

**Ethnic Minorities Law Centre
(A company limited by guarantee)**

Audited Financial Statements

For the year ended 31 March 2021

Charity №: SCO18379

Company № SC134099

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**Stirling Toner Ltd
Chartered Accountants**

Ethnic Minorities Law Centre
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For the year ended 31 March 2021

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Ethnic Minorities Law Centre

Trustees' Annual Report

For the year ended 31 March 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2019).

Objectives and activities

The principal aims and objectives of the charity are as follows:-

Access to Justice – Providing an essential framework defining rights and responsibilities through the provision of culturally sensitive bilingual services. The Law Centre seeks to ensure access to justice for all.

Access to Rights – Securing equal access to rights and empowering people, building their confidence and raising their aspirations and expectations.

Access to Services – Access to, and the provision of, legal services through fair treatment and the application of policies and practices that recognise differences in our society.

Access to Information – The provision of culturally sensitive information to secure a wider understanding of rights and responsibilities.

Achievement and performance

2020/21 has been a year like no other. The impact of Covid-19 will have a deep and lasting effect on how we work and the life and wellbeing of everyone involved with the Law Centre. More widely, it will have a profound effect on how people seeking asylum and refugees in Scotland experience voluntary and public services. Covid-19 has amplified inequalities that were already present in our society, and this will be reflected and considered in our future work.

Like every other organisation around the globe, the Law Centre has had to significantly change the way it operates in response to Covid-19. Our work has moved away from physical meetings and the office to make more use of virtual meetings. We have re-focused our activities to help us better understand and manage the implications of Covid-19 on our work and on the people we support.

We will be reviewing our strategy during 2021/22 to reflect the changing circumstances that Covid-19 has created. Whatever the future brings, we remain as keen as ever to continue our crucial work. We have listened to our stakeholders, partners and service users and have carefully considered what our focus over the next few years should be.

The Law Centre has struggled to provide the previous high levels of service in the pre-pandemic years in order to meet the demands from our clients due to local lockdowns and restrictions. However, across all projects we have taken on 2,178 new cases and one-off enquiries during this fiscal year which demonstrates a consistent and significant demand for our service, even during the pandemic.

During the last financial year, the Law Centre has continued to receive funding from Glasgow City Council Democratic Services for its core project that provides legal advice, representation, and support services to the BME communities residing in Glasgow.

North Lanarkshire Councils continue to fund the successful Pan-Lanarkshire Partnership Project for legal services to residents in North Lanarkshire which includes the provision of training and 2nd tier support to the Citizens Advice Bureaux in our specialist areas of law.

Ethnic Minorities Law Centre**Trustees' Annual Report (Cont'd)****For the year ended 31 March 2021**

The Scottish Government continued to fund the Edinburgh project which provides legal services to Edinburgh residents and delivers training and 2nd tier support in order to up skill local advice agencies and Citizens Advice Bureaux and increase service provision.

The Scottish Government also funds the Law Centre for the Highland Legal Project which provides legal services to individuals together with training and 2nd tier support to advice agencies within some of the most remote areas of rural Scotland.

Perth and Kinross Council continues to fund the Perth & Kinross Project which provides legal services to residents and delivers training and 2nd tier support in order to up skill local advice agencies and Citizens Advice Bureaux and increase service provision.

The Postcode Lottery provided funding for our Refugee project running across Scotland which provides dedicated representation and services to assist vulnerable refugees obtain permanent residency in Scotland. Without this their rights and entitlement to education, work and benefits would have been restricted or unavailable.

The Access to Justice Foundation also provided funding for the financial year for our Refugee project.

Emergency Covid-19 funding was provided by the Scottish Government through the Wellbeing Fund and 3rd Sector Resilience to allow for adaptations and assistance with Covid-19 management.

The charity continues to identify and source mainstream statutory and grant funding to consolidate and expand our existing service provision.

Financial review

During the year to 31 March 2021 a surplus was recorded of £78,852 (2020 – deficit £33,273).

