

Charity Reg. No. 1151243
Company Reg. No. 8151033

EALING LAW CENTRE
TRUSTEES' REPORT AND ACCOUNTS
31 MARCH 2018

**EALING LAW CENTRE
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LEGAL AND ADMINISTRATIVE INFORMATION

Principal Address 210 Northfield Avenue
London W13 9SJ

Registered Charity No. **1151243**

Registered Company No. **8151033**

Trustees Lynn Knowles – Chair
Sue James – Treasurer
Peter Bartram
Clarissa Stoneham
Suchitra Hammond

Supervising Solicitor Vicky Fewkes

Bankers CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Independent Examiner **APEX ACCOUNTANCY**
9a High Street, West Drayton,
Middlesex, UB7 7QG.

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ABOUT EALING LAW CENTRE

Ealing Law Centre exists to challenge disadvantage, poverty and exclusion. We do this in a number of ways - we provide people in crisis with expert legal services free of charge, we undertake strategic litigation to improve or change the way the law is administered, and we collaborate with other voluntary sector agencies and professional organisations in Ealing and neighbouring boroughs to provide advice and representation services. We also provide local organisations with expert support and training to improve their understanding of the law and how it can be used to combat disadvantage.

We were set up in 2012 at a time of crisis in the advice sector in Ealing when the main advice provider, Law For All, collapsed (in 2011), leaving us with an "advice desert". Our specific role is to provide specialist legal services in cases where front-line agencies have reached the limit of their ability to help.

Our solicitors and caseworkers provide free legal advice and representation in the areas of immigration, housing and welfare rights law. Our clients come to us as referrals from front line agencies across the borough, foodbanks and the County Court duty scheme at Brentford County Court. This work is supported through a blend of Legal Aid and grant funding.

Our charitable status gives us the ability to attract resources which enable us to extend our services well beyond the limited areas for which Legal Aid is available. This financial year we have brought some £175,820 of charitable funding into the Borough.

We are active members of the Law Centres' Network which allows us to feed our clients' experiences of poverty and destitution into awareness-raising nationwide.

We are active members of a number of borough-wide initiatives within the advice sector which aim to rebuild an integrated network of advice services in Ealing. We collaborate closely with a wide range of front-line agencies, providing their staff and volunteers with advice and training on legal issues, and we are members of the consortium delivering the Big Lottery's Help through Crisis programme in Ealing. We provide in-depth support through our Help through Crisis, Big Lottery funded work and many of our clients now access our services through meeting our Crisis Navigator at the local foodbanks and at Brentford County Court.

We run regular helplines on immigration, housing and welfare rights issues so that we can advise people who would not otherwise have access to legal advice.

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REVIEW OF THE YEAR 2017-2018

Tackling destitution

It was becoming clear to us from 2015 that dealing with welfare benefits issues would have to become central to the work of Ealing Law Centre if we were to stand any chance of tackling the corrosive influences of destitution, poverty and exclusion that blight so many lives in West London. Many of our clients were facing destitution and/or homelessness as a result of adverse benefits decisions and needed access to professional help and representation with complex appeals and tribunal cases. This is an area of law which is no longer covered by Legal Aid, and there were no such services in Ealing.

We set up our Anti-Poverty Unit in November 2015, and took on our first part time Welfare Rights Caseworker to start this much-needed service. We were determined that this was to be the start of something bigger and more sustainable, and put a lot of time and resource during the year into developing bids for longer-term funding.

During the course of the previous financial year we were able to expand our Anti-Poverty Unit to two part-time Welfare Rights Caseworkers and a Crisis Navigator to provide support to people facing destitution as a result of benefit problems. After difficulties in recruiting to replace our second Housing Solicitor we took on a Housing Paralegal who has now progressed to trainee solicitor. We are now able to provide services to people facing homelessness whose cases do not qualify for funding through the Legal Aid scheme. This holistic way of working is reaping benefits for our clients.

