

HARINGEY LAW CENTRE

Registered Charity and Company Limited by Guarantee

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2019

Charity number: 274760

Company number: 1332867 (England and Wales)

**HARINGEY LAW CENTRE
YEAR ENDED 31ST MARCH 2019**

Registered Charity Number : 274760
Registered Company Number: 1332867

Principal address:

7 Holcombe Road
Tottenham
London, N17 9AA

Directors and Trustees:

Olive Walter - Chair
Martha Osamor - Treasurer
Ruth Hayles - Resigned on 22/03/2019
Patrick Passley
Henry Egenti - Appointed on 22/03/2019
Evelyn Osaji - Appointed on 22/03/2019
David Floyd - Resigned on 22/03/2019
Hugh Goulbourne - Resigned on 22/03/2019
Valerie Williams - Appointed on 22/03/2019
Mohammad Amirul Islam - Appointed on 22/03/2019
Robert William Harris – Appointed on 22/03/2019

Governing document:

The charity is operated under the rules of its Memorandum and Articles of Association.

Bankers:

The Cooperative bank

Independent Examiner and Accountant:

TACTS Accountant
Chartered Certified Accountant
81 Rayleigh Road
Palmers Green
London, N13 5QW

HARINGEY LAW CENTRE
FINANCIAL ACCOUNTS
FOR YEAR ENDED 31ST MARCH 2019

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HARINGEY LAW CENTRE TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report and the financial statements for the year ended 31 March 2019.

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

Principal activities and review of activities

The Law Centre is a charity whose objects, as defined by the Memorandum of Association are:

- To provide, by employing solicitors, and other staff free legal advice and assistance to poor persons resident in the London Borough of Haringey and neighbouring Boroughs (hereinafter referred to as the "designated area") but should the Law Centre so decide, priority in carrying out its objects may be given to that part of the designated area which is the parliamentary constituency of Tottenham. In furtherance of this object and as ancillary thereto the Law Centre may institute, conduct and defend any proceedings before any court, Commission, Tribunal or Inquiry.
- To undertake or co-operate in the education of residents of the designated area in the law and its operation.
- To undertake research into the special problems causing and arising from the poverty and lack of education of the inhabitants of the designated area to promote encourage and assist like organisations and institutions to undertake such research.

Activities

The principal activity of the Charity continues to be the provision of legal advice, assistance and representations to persons who are resident or working within Greater London with priority given to those who live or work or have a connection with the London Borough of Haringey and the adjoining boroughs.

Review of activities

The Law Centre provides advice, assistance and representation in the following areas of social welfare law: housing, debt, and welfare benefits. The organisation also holds the Legal Aid Agency Specialist Quality Mark in the area of housing/debt advice and therefore provides advice, assistance and representation in this area of law. In order to ensure that all people are aware of their legal rights, the Law Centre also provides legal training and support to local community groups. We offer advice, assistance and representations in courts and tribunals when required in all our work areas.

Achievements and Performance during the year

The Law Centre provided legal advice, assistance and representations to over 2,500 clients during the year. In addition, basic advice was provided in a number of new areas e.g. housing disrepair. We were funded by London Borough of Haringey, Selby Trust, London Legal Support Trust, Trust For London and City of London Solicitors to deliver on the above activities during this year.

Financial review

Since April 2013, changes were introduced by the government in the Legal Aid Sentencing and Punishment of Offenders Act (LASPO). This reform continued to impact on matters that were under the scope of legal aid funding scheme, of legal aid funding, welfare benefit, immigration, employment, housing except those whose house are in imminent risk, homelessness assistance, housing disrepair cases that pose a serious risk to life or health and anti-social behavior cases in the county court.

These changes have significantly impacted upon the Law Centre's current and future services and require strong financial management and control in the next few years. Main funding sources are from grant and legal services.

This year has continued to be challenging for the Law Centre. The Trustees were able to find innovative ways of increasing the Centre's human resource capacity through working with and recruiting qualified volunteer lawyers and professionals willing to work on a pro bono basis when necessary to continue to provide housing, debt and welfare support for the area. Both the existing and new volunteers of the Centre continue to be an invaluable source to the work of the Centre to date and the Trustees remain grateful for their support.

We have funding for Debt advice work from City of London Solicitor's Company Charitable Fund until end of Dec 2019. We also have funding from London Borough of Haringey for homelessness support. We also received a grant from Trust for London to provide legal and advocacy support. We are very grateful to everyone who has been very supportive.

Reserves Policy and Going Concern

The Trustees have considered the following factors when considering a reserves policy:

- The organisation's contractual obligations to its staff in terms of parental rights, sickness pay and redundancy provisions.
- the organisation's obligation to maintain a safe and clean working environment
- that certain equipment is essential for our work
- That an increasing proportion of the organisation's income is now derived from funds received. This increases the need to be able to employ locum to cover staff absences caused by sickness and other leave.

The Board has assessed the charity's requirements for reserves in the light of the main risks to the organisation. As a result, the Board has approved a policy whereby the unrestricted funds not committed, should be held in reserve and maintained at a level which ensures that HLC's core activity could continue during a period of unforeseen difficulty. The target reserve amount represents at least 6 months' (26 weeks) expenditure and will be reviewed annually.