Reserves policy

The trustees have examined the Law Centre's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Law Centre should be between 3 and 6 months of the expenditure. The reserves are needed to meet the working capital requirements of the Law Centre. Free reserves at 31 March 2021 are (£14,402) (2020 – (£77,263)) which is below the required level but the trustees feel confident that this can be brought back to the required level over future activities which is quantified by the movement over the last year.

Going concern

The trustees have a reasonable expectation that the Law Centre has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Generating income and achieving financial security with a focus on sustainability will be a priority in the coming 12 months with significant multi-year funding ending in 2021 and demand for our support increasing. We will develop our fundraising plan and aim to diversify our income streams.

The Board and staff look forward to continuing its work and reviewing our strategic direction in the light of the impact of Covid-19. A renewed, clear strategy will support future sustainability with the potential for growth. We look forward to completing our process of strengthening the organisation and plan to focus on the quality of governance, making any changes that might be required to best support the development of the Law Centre. The Board will be prioritizing the review of the Law Centre's financial situation and looking at measures to improve our reserves position.

Ethnic Minorities Law Centre
Trustees' Annual Report (Cont'd)
For the year ended 31 March 2021

Plans for future periods

- continue with the implementation of our business plan;
- maintain and review the level of staff and services; and
- achieve financial sustainability and build up unrestricted reserves.

Structure, governance and management

Governing document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The charity was constituted as a company on 18 September 1991, limited by guarantee and not having a share capital. The liability of the members is limited to £1 each.

Organisational structure

The board of directors is elected from the membership and is responsible under company law for financial control, undertaking statutory duties in relation to employment and in exercising skill and care in the management of the affairs of the charity. The activities of the charity are ultimately controlled by the board of directors who delegate the day to day management of the company to Brzoom Kadirgolum, principal solicitor.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed, in particular to its operations and finances, and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Management maintain and update a register of risks. The charity is exposed to the significant risk of depletion in funding. The trustees recognise that the Covid-19 pandemic presents a significant risk and have reviewed the Risk Register accordingly and implemented mitigations. Whilst it is recognised that the pandemic is not yet over and that our communities will suffer its impact for some years to come, the trustees are confident that this years strong strategic financial performance places the Law Centre well to continue to overcome the challenges the pandemic is likely to cause.

Ethnic Minorities Law Centre
Charity Reference and Administrative Details.

For the year ended 31 March 2021

Registered Charity Number
 SCO18379

Registered Company Number
 SC134099

Trustees

Jonathan Emmanuel Squire - Chair
 Syed Jafri – Vice Chair
 Patrick Jude Morgan - Secretary
 Ramesh Kumar Lagoo - Treasurer
 Bishop Francis Babatunde Alao
 Adil Husain Bhatti – resigned 22 March 2021
 Surjit Singh Chowdhary
 Dr Sylvie Da Lomba
 Professor John Eric Thomas Eldridge
 Mohammed Hanif Mirza – resigned 22 March 2021
 Dr Elaine Webster
 Dr Mohammed Pervoiz Hamayun
 Mr Tunweer Malik
 Mr Vassilis Charissis – appointed 22 March 2021

Registered office
 41 St Vincent Place
 Glasgow
 G1 2ER

Auditors
 Stirling Toner Ltd
 Chartered Accountants & Registered Auditors
 Kensington House
 227 Sauchiehall Street
 Glasgow
 G2 3EX

Bankers
 Clydesdale Bank plc
 St Vincent Place
 Glasgow
 G1 2ER

Key Management Personnel

Brzoom Kadirgolam (Principal Solicitor)
 Ajmal Yamin

Ethnic Minorities Law Centre
Trustees' Annual Report (Cont'd)
For the year ended 31 March 2021

Trustees' responsibilities

The trustees (who are also the directors of Ethnic Minorities Law Centre for the purposes of company law) are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to: -

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the Charities SORP 2019 (FRS 102);
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

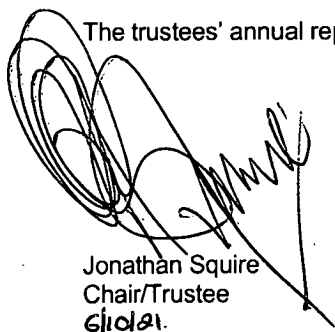
In so far as the trustees are aware: -

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The board will be recommending the re-appointment of Stirling Toner Ltd to its members at the AGM.