We have also now reached a position where we have been able to recruit an experienced Head of Operations and a Finance Worker which has improved our internal systems and enabled us to develop further. Our volunteer business manager oversaw the handover to our new staff and worked extremely hard for us and we wish to thank him again for all his hard work.

Our main challenge remains capacity, our caseworkers are unable to take on all the enquiries that come through the door and demand remains very high. However, we are proud of the range of services that we are able to offer and we will continue to explore ways in which we can expand our capacity to assist the residents of Ealing.

Housing

During the course of the financial year we advised 237 by phone, 135 Legal Aid cases (Legal Help and Certificates), 56 grant funded cases, 89 duty cases.

We have provided a bi monthly drop in advice service for clients of Acton Homeless Concern in partnership with West London University.

We have been active members of the Ealing Advice Forum and Ealing Council's homelessness forum. We have provided training for local organisations, MIND, HESTIA and the Advice Forum.

Welfare Rights

We run an advice line which assisted 202 clients and we have represented 43 clients at tribunals. We are the only service in the borough that provides representation at Tribunal level.

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The financial gains to our clients from cases closed in the past financial year amounts to £326,416

We participated in the Law Centre's Network legal aid contract to advise on First Tier Tribunal appeals.

We run a fortnightly drop in service with local community group HADEA which assists members of the Somali community. We have assisted 38 people through this service during this financial year.

Immigration

We are the only not for profit provider of Legal Aid Immigration services in the London Borough of Ealing. Our Immigration Supervisor is grant funded through the Trust for London. We run a weekly advice line and during the course of our last Trust for London grant we advised 697 people. We take on referrals under our grant funding for casework and representation for those who are particularly vulnerable from MIND and other local charities. We have been successful in making several applications for Exceptional Case funding from the Legal Aid Agency for particularly vulnerable clients whose cases were not within the scope of the Legal Aid scheme.

In our Immigration work we have been working with the Law Centres network on delivering a project for the EU Commission on EU Citizen's rights after Brexit.

We are extremely grateful to Trust for London for their continued support of our Immigration work.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and organisational structure

Ealing Law Centre is constituted as a Charity and a Company Limited by Guarantee, registered with the Charity Commission on 14th March 2013. The year covered by these accounts is therefore the Charity's fifth full year of operation.

The Trustees who held office during the financial year are set out on page 1. Trustees are elected at the Law Centre's Annual General Meeting; Trustees are both directors of the Company and Trustees of the Charity.

The Law Centre employs staff to provide legal and other services, and also benefits from the work of volunteers, to whom we are very grateful.

Ealing Law Centre works closely with other local voluntary advice-giving organisations to support the development of an effective network of advice services for the people of Ealing.

Objects and activities

Ealing Law Centre exists to tackle unmet legal needs. Its principal activity is the provision of legal advice, aid and assistance to people in need – mainly, those living or working in the London Borough of Ealing.

The Law Centre aims to relieve poverty, suffering and distress, to advance the education of individuals and community organisations on legal issues in the area of social welfare law, and to work with other charities to advance charitable purposes which are beneficial to people in need living or working within its area of operation.

In planning the Charity's activities for the year the Trustees keep in mind the Charity Commission's guidance. The Charity aims to provide its services to people who are in need

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of them, regardless of personal background, faith, gender or personal circumstances, and welcomes volunteers and staff on the same basis. We believe this philosophy of openness to all enriches everyone through the sharing of the skills, aptitudes and life experiences of our service users and volunteers.

There is an appropriate induction procedure for new Trustees which is designed to encourage, enthuse and suitably equip people who have no previous knowledge about the formalities and customs associated with serving on the Board of a voluntary organisation.

Risk management

The identification of potential risk and plans to manage the occurrence of risk is an integral part of work plans for all the Law Centre's activities and the risks facing the organisation are reviewed regularly as part of the Board's ongoing work. Consequently the major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and actions have been taken to mitigate those risks.