Recruitment and Training of Trustees

The Centre is committed to ensuring that its membership reflects the diversity of the population it serves in the area of Haringey and surrounding boroughs. To achieve this we undertake annual skills audits of Trustees to ensure that we maintain a balance of developmental, financial, legal and management skills across the Board of Trustees to enable it to discharge its duties.

Company and Charity Status

The Company was incorporated on 6th October 1977 under the Companies Act 1948 to 1976. The restrictions imposed on the Charity are set out in the Company's Memorandum of Association. The Company is limited by guarantee and registered at Companies House under the number 01332867. The Company is registered as a Charity under the number 274760.

Structure, Governance and Management

The Law Centre is a registered charity and a company limited by guarantee. It is governed by a Memorandum and Articles of Association which were last amended on 30th April 2007. It is controlled by a voluntary Board of Trustees which has corporate and legal responsibility for all activities and functions of the organization. The Trustees discharge their functions through the following mechanisms: board meetings every third Wednesday of the month, agreeing annual/revised budget, carrying annual staff and trustee review, and holding AGM annually.

Appointment of Trustees is by election by the membership of the people who live or work in Haringey and Enfield.

The Trustees have an overall responsibility of ensuring that the charity has an appropriate system of controls, financial and otherwise. The system of internal controls is designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the Trustees
- Regular consideration by the Trustees of financial information, variance from budgets and non-financial performance indicators.
- delegation of authority and segregation of duties
- Identification and management of risks.

Risk Management

The Trustees continue to appraise the management risk facing the organisation. This involves identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying ways of mitigating the risks. As part of this process, the Trustees have reviewed the adequacy of the Centre's current internal controls. The Trustees are pleased to report that the Centre's internal financial controls, in particular, conform to guidelines issued by the Charities Commission.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

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

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

So far as each of the members of the Trustees are aware at the time the report is approved:

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

Our volunteers

HLC provide volunteering opportunities to students who are pursuing legal careers. Around 5 volunteers assisted with our on-going activities. We wish to thank our volunteers for their loyal support and contribution.

Statement of public benefit

In line with the requirement of the Charities Commission under the Charities Act 2011 for Charities to demonstrate that their aims are for the public benefit, the Trustees of HLC are confident that their aims and objectives meet the requirements of the public benefit.

Independent Examiner

The Management committee will seek the re-appointment of TACTS Accountant to act as independent examiner for the next year's financial account.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

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 and senior manager of the charity with its members must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

This report was approved by the Trustees on 06th December 2019 and signed on its behalf by:

.....
Mrs Olive Walter
(Chairperson)

Independent examiner's report to the trustees of Haringey Law Centre

I report on the accounts of the charity for the year ended 31st March 2019, which are set out on pages 9 to 14.

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 charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities 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 (other than that disclosed below *) to indicate that:

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the accounts do not accord with such records:
- where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS102)
- any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

Date: 06/12/2019

Chartered Certified Accountant
TACTS ACCOUNTANT, 81 Rayleigh Road, Palmers Green, London N13 5QW

HARINGEY LAW CENTRE
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR END 31 MARCH 2019

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>Funds</u> <u>2019</u>	<u>Total</u> <u>Funds</u> <u>2018</u>
<u>INCOMING RESOURCES: -</u>		£	£	£	£
Donations		2,535		2,535	1,298
Incoming resources from generated funds					
Investment income		2		2	5
Legal Services		185,485		185,485	119,918
Incoming resources from charitable activities					
Grants to provide charitable activities	(16)		92,350	92,350	31,240
TOTAL INCOMING RESOURCES		188,022	92,350	280,372	152,461
<u>RESOURCES EXPENDED</u>					
Expenses in raising funds					
Expenses in charitable activities	(14)	188,408	64,550	252,958	191,490
TOTAL RESOURCES EXPENDED		188,408	64,550	252,958	191,490
Net Incomings and (outgoings) resources		(386)	27,800	27,414	(39,029)
Balances Brought Forward		20,365	6,740	27,105	66,134
Balances Carried Forward		19,979	34,540	54,519	27,105

There were no recognized gains or losses for the above period other than those shown in the statement of financial activities for the above financial year. All incoming resources and resources expended are derived from continuing activities.
(The notes attached form part of these financial statements)

HARINGEY LAW CENTRE

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	<u>2019</u> £	<u>2018</u> £
Fixed Assets			
Tangible assets	(11)	491	656
Current Assets:			
Debtors	(12)	55,000	5,000
Cash at Bank and in Hand		37,652	34,199
Current Liabilities:			
Creditors:			
Amount falling due within one year:			
Accruals and creditors	(13)	38,623	12,749
Net Assets		<u>54,519</u>	<u>27,105</u>
As Represented By			
Unrestricted Fund		19,979	20,365
Restricted Fund	(16)	<u>34,540</u>	<u>6,740</u>
Total Funds		<u>54,519</u>	<u>27,105</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

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

This report has been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The accounts were approved by the Directors on 06th December 2019 and signed on their behalf by: -

.....
Director and Chair
Mrs Olive Walter

**HARINGEY LAW CENTRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019**

1. Accounting basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. HLC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Charity trustees are of the view that measures taken subsequent to the year-end to reduce operating costs and successful in applying for continuation funding have secured the immediate future of the Charity for the next 12 to 18 months and that on this basis the charity is a going concern.

