

GLOUCESTER LAW CENTRE

Trustees report for the year ended 31 March 2018

The Management Committee, trustees for the purposes of the Charities Act, present their report and the independently examined financial statements for the year ended 31st March 2018.

Reference and Administrative Information

Charity Name: Gloucester Law Centre

Charity Registration Number: 900439

Company Registration Number: 1937081

Those who served as management committee members otherwise known as trustees during the year and up to the date of this report were as follows:

Trustees and Their Interests

Jim Dale

Chris Hill

Stella Jensen

Kay Mills

Christopher Pearce

No trustee has any beneficial interest in the company. All trustees are members of the company and guarantee to contribute £1 in the event of winding up. The number of guarantees at [31st March 2018] was 5.

Bankers

The company's bankers are the Co-operative Bank, 23A St Aldate St. Gloucester.

Independent Examiner

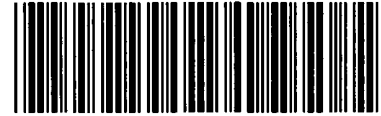
The company's Independent Examiner is Dick Maule FCA, 3 Penlee View Terrace, Penzance TR18 4HZ

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 7 August 1985 and registered as a charity on 29 May 1990. The company was established under a Memorandum of Association, which established the objects and powers of the charitable

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company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Articles of Association the members of the Management Committee are elected at the Annual General Meeting.

Trustee Induction and Training

New trustees are provided with an induction pack which includes information about the responsibilities of charity trustees, the roles of trustees and officers, how to be an effective charity trustee and a code of conduct for meetings.

Trustees are encouraged to attend training sessions provided by Gloucester AVCA on the roles and responsibilities of trustees.

Reserves Policy and Risk Assessment

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity's Commission and have set aside or designated unrestricted reserves of £97,356 to cover expenditure, in the event of redundancy.

The trustees consider it prudent that the Law Centre should also aim to hold general unrestricted reserves equivalent to 4 months of the charity's average general expenditure over the preceding two years. In 2017/18 this equated to £132,331.

This is to safeguard the charity's service commitment in the event of loss of or delays in receipt of grant income.

To comply with our Reserves Policy, reserves as at 31.3.18 should be £97,356 set aside for redundancy + £132,331 general reserves = £229,687.

General unrestricted reserves are currently above the stated range by £45,878..

Reserves also need to be set aside in the event of the Law Centre having to find alternative accommodation.

The level of reserves is monitored and reviewed by the trustees twice a year.

Organisational Structure

The Law Centre has a Management Committee of up to 8 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the committee has 5 members from a variety of backgrounds relevant to the work of the charity.

Objectives and Activities

The company is a charity and exists to promote the following aims and objectives:

1. To provide free, independent, high quality advice and representation in welfare benefits, council tax, housing, employment and immigration and nationality law to persons resident in the City of Gloucester.
Immigration and nationality law is also provided to persons resident in the whole of the county of Gloucestershire.
2. To provide advice and consultancy in these and related areas to local voluntary and statutory agencies.
3. To work with other organisations and local authorities on matters of mutual concern e.g. meeting unmet need for legal services.
4. To inform local people of their legal rights and obligations and to enable them to understand them and to become more assertive in obtaining their rights.
5. To involve the community in the management of the services and in the decision making about the type of service and the way it is provided.
6. To provide training and information to local groups.

All activities are considered to be for the public benefit.

Achievements and Performance

Our main activities are described below. Our charitable activities focus on providing free legal advice in particular areas of law.

Our barristers, solicitors, professional and skilled staff continue to champion the rights of citizens of Gloucester city, and in some areas of law throughout the county, through:

- Legal representation, including through the courts and tribunals and at the very highest level, even with ground breaking test cases.
- Consultation, advice and assistance to other less specialised agencies
- Policy work with local statutory agencies

Our quality of work is maintained through:

- Stringent annual auditing by the Legal Services Commission (LSC) to ensure that we continue to meet the high standards for the award of the Specialist Quality mark, which we hold in all our casework areas
- Detailed annual monitoring of our services by Gloucester City Council
- Analysing client feedback obtained through a client satisfaction survey
- Attendance by all staff at regular specialist training

Management Committee Responsibilities

Company law requires the management committee, who are also the charity 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

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 it 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 of and detection of fraud and other irregularities.

Members of the Board who are management committee for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with Company law, as the company's directors, we certify that: so far as we are aware, there is no relevant audit information of which the company's independent examiners are unaware; and as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

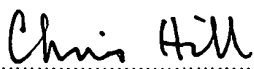
Plans for future periods

The significant reduction in reserves in 2017/18 is a major concern. The organisation urgently needs to attract new funding or increase the amount we receive from Legal Aid to ensure that we remain viable.

