

South West London Law Centres

(A Company Limited by Guarantee)

Company No. 05018587

Charity No. 1102433

Report and financial statements

For the year ended

31 March 2021

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Reference and administrative information

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|---------------------------|---|---|
| Trustees: | Chair | Allan Blake |
| | Treasurer | Ranil DeSilva |
| | Trustee | Olivier Ribert (resigned 30 th March 2021) |
| | Trustee | Simon Tinkler |
| | Trustee | Sarah Towler |
| | Trustee | John Linwood |
| | Trustee | Marion Edge |
| | Trustee | Clara Clint |
| | Trustee | Sarmad Qureshi |
| Company Secretary: | Secretary | Clara Clint |
| Chief Executive: | Chief Executive | Patrick Marples |
| Company number: | 05018587 | |
| Charity number: | 1102433 | |
| Registered office: | 5th Floor Davis House Robert Street Croydon CR0 1QQ | |
| Auditors: | Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG | |
| Bankers | CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ | |

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2021.

The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association, Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects of the Charity are: the relief of poverty, suffering and distress by the provision of legal advice, assistance and representation, and the advancement of education for those resident, working or in full time education in South West London, including the London boroughs of Croydon, Kingston upon Thames, Merton, Richmond upon Thames, Sutton and Wandsworth and, in exceptional circumstances, residents from other areas; and the promotion of other such purposes which are exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

The main activities undertaken in relation to those purposes are:

- Activity 1 - Delivery of professional services in casework and representation in various areas of social welfare law
- Activity 2 - Delivery of the housing court duty solicitor scheme in housing cases in Croydon, Wandsworth and Kingston County Courts.
- Activity 3 - Pro Bono Legal Advice Clinic service.

Public benefit

The Trustees referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the law centres aims and objectives and in planning and reviewing all our activities. South West London Law Centres (SWLLC) is a community based, legal practice working to relieve poverty, suffering and distress for the most disadvantaged and vulnerable members of our communities, in need of help at difficult times in their lives to resolve legal problems. We broadly help those who cannot afford a lawyer to access social welfare law. Public benefit is delivered by the provision of free legal advice or affordable charges for services and representation at court in social welfare law. The professional services and the housing court duty scheme are funded by legal aid, by grants, and donors, which operates from four branches in, Battersea, Croydon, Merton, and Kingston. Due to the pandemic, we adapted our services in 2020 so they could be delivered remotely through. Changes also had to be made to our outreach services and we were no longer able to visit clients in their own homes. We continue to charge for some services in employment and immigration where funding through legal aid is no longer available. Our Pro Bono legal advice clinics are free and staffed by volunteer advisors.

By these means, the Charity aims to improve access to justice to vulnerable members of the community in South West London.

Changes due to Covid 19

2020/21 was a really challenging year which, like many organisations, we were not fully prepared for. However, over the last year we have continued to operate and adapt with the same energy and commitment from the whole of our team; staff, trustees and volunteers.

When lockdown first happened in March 2020, the Law Centre rapidly moved to delivering our services remotely. Although a small number of staff have continued to go into our offices throughout lockdown, the majority have been working from home. The initial challenge this brought was huge due to our antiquated paper-based systems and limited admin support. Casework and clinics continued but productivity has been affected throughout the year by both internal and external factors. We have made progress through various Covid grants to keep services going after a significant fall off in legal aid income, and to update our IT equipment so that we can more effectively operate remotely. Every caseworker now has a laptop as well as other support. We continued to adapt our services, for example we have successfully hosted online money advice webinars - <https://swllc.org/webinars/> which we are continuing to bring in those needing money advice. As lockdown eases, we are resuming some face-to-face advice and much work has been done to ensure the safety of both our staff and clients.

In 2020/21 we assisted 5,802. Overall, the numbers we have helped are down from the previous year's total of 7452. This has been due to a combination of the difficulty of running a remote service as well as some of the impacts of Covid. Some of our more vulnerable clients have been protected through the increase in welfare benefits - universal credit, hold on evictions and many debt enforcement actions as well as the slowing down in the statutory decision making process that adversely affects our clients. We are also aware that there may be many more people with hidden problems are not reaching us, including those who are digitally excluded. We are pleased to have obtained funding for two crisis navigators, who were recruited in the year, and a community engagement manager, recruited in July 2021, to address both the immediate and anticipated increase in levels of demand as the various restrictions ease and saving measures of furlough and universal credit come to an end in autumn 2021, as well as helping bring some of the more difficult to reach to the law centre.

Volunteers

The use of volunteer has been, for a long time, at the heart of what this law centre does, with SWLLC running one of the largest Pro Bono Legal Advice Clinic services in the country through a team of around 400 volunteer lawyers. This service aims to empower clients by encouraging them to take better steps to resolve problems themselves, with some limited follow-up by advisers' e.g. drafting documents or writing letters on clients' behalf.

Prior to the pandemic we hosted around 15 to 16 different clinics each week. In March 2020 the first national lockdown obliged us to transfer our busy drop in clinics to a fully remote service.

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Although 2020/21 was a really challenging year we are very pleased that our collaborators adapted quickly to the remote telephone advice and that we continued to run the legal advice clinics, meeting the surge in new Covid related employment and housing enquiries as people faced with unprecedented problems caused by the national lockdown.

To facilitate the remote advice, we moved the service to appointment-based only, creating a new booking form to capture the service users information and case summary to pass on to the advisers. A new designated email address was created to receive supporting evidence from clients. The launch of our new website in June 2020 facilitated online triage with a contact form, which has made the journey for someone seeking help to being booked in with an adviser (or signposted to an alternative source of help) simple, easy and efficient. We have also updated the case management system which has shown that the demand for our services has expanded out of our geographic boundaries of our 6 boroughs, as we now receive request from assistance from around London and further afield. In Spring 2021 we carried out a survey with both the volunteers and clients who accessed the service with much positive feedback as well as areas to develop and change. We are currently working on developing a hybrid model of both remote and face to face service, including further technology and support to make this work more effectively.

Volunteers have normally helped us in every aspect of our work from supporting reception during the daytime and in the evening with administrative tasks, to working as casework assistants to support our casework teams. Work includes undertaking legal research, assisting with creating bundles of documents, note taking and drafting letters. Unfortunately the impact of the pandemic has meant we were unable to use these volunteers to the same extent and had to let most of them go as we did not have the capacity and resources to support them. As our offices have become more fully open, we are starting to rebuild our base of volunteers and we are looking more systematically at the roles we need to fill. Typically, our volunteers have been those seeking new skill/experience to get back into the job market or are students wishing to further their legal careers. On average our daytime volunteers, stay with the law centre between 3 to 6 months.

"The experience I've gained from volunteering has been really beneficial. The work can be challenging, and you never know what situation you'll have to deal with when you answer the phone, but it's been hugely valuable and a great opportunity to network and to learn from the team who've really taken the time to explain things to me. I don't think the same opportunity would have existed in private practice." Inna, volunteer

We estimate the value of our daytime volunteering to be £48,580 (23% of the previous year £210,945). An estimate the value of pro bono work provided by our evening volunteers is more than £1.5 million pounds – on the basis that each client (including follow up work and supervision time can take a combined total of volunteer 3 hours at a cost of £164 per hour. This is a high street rate which is higher than the legal rates that the law centre staff recover at for our professional services in casework and representation in various areas of social welfare law.

