2018 £	29 <sup>th</sup> March 2017 £
<b>Fixed assets</b>			
Tangible fixed assets	5	179	352
<b>Current assets</b>			
Stock and Work in progress	6	76,572	54,919
Debtors	7	24,651	18,971
Cash at bank and in hand		504	15,743
		-----	-----
		101,727	89,633
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(68,402)	(72,994)
		-----	-----
<b>Net current assets</b>		33,325	16,639
		-----	-----
<b>Total assets less current liabilities</b>		<b>33,504</b>	<b>16,991</b>
		=====	=====
<b>Funds:</b>			
Unrestricted funds	9, 10	30,494	16,991
Restricted funds	9, 11	3,010	-
		-----	-----
		<b>33,504</b>	<b>16,991</b>
		=====	=====

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

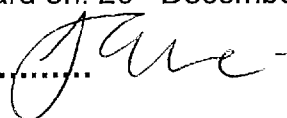
For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees, who are the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on: 20<sup>th</sup> December 2018

.....  
**J Ehlen - Director**



## **1. Limited Liability**

The organisation is a private company limited by guarantee without share capital. Each member's liability is limited to £5.

## **2. Accounting Policies**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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 (FRS102) (SORP 2015) (effective 1<sup>st</sup> January 2015), Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

### **Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### **Fund accounting**

Unrestricted funds are the charity's free reserves available for the trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

### **Income recognition**

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

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

Income from investments relates to bank interest received and is recognised when the amount is certain.

### **Expenditure recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company 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 in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

### **Fixed Assets**

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Office Equipment	33% per annum straight line basis
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### **Stock and Work in progress**

Work in progress is included in these accounts to reflect chargeable hours undertaken on cases which have not reached a conclusion at the year end.

These hours are only included to the extent that they are fully recovered.

### **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# MERSEYSIDE EMPLOYMENT LAW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018

### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

### Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

### Critical accounting estimates and judgements

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

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

### 3. Income and endowments from:

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
(a) Donations and Legacies				
Donations	-	-	-	600
	=====	=====	=====	=====



**MERSEYSIDE EMPLOYMENT LAW LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
<b>(b) Charitable activities</b>				
Big Lottery Fund Grant	-	6,510	6,510	-
Liverpool City Council CRG	-	10,147	10,147	9,115
Private sales income	54,980	-	54,980	107,068
Service level Agreement income	129,132	-	129,132	84,152
	<u>184,112</u>	<u>16,657</u>	<u>200,769</u>	<u>200,335</u>
	=====	=====	=====	=====
<b>(c) Investments</b>	£	£	£	£
Bank interest	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
	=====	=====	=====	=====

**4. Expenditure on charitable activities:**

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2018 £	Total 2017 £
Provision of advice and advocacy in the area of employment law for the Merseyside Community	124,262	59,994	184,256	196,302
	<u>124,262</u>	<u>59,994</u>	<u>184,256</u>	<u>196,302</u>
	=====	=====	=====	=====

**a. Analysed as follows:**

	2018 £	2017 £
<i>Direct charitable expenditure:</i>		
Staff salary costs	93,486	92,270
Volunteer expenses	-	1,521
Legal and consultancy fees	30,266	11,830
Medical records	510	-
	<u>124,262</u>	<u>105,621</u>
	=====	=====

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<i>Support &amp; Governance costs:</i>		
Staff salary costs	32,847	33,176
Running costs	1,513	11,711
Office costs	6,429	22,236
Travel expenses	45	942
Insurance	1,698	3,448
Training	2,473	803
Publications and memberships	35	-
Contingency expenses	2,039	-
Sundry expenses	-	803
HMRC charges	1,468	534
Board expenses	7	450
Refreshments	7	2,759
Computer costs	2,791	5,202
Staff welfare	96	1,105
Marketing	3,500	-
Bookkeeping	840	-
Bank charges	228	60
Payroll Fees	145	676
Accountancy	3,660	1,000
Depreciation	173	5,776
	<b>59,994</b>	<b>90,681</b>
<b>Total expenditure on charitable activities</b>	<b>184,256</b>	<b>196,302</b>
	<b>=====</b>	<b>=====</b>

£13,647 (2017: £9,115) of the above expenditure relates to restricted funding.

**b. Staff Costs**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Gross wages and salaries	120,862	120,221
Social security costs	4,000	4,129
Pension	1,471	1,096
	<b>126,333</b>	<b>125,446</b>
	<b>=====</b>	<b>=====</b>

**c. Particulars of employees:**

The average number of full time equivalent employees during the year was as follows:

	<b>2017</b>	<b>2016</b>
Charitable Activities	7.5	7.5
	<b>=====</b>	<b>=====</b>

No employee received emoluments of more than £60,000 during the year.

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

The Trustees are not remunerated for their services and are not included in the above number of employees.