The trustees' annual report has been approved on behalf of the board by



Jonathan Squire
 Chair/Trustee
 6/10/21

Ethnic Minorities Law Centre**Independent Auditors Report to the Trustees and Members****For the year ended 31 March 2021****Opinion**

We have audited the financial statements of Ethnic Minorities Law Centre (the 'charitable company') for the year ended 31 March 2021 which comprise the balance sheet and Statement of Financial Activities and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Ethnic Minorities Law Centre**Independent Auditors Report to the Trustees and Members (Cont'd)****For the year ended 31 March 2021****Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of our audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Ethnic Minorities Law Centre**Independent Auditors Report to the Trustees and Members (Cont'd)****For the year ended 31 March 2021****Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Chapter 3 of Part 16 of the Companies Act 2006 and report in accordance with regulations made under those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:-

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussion with the trustees and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended);
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Ethnic Minorities Law Centre**Independent Auditors Report to the Trustees and Members (Cont'd)****For the year ended 31 March 2021**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

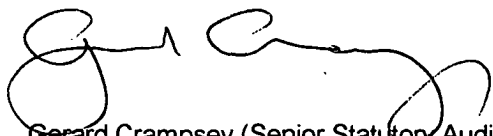
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meeting of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, OSCR and the charity's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Gerard Crampsey (Senior Statutory Auditor)

for and on behalf of Stirling Toner Ltd, Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Kensington House

227 Sauchiehall Street

Glasgow

G2 3EX

15 November 2021

Ethnic Minorities Law Centre
Statement of Financial Activities
(Incorporating income and expenditure account)
For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies	2	600	-	600	200
Charitable activities	3	<u>104,212</u>	<u>422,638</u>	<u>526,850</u>	<u>393,345</u>
Total income and endowments		104,812	422,638	527,450	393,545
Expenditure on:					
Charitable activities	4	<u>1,306</u>	<u>447,292</u>	<u>448,598</u>	<u>426,818</u>
Net income/(expenses)		103,506	(24,654)	78,852	(33,273)
Transfer between accounts		(34,654)	34,654	-	-
Reconciliation of funds					
Total funds brought forward	11/12	<u>(63,947)</u>	<u>-</u>	<u>(63,947)</u>	<u>(30,674)</u>
Total funds carried forward	11/12	<u><u>4,905</u></u>	<u><u>10,000</u></u>	<u><u>14,905</u></u>	<u><u>(63,947)</u></u>

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

All income and expenditure derive from continuing operations.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form an integral part of these financial statements.

Ethnic Minorities Law Centre

Balance Sheet

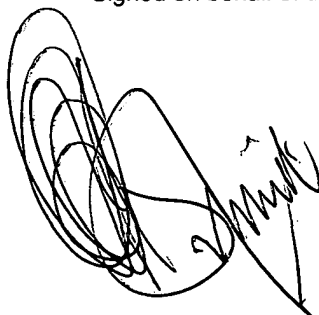
As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets	6	19,307	13,316
Current assets			
Debtors	7	25,299	12,758
Cash at bank and in hand		<u>58,483</u>	<u>11,020</u>
		83,782	23,778
Creditors			
Amounts falling due within one year	8	(88,184)	(101,041)
Net current assets		<u>14,905</u>	<u>(63,947)</u>
Charity funds			
Restricted funds	11/12	10,000	-
Unrestricted funds	11/12	<u>4,905</u>	<u>(63,947)</u>
Total charity funds	11/12	<u>14,905</u>	<u>(63,947)</u>

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

The financial statements were approved for issue by the board on 5th October 2021

Signed on behalf of the board of trustees



Jonathan Squire

Date

6/10/21

The notes form an integral part of these financial statements.

Ethnic Minorities Law Centre

Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash flows used in operating activities	A	<u>47,463</u>	<u>(20,433)</u>
Increase/(decrease) in cash and cash equivalents in the year		47,463	(20,433)
Cash and cash equivalents at 1 April		<u>11,020</u>	<u>31,453</u>
Cash and cash equivalents at 31 March		<u>58,483</u>	<u>11,020</u>

Note A - Reconciliation of net movement in funds to net cash flow from operating activities.

