

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 2019

**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 2019

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GREATER MANCHESTER LAW CENTRE

Report of the trustees for the year ended 31st March 2019

The trustees present their annual directors' report and financial statements of the charity for the year ended 31st March 2019 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 (resigned 30 th October 2018)	
Norma Turner	
Sukhdeep Singh	
Mala Wainwright	
Giles Elliot	
Kevin Allsop	
Aisha Khan	
Andrew Walsh (appointed 29 th September 2018)	
Samantha Maher (appointed 29 th September 2018)	
Dianne Lai (appointed 29 th September 2018)	

Co-opted : Craig Holmes

Supervising solicitor

Ngaryan Li (until 21st June 2019)

Registered Office

159 Princess Road
Manchester
M14 4RE

GREATER MANCHESTER LAW CENTRE

Independent Examiners

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

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

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.

Achievements and performance

The main achievements during the year are summarised in the report, below:

GREATER MANCHESTER LAW CENTRE

We started as a **protest** against cuts and closures of law centres in Greater Manchester – and we succeeded in gathering individual and community support, so that we were able to open an office, totally through voluntary energy. Volunteers have always been the backbone of the law centre.

We then became a **provider**, of legal advice and representation, with huge gains for many individual people across Greater Manchester. Since August 2016 we've raised the best part of £2 million in reclaimed welfare benefits which the DWP has wrongly refused to local people in need. We continue to emphasise the importance of free (but high-quality), independent, face-to-face access to advice, when so many services have retreated behind the barriers of phonelines or websites.

But **the climate is getting worse** (in every sense). Universal Credit adds to already-record levels of homelessness, while Parliament dithers over Brexit, fuelling escalating racism. We cannot just let this happen. So we now aim to be a **promoter** of the vital importance of legal aid, as a pillar of the welfare state – we seek “strategic litigation” which can raise legal issues affecting many people and not just the individuals in front of us, and we bring people together so as to advocate jointly our demand that government change the policies which cause such injustice for people in the first place.

This is why we recently launched our own Manifesto : “**Fighting Together for Free Access to Justice**”.
[Please see www.gmlaw.org.uk]

We know that if we don't collaborate to **end the hostile environment** – against both claimants and migrants – then in the next few years (if not sooner) all of us who seek to support disenfranchised people, whether as law centres, advice centres, or community advocacy groups, will be finished.

And this is why we need to look **outward and upward**; to use the Manifesto to put forward both policy and service developments; to work with others (especially those groups of people directly affected) to increase our effectiveness with both the local decision-makers and the parliamentarians with whom we have already built good links, as well as with the universities, law firms, media and indeed the general public; and to raise the funding to ensure good financial and managerial sustainability for the law centre for the long-term future.

Activities, Achievements and Ambitions – 2016-2019

Internally, after three years of operation, we are in a **remarkably viable position** for any voluntary organisation in these difficult times.

We gathered together and maintained a very **strong and experienced Management Committee** (Board of Trustees) as well as taking on new members, specifically young lawyers and those with current finance /management skills. However key founder members cannot be expected to stay on the Board forever. We want to be able to hand over to a new generation.

We have **maximised efficiency and built up reserves**. These can take us into 2020, if needed. Meanwhile we have gained more than 50 standing orders from individuals and /or lawyers, trades union branches and community groups – but we need 150 by the end of this year; and even this will not be enough on its own to provide sustainability for the quality of work that we need to do.

We continue to **aim for financial self-sufficiency**, not reliant on state funding (legal aid as run by the Legal Aid Agency, or local statutory councils / Greater Manchester Combined Authority), and not reliant in the long term on any one charitable trust alone. Thus we obtained **legal aid contracts**, running from September 2018, in housing/debt/welfare benefits and public law; but we knew that the LAA restrictions would not enable us to cover anything like the degree or scope of legal needs which people

GREATER MANCHESTER LAW CENTRE

present to us. We have sought funding – in fact, we have sought even a decision (or a hint of a decision) on funding – from the GMCA for over three years now, and we continue to discuss with and receive praise from leading members of this body. We have brought nearly £2.5 million into the county (in reclaimed benefits and grants/donations) while this sector has not given us a penny. They are of course under pressure, especially over our own key issues such as homelessness; and we will just keep trying, especially by promoting the Manifesto to them.

We have provided **legal advice and representation**, not just general advice – and by working with other voluntary organisations we have tried to be the **legal voice of the voluntary sector**. This includes legal campaigning (strategic litigation) to help many people not just the few individuals assisted directly, and raising demands together - to end benefit sanctions, stop Universal Credit, gain the legal right to secure homes for all, so as to end the reasons which bring people to us. Our Submission to the Work and Pensions Select Committee, on how “Mandatory Reconsideration” affected benefit claimants, arose from meetings with claimants themselves and gave direct voice to their experiences (our Submission was referenced a number of times in the Committee report).