**5. Tangible Fixed Assets**

	<b>Office Equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>
Balance as at 30 <sup>th</sup> March 2017	27,165	27,165
Additions during the year	-	-
	-----	-----
Balance at 29 <sup>th</sup> March 2018	<b>27,165</b>	<b>27,165</b>
	-----	-----
<b>Accumulated Depreciation</b>		
Balance as at 30 <sup>th</sup> March 2017	26,813	26,813
Charge for the year	173	173
	-----	-----
Balance at 29 <sup>th</sup> March 2018	<b>26,986</b>	<b>26,986</b>
	-----	-----
<b>Net Book Value at 29<sup>th</sup> March 2018</b>	<b>179</b>	<b>179</b>
	=====	=====
Net Book Value at 29 <sup>th</sup> March 2017	352	352
	=====	=====

**6. Stock and Work in progress**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Work in Progress	<b>76,572</b>	<b>54,919</b>
	=====	=====

**7. Debtors:**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Debtors	<b>24,651</b>	<b>18,971</b>
	=====	=====

**8. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank overdraft	9,056	-
Accruals	9,145	14,919
Creditors	14,642	
Social security	13,545	5,923
Other creditors	22,014	52,152
	-----	-----
	<b>68,402</b>	<b>72,994</b>
	=====	=====

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

**9. Analysis of Net Assets between Funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>			
General Fund	179	30,315	30,494
<b>Restricted Funds:</b>			
Big Lottery Fund Grant	-	3,010	3,010
	<u>179</u>	<u>33,325</u>	<u>33,504</u>
	=====	=====	=====

**10. Unrestricted Funds**

Movements in the Year

	<b>Resources at beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Resources at end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	16,991	184,112	(170,609)	30,494
	=====	=====	=====	=====

**General Fund** is used to finance the charitable company's general activities as outlined in the Trustees' Report.

**11. Restricted Funds**

Movements in the Year

	<b>Resources at beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Resources at end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Big Lottery Fund Grant	-	6,510	(3,500)	3,010
Liverpool City Council CRG	-	10,147	(10,147)	-
	<u>-</u>	<u>16,657</u>	<u>13,647</u>	<u>3,010</u>
	=====	=====	=====	=====

These are monies given to the company to be spent at the discretion of the Board of Trustees for specific charitable purposes.

**Big Lottery Fund Grant** – Contribution towards to commission of a website.

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

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**Liverpool City Council CRG – Funding to provide specialist advice casework.**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries	<b>10,147</b>	<b>9,115</b>
	<b>=====</b>	<b>=====</b>

**12. Operating Lease Commitments**

There were no financial commitments as at 29<sup>th</sup> March 2018 (2017: nil)

**13. Contingent Liabilities**

There were no contingent liabilities as at 29<sup>th</sup> March 2018 (2017: nil)

**14. Related Parties**

Val Bews, a director was paid £3,940 (2017: £1,520), as a consultant on a self-employed basis, Julie Ehlen, a director was paid £18,500 during the period for consultancy services.

**15. Guarantees**

As at 29<sup>th</sup> March 2017, 6 members had given a guarantee of £5 each in the event of the company winding-up, total: £30 (2017: 4 members £20).

**16. Post Balance Sheet Events**

The company received a loan and grant from First Ark Social Investment Limited totalling £120,000 in April 2018 to further develop implementation of the business plan, consolidate external debt and to develop income generator opportunities.

**MERSEYSIDE EMPLOYMENT LAW LIMITED**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 29<sup>TH</sup> MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>INCOME</b>		
Grant Income	16,657	9,115
Donations	-	600
Private sales income	54,980	107,068
Service level agreement income	129,132	84,152
Bank interest	-	2
	-----	-----
<b>Total Income</b>	<b>200,769</b>	<b>200,937</b>
	-----	-----
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Staff salary costs	126,333	125,446
Rent	1,313	7,022
Rates and water	-	1,046
Heat and light	-	613
Travel expenses	45	942
Printing, postage and stationery	3,597	16,574
Telephone & internet	2,832	5,662
Legal and consultancy fees	30,266	11,830
Repairs and maintenance	-	1,234
Training	2,473	803
Insurance	1,698	3,448
Contingency expenses	2,039	-
Medical records	510	-
Publications and memberships	35	-
Board expenses	7	450
Refreshments	7	2,759
Sundry expenses	-	803
Cleaning costs	200	1,796
Computer costs	2,791	5,202
Staff welfare	96	1,105
Marketing	3,500	-
Volunteer expenses	-	1,521
Bookkeeping	840	-
HMRC charges	1,468	534
Bank charges	228	60
Payroll fees	145	676
Accountancy	3,660	1,000
Depreciation	173	5,776
	-----	-----
<b>Total expenditure on charitable activities</b>	<b>184,256</b>	<b>196,302</b>
	-----	-----
<b>Net income for the year</b>	<b>16,513</b>	<b>4,635</b>
	=====	=====

(This page does not form part of the statutory financial statements)