	2021 £	2020 £
Net movement in funds	78,852	(33,273)
Adjustments for: -		
Fixed asset additions	(11,011)	(3,437)
Depreciation charges	5,020	2,866
(Increase)/decrease in debtors	(12,541)	4,120
Increase/(Decrease) in creditors	<u>(12,857)</u>	<u>9,291</u>
	<u>47,463</u>	<u>(20,433)</u>

Cash and Cash Equivalents consist of:-

Cash at bank and in hand	<u>58,483</u>	<u>11,020</u>
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Ethnic Minorities Law Centre
Notes to the Financial Accounts
For the year ended 31 March 2021

1. Accounting policies

Charity Information

Ethnic Minorities Law Centre is a charitable company limited by guarantee incorporated in Scotland. The registered office is 41 St Vincent Street, Glasgow, G1 2ER.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)' (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS102.

The financial statements are presented in Sterling (£), which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared on a going concern basis, which the trustees believe to be appropriate for the reasons set out in the trustees' report. This assessment considers the charity's principal risks and uncertainties, including those in respect of Covid-19. The current liquidity and future cash position of the charity has been reviewed by the trustees and they are confident that the charity's resources will provide sufficient headroom to meet outgoings. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

Grants receivable

Income from government and other grants, whether "capital" or "revenue" in nature, are recognised when the charity had unconditional entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Ethnic Minorities Law Centre
Notes to the Financial Accounts (Cont'd)
For the year ended 31 March 2021

Deferred income

Grant income is deferred where the grant is subject to performance related conditions and is received in advance of delivering services required. Where grant income is deferred it is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance related conditions that limited recognition are met.

Expenditure

Liabilities are recognised as expenditure as soon as 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 or estimated reliably. Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date. 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.

Charitable activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The cost of charitable activities presented in the Statement of Financial Activities includes the cost of both direct service provision and the payments of grant awards if applicable.

Support costs

Support costs are incurred supporting the charity's activities and include expenditure associated with administration and finance functions, business support and IT. These support functions are shared across the charity's activities.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Activity based reporting

To comply fully with the Statement of Recommended Practice would require income and expenditure to be reported by activity. The trustees are of the opinion that the activities of the charity are inter-linked, therefore this would be impractical to calculate and would provide no additional benefit to the users of these financial statements. Therefore no further analysis of income and expenditure is provided within these financial statements.

Ethnic Minorities Law Centre**Notes to the Financial Accounts (Cont'd)****For the year ended 31 March 2021***Fund accounting*

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Cash and cash equivalents

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

Financial Instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

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

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measure at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on fixed assets at such rates as will write down the value of the assets to their residual value over the period of their expected useful lives. The specific rates used are as follows: -

Fixtures and fittings – 10% reducing balance

Equipment – 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.	Income from donations and legacies	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
	Donations	<u>600</u>	<u>-</u>	<u>600</u>	<u>200</u>
3.	Incoming from charitable activities				
	Glasgow City Council	10,000	119,811	129,811	137,246
	Glasgow City Council – Interpreting	-	3,120	3,120	4,120
	North Lanarkshire Council	-	14,309	14,309	16,077
	Perth and Kinross Council	-	24,000	24,000	24,000
	Scottish Executive – Edinburgh	-	60,000	60,000	60,000
	Scottish Executive – Highland Project	-	40,000	40,000	40,000
	Postcode Lottery	2,000	18,000	20,000	-
	Access to Justice Foundation	5,000	80,769	85,769	-
	Corra Foundation – Wellbeing Fund	8,500	33,161	41,661	-
	3 rd Sector Resilience Fund	3,000	24,535	27,535	-
	Foundation Scotland	-	4,933	4,933	-
	Fee income	44,906	-	44,906	55,138
	Legal aid	<u>30,806</u>	<u>-</u>	<u>30,806</u>	<u>56,764</u>
		<u>104,212</u>	<u>422,638</u>	<u>526,850</u>	<u>393,345</u>