Public benefit

In planning and overseeing the delivery of its work, ELC's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and consider that the Charity exists for the purpose of public benefit as defined in Section 4 of the Charities Act 2011.

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FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 9 of the accounts.

Summary of key points

- This is the Charity's fifth full year of operation. The Law Centre's business strategy is for the main sources of income for its core services to be split between voluntary income from grants and donations, and fees earned from litigation based on its Legal Aid contracts. The split between the two sources is currently represented by 69.5% grants and donation, and 30.5% earned income. Therefore, of the £264,974 for the Law Centre's total income in 2017-18 (£205,585 in 2016-17), 30.5% (£80,821) came from earned income, compared to 52.6%, (£108,042 in 2016-17).

- Grant income during the year was as follows:-

Trust for London	£ 31,250
City Bridge Trust	£ 51,800
Help Through Crisis Fund (ECVS)	£ 41,934
Henry Smith Charity	£ 20,450
Dispossessed Fund	£ 11,594
London Legal Support Trust (unrestricted)	£14,593
Other Restricted	£ 4,199
	£ 175,820

(Note: The figures for the Henry Smith, Trust For London, City Bridge Trust and the Dispossessed Fund represent the portions of grants stretching over more than one year which have been accounted for during the financial year 2017-18; the remaining balances of the Henry Smith, Dispossessed Fund, TFL and City Bridge awards have been accounted for as grants in advance and they will be used and accounted for in the financial year 2018-19).

In addition we received generous donations from organisations & individuals of £ 8,333. The Law Centre is very grateful to all of these funders and donors, without whose support we could not have achieved so much.

- The figure for earned income quoted above includes an amount of £ 27,010, which is the assessed value of work in progress built up during the year on cases which had not reached the point where they could be billed. The Law Centre's case management system records all activities for which claims can be made under LAA contracts and for higher court litigation. The figure for Work In Progress included in the accounts is 75% of the book value of ongoing litigation activities at the balance sheet date, excluding quick turnover cases funded under the "Legal Help" quota within the Legal Aid contracts. The factor of 75% follows the practice of the Legal Aid Agency in making payments on account for cases in progress. The Trustees therefore believe that this is a prudent assessment of the value of Work In Progress.
- This means in practice that, in the year under review, over £27,000 of the income shown in ELC's accounts – 10% of the total – was due to be received at some point in the future, rather than having actually arrived in its bank account. This is an important way in which Law Centres differ from most other charities – their accounts can suggest that their finances are significantly healthier than is actually the case on a day to day basis; this is a factor which needs to be borne in mind by potential donors and others with an interest in assessing charities' financial performance and needs.

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- The gap between carrying out work and being paid for it poses cash flow challenges for all legal practices; in some cases it can be years after work has been carried out that funds are finally received. This is a particular problem for new enterprises which do not have the relative security of an ongoing revenue stream, and no track record to support an application for an overdraft. From ELC's early days, its Board has therefore paid particular attention to rigorous cash flow management as part of its overall risk mitigation strategy, and this has continued over the course of the year under review.
- To ensure that ELC has sufficient working capital, the Trustees' policy is to build its reserves to the point where they cover 6 months' operating costs; despite the fact that it was still in the early stages of its development, this goal had been achieved by the end of 2015-16. The level of reserves has increased in cash terms during 2017-18 – from £84,533 to £108,468 – and reserve cover as a proportion of annual operating costs has increased to 5.4 months from 4.8 months. ELC's cash holdings had increased to £99,917 less amount in client account of £11,450, at the end of the year from £49,023 the previous year – a 87% increase.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that year. In preparing those financial statements the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles of the charities SORP
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether the policies adopted are in accordance with applicable accounting standards;
- e) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. 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.

So far as the Trustees are aware, there is no relevant information of which the Charity's Independent Examiner is unaware, and they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant financial information and to establish that the Charity's Independent Examiner is aware of that information.