"Access to justice is a human right, but the legal world can be a maze of frustration and can exploit those not able to navigate it. I find it very rewarding to use my knowledge and experience to help those in need." Simon, pro bono lawyer

Achievements and performance

In 2020/21, we assisted 5,802 clients (7,452 in 2019/20), with direct services and received over 60,000 calls for assistance. Much of the reduction in our work was due to the suspension of housing possession and eviction hearings. The suspension of housing possession cases lasted until September 2020 and evictions until June 2021. Even when restarted the court process has been slow. Other cases progressed more slowly as much the statutory decision making such as Home Office decisions slowed down.

In June 2020 we launched a new website with a dynamic, user friendly webform allowing enquirers to be triaged to get the help they need or to be signposted elsewhere. Since then we have regularly updated the website with news and articles to give information and help on a range of topics. The new website design featured in the digital fund learning blog on 9 October 2020:

<https://medium.com/digitalfund/law-centres-network-lessons-learned-so-far-c1c93f80c24c>

| Inputs | Activities | Outputs |
|---|---|--|
| <p>Housing Team: Six solicitors, including one who undertakes community care and welfare rights cases plus one trainee (who qualified in the year) and two paralegals attached to the team</p> <p>Debt Team; Six case workers;</p> <p>Immigration Team: Seven (three solicitors and four OISC registered caseworkers) including one who undertakes public law</p> <p>Employment Team: Two caseworkers</p> <p>In addition 2 crisis navigators who were recruited to support the work of the housing and debt teams</p> | <p>Activity 1 - Provision of cases and representation in social welfare law covering the areas of community care, debt, discrimination employment, housing, immigration, asylum, public law and welfare rights</p> | <p>1,670 new cases (slowing down of statutory decision making reflected on the numbers of cases taken on. (1,758 2019/20) We carried forward 627 cases at the start of the year.</p> |
| Housing Team above | <p>Activity 2 – Housing Possession Court Duty Scheme</p> | <p>222 (1,172 2019/20) For much of the year the courts ceased to hear possession and eviction actions. Possession hearings resumed in September 2020 with eviction in June 2021</p> |

| | | |
|--|--|-------------------------------------|
| Client Services Manager , daytime and evening reception staff, and pro bono lawyers | Activity 3 - Pro Bono Legal Advice Clinic service delivered remotely since March 2020 | 3,283 clients seen (3,975 2019/20). |
|--|--|-------------------------------------|

Activity 1

Outcomes - full specialist casework service in a broad range of social welfare law in the areas of community care, debt, discrimination, employment, housing, immigration and asylum, public law and welfare rights – collectively referred to as ‘Social welfare law’. Our legal work has a broad range of outcomes:

- **Community Care Law** - We help people get the appropriate community care assessment and services that they are entitled to.
- **Debt** - We help people with a strategy for dealing with debts as early as possible in the process as well as challenging unenforceable debts.
- **Employment Law** – We help people on a wide range of issues including; dismissal, suspension, discrimination, unpaid wages and failure to pay the minimum wage; notice or redundancy pay, holiday pay, breach of contract, grievances, appeals; and settlement agreements. We have specialised in discrimination cases
- **Housing** - We work with people on a wide-range of different housing issues covering possession, unlawful eviction, homelessness, disrepair and anti-social behaviour.
- **Immigration and asylum** - We cover a broad range of services including those that are no longer covered by legal aid on immigration and asylum issue focusing on applications for leave to remain on human rights grounds and procedures to stop deportation. We have worked on the EUSS scheme
- **Public law** -We have the ability to litigate against public authorities, this includes dealing with Home Office delays and refusals to make decisions on immigration and asylum cases.
- **Welfare Rights** - We can assist people with cases including appeals to the second tier Tribunal. We can further litigate suitable cases beyond this.
- **Crisis Navigation** – We can support people to maximise their income; claim the right benefits and get further assistance such as claim grants for individuals in need.

Impact – There are a range of impacts from our casework including:

- Our **community care** casework enables people with mental illness, learning disabilities or other care needs to get the support they are entitled to. This also helps to reduce isolation for these often very lonely individuals struggling to cope alone in the community.
- Our **debt** work is focussed on reducing debt and finding affordable and manageable debt solutions. We work with individuals and families to calculate an affordable budget, so that they can get back on track. We also help people to apply for grants from a variety of sources to support their everyday needs.

Our debt team, which is funded through Debt Free London, supported 1,400 people last year.

Daniel is a single father of young children. He came to the Law Centre with a number of debts, including gas and electric arrears, council tax, credit card bills and benefits overpayments and was struggling to meet the repayments. Our debt adviser helped him identify his priority debts so he could pay off his council tax and helped arrange a pre-payment meter for his gas and electricity. As a result his anxiety has significantly reduced and he has a clear path ahead for repaying his debts.

"Going to the Law Centre was the best choice I ever made. Everything worked out perfectly. They balanced everything out for me. I feel so reassured: they motivated me and built up my confidence. My financial situation is much better. I have money to feed my family. I can move on with my life. I'm so happy."

As a result of the pandemic, the numbers of people needing debt advice has increased significantly. To address this, our debt team has devised and run a number of hour-long webinars on a range of topics. These have been greatly appreciated both by members of our community and other advice agencies. "Of those surveyed, 100% said they felt more confident managing their money having attended one of our free webinars."

During the year we also expanded our debt work to bridge the gap with our housing team, through the introduction of our new crisis navigation service. Our two crisis navigators work with people who are unable to afford their essential payments and are at risk of losing their home as a result. Through their urgent intervention they can apply for discounts and grants on a client's behalf and advise on benefits claims to help people stay in their homes.

Charlie has a long-term health condition. He came to the Law Centre because his Personal Independence Payment had stopped and he did not understand why. Our crisis navigator helped him write a mandatory letter of reconsideration and helped him gather proof to show that he was unable to do a lot of the different activities in the daily living and mobility component of the Personal Independence Payment. As a result, he was awarded both the enhanced rate for mobility and enhanced rate for daily living and his payments were backdated to the date they stopped.

"If it were not for the services of South West London Law Centres, I would not be able to get my Personal Independence Payment back."

- Our **employment** work helps people to remain in their jobs and where appropriate to get redress for bad employment practice.

This role is funded through grant funding and through various methods of affordable charging. This year we took on 22 new cases and increased our reach through using volunteers to support our weekly employment advice clinics where we advised 805 people along with our general pro bono clinics. We have increased our capacity to take on more casework and have recruited a further part time employment caseworker to specialise in discrimination cases.

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Ellie came to the Law Centre having been dismissed from her job because she refused the sexual advances of her employer. We were able to represent her and take her former employer to an employment tribunal for sexual harassment and victimisation. We won as the employer declined to give any evidence on the day, preferring to advance his wife as the only witness. There were difficulties enforcing the tribunal award which in the end was secured by bailiffs and amounted to a little over £10,000.