We have helped to progress the law careers of three years’ worth of **new social welfare lawyers**, arising from our work with local universities. Their students represent law centre appellants and increasingly use this experience to good effect in their own attempts to gain barrister “pupillages”. Other law student volunteers provide us with carefully researched campaign articles for publication on our website. These include for example analysis of the removal of cladding (or not) by housing bodies in Greater Manchester and assessment of the impact of legal aid cuts, locally and nationally.

We work closely with related **services and campaign groups**, notably those who are “user-led”. Especially we have been tremendously supported by **Greater Manchester Immigration Aid Unit** – with whom we have worked jointly on Windrush and on the linked effects of immigration, asylum housing support and benefits. The Cornerstones scheme, involving GMLC, GMIAU and Caritas, has proved very successful in assisting people with multiple and complex problems across the board. Others such as Greater Manchester Housing Action, Acorn Tenants Union, Disabled People Against Cuts, collaborate and welcome our cutting edge publicity and mobilisation for their own activities.

We have tried to **develop services across Greater Manchester**, not just by offices but by outreach or otherwise – but this clearly needs enough local funding to enable local volunteers to make it as self-sufficient as we have succeeded in being in Moss Side. We encourage groups to collaborate to improve resources for all, rather than compete for dwindling crumbs of local commissioning – and we call for voluntary groups not to take government funding to implement unacceptable schemes such as Universal Credit; this has been particularly well received across the voluntary sector nationwide and our representations were referred by one of our MPs in the Parliamentary debate. But sadly some statutory bodies still use funding to “divide and rule”.

Most of all, while we encourage a **fantastically committed range of volunteers**, this is never to let the government off the hook because we carry out pro bono work. Government Ministers’ support for the “good work” of foodbanks is simply hypocritical. Access to justice should not depend on crowdfunding or car boot sales. We keep up the noise and the pressure.

Outward and Upward

The law centre has gone from strength to strength. We have been repeatedly shortlisted for prestigious awards, both as a “pro bono” initiative with the local law society and nationally for the student law schemes. We were shortlisted for “*Charity of the Year*” – in the Campaigning and Advocacy

GREATER MANCHESTER LAW CENTRE

section, at the Civil Society Awards. We have over 100 active volunteers (more than 600 have passed through the centre since we opened). We have regained nearly £2 million in reclaimed benefits and provided sessional advice in employment law and representation in housing (including the widely-reported “squat” in unused NHS premises in Salford). We provided legal support to over 500 people in the last full year – nearly half of these in the nine districts outside Manchester – and over 2500 more received help with their general inquiries.

All this **informs our policy demands**. As a result, Shadow Justice Minister Richard Burgon MP now wants to use our model to develop a wider network of law centres, and local MP and Shadow Immigration Minister Afzal Khan represents our immigration concerns directly to decision-makers. We have the strong support of Salford MP and Shadow Business Secretary Rebecca Long-Bailey who keeps in touch with our developments. Our local councillor Mahadi Sharif-Mahamed – who is a strong supporter of law centres generally, as his family was enabled to remain here thanks to the former South Manchester Law Centre – was the promoter of the successful resolution to Manchester Council to declare their support for ending indefinite immigration detention. We have maintained a constant flow of articles and news on our website and we have sought to influence the parliamentary political processes through our lobbying submissions. And we have made a lot of noise – as most recently with our Manifesto.

But in the outside world, things are getting much worse. Child **poverty** is at record levels in Greater Manchester. **Homelessness** is increasing still more relentlessly thanks in part to Universal Credit. **Windrush** revelations were tackled directly by the law centre during last year and we continue to work very closely with the **Greater Manchester Immigration Aid Unit**, on the practical advice to individuals affected as well as the policy implications of government (in)action on these issues. Quite possibly we will find ourselves working together to assist EU migrants too.

We cannot solve all this. As set out above, we started as a protest, turned provider, and now need to promote positive policy directions to decision makers. We need to work with others to change the current government’s hostility to some of those who are most deprived of justice.

We want to do this in mutually respectful ways, working together, not patronising those who come to us for legal aid, but rather seeking to empower groups of people as well as advising individuals. We offer **solidarity not sympathy!**

We also want to demonstrate our own example in order to help to develop more law centres if we can; we produced a Guide – “**How To Build A Law Centre**” which has received wider publication. Within Greater Manchester we want to encourage the development of services more widely and more locally for people across the county, as well as raising the possibility of providing advice on more legal issues – again this is most possible by working with other organisations – especially those who are “user-led” – and with local elected representatives.