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PLANS FOR THE FUTURE

Ealing Law Centre's business strategy remains to develop a blend of funding to support its core activities with roughly half coming from grants and charitable donations, and the other half from fees earned from litigation and from its Legal Aid contracts. We will continue to focus on building up our caseload of certificated and higher court cases, using our quota of legal help cases funded under Legal Aid to develop this work stream.

In addition, we will continue to develop specific projects for activities which fall outside our core function of legal advice and casework, but are within our wider charitable purposes, and we will take any opportunities which arise to tender for the provision of legal advice services within the borough, including taking part in consortium bids where appropriate.

We will continue to keep our overheads low, while at the same time continuing to develop robust business processes and systems which ensure that we control our finances tightly and maximise our potential income.

One of the main challenges that we have had in our initial years has been to find suitably qualified staff at a time when many legal aid solicitors and caseworkers have left the market. Following the loss of our second housing solicitor and difficulties recruiting a replacement we recruited Ealing Law Centre's first trainee solicitor. We are now aiming to grow our own legal aid solicitors who will remain dedicated to this vital area of work. We have recently found out that we have secured funding for Justice First Fellow trainee to join the team in January 2019. This will also enable us to increase casework support for our Immigration Supervisor and improve capacity.

Approved by the Trustees and signed on their behalf



Lynn Knowles - Chair

Date: 14th December 2018

APRIL ACCOUNTANCY
Chartered Certified Accountants
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020 7494 4000
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EALING LAW CENTRE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EALING LAW CENTRE

I report on the accounts of the Charity for the year ended 31 March 2018, which are set out on pages 9 to 12.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the Charity's Trustees you are responsible for the preparation of the accounts.

You consider that the audit requirement of section 144 of the Charities Act 2011 (the 2011 Act) does not apply and that an independent examination is needed.

It is my responsibility to examine the accounts under section 145 of the 2011 Act, follow 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 REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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

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
 - (a) to keep accounting records in accordance with section 130 of the Charities Act 2011; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act 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.

NAME: R.K. Maini for Apex Accountancy

Address: 9A HIGH STREET, WEST DRAYTON, MIDDLESEX, UB7 7QG

APEX ACCOUNTANCY

Chartered Certified Accountants

9A HIGH STREET, YIEWSLEY,
WEST DRAYTON, MIDDLESEX, UB7 7QG
apexacc@aol.com

Date: 14th December 2018

**EALING LAW CENTRE
BALANCE SHEET
31 MARCH 2018**

	Unrestricted Funds	Restricted Funds	Totals 2018	Totals 2017
INCOMING RESOURCES				
Income from Charitable Activities				
Donations, Grants and Contract Income	103,747	161,227	264,974	205,585
Activities for Generating Funds				
Investment Income – Bank Interest	-	-	-	-
Miscellaneous Income	-	-	-	-
TOTAL INCOMING RESOURCES	<u>103,747</u>	<u>161,227</u>	<u>264,974</u>	<u>205,585</u>
RESOURCES EXPENDED				
Charitable Activities				
Activity Costs	79,740	161,227	240,967	211,808
Activities for Generating Funds	-	-	-	566
Governance Costs	<u>72</u>	<u>-</u>	<u>72</u>	<u>171</u>
TOTAL RESOURCES EXPENDED (Note 2)	<u>79,812</u>	<u>161,227</u>	<u>241,039</u>	<u>212,544</u>
NET (EXPENDITURE)/INCOME FOR YEAR	<u>23,935</u>	<u>0</u>	<u>23,935</u>	<u>(6,960)</u>
Transfer between funds				
NET MOVEMENT IN FUNDS	<u>23,935</u>	<u>0</u>	<u>23,935</u>	<u>(6,960)</u>
FUND BALANCES AT 1 APRIL 2017	<u>84,533</u>	<u>0</u>	<u>84,533</u>	<u>91,493</u>
FUND BALANCES AT 31 MARCH 2018	<u>£108,468</u>	<u>£ -</u>	<u>£108,468</u>	<u>£ 84,533</u>