"When I got the news that the money had been paid, I sat on my living room floor and cried with relief. I can now close that chapter of my life. It's done. I've been through it and come out on top."

- Our **housing** work helps keep people in their homes by defending eviction proceedings, live in decent homes by getting repairs carried out. We also act for the homeless who are eligible by ensuring local authorities accept their statutory duties to provide housing. We started 62 new cases and 222 were assisted as part of Housing Possession Court Duty Scheme

Sara was working a zero hours contract. When her son was diagnosed with a rare brain disorder, she had to spend a lot of time with him in hospital and her income reduced as a result. She got behind on her rent and was also struggling with mental health difficulties. Her landlord tried to evict her due to her rent arrears but our housing solicitor raised that their failure to take into account the impact of both her son's illness and her mental health issues on her ability to pay the rent and deal with her benefits, was a breach of the Equality Act 2010, and that the property was in a state of disrepair.

"L-- looked into my housing benefit and discovered that there had been a mistake with the payment and I was owed £4,200. This not only covered the rent arrears but left my account in credit of about £1,000! The case was settled by consent: the local authority landlord agreed for the possession order to be discharged and that they would inspect and carry out repairs to the property. I was so relieved – paying the rent had always been a struggle but now I knew my children would have a roof over their heads. I felt like crying!"

- Our work with **migrants and asylum seekers**, is focussed on enabling them to get Leave to Remain. With this 'gateway' status, they can work and earn an income legally, re-unite with family left behind and maximise their life chances. Many of the people who eventually come to us have failed to have their cases fully dealt with and were exploited by other lawyers.

Our small team specialises in dealing with unaccompanied minors, victims of trafficking and modern slavery, domestic violence and minority groups such as LGBTQ+. We started 91 new cases - 76 of them from various Home Office funded projects to help vulnerable people with complex applications to get settled status under the EUSS scheme. The later of which was in a joint project with Wandsworth Citizen Advice and the council helping rough sleepers to get EUSS status.

Helene is a political activist but had to flee her home country having been tortured and gang raped. She was also suffering from mental health difficulties as a result of her experience and has since received more than five years of therapy and counselling in the UK from Freedom

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from Torture. Helene made an initial asylum claim in the UK, which failed, and having exhausted her appeal process she then came to the Law Centre in 2017 at which point our solicitor took on her case. After a very long process, Helene finally won her fresh asylum claim appeal.

"I would just like to express my sincere thanks to you for all the help you have provided me throughout what has been quite a stressful period in my life. That period goes from the day I came to the UK (19 September 2013) to the day I received your call (29 June 2021) informing me that my asylum case was sorted out."

- Our **welfare rights** work helps people to win welfare rights challenges and get them properly heard by a tribunal. We also run innovative projects – such as Stepping Stones run with project partners Zacchaeus 2000 Trust to help people address the underlying causes of benefits problems, such as a language barrier or mental health difficulties, while a caseworker helps bring benefit appeals to ensure people have enough money to meet their basic needs. In the last reported year, we worked on 302 cases; 92 of these were brought forward from previous years. Across the project we recovered £1,165,140 in financial benefit for our clients. Over the 5 years of the project, we have worked with 504 clients, assisting them to recover over £5.5m in financial gains.

Sally had accumulated over £2,000 of rent arrears as a result of complications with her Universal Credit payments and issues around financial awareness. She had an introductory tenancy with the local authority who sought possession on mandatory grounds, resulting in an outright order for possession. She was facing eviction but we have supported her over the past 18 months to manage her benefits to ensure that she was paying her rent and the arrears payments set by the court. We've also provided ongoing wraparound support and earlier this year asked her local MP to intervene in her homelessness case. As a result, the local authority decided not to evict Sally because she's been staying on top of her rent payments and is reducing the arrears. She's been given a second chance and she can stay in her home.

Activity 2

Outcome - Emergency housing representation across 3 county courts: Croydon, Wandsworth and Kingston for hearings listed that day. This helps clients to defend themselves against possession / home evictions in both rented and mortgage cases.

Our duty solicitors have provided emergency legal advice/representation to our clients last year in three courts and saved many from eviction often providing pro bono benefit assistance to address underlying issues relating to the benefit cap/bedroom tax.

Work was severely curtailed in the last year as there was a suspension of possession hearings and a ban on evictions. The courts restarted to hear cases under a new mainly remote system of a hybrid 2 stage process of a review and a final hearing. The number of cases being brought to court has dramatically reduced. The suspension of housing possession cases lasted until September 2020 and evictions until June 2021.

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Impact - We continue to achieve a high success rate. In 2020/21 we represented 222 people with a success rate in 57% of cases. This is reduction on previous years reflecting the fact that only the most serious cases reached a court hearing making them more difficult to overturn and in many of these cases the court had little discretion. We are able to help people to gain time to sort out their affairs.

Helen had a possession case brought against her by her housing association for rent arrears. Our court duty solicitor raised that the housing association was in breach of their repairing obligations. She also helped Helen apply for backdated housing benefit, and the award of £8,200 meant Helen could clear the arrears in full.

"When I heard that my rent arrears had been cleared, it was such a relief – it felt like a weight had been lifted from my shoulders. I'd lived in my house for over 20 years and we'd worked hard to make it a home. Knowing my son and I wouldn't have to move changed everything, and for the first time in a long time I'm in credit again."

Activity 3

Outcome – Our Volunteering Programme Our clinic program ran remotely from March 2020 addressing legal problems in their early stages covering a wide range of legal subjects: Crime, Criminal Injury, Consumer, Employment, Family, General Litigation, Housing, Immigration, Inquests, Motoring Offences, Personal Injury, Small Claims, Wills and Probate.

Impact - The impact of a timely, accurate legal advice through a personalised intervention can prevent a problem from escalating and becoming far more damaging for an individual (as well as costly to taxpayers). Our pro bono advice clinics not only provide an avenue for clients to seek legal redress; they also empower them with new knowledge of the law and their rights, thereby increasing their confidence and capacity to approach legal problems. Our advice also helps improve the efficacy of other public services such as education, health or social services by helping eligible people exercise their rights to access these services in a timely fashion.

"Access to justice is one of the foundations of our society; without it, in my view, the system simply cannot work. A major barrier to accessing justice is a lack of knowledge and understanding of the law among the population in general. With the legal system in the shape it is in currently, it will not work without ongoing support from the pro bono advice sector." Jonathon, pro bono lawyer

"I was very impressed with the professionalism and the way my issues were handled. Thank you very much again."

"I think SWL Law Centre gives [an] amazing service, even during the pandemic they have advised us promptly. Thank you everyone."

"I just wanted to say thank you for giving me an appointment yesterday with such a great solicitor! He was really helpful and lifted a huge weight off my shoulders. Thank you to all your team who works so hard to help us all out."