Independent Examiners

The independent examiners have expressed their willingness to be reappointed in accordance with the Companies Act 2006.

Approved by the Trustees on 11h July 2018 and signed on their behalf by


..... Chris Hill, Chair of Trustees

Independent Examiner's Report to the Trustees of Gloucester Law Centre

I report on the accounts of the company for the year ended 31st March 2018 which are set out on pages 6 to 12.

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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants 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 145 of the 2011 Act;
follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
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

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 section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Dick Maule FCA

3 Penlee View Terrace
Penzance TR18 4HZ

Dick Maule FCA

Date 20.7.18

Gloucester Law Centre

**Statement of Financial Activities
for the year ended 31st. March 2018**

	Notes	Unrestricted Fund	2018	Restricted Fund	2018	Total	2018	2017
		£		£		£	£	
Income from								
Miscellaneous income			6,170	-		6,170		14,309
Investment income			221	-		221		535
Donations			-	-		-		6,000
Charitable activities								
Legal Aid and legal fees			178,924	-		178,924		239,070
Grants and contracts			87,850	-		87,850		149,547
Total			<u>273,165</u>	<u>-</u>		<u>273,165</u>		<u>409,462</u>
Expenditure on:	[3]							
Charitable activities			401,845	-		401,845		392,144
Total			<u>401,845</u>	<u>-</u>		<u>401,845</u>		<u>392,144</u>
Net income / [expenditure]			(128,680)	-		(128,680)		17,318
Gain/[loss] in value of investment			2,748	-		2,748		15,405
Total funds at 1st. April 2017			<u>401,498</u>	<u>-</u>		<u>401,498</u>		<u>368,775</u>
Total funds at 31st. March 2018			<u>275,566</u>	<u>-</u>		<u>275,566</u>		<u>401,498</u>

Gloucester Law Centre

Balance sheet as at 31st. March 2018

	Notes	2018	2017
		£	£
Tangible assets	(2)	-	-
Current assets			
Debtors and prepayments	(6)	22,660	33,544
Cash invested	(11)	120,980	118,232
Cash at bank		<u>150,053</u>	<u>261,787</u>
		293,692	413,563
Current liabilities			
Creditors: amounts falling due within 12 months	(7)	<u>(18,126)</u>	<u>(12,065)</u>
Net Current assets		<u>275,566</u>	<u>401,498</u>
Net assets		<u>275,566</u>	<u>401,498</u>
Unrestricted funds	(8)		
General funds		178,210	304,142
Designated funds		<u>97,356</u>	<u>97,356</u>
		275,566	401,498
Restricted funds	(8)	-	-
Total funds		<u>275,566</u>	<u>401,498</u>

For the year ended 31st March 2018

The company was entitled to the exemption from audit under section 477[2] of the Companies Act 2006

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The company was entitled to the exemption from audit under section 477[2] of the Companies Act 2006

The members have not requested the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These financial statements were approved and authorised for issue by the Trustees and signed on their behalf.

On behalf of the Trustees

Chris Hill
CHRIS HILL

dated:- 11 JUL 18

Notes to the accounts for the year ended 31st. March 2018

(1) Principal Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

(a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, as updated by Update Bulletin 1 issued on 2 February 2016, the Charities Act 2011 and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

(b) Fund accounting

- [i] Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- [ii] Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- [iii] Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Income

Income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- [i] Income received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- [ii] Donated services and facilities are included at the value to the charity where this can be quantified.
- [iii] The value of services provided by volunteers has not been included in these accounts.
- [iv] Investment income is included when receivable.
- [v] Income from charitable trading activity are accounted for when earned.
- [vi] Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered

- [i] Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- [ii] Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- [iii] All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Gloucester Law Centre

Notes to the accounts for the year ended 31st. March 2018

(1) Principal Accounting Policies

(e) Fixed assets

Tangible fixed assets are written off over the expected useful life of the asset, at 20% per annum.

Items costing over £500 are capitalised.