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

4. Resources expended	Staff costs £	Support costs £	Governance costs £	Total 2021 £	Total 2020 £
Charitable activities	<u>261,577</u>	<u>169,261</u>	<u>17,760</u>	<u>448,598</u>	<u>426,818</u>
				2021 £	2020 £
Staff costs comprised: -					
Wages and salaries				238,951	248,815
Pension				4,521	4,490
Social security costs				<u>18,105</u>	<u>20,720</u>
				261,577	274,025
Depreciation					
On tangible fixed assets (note 7)				5,020	2,866
Other costs comprised: -					
Project and office costs				111,016	86,013
Audit, legal and professional fees				17,760	20,143
Training, welfare and room hire				-	775
Stationery, training materials and publicity costs				43,034	28,714
Travel costs				-	4,306
Bank interest and charges				251	327
Indemnity costs				<u>9,940</u>	<u>9,649</u>
				<u>448,598</u>	<u>426,818</u>

No directors received any expenses or remuneration in the year (2020 – Nil). No employees over £60,000 (2020- Nil)

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

	2021	2020
Core Project	3	3
Lanarkshire Project	0.5	1
Edinburgh Project	2	2
Highland Project	2	2
Legal Support Services	<u>1.5</u>	<u>1</u>
	<u>9</u>	<u>9</u>

Key Management Personnel remuneration in the year was as follows:-

Salary	85,880	84,377
Employers National Insurance	9,427	9,263
Employers Pension Contributions	2,561	2,531

5. Net outgoing resources

The net outgoing resources is stated after charged: -

Operating lease rentals – land and buildings	28,800	22,400
Depreciation (Note 7)	5,020	2,866
Auditor's remuneration	3,483	4,359

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

6. Fixed assets

	Equipment £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
As at 1 April 2020	61,638	36,624	54,440	152,702
Additions in the year	<u>11,011</u>	<u>-</u>	<u>-</u>	<u>11,011</u>
	<u>72,649</u>	<u>36,624</u>	<u>54,440</u>	<u>163,713</u>
Depreciation				
As at 1 April 2020	55,398	29,548	54,440	139,386
Charge for year	<u>4,312</u>	<u>708</u>	<u>-</u>	<u>5,020</u>
	<u>59,710</u>	<u>30,256</u>	<u>54,440</u>	<u>144,406</u>
Net book value				
As at 31 March 2021	<u>12,939</u>	<u>6,368</u>	<u>-</u>	<u>19,307</u>
As at 31 March 2020	<u>6,240</u>	<u>7,076</u>	<u>-</u>	<u>13,316</u>

7. Debtors

	2021 £	2020 £
Trade debtors	17,681	7,500
Balance due by clients	<u>7,618</u>	<u>5,258</u>
	<u>25,299</u>	<u>12,758</u>

8. Creditors – amounts falling due within one year:

Trade creditors	49,973	18,698
Balance due to clients	7,618	5,258
Accrued charges	1,976	5,459
Holiday pay accrual	1,525	-
Payroll	13,637	13,954
Pension	1,623	4,370
PAYE/NIC	<u>11,832</u>	<u>53,302</u>
	<u>88,184</u>	<u>101,041</u>
Deferred income		
Balance at 1 April	-	21,596
Released in year	-	(21,596)
Deferred income for year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

9. Comparatives for the statement on financial activities

	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and endowments from:			
Donations and legacies	200	-	200
Charitable activities	<u>111,902</u>	<u>281,443</u>	<u>393,345</u>
Total income and endowments	112,102	281,443	393,545
Expenditure on:			
Charitable activities	<u>82,623</u>	<u>344,195</u>	<u>426,818</u>
Net income/(expenses)	29,479	(62,752)	(33,273)
Transfer between accounts	(62,752)	62,752	-
Reconciliation of funds			
Total funds brought forward	<u>(30,674)</u>	<u>-</u>	<u>(30,674)</u>
Total funds carried forward	<u>(63,947)</u>	<u>-</u>	<u>(63,947)</u>

10. Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the Statement of Financial Activities in respect of defined contributions schemes was £4,521 (2020 - £4,490)