Our other major achievements have included:

Operational successes

Throughout this period, the Law Centre has taken various steps to secure its future, which have borne fruit:

Continued operating surplus – Much of the Senior Management Team's work has been involved in maintaining our cashflow in a difficult operating environment. This became more difficult with a large fall off in legal aid income following the closure of courts and slow down in statutory decision making which drives much of our casework. We were successful in getting a number of covid related and short-term grants which covered these losses; enabled the law centre to facilitate remote working as well as increase our casework team.

- **Increased grant funding** - We are grateful for the support provided by our funders that allowed us to continue to operate in these difficult times. As well as our being supported by our existing funders we were able to obtain a range of new funding and covid related support from Community Justice Fund, Law Centres Network, Funders Plus, Lottery Community Fund, Croydon Council, Battersea Power Station Foundation, Wandsworth Council. New project funding was obtained from Wandsworth Council and Therium Access.
- **Maintaining quality** – We continued to pass both our Lexcel and Legal Aid quality audits remotely with a positive audit assessment. Our last audit took place at the beginning of the pandemic: *“Despite the current difficulties and challenges, SWLLC should be highly commended for achieving a high level of compliance against the Lexcel Standard. There will still be short term challenges around continuing to sustain those high levels of compliance in the face of continuing change and development both internally and externally. It remains very clear, however, that compliance remains a well embedded part of the culture and, in Lexcel terms, SWLLC is an extremely efficient and extremely well-run organisation!! The significant ongoing work, and influence, of the Head of Legal Practice/Lexcel SRO does continue to provide a stable platform from which to address those challenges.*

Going forward, the key challenges will continue to be around sustaining those high levels of compliance in a continuing period of significant change, development and not a little uncertainty. There is a clear priority to continue to proactively monitor performance, ensure prompt and effective billing, and reduce WIP. In addition, the Centre will need to continue to proactively address the critical need to secure additional funding streams and/or protect its current ones in order to stabilise, and then improve, its financial position. Given the current context, a critical challenge for the Centre will be to continue to build upon the proactive work being done to develop and implement a strategy which will enable an effective exit from lockdown/working from home. This should enable the Centre to then continue to both develop and grow. The Centre will need to consider what any “new normal” might mean both for culture, working methods, funding, supervision and compliance. Integral to all of this will be the need to maintain a cost effective organisation structure, and the continued development

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of a culture which will need to remain proactively focussed on client care, funding sources, agile decision making and agile working.”

- **Staff Team** – Increased the staff team to meet growing areas of demand and to help reach out to people as we emerge from the pandemic. Over the year we recruited a part time discrimination caseworker; an EUSS immigration project caseworker; 2 crisis navigators. We also increased our management capacity by recruiting a deputy CEO. After year we have recruited a Community Engagement Manager whose role is to engage with our local communities and find out from them what they want from a law centre.
- **Excellence recognised:** In July 2020 the Law Centre was awarded the Legal Aid Firm of the Year Award 2020 in The Legal Aid Lawyers of the Year Awards (LALYs), ‘the Oscars of the legal aid world’. The awards recognise excellence among social justice lawyers and firms, including not-for-profit law centres like ours. The judges summed up our work as follows:

“Your energy and commitment seem absolutely limitless. You do incredibly serious and important work.”

Our work in 2020 has also been recognised with shortlisting's in the following 2021 awards:

- Legal Aid Lawyer of the Year (Housing) – Jeinsen Lam
- IMA Money Adviser of the Year – Roni Marsh
- IMA Innovation and Impact Award – Money Advice Team
- The Society Excellence Awards: Access to Justice

Financial review

Financially, this year has been challenging due to Covid related challenges. The receipt of Covid relief grants, as well as other savings measures were instrumental in finishing the year with a surplus. We anticipate that the impact of successive lockdowns, and the knock-on impact this had on our ability to earn new work will be felt more in future years. At the end of 2020- 21 our unrestricted reserves increased to £538,922 which includes the value of our work in progress at £392,350 and continuing the trend from last year we are carrying cash reserves.

Restrictions of the Legal Aid Sentencing and Punishment of Offenders Act (LASPO) continue to make it extremely difficult for the Law Centre to operate as fairly and effectively as it should, and we continue to find ways to address these difficulties. These include thinking of ways we can further harness the legal profession's support as well increasing the number of grant funded projects we can undertake. The charity's income for the year was £1,707,191 compared to £1,568,376 in 2019/20. The total expenditure in the year were £1,526,548 compared to £1,527,052 in 2019/20. The net result produced a surplus of £180,643 (2019/20 £41,692). Restricted funds increased by £82,606 and unrestricted general funds increased by £98,037.

SWLLC held funds of £680,671 at the year-end, of which £141,749 was restricted and £538,922 was unrestricted. The free cash balance at the end of the year was £36,259 (2019/20: £24,193) –(Cash at bank less monies held on client account and restricted funds)

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In 2020/21, South West London Law Centres' main source of funding was Grant Income, due to challenges around Legal Aid income. We received funding and grants from AB Charitable Trust, Battersea Power Station Foundation, Big Lottery Help through Crisis, City Bridge Trust, Community Justice Fund, Croydon Council, Debt Free London (Money and Pensions Service), Law Centres Network, Funders Plus, Legal Education Fund, London Legal Support Trust, Lottery Community Fund, Merton Council, Therium Access, Trust for London and Wandsworth Council. SWLLC retained a number of donors and corporate sponsors as well as raising funds through various fundraising activities.

Reserve policy

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

- The organisation's contractual obligations to its staff in terms of parental rights, sickness pay and redundancy provisions;
- The organisation's obligations to maintain a safe and clean working environment;
- That certain equipment is essential for our work; and
- That the timing of legal aid income is uncertain.

The nature of the Centre's business means that at any one moment in time the Centre has very considerable work in progress. This is reflected in its material reserve position. The Trustees have adopted a target for unrestricted reserves of three months expenditure which is approximately. £250,000. At March 2021, our unrestricted reserves stood at £538,922 (2019/20 £440,885) Because reserves are effectively held as work in progress rather than cash the Trustees continue to prioritise effective management of work in progress turning it into cash as well as looking for other means whereby cash reserves can be built up. This will continue to be a major focus of the law centres work in the coming year

Going concern

The impact of Covid19 on the operational activities of South West London Law Centres has increased the focus on going concern. The lockdown had a considerable impact on the ability of the Law Centre to earn Legal Aid income, particularly on our housing team. The Trustees put in place early measures to deal with this crisis, by undertaking a scenario-based budgeting exercise to quantify the potential deficit and put in place early savings measures.

SWLLC received £274,000 from the Community Justice Fund during 2020/21, along with several other COVID-19-related grants and reliefs totalling up to £58,526. Part of this was used to invest in new IT equipment to facilitate homeworking and new ways of providing our services. We also invested in new posts to expand our services in immigration and employment. The balance will be used to cover for the loss in income resulting from the lower volume of new legal aid matters opened during this year, which is likely to have an impact on our Work in Progress going forward. We are also aiming to bill out our existing Work in Progress at a faster rate.

