

**Harrow Law Centre**

(Private Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

COMPANY REG NO. 07126773

CHARITY NO. 1134778

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*Page 14 does not form part of the statutory accounts.*

**Trustees and directors**

Adam Convisser\*\*  
Anne Whitehead\*\*  
Cyril Dennemont\*\*  
Dr Ben Lucas\*\* (resigned 16.1.2022)  
Rishi Joshi  
Sarah Wood\*\* (appointed 1.4.2022)

*\*\* - Management committee members are also, for the purpose of the Companies Act 2006, company directors.*

**Company secretary:** None

**Key management & personnel** Center Director - P Fitzpatrick

**Administration office:** The Lodge  
64 Pinner Road  
Harrow  
Middlesex HA1 4HZ

**Registered office:** The Lodge  
64 Pinner Road  
Harrow  
Middlesex HA1 4HZ

**Charity registration no.:** 1134778

**Company registration no.:** 07126773 (England & Wales)

**Independent examiner:** Christopher Michael Limited  
Chartered Certified Accountants & Statutory Auditors  
26 Station Road  
New Barnet  
Herts  
EN5 1QW

**Bankers:** Unity Trust Bank  
9 Brindleyplace  
Birmingham B1 2HB

**Harrow Law Centre**  
**(Private Company Limited by Guarantee)**  
**Directors' & Trustees' Report for the Year Ended 31 March 2022**

The trustees are pleased to present their annual directors' report for the year ended 31 March 2022 which is also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS102).

**Structure, Governance and Management**

**Governing Document**

Harrow Law Centre is a company limited by guarantee and is a registered charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Recruitment & Appointment of Trustees**

The trustees and directors who have served throughout the year are shown on page 1. Appointment of directors/trustees is governed by the Memorandum & Articles of Association.

New Trustees undergo training on their legal obligations as under Charity Law, the decision making process, the business plan and recent performance of the charity.

**Organisational Structure**

The trustees are appointed having regard to specific skills that are required for the governance of the charity. In view of the size of the centre, the trustees consider that they have a wide range of experience that is suitable for the governance of a charity.

**The charity as part of a wider part of a wider network**

Harrow Law Centre is a member of the Law Centre Network (LCN) which is an umbrella organisation to all Law Centres in the UK.

**Risk Management**

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at the current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

**Related parties**

None of the trustees receive remuneration or other benefit in their capacity as trustees of the charity. Any connection between a trustee of the charity and organisations providing services to the charity must be disclosed to the full board of trustees in the same way as any contractual relationship with a related party. In the current year no such related party transactions were reported.

**Purpose and objectives**

The main objects of the Law Centre are the relief of financial hardship by provision of free, independent legal advice and assistance to persons who, through lack of means, would otherwise be unable to obtain such advice; to advance education in the laws of England and Wales from time to time in force for the public benefit; and to advance such other charitable purposes as the directors at their absolute discretion may time to time determine.

**Achievements and performance**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commissions guidance on public benefit, including the guidance "public benefit": running a charity. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

**Harrow Law Centre**  
**(Private Company Limited by Guarantee)**  
**Directors' & Trustees' Report for the Year Ended 31 March 2022**  
**(Continued)**

**Financial review**

Total income for the year amounted to £663,387 with total expenditure amounting to £726,886 leaving a deficit for the year of £63,499

Accumulated reserves at the balance sheet date amounted to £234,271 represent income reserves.

**Reserves policy**

The Trustees have set up a policy to maintain reserves at a minimum level required if the Centre was to cease operations. At present the trustees assess the charity as a going concern and therefore do not envisage that reserves to cease operations would need to be called upon in the near future.

**Availability and adequacy of assets of each of the funds**

The board of trustees are satisfied that the charity's assets in each fund are available and adequate to fulfill its obligations in respect of each fund.