We want to be outward-looking, developing joint service and fund-raising in Greater Manchester; we want upward-looking promotion of policy demands to government and other policy-makers; and we need to secure the base of the law centre through strategic management of finances, premises and workforce – so that **while volunteers remain the backbone of the law centre, at their same time the inspiration which they have given for the last three years can result in the longer-term changes which their commitment deserves.**

GREATER MANCHESTER LAW CENTRE

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. We started a 3 year contract with the Legal Aid Agency on 1st September 2018.

Figures

	31/3/18	31/3/19
Cash at bank	£122,872	£125,945
Regular Donors	38	61
Income	£173,005	£217,295
Expenditure	£135,254	£225,350

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 2019 was £91,894 of which £89,465 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 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.

GREATER MANCHESTER LAW CENTRE**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 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

A handwritten signature in black ink, appearing to read 'John Nicholson', is written over a horizontal dashed line.

John Nicholson

Chair

Date: 23rd July 2019

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 2019, set out on pages 9 to 18.

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: 23rd July 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM:					
Donations & Legacies	3	30,409	-	30,409	19,915
Donation in Kind		-	268	268	-
Charitable Activities	4	6,385	168,712	175,097	142,840
Other Trading Activities	5	11,494	-	11,494	10,248
Investment Income		27	-	27	2
TOTAL INCOMING RESOURCES		48,315	168,980	217,295	173,005
EXPENDITURE ON					
Charitable activities	6	56,401	168,949	225,350	135,254
TOTAL		56,401	168,949	225,350	135,254
NET INCOME (EXPENDITURE)		(8,086)	31	(8,055)	37,751
Transfers between funds	14	-	-	-	-
NET MOVEMENT IN FUNDS		(8,086)	31	(8,055)	37,751
RECONCILIATION OF FUNDS					
Total funds brought forward		99,980	8,405	108,385	70,634
TOTAL FUNDS CARRIED FORWARD	14	91,894	8,436	100,330	108,385

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

The notes on pages 12 to 18 form part of these accounts.

GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)

CO. REG. NO. 9698401

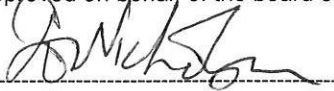
BALANCE SHEET AS AT 31 MARCH 2019


	NOTES	£	2019	£	2018	£
FIXED ASSETS						
Tangible Fixed Assets	10			2,671		3,908
CURRENT ASSETS						
Debtors & Prepayments	11	23,143			14,324	
Cash at Bank and in Hand		<u>125,945</u>			<u>122,872</u>	
		<u>149,088</u>			<u>137,196</u>	
CREDITORS:						
Amounts falling due within one year	12	<u>(51,429)</u>			<u>(32,719)</u>	
		<u>(51,429)</u>			<u>(32,719)</u>	
NET CURRENT ASSETS				97,659		104,477
TOTAL NET ASSETS				<u>100,330</u>		<u>108,385</u>
ACCUMULATED RESERVES						
Unrestricted Funds	14		91,894			99,980
Restricted Funds	14		<u>8,436</u>			<u>8,405</u>
			<u>100,330</u>			<u>108,385</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: 23rd July 2019

The notes on pages 12 to 18 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31ST MARCH 2019

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

	2019 £	2018 £
Net movement in funds	(8,055)	37,751
Add back depreciation	2,377	1,997
Decrease/(increase) in debtors	(8,819)	(3,565)
Increase/(decrease) in creditors	18,710	(1,521)
Net cash used in operating activities	<u>4,213</u>	<u>34,662</u>
Cash flows from investment activities:		
Purchase of fixed assets	(1,140)	(1,460)
Net cash provided by investing activities	<u>(1,140)</u>	<u>(1,460)</u>
Increase/(decrease) in cash and cash equivalents during the year	3,073	33,202
Cash and cash equivalents brought forward	122,872	89,670
Cash and cash equivalents carried forward	<u><u>125,945</u></u>	<u><u>122,872</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

**GREATER MANCHESTER LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(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	20% 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 2019 (2018 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2 NET INCOMING RESOURCES FOR THE YEAR

	2019	2018
	£	£
This is stated after charging:		
Depreciation	2,377	1,997
Independent Examiners Fees	800	800
Other financial services	667	667