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A budget for 2022 - 23 has been set, which reflects the challenges that we will face next year. However, we are optimistic that the relationships that we have recently developed ~~this year~~ with new funders, and the efforts put into diversifying our fundraising into based on new areas of demand, will assist towards meeting our commitments as well as seeing our legal income start to gradual increase back to more normal levels. The Budgets are regularly reviewed by the Trustees at Board level and through a Finance Sub Committee.

Fundraising note

We are mindful of the code issued by the Fundraising regulator. We did not use any third parties in our fundraising activities and no complaints were received in the year.

Principal risks and uncertainties

South West London Law Centres undertook a strategic review late last year to develop a new 3 year strategic plan. The law centre undertakes a formal risk management review throughout the year. This forms part of the business plan cycle. This involves identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying ways of mitigating the risks. The major risks are stated below and the full risk review is contained in business plan.

| Risk Description | Potential Implications | Mitigating Actions |
|---|--|---|
| Loss of staff in the Senior Management Team | Loss of knowledge within the team - inability to carry out various management/facilities functions | Share knowledge within the team - 3 month notice period |
| Loss of casework staff together with the challenge of replacing/recruiting suitable staff | Loss of knowledge within the relevant team- inability to perform contracts | Continue to develop the team with trainees and newly qualified solicitors and in small teams - need to train up other caseworkers who are able to meet the supervisor requirements - 3 month notice period - Review of remuneration to remain competitive |
| Negligent advice - Failure to pass Legal Aid Agency audit | Poor service - Loss of contracts – recovery of costs – extrapolation of recovery | File reviews – supervision systems - Lexcel accreditation |
| Failure to meet income targets for casework | Cause severe financial difficulties for the law centre and may affect our viability | Performance review – regular billing and work in progress reports distributed to all casework staff Dedicated billing co-ordinator in post |
| Failure to meet targets under various grant funded projects | Loss or reduction of grant | Regular monitoring and review Project based meeting |

For the year ended 31 March 2021

| | | |
|--|--------------------------|---|
| Failure of equipment – unable to use an office | Unable to work in office | Use another SWLLC office – Business continuity plan |
|--|--------------------------|---|

Plans for the future: The Year Ahead – Our Strategic Objectives 2020–23

Impact of COV-19

The year 2020, and probably some considerable time after this, has been torn apart by COV-19 and its aftermath. Our plans will have to adjust to an as yet unknown future environment that COV-19 leaves in its wake. It is highly likely there will be a significant economic recession over a sustained period. All of our aspirations and priorities will be impacted in an unknown way. Our potential client base is likely to expand significantly as they feel the impact of the economic consequences of COV-19 whilst SWLLC itself has to ensure it is robust enough to survive the initial economic (cash flow) shock which may or may not be mitigated by central government support. Our detailed strategy over the 3 year period is sound and flexible enough to adapt to the changing circumstances but the timing of each component will inevitably need significant flexibility as we enter a very uncertain period. The Management Team will have that flexibility to defer and pull forward strategic actions in this Plan and others that need to be embraced in a changing environment, briefing the Trustees as they progress through the uncertainty of the next 3 years. Whilst the Plan provides a background of our aspirations, SURVIVAL and BASIC PROTECTION of our Clients' interests are paramount in this uncertain period and our key drivers.

Summary of the Next 3 years: Success is Unlocking Justice through...

- Growth with enhanced funding to match our clients' needs, both geographically and in areas of legal need.
- A good employer developing staff.
- Working smarter with technology in a smarter working environment.
- Convincing more sponsors that funding SWLLC is the right thing to do in order to meet the legal needs of the most vulnerable in our society: we have to succeed in this.

Where do we see the Law Centre in 3 years' time 2023? SWLLC is...

- An established voice in London and nationally; a cutting-edge legal advocate for those in most need with professional external communications developing and promoting policy and campaigns developed from casework and strategic cases
- Financially stable, attractive to more and varied funders
- A One Stop Shop for our clients delivering holistic and integrated advice and casework: we deal with the whole of the problem, not just the symptoms
- Pro Bono clinics generating more than 50% of our caseload.
- Attracting and retaining staff including qualified staff through innovation in our staff offer and development opportunities.
- An efficient case and documentation management system.
- Smart premises.
- All brought together through great internal communications.

Structure, governance and management

Constitution and Organisational Structure

South West London Law Centres (SWLLC) is a Charitable Company limited by guarantee. It was incorporated under a Memorandum and Articles of Association which were amended 15 December 2017, and was granted charitable status on 2 March 2004. The overall responsibility of SWLLC belongs to the Trustees (board of directors) which meets bi-monthly. The Board is supported by a Finance Subcommittee. Day to day responsibility for managing the law centres is delegated to the charity's Chief Executive Officer (CEO), Patrick Marples and the Senior Management Team, comprised of the Deputy CEO, Stacey Edgar, Head of Legal Service and Housing Solicitor, Katy Forkah, and Finance Manager, Gayathiri Nadarajah. The remuneration for key management staff is determined by following a criteria of consistency with the responsibilities assigned, and alignment and success in achieving the organisation's overall strategic aims and prevailing market trends.

Appointment of trustees

SWLLC is a charitable company managed by a board of voluntary trustees comprised of local groups and individuals. Voluntary organisations from SWLLC's catchment area, representing vulnerable individuals and groups in need of our services, are encouraged to become members of the organisation and stand for election to the board as are concerned individuals from across the six boroughs. The amended articles changed the way that trustees are appointed. The size of the board is now restricted to 12 and trustees are eligible to stand for up to 2 terms of 4 years before a break. Trustees due for re-election retire from office at the AGM and those eligible can stand for re-election. During the transition from the old board structure the board is going through a process of recruiting new trustees.

Trustee induction and training

Skill gaps on the Board are regularly identified and as a result efforts are made to identify new Trustees capable of filling any gaps. Induction and training of trustees is currently carried out on an ad-hoc basis as and when the needs arise. The Trustees are in the process of developing an induction pack and reviewing training policies as part of its current review.

Related parties and relationships with other organisations

There are no related parties' transactions.

Statement of responsibilities of the trustees

The trustees (who are also directors of charitable company 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).

Trustees report and financial statements

For the year ended 31 March 2021

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that 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. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 85 (2020: 85). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

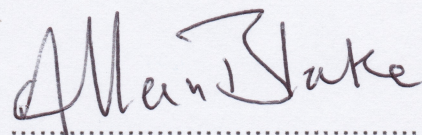
Statement as to disclosure to our auditors

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees' report has been approved by the trustees on 31 January 2022

And signed on their behalf by;



31/1/22

.....
Name
Trustee

For the year ended 31 March 2020

Opinion

We have audited the financial statements of the South West London Law Centres for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and 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 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 2020 and of the charitable company's net movement in funds, including the 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.

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 charity 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, 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.

Auditor's responsibilities for the audit of the financial statements

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 this 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.

Independent auditors' report to the members of South West London Law Centres

For the year ended 31 March 2020

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures 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

South West London Law Centres

Independent auditors' report to the members of South West London Law Centres

For the year ended 31 March 2020

- 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.