**Plans for the future**

**Summary of plans for the future and the trustees perspective of the future direction of the charity.**

The main aim for the Law Centre is to continue to meet the demand for legal advice locally. We expect the demand to continue to increase. We therefore aim to increase provision for representation at Tribunals in Welfare Benefits cases.

**Trustees responsibilities in relation to the financial statements**

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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.
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**Directors and trustees**

The trustees who are directors for the purpose of company law who have served during the year and up to the date of this report are set out on page 1.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the company's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the company independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make

themselves aware of any relevant audit information and to establish that the auditor is aware of that information

By order of the board of trustees

  
Anne Whitehead - Trustee & Director

Date: 29/12/22



#### Opinion on financial statements

We have audited the financial statements of Harrow Law Centre for the year ended 31 March 2022 on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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 2022, 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 the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis of 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

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' annual report, other than the financial statements and our auditor's report thereon. 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.

#### Opinion on other matter 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 our 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 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, 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 disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

**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.

**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 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:

To identify risks of material misstatements due to fraud ("fraud risks") we assessed events or conditions that indicate an incentive or pressure to commit fraud or provide the opportunity to commit fraud. Our risk assessment procedures included:

\*Enquiring with Trustees and management and inspection of policy documentation as to Harrow Law centre's organisations policies and procedures to prevent fraud and detect fraud that apply to this company as well as Enquiring whether the Trustees and management have knowledge of any actual suspected or alleged fraud.

Audit procedures performed by the engagement team included:

\*Discussions with management and assessment of known or suspected instances of non compliance with laws and regulations and fraud:

\*Assessments of identified fraud factors

\*Challenging assumptions and judgements made by management in its significant accounting estimates:

\*Using analytical review procedures to identify unusual or unexpected relationships:

\*Confirmation of related parties with management, and review of transactions throughout the period to identify previously undisclosed transactions with related parties outside the normal course of business:

\*Reading minutes of meetings of those charged with governance:

\*Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions:

\*Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement presentation.

\*Identifying and responding to risks of material misstatement due to non compliance with laws and regulations.



We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, taking into account possible pressures to meet profit targets, we perform procedures to address risks of management override of controls and the risk of fraudulent revenue recognition, including: the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with Trustees and management (as required by auditing standards) and discussed with Trustees and management the policies and procedures regarding compliance with laws and regulations.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non compliance have a material effect or the amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such effect: health and safety, anti-bribery, general data protection, employment law, and certain aspects of company legislation, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non compliance with these laws and regulations to enquire of the Trustees inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**Context of ability of the audit to detect fraud or breached of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non compliance or fraud and cannot be expected to detect non-compliance with all laws and regulation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.



· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for audit of the financial statements is located on the Financial reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This descriptions forms part of our Report of the Auditors.

#### 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. 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

M Michael

Michalis Michael, Senior Statutory Auditor

for and on behalf of Christopher Michael Ltd, Chartered Certified Accountants & Statutory Auditors  
26 Station Road, New Barnet, Herts EN5 1QW

Date: 29th December 2022

Harrow Law Centre  
(Private Company Limited by Guarantee)  
Statement of financial activities  
for the year ended 31 March 2022

	Notes	Restricted Funds £	Unrestricted/ Designated Funds £	Total 2021/2022 £	Total 2020/2021 £
<b>Income:</b>					
Donations and legacies	3	418,300		418,300	455,863
<i>Income from Charitable activities:</i>					
Charitable activities	4	-	245,080	245,080	281,924
<i>Income from other charitable activities</i>					
Fundraising & other income	5	-	7	7	33
Investment income	6				
<b>Total income</b>		<u>418,300</u>	<u>245,087</u>	<u>663,387</u>	<u>737,820</u>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Direct Charitable expenditure	7	413,673	308,963	722,636	646,156
Management and administration	8	-	4,250	4,250	4,250
<b>Total expenditure</b>		<u>413,673</u>	<u>313,213</u>	<u>726,886</u>	<u>650,406</u>
<b>Net income/(expenditure) and net movements in funds before gains and losses on investments</b>	9	4,627	(68,126)	(63,499)	87,414
<b>Net gains/(losses) on investments</b>		-	-	-	-
<b>Total funds brought forward</b>		-	297,771	297,771	210,357
<b>Total funds carried forward</b>		<u>4,627</u>	<u>229,645</u>	<u>234,272</u>	<u>297,771</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Harrow Law Centre  
 (Private Company Limited by Guarantee)  
 BALANCE SHEET  
 AS AT 31 MARCH 2022