11. Fund reconciliation

	Bal at 1/4/20 £	Income £	Expenditure £	Gains/ transfers £	Bal at 31/3/21 £
Unrestricted funds					
- General	(63,947)	76,312	(1,306)	(31,901)	(20,842)
- Asset fund	-	28,500	-	(2,753)	25,747
Restricted funds	<u>-</u>	<u>422,638</u>	<u>(447,292)</u>	<u>34,654</u>	<u>10,000</u>
Total funds	<u>(63,947)</u>	<u>527,450</u>	<u>(448,598)</u>	<u>-</u>	<u>14,905</u>

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

12. Restricted funds

The movements on restricted funds during the year were as follows: -

	As at 2020 £	Resources £	Outgoing £	Transfers to/from general funds £	As at 2021 £
Glasgow City Council	-	119,811	(130,439)	10,628	-
Glasgow City Council – Interpreting	-	3,120	(3,120)	-	-
North Lanarkshire Council	-	14,309	(14,735)	426	-
Perth and Kinross Council	-	24,000	(24,707)	707	-
Scottish Executive – Edinburgh	-	60,000	(62,888)	2,888	-
Scottish Executive – Highland Project	-	40,000	(41,440)	1,440	-
Postcode Lottery	-	18,000	(10,000)	2,000	10,000
Access to Justice Foundation	-	80,769	(85,776)	5,007	-
Corra Foundation – Wellbeing Fund	-	33,161	(41,717)	8,556	-
3 rd Sector Resilience Fund	-	24,535	(27,537)	3,002	-
Foundation Scotland	-	4,933	(4,933)	-	-
	-	<u>422,638</u>	<u>447,292</u>	<u>34,654</u>	-

Scottish Government Edinburgh Project

To provide legal services to ethnic minority communities supporting refugees, asylum seekers and vulnerable ethnic minority in Edinburgh, particularly dealing with immigration, asylum, discrimination and employment issues.

Glasgow City Council

To provide legal services to the ethnic minority communities in Glasgow, particularly dealing with immigration, nationality, asylum, discrimination and employment issues.

North Lanarkshire Project

To provide legal services to the ethnic minority communities in North South Lanarkshire, particularly dealing with immigration, nationality, asylum, discrimination and employment issues.

Perth & Kinross Council

To provide legal services to the ethnic minority communities in Perth & Kinross, particularly dealing with immigration, nationality, asylum, discrimination and employment issues.

Scottish Government Highland Project

To provide legal services to the ethnic minority communities supporting refugees, asylum seekers and vulnerable ethnic minority in Highlands, particularly dealing with immigration, asylum, discrimination and employment issues.

The Postcode Lottery

To provide legal services to support refugees across Scotland with dedicated representation and services to assist vulnerable refugees obtain permanent residency in Scotland.

Foundation Scotland

To support the development and continued services during the pandemic and allow staff resources to work remotely and with new technology.

Access to Justice Foundation

To provide legal services to support refugees across Scotland with dedicated representation and services to assist vulnerable refugees obtain permanent residency in Scotland.

Corra Foundation – Wellbeing Fund

To support the continued delivery of legal services during the pandemic with development of new website and purchase of new equipment.

3rd Sector Resilience Fund

To support the continued delivery of legal services during the pandemic.

Ethnic Minorities Law Centre

Notes to the Financial Accounts (Cont'd)

For the year ended 31 March 2021

13. FRC's Ethical Standard – provisions available for small entities

In common with many other businesses of our size and nature we use auditors to assist with the preparation of the financial statements.

14. Ultimate controlling party

During the year, the charity was under the control of the trustees.

15. Company limited by guarantee

Ethnic Minorities Law Centre is a company limited by guarantee in the terms of the Companies Act 2006. The liability of each member is limited to the sum of £1. In the event of the winding up or dissolution of the company, in terms of the Memorandum of Association, any surplus assets shall be transferred to some other charitable body or bodies having objects similar to the company.

16. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash on hand	<u>58,483</u>	<u>11,020</u>

17. Financial instruments

Carrying amount of financial assets

Debt instruments measured at amortised cost	<u>103,089</u>	<u>37,094</u>
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Carrying amount of financial liabilities

Measured at amortised cost	<u>88,184</u>	<u>101,041</u>
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