Use of this 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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Murtazza Jessa

.....
Murtaza Jessa

(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

31 January 2022

South West London Law Centres

Statement of financial activities (Incorporating income and expenditure account)

For the year ended 31 March 2021

| | | Restricted Funds | Unrestricted Funds | Total funds 2021 | Total funds 2020 |
|--|-------|---------------------|-----------------------|------------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| INCOME FROM: | | | | | |
| Grants and Donations | 2 | 1,059,873 | 336,193 | 1,396,066 | 1,029,880 |
| Legal and advice services | 3 | - | 311,084 | 311,084 | 538,765 |
| Investments | | - | 41 | 41 | 99 |
| TOTAL INCOME | | <u>1,059,873</u> | <u>647,318</u> | <u>1,707,191</u> | <u>1,568,376</u> |
| EXPENDITURE ON: | | | | | |
| Raising Funds | 4 | - | 39,488 | 39,488 | 40,165 |
| Charitable Activities - Legal and advice services | 5 | <u>977,267</u> | <u>509,793</u> | <u>1,487,060</u> | <u>1,486,887</u> |
| TOTAL EXPENDITURE | | <u>977,267</u> | <u>549,281</u> | <u>1,526,548</u> | <u>1,527,052</u> |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | 82,606 | 98,037 | 180,643 | 41,692 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds at 1 April 2020 | | <u>59,143</u> | <u>440,885</u> | <u>500,028</u> | <u>458,336</u> |
| TOTAL FUNDS AT 31 MARCH 2021 | | <u>141,749</u> | <u>538,922</u> | <u>680,671</u> | <u>500,028</u> |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 31 form part of these financial statements

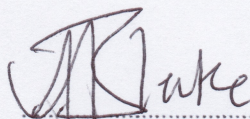
All amounts derive from continuing activities.

Balance sheet

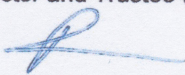
As at 31 March 2021

| | | 2021 | | 2020 | |
|---|-------|-----------|---------|-----------|---------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | 18,566 | | - |
| CURRENT ASSETS | | | | | |
| Work in progress | 10 | 392,350 | | 392,350 | |
| Debtors | 11 | 568,461 | | 527,712 | |
| Cash at bank | | 343,968 | | 244,133 | |
| | | 1,304,780 | | 1,164,195 | |
| CREDITORS: amounts falling due within one year | 12 | (642,675) | | (664,167) | |
| NET CURRENT ASSETS | | | 662,105 | | 500,028 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 680,671 | | 500,028 |
| NET ASSETS | | | 680,671 | | 500,028 |
| CHARITY FUNDS | | | | | |
| Restricted Funds | 13 | | 141,749 | | 59,143 |
| Unrestricted funds | | | | | |
| General funds | 13 | | 538,922 | | 440,885 |
| | | | 680,671 | | 500,028 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Allan Blake
 Director and Trustee (Chair)



Ranil DeSilva
 Director and Trustee (Treasurer)

The notes on pages 22 to 31 form part of these financial statements.

South West London Law Centres

Statement of cash flows

For the year ended 31 March 2020

| | Note | 2021 £ | 2020 £ |
|--|------|-----------|-----------|
| Net cash provided (used in)/by operating activities | A | 120,781 | (12,696) |
| Cash flows from investing activities | | | |
| Interest income | | 41 | 99 |
| Interest paid | | 146 | (94) |
| Purchase of tangible fixed assets | | (21,134) | |
| Cash provided by/used in) investing activities | | (20,947) | 5 |
| (Decrease)/increase in cash and cash equivalents in the year | | 99,834 | (12,691) |
| Cash and cash equivalents at the beginning of the year | | 244,133 | 256,824 |
| Total cash and cash equivalents at the end of the year | | 343,967 | 244,133 |

A: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Net income/(expenditure) for the reporting period | 180,643 | 41,692 |
| Adjustments for: | | |
| Investment income | (41) | (99) |
| Interest paid | 146 | 94 |
| Depreciation charge | 2,276 | |
| (Increase)/decrease in debtors | (40,749) | (68,311) |
| (Increase)/decrease in work in progress | - | |
| (Decrease)/increase in creditors | (21,493) | 13,928 |
| Net cash provided (used in)/by operating activities | 120,781 | (12,696) |
| Cash held at bank | 343,968 | 244,133 |

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The charity meets the definition of a public benefit entity under FRS 102.

1.2 Company status

The company is a company limited by guarantee and is incorporated in England and Wales (Company no. 05018587). The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy and receipt is probable.

Legal Aid Agency income is accounted for on a receivable basis when the income is measurable and certain. In the case of Legal Aid, the Legal Aid Agency income is usually recognised once they have confirmed the payment. Legal Help income is recognised under the Unified Contract when SWLLC has closed the cases and is entitled to claim the fee.

Voluntary income is received by way of donations and covenants and is included in full in the statement of financial activities when receivable.

Grant income is recognised in full in the statement of financial activities in the year in which it is receivable or received whichever is the earlier.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff time.

1. ACCOUNTING POLICIES (continued)

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those incurred directly in support of expenditure on the objects of the company. Any irrecoverable VAT is written back to general expenditure.

Governance costs are those incurred in connection with enabling the company to comply with external regulation, constitutional and statutory requirements, and in providing support to the Trustees in the discharge of their statutory duties.

1.6 Tangible fixed assets and depreciation

Assets costing more than £100 are capitalised, where it the benefits of capitalisation are material

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture fittings and equipment - Over 3 years

1.7 Work in progress

Work in Progress represents the value of all open legally aid funded cases. These cases had been opened but were not yet completed, as at 31 March 2021. Work in progress has been valued at the lower of cost and net realisable value taking into account payments that have already been received.

1.8 Operating leases

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

1.9 Pensions

The company contributes to defined contribution pension schemes for employees which are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the company to the schemes. The society has no liability under the scheme other than for payment of those contributions.

1.10 Investment policy

The charity does not hold sufficient funds to invest for the medium or long term. Investment income derives from bank interest paid on current and deposit accounts. All reserves are needed for working capital requirements. Should the charity find itself in a position to invest for the longer term, the Trustees would select low risk investment opportunities, such as fixed deposits and short term bonds.

1.11 Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue

as a going concern the review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

1.12 Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash includes monies held in client account relating to client monies and monies owed to third parties such as the Legal Aid Agency. The client account stood at £165,960.

1.15 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustees' best knowledge of the amount, events or actions actual results ultimately differ from these estimates. Estimates have been used in the calculation of the pension liability and valuation of the contribution by volunteers. The valuation of our work in progress is normally looked at on a quarterly basis, to assess the value of time earned but not billed. A provision is held against legal casework where it has been determined that the likelihood of recovery of costs is low.

2. GRANTS AND DONATIONS

| | Total Funds 2021 | Total Funds 2020 |
|----------------------------|------------------------|------------------------|
| | £ | £ |
| General donations | 13,875 | 32,156 |
| City solicitors' donations | 161,000 | 146,717 |
| Pro Bono Legal Volunteers | 48,580 | 206,955 |
| London Borough of Merton | 56,000 | 56,000 |
| London Borough of Croydon | 40,000 | 73,000 |
| Other Grants | 1,076,611 | 515,052 |
| | <u>1,396,066</u> | <u>1,029,880</u> |

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

The charity received no donations in kind in 2021 (2020 – nil).