**EALING LAW CENTRE
BALANCE SHEET
31 MARCH 2018**

	2018	2017
	£	£
TANGIBLE FIXED ASSETS (Note 3)	1,723	3,400
CURRENT ASSETS		
Cash at Bank and in Hand	99,917	49,023
Work in progress (Note 4)	27,010	51,392
Debtors (Note 5)	51,255	18,803
	<u>178,182</u>	<u>119,218</u>
CURRENT LIABILITIES		
Creditors and Accruals (Note 6)	<u>71,437</u>	<u>38,085</u>
NET CURRENT ASSETS	106,745	81,133
NET ASSETS	<u>£108,468</u>	<u>£ 84,533</u>
FUNDS:		
Unrestricted Funds	108,468	84,533
Restricted Funds (Note 8)	-	-
	<u>£108,468</u>	<u>£ 84,533</u>

For the year ending 31st March 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

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

The accounts were approved by the Board of Directors on 20th September 2018 and signed on its behalf by



.....
Lynn Knowles - Chair

Date: 14th December 2018

**EALING LAW CENTRE
NOTES TO THE ACCOUNTS
31 MARCH 2018**

1. ACCOUNTING POLICIES

- (i) The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) 'Accounting by Charities' and with applicable accounting standards.
- (ii) General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Restricted funds are funds subject to specific restrictive conditions imposed by the donors.
- (iii) Depreciation is provided on the Furniture and Equipment on a straight line basis at the rate of 25% per annum.

2. TOTAL RESOURCES EXPENDED

	2018	2017
	£	£
Includes: Depreciation	1,677	2,033
Staff Costs	175,058	149,363
	<u> </u>	<u> </u>
The average number of employees was: Charitable Activities (full and part-time)	6.5	5.5
	<u> </u>	<u> </u>
Staff Costs:		
Gross Salaries	162,108	140,032
Social Security Costs	11,233	9,331
Pension Costs	1,717	-
	<u> </u>	<u> </u>
	<u>£175,058</u>	<u>£ 149,363</u>

No employee earned more than £60,000 in either year.

3. TANGIBLE FIXED ASSETS

		Furniture & Equipment
COST	At 1.4.17	8,133
	Additions	(-)
	Disposals	(-)
	At 31.3.18	<u>£ 8,133</u>
DEPRECIATION	At 1.4.17	£ 4,733
	Charge for Year	1,677
	On disposals	(-)
	At 31.3.18	<u>£ 6,410</u>
NET BOOK VALUE	At 31.3.17	<u>£ 3,400</u>
	At 31.3.18	<u>£ 1,723</u>

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4. WORK IN PROGRESS	2018	2017
Legal Aid cases	27,010	28,045
Other litigation	0	22,347
	<u>£ 27,010</u>	<u>£51,392</u>
5. DEBTORS	2018	2017
Legal Aid Agency	10,966	11,549
Other debtors and prepayments	40,289	7,254
	<u>£ 51,255</u>	<u>£ 18,803</u>
6. CREDITORS	2018	2017
Sundry Creditors	59,147	35,421
Provision for independent review of accounts	840	840
Clients' account	11,450	1,824
	<u>£ 71,437</u>	<u>£ 38,085</u>
7. RESTRICTED FUNDS	2018	2017
Restricted funds brought forward	0	1,362
Grants and donations received during the year	161,227	97,543
<u>Less:</u> Cost of activities undertaken during the year	<u>(161,227)</u>	<u>(98,905)</u>
Restricted funds carried forward	<u>£ -</u>	<u>£ -</u>

8. TRUSTEES' REMUNERATION

Trustees are not remunerated. Trustees received reimbursement of expenses for attending meetings and conferences amounting to £NIL.