	Notes	2021/22	2020/21
		£	£
Fixed Assets			
Tangible fixed assets	16	849	1,342
		-	-
Total fixed assets		849	1,342
Current Assets			
Stocks & Work in process	17	192,007	210,864
Debtors	18	101,958	2,296
Cash at bank and in hand		50,165	188,937
Total current assets		344,130	402,097
Creditors: amounts falling due within one year	19	(110,708)	(105,668)
Net current assets		233,422	296,429
NET ASSETS		234,271	297,771
The funds of the Charity:			
Unrestricted/Designated Income funds:	21	234,271	297,771
TOTAL CHARITY FUNDS		234,271	297,771
		0	

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 9 to 15 form part of these accounts

Approved by the trustees on DATE:

29/12/22



Anne Whitehead  
 Trustee & Company Director

**Harrow Law Centre**  
**Statement of cash flows**  
**As at year ended at 31.03.22**

	2021/22	2020/21
	Total Funds £	Prior year Funds £
<b>Cash flows from operating activities:</b>		
Net cash provided by (used in) operating activities	(157,628)	178,499
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	-	-
Purchase of tangible fixed assets	-	(1,423)
Net gains/(losses) on investments	-	-
<b>Net cash provided by / (used in) Investing activities</b>	<b>(157,628)</b>	<b>177,076</b>
 Change in cash and cash equivalents in the reporting period	 (138,772)	 91,823
Cash and cash equivalents at the beginning of the reporting period	188,937	97,114
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>50,165</b>	<b>188,937</b>
 <b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds for the reporting period (as per the SOFA)	(63,499)	87,414
Adjustments for :		
Depreciation charges	493	493
Dividends, interest and rents from investments	-	-
(increase)/decrease in debtors	(99,662)	(1)
increase(decrease) in creditors	5,040	90,593
<b>Net cash provided by (used in) operating activities</b>	<b>(157,628)</b>	<b>178,499</b>
 <b>Analysis of cash and cash equivalents</b>		
Cash in hand	50,165	188,937
<b>Total cash and cash equivalents</b>	<b>50,165</b>	<b>188,937</b>



#### Accounting policies

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

##### **Basis of Preparation**

The Financial statements have been prepared in accordance with Accounting and Reporting of charities : SORP applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective date 1 January 2015) - Charities SORP (FRS 102), the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrow Law Centre meet the definition of Charity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy (notes).

##### **Risks and future assumptions**

The charity is a public benefit entity. In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other services. The estimates and associated assumptions are based on historical experience and other factors that are not considered to be relevant. Actual results may differ from these estimates.

##### **Policies relating to categories of income and income recognition**

###### **Nature of income**

Gross income represents grant income, donated income, or the value, net of value added tax and discounts, of work carried out in respect of services provided on behalf of clients.

###### **Categories of income**

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investments and other income.

**Income from exchange transactions** is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

**Income from non-exchange transactions** is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without equal value in exchange.

###### **Income recognition**

Income, whether from exchange or non-exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met. All income is accounted for gross, before deducting any related fees or costs.

###### **Accounting for deferred income and income received in advance**

conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, 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 or other conditions that limit recognition are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned and where applicable is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance or expenditure on the activity funded by them, but there is no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpected part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

###### **Interest and investment income receivable**

Interest on funds held on deposit and income from investments held is included when receivable and the amount can be measured reliably by the charity.