The charity has benefited during the year from pro bono legal volunteers, whose professional services had we paid for would have been valued at £1.6m (2020: £2m).

We have calculated the financial benefit provided to SWLLC, by the volunteers by estimating the cost of day time volunteers only. At a conservative estimate, daytime volunteers provide the equivalent of £48,580 in added value (£7.50ph administration/reception and £15ph casework support)

We estimate the value of pro bono work provided by our evening volunteers at around £1.6 million pounds – on the basis that each client (including follow up work and supervision time can take a combined total of volunteer 3 hours at a cost of £168p). We have used an estimated high street rate, which is higher than the legal rates that the law centre staff recover, and also assumed that rates have stayed fixed since last year.

| | | |
|-------------------------------------|-------------------------------|-------------------------------|
| 3. LEGAL INCOME | Total Funds 2021 £ | Total Funds 2020 £ |
| Legal and Advice Services | 311,084 | 538,765 |
| | <u>311,084</u> | <u>538,765</u> |
| 4. RAISING FUNDS | 2021 £ | 2020 £ |
| Support costs – staff | 31,948 | 28,742 |
| Other support costs (see note 6) | 7,541 | 11,243 |
| | <u>39,488</u> | <u>39,985</u> |
| 5. EXPENDITURE ON ACTIVITIES | 2021 | 2020 |
| | £ | £ |
| LEGAL AND ADVICE SERVICES | | |
| Direct staff costs | 829,776 | 684,793 |
| Direct activity costs | 157,511 | 274,685 |
| Support costs (see note 6) | 499,772 | 527,409 |
| | <u>1,487,060</u> | <u>1,486,887</u> |

6. SUPPORT COSTS ALLOCATED TO ACTIVITIES

| | Fundraising £ | Charitable £ | 2021 £ | 2020 £ |
|--|------------------|-----------------|----------------|----------------|
| Staff costs | 31,948 | 245,880 | 277,828 | 306,580 |
| Premises costs | 3,288 | 110,705 | 113,993 | 107,762 |
| Office, administration and insurance costs | 3,406 | 114,661 | 118,067 | |
| Governance costs | 847 | 28,526 | 29,374 | 130,440 |
| | | | | 22,792 |
| Total | 39,488 | 499,772 | 539,261 | 567,574 |

Overhead costs have been allocated to activities on the basis of staff time.

SUPPORT COSTS ALLOCATED TO ACTIVITIES -PRIOR YEAR

| | Fundraising £ | Charitable £ | 2020 £ | 2019 £ |
|--|------------------|-----------------|----------------|----------------|
| Staff costs | 28,742 | 277,838 | 306,580 | 267,206 |
| Premises costs | 4,717 | 103,045 | 107,762 | 99,430 |
| Office, administration and insurance costs | 5,709 | 124,731 | 130,440 | 126,501 |
| Governance costs | 997 | 21,795 | 22,792 | 20,288 |
| Total | 40,165 | 527,409 | 567,574 | 513,425 |

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| This is stated after charging: | | |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 2568 | - |
| Auditors' remuneration - audit services | 13,345 | 11,097 |
| Pension costs | 35,654 | 35,654 |

During the year, no Trustees received any remuneration or benefits in kind (2020- £Nil).

During the year, no Trustees received reimbursement of expenses (2020 - £Nil).

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

8. STAFF COSTS AND NUMBERS

| | 2021 £ | 2020 £ |
|------------------------------|------------------|----------------|
| Staff costs were as follows: | | |
| Wages and salaries | 990,639 | 874,408 |
| Social security costs | 81,310 | 81,310 |
| Pension costs | 35,654 | 35,654 |
| | <u>1,107,604</u> | <u>991,372</u> |
| | No. | No. |
| Legal service and advice | 29 | 25 |
| Support and fundraising | 13 | 13 |
| | <u>41</u> | <u>38</u> |

No employee received remuneration amounting to more than £60,000 in either year. The remuneration of the Charity's key management personnel in the year was £56,716, (2020: £47,599).

Redundancy payments were nil (2020: £0) in the year.

9. TANGIBLE FIXED ASSETS

| | Furniture, fittings and equipment £ |
|-----------------------|---|
| Cost | |
| At 1 April 2020 | 107,088 |
| Addition in the year | 21,134 |
| At 31 March 2021 | <u>128,222</u> |
| Depreciation | |
| At 1 April 2020 | 107,088 |
| Charge for the year | 2568 |
| At 31 March 2021 | <u>109656</u> |
| Net book value | |
| At 31 March 2021 | <u>18,566</u> |
| At 31 March 2020 | <u>-</u> |

10. STOCKS AND WORK IN PROGRESS

| | 2021 £ | 2020 £ |
|------------------|----------------|----------------|
| Work in progress | <u>392,350</u> | <u>392,350</u> |

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

| | | | | | |
|-----|--|----------------------|----------------|------------------|----------------------|
| 11. | DEBTORS | 2021 £ | 2020 £ | | |
| | Due within one year | | | | |
| | Trade debtors | 52,288 | 81,295 | | |
| | Other debtors | 288,170 | 311,091 | | |
| | Prepayments | 42,843 | 31,767 | | |
| | Accrued income | 185,160 | 103,559 | | |
| | | <u>568,461</u> | <u>527,712</u> | | |
| 12. | CREDITORS: amounts falling due within one year | 2021 £ | 2020 £ | | |
| | Clients' funds held | 165,960 | 160,797 | | |
| | Trade creditors | 303,817 | 370,299 | | |
| | Social security and other taxes | 32,545 | 31,864 | | |
| | Other creditors | 14,168 | 9,329 | | |
| | Accruals | 126,185 | 91,879 | | |
| | | <u>642,675</u> | <u>664,168</u> | | |
| 13. | STATEMENT OF FUNDS | | | | |
| | UNRESTRICTED FUNDS | Brought Forward £ | Income £ | Expenditure £ | Carried Forward £ |
| | General funds | 440,885 | 626,184 | (546,713) | 520,356 |
| | Fixed Asset Fund | - | 21,134 | (2,568) | 18,199 |
| | Total | <u>440,885</u> | <u>647,318</u> | <u>(549,281)</u> | <u>538,922</u> |

Fixed Asset fund

This represents the net book value of fixed assets held within unrestricted funds.