2. Cash Flow Statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

3. Incoming Resources

Income is recognized in the period to which it relates, unless specified otherwise by the funder. Project funding is, in general, repayable if not expended within the relevant project. Such income is only recognized to the extent that it ceases to be repayable. The income is accounted for on a receivable basis.

4. Resource Expended

Resources expended are included in the Statement of Financial Activities inclusive of VAT which cannot be recovered. Direct charitable expenditure includes the direct costs of the activities. Where such costs relate to more than one functional cost category, they have been apportioned in line with the direct costs of the relevant service.

5. Taxation

Haringey Law Centre is a registered charity and is not liable for corporation tax on its income under section 505 of the Income and Corporation Taxes Act 1988 to the extent that it is applied to its charitable activities.

6. Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost, of all fixed assets over their expected useful life as follows: -

Fixtures and Fittings -	25% – Reducing balance
Computer Equipment and Machinery -	25% – Reducing balance

7. Staff Costs

The total salary cost for the year was £59,222 (including Tax and NIC) for 6 staffs on payroll. None of the employees received emoluments in excess of £60,000 in the year or the previous year. Trustees are not remunerated.

8. Related party Transactions

There were no related party transactions in this financial year.

9. Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities as incurred.

	2019 £	2018 £
Expiring: Within one year	1,440	1,440
Expiring: Within two to five years	15,000	15,000

10. Stock and Work in progress

Work in progress is valued at the lower of cost and net realisable value.

11. Tangible Assets

	Fixtures & Fittings	Office Equipment	Total
Cost			
Brought forward	3,952	15,162	19,114
Carried Forward	3,952	15,162	19,114
Depreciation			
Brought forward	3,749	14,710	18,459
Charge for the year	51	113	164
Carried Forward	3,800	14,823	18,623
Net Book Value			
At March 2019	152	339	491
At March 2018	203	452	655

12. Debtors

	2019 £	2018 £
Broadwater Community Enterprise	50,000	
Clients Work in progress	5,000	5,000
	55,000	5,000

13. Creditors

	2019	2018
	£	£
London Borough of Haringey	-	3,750
Independent Examination	980	980
HMRC PAYE	1,730	1,668
Professional Fees	35,000	-
Other creditors	914	6,351
	38,623	12,749

14. Charitable Expenditure

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2019</u>	<u>2018</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Charitable Expenses				
Wages	1,652	48,664	50,316	21,928
HMRC Tax and NIC		8,906	8,906	5,734
Sessional Worker		5,810	5,810	15,300
Volunteer Expenses	1,286		1,286	2,040
Staff Expenses	897	368	1,265	-
Governance	382		382	-
Training and Conference			-	1,351
Equipment Lease	886		886	936
IT and Web Expenses	1,718		1,718	3,698
Photocopying and Printing	1,377		1,377	1,398
Membership and Subscription	3,304		3,304	1,576
professional fees	2,376		2,376	3,602
Payroll administration	640		640	280
Insurance	1,713		1,713	2,611
Premises Cost	24,273		24,273	22,134
Bank Charges	360		360	309
Depreciation	164		164	219
Archive and Storage	902		902	541
Office and administration cost	4,699	802	5,501	7,185
Direct legal services	141,778		141,778	100,649
Total Charitable	188,408	64,550	252,958	191,490

15. Support Cost and Governance

Allocation of support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, and governance costs which support the Charity activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out below.

	General Support £	Governance £	Total £
Equipment Lease	886		886
IT Expenses	1,718		1,718
Photocopying and Printing	1,377		1,377
Membership and Subscription		3,304	3,304
Governance		382	
Insurance		1,713	1,713
Premises Cost	24,273		24,273
Bank Charges		360	360
Depreciation	164		164
Archive and Storage	902		902
Office and administration cost	5,501		5,501
	34,822	5,759	40,580

16. Restricted Fund Analysis

	Balance at 1st April 2018	Incoming resources	Outgoing resources	Balance at 31st March 2019
	£	£	£	£
London Legal Support Trust	-	100	100	-
London Borough Haringey	-	60,000	31,997	28,003
Trust for London	-	22,250	17,084	5,166
Selby Trust	4,240	-	4,240	-
City of London solicitors	2,500	10,000	11,129	1,371
	6,740	92,350	64,550	34,540

Purpose of restricted funds:

London Legal Support Trust: To provide Debt Advice.

London Borough Haringey: Homelessness project .

Trust for London: Provision of specialist legal advice & advocacy work.

Selby Trust: Outreach to improve health, economic and wellbeing.

City of London Solicitors: To provide Debt Advice and improve economic wellbeing.