3 DONATIONS & LEGACIES

	Unrestricted	Restricted	Total 2019	2018
	£	£	£	£
Donations	13,385	-	13,385	8,880
Seedbed Christian Community Trust	10,000	-	10,000	-
Gift Aid	4,881	-	4,881	-
Crowd Funding	2,143	-	2,143	-
Kenworthy's Chambers	-	-	-	11,035
	30,409	-	30,409	19,915

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total 2019	2018
			£	£
Big Lottery - Awards for All (£1,667 released)	-	-	-	1,667
AB Charitable Trust (£18,750 deferred)	-	25,000	25,000	23,014
Adactus	-	-	-	120
Comic Relief - Forever Manchester	-	-	-	2,917
GM Police & Crime Commissioner	-	-	-	3,341
Legal Education Foundation (£3,750 released)	-	25,000	25,000	18,750
Legal Education Foundation - Justice First Fellow	-	38,472	38,472	-
Legal Education Foundation - Tackling Homelessness	-	41,833	41,833	-
Big Lottery - Awards for All	-	9,990	9,990	-
Tudor Trust	-	18,000	18,000	36,000
Access to Justice	-	-	-	12,000
Access to Advice	-	-	-	278
Manchester Metropolitan University	-	5,000	5,000	2,500
University of Manchester	-	5,417	5,417	-
Better Community Business Network	-	-	-	2,950
We Love Mcr	-	-	-	2,145
Seedbed Christian Community Trust	-	-	-	30,000
Training	1,213	-	1,213	-
Legal Help Claims	3,022	-	3,022	-
Other	395	-	395	5,733
Affiliations	1,630	-	1,630	1,255
Memberships	125	-	125	170
	6,385	168,712	175,097	142,840

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
Fundraising Events	618	-	618	2,748
Staff Secondment	3,376	-	3,376	-
Contribution to Running Costs (GMIAU)	7,500	-	7,500	7,500
	11,494	-	11,494	10,248

GREATER MANCHESTER LAW CENTRE
(COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES

		Advice Services	Total 2019	Total 2018
		£	Total £	Total £
Wages & Salaries	Staff Time	137,154	137,154	82,522
DBS Checks	Staff Time	16	16	-
Childcare Voucher Admin Fees	Staff Time	158	158	158
Rent & Rates	Floor Area	2,008	2,008	1,794
Consultancy & External workers	By Project	27,426	27,426	5,096
Telephone	By Project	1,357	1,357	983
Travelling & Subsistence Expenses	By Project	531	531	865
Volunteer Expenses	By Project	2,426	2,426	2,856
Volunteer Training	By Project	490	490	-
Staff Training	By Project	876	876	423
Publications & Subscriptions	By Project	2,589	2,589	3,070
Accreditation	By Project	189	189	990
Professional Indemnity Insurance	By Project	2,743	2,743	1,739
Website Costs	By Project	200	200	816
Marketing & Publicity	By Project	462	462	881
Support Costs		45,638	45,638	32,138
Governance Costs		1,087	1,087	923
		<u>225,350</u>	<u>225,350</u>	<u>135,254</u>

7 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

		Support	Costs	Governance Costs	Total
		£	£	£	£
Rent & Rates	Floor Area	18,076	-	-	18,076
Heat, Light & Water	Floor Area	4,388	-	-	4,388
Broadband	Direct	463	-	-	463
Repairs & Maintenance	Floor Area	2,254	-	-	2,254
Cleaning	Floor Area	1,784	-	-	1,784
Computer Maintenance & Software	Direct	4,144	-	-	4,144
Minor Equipment	Direct	260	-	-	260
Printing, Post and Stationery	Direct	4,264	-	-	4,264
Payroll Costs	Direct	962	-	-	962
Insurance	Direct	390	-	-	390
Miscellaneous	Direct	670	-	-	670
Depreciation	Direct	2,377	-	-	2,377
Interest Paid	Direct	99	-	-	99
Bank & Payment Administration Charges	Direct	199	-	-	199
Book-keeping	Direct	5,308	-	-	5,308
Accountancy	Governance	-	816	816	
Legal Fees	Governance	-	271	271	
TOTAL		<u>45,638</u>	<u>1,087</u>		<u>46,725</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8 STAFF COSTS

	2019	2018
	£	£
Wages and Salaries	128,490	79,337
Social Security Costs	6,298	2,747
Pension Costs	2,366	438
	<u>137,154</u>	<u>82,522</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 £41,068 (2018 £35,290).

The charity employed 9 people during the year.