(2) Tangible Assets

	Furniture fittings equipment £
Cost:	
balance brought forward	79,430
additions in the year	-
	<u>79,430</u>
Depreciation	
balance brought forward	79,430
charge for the year	-
	<u>79,430</u>
Net book value at 31st. March 2018	-
Net book value at 31st. March 2017	-

(3) Expenditure

	2018 £	2017 £
Wages	214,760	214,224
Rent and rates	65,984	34,168
Non capitalised equipment	451	17,461
Advertising, publicity and recruitment	200	-
Travel and transport	422	-
Books and periodicals	1,069	1,443
Staff training and conferences	966	2,080
Print, post, stationery and photocopier	8,581	9,903
Telephone	6,500	8,459
Volunteers' expenses	271	589
Subscriptions and affiliations	3,950	2,187
Miscellaneous office expenses	112	1,281
Bank charges	250	252
Independent examination	850	850
Insurance	2,367	2,434
Legal and professional	83,210	94,872
I.T. and website design	11,266	1,297
Practising certificates	636	644
	<u>401,845</u>	<u>392,144</u>

Gloucester Law Centre

Notes to the accounts for the year ended 31st. March 2018

(4) Capital commitments and contingent liabilities

There are none at 31st. March 2018

(5) Status

Gloucester Law Centre is a company limited by guarantee [no. 1937081], and also a registered charity [no. 900439].

(6) Debtors

	2018	2017
	£	£
Legal Aid and legal fees	22,660	25,000
Grant receivable	-	-
Other debtors	-	4,611
Prepayment	-	3,933
	<u>22,660</u>	<u>33,544</u>

(7) Creditors

Amounts falling due within 12 months

V.A.T.	273	3,149
Sundry creditors	<u>17,853</u>	<u>8,916</u>
	<u>18,126</u>	<u>12,065</u>

(8) Movements in funds

	Balance 1st. April	2017 Income	Expenditure	Gain/loss on Investment	Balance 31st. March
	£	£	£	2018 £	2018 £
Unrestricted funds					
Designated Funds					
Sickness, maternity & redundancy	<u>97,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,356</u>
General Fund	<u>304,142</u>	<u>273,165</u>	<u>(401,845)</u>	<u>2,748</u>	<u>178,210</u>

Gloucester Law Centre

Notes to the accounts for the year ended 31st. March 2018

(8) Movements in funds: prior year.

	Balance 1st. April	2016 Income	Expenditure	Gain/loss on Investment	Balance 31st. March
	£	£	£	2017 £	2017 £
Restricted funds					
National Lottery:					
Advice Services Transition Fund	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
Designated Funds					
Sickness, maternity & redundancy	<u>97,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,356</u>
General Fund	<u>261,419</u>	<u>409,462</u>	<u>(382,144)</u>	<u>15,405</u>	<u>304,142</u>

(9) Analysis of net assets between funds

	General Funds	Restricted Funds	Designated Funds	Total
	£	£	£	£
Current assets	196,336	-	97,356	293,692
Current liabilities	<u>(18,126)</u>	<u>-</u>	<u>-</u>	<u>(18,126)</u>
Net assets at 31st March 2018	<u>178,210</u>	<u>-</u>	<u>97,356</u>	<u>275,566</u>

(10) Employee and trustee information

	2018	2017
Number of employees	8	8

The average weekly number of employees during the year were calculated on the basis of full time equivalents.

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

	£	£
Salaries and wages	189,031	187,302
Social security costs	13,675	15,273
Pensions	<u>12,054</u>	<u>11,649</u>
	<u>214,760</u>	<u>214,224</u>

The Law Centre makes a contribution of 6% of gross annual salary to its employees' stakeholder pension scheme, or an alternative personal pension scheme.

Trustees remuneration and expenses	<u>-</u>	<u>-</u>
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The trustees received no remuneration in the year.

Gloucester Law Centre

Notes to the accounts for the year ended 31st. March 2018

(11) Cash invested

An initial £100,000 was invested in. Sarasin Investment Funds Limited.
50,505 units in the Alpha CIF for Endowments [Accumulated Units] have been purchased.

(12) Analysis of prior year funds [required by F.R.S.102].

Gloucester Law Centre

Statement of Financial Activities for the year ended 31st. March 2017

	Notes	Unrestricted Fund	Restricted Fund	Total	
		2017	2017	2017	2016
		£	£	£	£
Income from					
Miscellaneous income		14,309	-	14,309	14,354
Investment income		535	-	535	3,709
Donations		6,000	-	6,000	-
Charitable activities					
Legal Aid and legal fees		239,070	-	239,070	188,079
Grants and contracts		149,547	-	149,547	167,988
Total		409,462	-	409,462	374,130
Expenditure on:	[3]				
Charitable activities		382,144	10,000	392,144	374,467
Total		382,144	10,000	392,144	374,467
Net income / [expenditure]		27,318	(10,000)	17,318	(337)
Gain/[loss] in value of investment		15,405	-	15,405	-
Total funds at 1st. April 2016		358,775	10,000	368,775	369,112
Total funds at 31st. March 2017		401,498	-	401,498	368,775