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

RESTRICTED FUNDS

| | Brought | | | Carried |
|--|---------------|------------------|----------------|----------------|
| | Forward | Income | Expenditure | forward |
| | £ | £ | £ | £ |
| Debt Free London | - | 202,449 | (202,449) | - |
| London Borough of Croydon | - | 40,000 | (40,000) | - |
| London Borough of Croydon (Covid Grants) | | 9,636 | (9,636) | - |
| Croydon Advice Providers | | 34,211 | (34,211) | - |
| Merton Voluntary Service Council | 4,000 | - | (4,000) | - |
| The Legal Education Foundation | | 19,771 | (19,771) | - |
| City Bridge Trust | - | 51,500 | (49,379) | 2,121 |
| Help Through Crises | 10,126 | 152,930 | (99,800) | 63,256 |
| London Legal Support Trust | 5,000 | 10,000 | (10,000) | 5,000 |
| Access to Justice | | 4,985 | (4,985) | - |
| Funder Plus-Access to Justice | | 6,000 | (6,000) | - |
| Trust for London | | 16,500 | (16,500) | - |
| Trust for London(Elan) | | 50,980 | (44,723) | 6,257 |
| EUSS | | 17,692 | (17,692) | - |
| LCN Crisis | | 7,000 | (7,000) | - |
| AB Charitable Trust | | 20,000 | (20,000) | - |
| The National Lottery | 7,000 | | (7,000) | - |
| LLST Kingston & Surrey | 32,518 | 9,208 | (2,910) | 38,816 |
| Therium Access | | 26,163 | | 26,163 |
| Wandsworth Council | | 4,227 | (4,227) | - |
| Wandsworth (EUSS) | | 20,464 | (20,464) | - |
| Battersea Power Station | | 4,978 | (4,978) | - |
| Community Justice Fund (LCN) | | 274,000 | (274,000) | - |
| Lottery Community Fund | | 23,686 | (23,549) | 136 |
| Here for Good | | 53,493 | (53,493) | - |
| Total | 58,644 | 1,059,872 | 976,767 | 141,749 |

Purpose of restricted funds:

Debt Free London income was received under a partnership grant with Toynbee Hal a consortium of other London advice agencies, funded by the Money and Pensions Service for face to face debt advice across South West London

The London Borough of Croydon was a grant received towards rent of the office at Davis House

London Borough of Croydon (Covid Grants) was a grant to provide additional telephone advice during covid

Croydon Advice Providers – a partnership grant with Croydon Citizens Advice under Croydon Council's Community Fund for the provision of a pro bono clinic service in Croydon.

Merton Voluntary Service Council – monies carried forward for the provision of training in Merton where we provided a series of money advice webinars

The Legal Education Foundation grant was to fund a trainee solicitor

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

City Bridge Trust is a grant to fund a volunteer support worker and related volunteer costs.

Help Through Crisis Fund is a five-year collaboration project funded by the Big Lottery to provide casework and wraparound support under the project of Stepping Stones.

London Legal Support Trust a donation towards core cost under their Centres of Excellence Scheme. Monies carried forward for the refurbishment of our offices in Merton

Access to Justice – monies carried forward for the provision of services in Kingston and Surrey by way of a weekly clinic.

Funder Plus-Access to Justice - an additional grant under the Community Justice Fund to support a management training course for the deputy CEO.

Trust for London was a grant received towards the cost of an employment caseworker.

Trust for London (Elan) a grant to support a coordinator for the Employment Legal Advice Network, a forum for employment advice giving advice agencies across London.

EUSS is grant funding to assist EU citizens in their bid to settlement rights in the UK under the EU Settlement Scheme. Work was carried out in a consortium of Law Centres under a Home Office grant run by the Law Centres Network.

LCN Crisis, a partnership grant with Law Centres administered by the Law Centres Network to provide welfare rights and immigration support to Crisis Hubs.

AB Charitable Trust is funding to pay for the post of a Communications manager.

The National Lottery was a grant received towards funding the cost of a new website under the Awards for All Scheme capital costs carried forward.

LLST Kingston & Surrey Grants and funding raised to support the development of work in Kingston and Surrey.

Therium Access a grant for a new crisis navigators post which started in April 2021.

Wandsworth Council a grant to provide additional telephone advice and support during covid.

Wandsworth (EUSS) a partnership project to support vulnerable people apply under the EU Settlement Scheme with Wandsworth Citizens Advice and Wandsworth Council.

Battersea Power Station - was a grant to provide additional telephone advice and support during covid.

Community Justice Fund Law Centre Network – emergency grant funding to support the work and to keep the doors open during covid.

Lottery Community Fund grant towards the cost of a crisis navigators post.

Here for Good a grant to fund a EU Settlement Scheme caseworker seconded to Here for Good.

South West London Law Centres

Notes to the financial statements

For the year ended 31 March 2020

14.

ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted Funds 2021 £ | Unrestricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|-----------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | - | 18,566 | 18,566 | - |
| Current assets | 141,749 | 1,163,031 | 1,304,780 | 1,164,195 |
| Current Liabilities | <u> </u> | <u>(642,675)</u> | <u>(642,675)</u> | <u>(664,167)</u> |
| | 141,749 | 538,922 | 680,303 | 500,028 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

| | Restricted Funds 2020 £ | Unrestricted Funds 2020 £ | Total Funds 2020 £ | Total Funds 2019 £ |
|-----------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | - | - |
| Current assets | 59,143 | 1,105,052 | 1,164,195 | 1,108,575 |
| Current Liabilities | - | (664,167) | (664,167) | (650,240) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 59,143 | 440,885 | 500,028 | 458,335 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

15. OPERATING LEASE COMMITMENTS

At 31 March 2021, the charity had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-----------------------|--------------------|-------------------|-------------------|-------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Expiry date: | | | | |
| Within 1 year | 58,700 | 64,200 | 19,275 | 6,275 |
| Between 2 and 5 years | 94,800 | 133,175 | 70,824 | 25,099 |
| Over 5 years | 15,858 | 27,758 | 3,250 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

16. TAXATION

The Company is a Charity and therefore exempt from Corporation Tax on its charitable activities.

17. RELATED PARTY TRANSACTIONS

The aggregate of donations received from the Trustees in the year was £nil (2020: £nil).
There were no other transactions with related parties as at 31 March 2021 (2020: £nil).

18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2020):

| | Restricted Funds | Unrestricted Funds | Total funds 2020 |
|--|---------------------|-----------------------|---------------------|
| INCOME FROM | | | |
| Donations | 561,061 | 468,819 | 1,029,880 |
| Charitable Activities - Legal and advice services | | 538,765 | 538,765 |
| Investments | - | 99 | 99 |
| TOTAL INCOME | <u>561,061</u> | <u>1,007,683</u> | <u>1,568,744</u> |
| EXPENDITURE ON | | | |
| Raising Funds | - | 40,165 | 40,165 |
| Charitable Activities - Legal and advice services | 549,024 | 937,863 | 1,486,887 |
| TOTAL EXPENDITURE | <u>549,024</u> | <u>978,028</u> | <u>1,527,052</u> |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | <u>12,037</u> | <u>29,655</u> | <u>41,692</u> |
| NET MOVEMENT OF FUNDS | 12,037 | 29,655 | 41,692 |
| RECONCILIATION OF FUNDS: | | | |
| Total funds at 1 April 2019 | 47,106 | 366,461 | 458,336 |
| TOTAL FUNDS AT 31 MARCH 2020 | <u>59,143</u> | <u>440,885</u> | <u>500,028</u> |