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

Services	<u>7</u>	<u>4</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 2018	3,718	3,788	7,506
Additions	1,140	-	1,140
Disposals	-	-	-
At 31 March 2019	<u>4,858</u>	<u>3,788</u>	<u>8,646</u>
DEPRECIATION	£	£	£
At 1 April 2018	2,219	1,379	3,598
Provided in the year	1,619	758	2,377
Disposals	-	-	-
At 31 March 2019	<u>3,838</u>	<u>2,137</u>	<u>5,975</u>
NET BOOK VALUE			
At 31 March 2019	<u>1,020</u>	<u>1,651</u>	<u>2,671</u>
NET BOOK VALUE			
At 31 March 2018	<u>1,499</u>	<u>2,409</u>	<u>3,908</u>

11 DEBTORS & PREPAYMENTS

	2019	2018
	£	£
Other Debtors	10,082	9,489
Accrued Income	9,561	-
Loan	-	3,437
Prepayments	3,500	1,398
	<u>23,143</u>	<u>14,324</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Trade Creditors	1,493	-
Other Taxes & Social Security Costs	10,119	923
Other Creditors	393	748
Accruals	10,924	6,048
Deferred Income	28,500	25,000
	<u>51,429</u>	<u>32,719</u>

13 DEFERRED INCOME	2019	2018
	£	£
Deferred income comprises grants in advance.		
Balance as at 1st April	25,000	29,784
Amount released to income earned from charitable activities	(25,000)	(29,784)
Amount deferred in year	28,500	25,000
Balance at 31st March	<u>28,500</u>	<u>25,000</u>

14 ANALYSIS OF CHARITABLE FUNDS	Balance at 01-Apr-18	Incoming	Transfers	Outgoing	Balance at 31-Mar-19
	£	£	£	£	£
Restricted:					
Big Lottery - Awards for All	-	9,990		(9,990)	-
AB Charitable Trust	-	25,000		(25,000)	-
Adactus	70			(70)	-
Big Lottery - Celebrate	336			(202)	134
Legal Education Foundation	6,227	25,000		(24,925)	6,302
Legal Education Foundation - JFF	-	38,472		(36,638)	1,834
Legal Education Foundation - TH	-	41,833		(41,667)	166
Tudor Trust	1,772	18,000		(19,772)	-
Donation In Kind - professional fees	-	268		(268)	-
Manchester Metropolitan UNIV.-LASP	-	5,000		(5,000)	-
University of Manchester - LASP	-	5,417		(5,417)	-
	<u>8,405</u>	<u>168,980</u>	<u>-</u>	<u>(168,949)</u>	<u>8,436</u>
Unrestricted:					
General Funds	69,980	48,315	(10,000)	(41,033)	67,262
Designated Funds: Seedbed Trust	30,000		10,000	(15,368)	24,632
	<u>99,980</u>	<u>48,315</u>	<u>-</u>	<u>(56,401)</u>	<u>91,894</u>
	<u>108,385</u>	<u>217,295</u>	<u>-</u>	<u>(225,350)</u>	<u>100,330</u>

Purpose of Restricted Funds:

Big Lottery - Awards for All	towards the Welfare Benefits Advice Service
AB Charitable Trust	towards supervising solicitor post
Adactus	towards practical costs
Big Lottery - Celebrate	towards a Celebration event to launch the community law centre
	This grant is fully spent. The balance relates to the book value of assets still to be depreciated.
Legal Education Foundation	towards establishing a Law Centre and engaging a Supervising Solicitor
Legal Education Foundation -JFF	towards the Justice First Fellow programme
Legal Education Foundation -TH	towards the Legal Solutions to Tackling Homelessness and Destitution in Greater Manchester programme
Tudor Trust	towards the costs of a development manager

**GREATER MANCHESTER LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

MMU- LASP	towards the costs of a casework supervisor for students
University of Manchester - LASP	towards the costs of a casework supervisor for students
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 2019 £
Tangible Fixed Assets	2,429	242	2,671
Net Current Assets	89,465	8,194	97,659
Net Assets at 31 March 2019	<u>91,894</u>	<u>8,436</u>	<u>100,330</u>

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 2019 £	2018 £
The total future lease payments indicated on the lease for land and buildings are:		
Within one year	10,950	16,500
Between 2 - 5 years	-	10,950
	<u>10,950</u>	<u>27,450</u>

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

Greater Manchester Immigration Aid Unit (GMIAU) made a contribution of £7,500 towards the running costs of GMLC. GMIAU charged GMLC £524.09 in respect of broadband and £135.09 in respect of photocopying. GMLC charged GMIAU £3375.93 in respect of staff costs.
An accrual of £10,667 for GMIAU consultancy expenses on a joint project and £44.54 for broadband expenses is included in the accounts at the year end.
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.
Donation in Kind - professional fees Kenworthy Chambers of whom the Chair is a barrister.
Donations from trustees £980.

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.