**Policies relating to expenditure on goods and services provided by the charity**

**Recognition of liabilities and expenditure**

A liability and the related expenditure is recognised when a legal or constructive obligation exists as a result of a past event and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be

**Policies relating to assets, liabilities and provisions and other matters.**

**Stocks and work in progress**

Stocks represent work in progress on long term service contracts for legal work where the prudently calculated attributable profit can be assessed with reasonable certainty by reference to the stage of completion at the end of the accounting period.

**Financial instruments including cash and bank**

The charity has financial assets and 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. Cash and bank balances include only cash and short

**Leasing and hire purchase contracts and commitments**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Pension**

The trust has set up a government scheme in order to fulfil its autoenrolment obligations.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations or grants which the donor has specified are to be solely used for a particular purpose or area of the Trust's work or projects being undertaken by the Trust.

**Taxation**

As a grant aided charity with charitable status the charity's activities do not create a charge to corporation tax.

**Tangible fixed assets**

Tangible fixed assets for use by the charity are stated at cost less depreciation.

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

- office equipment - 25% straight line basis

**Debtors**

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

**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.

**1 Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**2 Financial performance of the charity**

	2021/22	2020/21
	£	£
Income	663,387	737,820
Expenditure on charitable activities	722,143	645,663
Expenditure on management and administration	4,250	4,250
Depreciation	493	493
	<u>726,886</u>	<u>650,406</u>
Net income	(63,499)	87,414
Total funds brought forward	297,771	210,357
Total funds carried forward	<u>234,272</u>	<u>297,771</u>
Represented by:		
Unrestricted funds	232,231	295,731
Restricted funds	2,040	2,040
Total funds	<u>234,271</u>	<u>297,771</u>

**3 Income from Donations and Grants**

Grants receivable		
The Three Guinea's Trust	101,322.00	50,486
Trust for London	29,500.00	14,500
Children in need		25,449
Greater London Authority	2,000.00	8,000
Allen & Overy Foundation		10,000
Bell foundation	62,468.00	27,745
A & O	7,500.00	
Law Centres Federation	10,823.00	180,906
Persula Foundation	5,000.00	
Harrow Council	25,000.00	32,000
Pret foundation trust		
London legal support trust	18,818.00	17,388
Legal education Foundation	55,914.00	34,025
London community Foundation		18,000
HMRC Furlough grant		4,174
oak foundation	99,620.00	100,120
Other donations		-
	<u>417,965</u>	<u>522,793</u>
Add deferred Income brought forward	66,930	
Less deferred income carried forward	66,595	66,930
	<u>418,300</u>	<u>455,863</u>

**4 Income from charitable activities**

Unrestricted Revenue Funds	245,080	281,924
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**5 Income from other charitable activities**

Fundraising	-	-
Interest receivable	7	33
Other	-	-
	<u>7</u>	<u>33</u>

**6 Investment Income**

There was no investment income during the year

**7 Analysis of expenditure on charitable activities**

Staff & agency costs	538,363	485,514
Depreciation	493	493
Other running costs	188,030	164,399
	<u>726,886</u>	<u>650,406</u>

Harrow Law Centre  
(Private Company Limited by Guarantee)  
Notes to the financial statements  
for the year ended 31 March 2022

	2021/22	2020/21
	£	£
<b>8 Analysis of governance and support cost</b>		
Staff costs	-	-
Audit and accountancy	4,250	4,250
Bank charges	-	-
Other legal & professional	-	-
	<u>4,250</u>	<u>4,250</u>
<b>9 Net income /(expenditure) for the year</b>		
This is stated after charging:		
Depreciation -owned assets	138	138
Auditors remuneration for audit services	3,600	3,600
Auditors remuneration for other services	650	650
	<u>650</u>	<u>650</u>
<b>10 Analyses of staff costs, trustee remuneration and expenses, and the cost of key management personnel</b>		
Wages and salaries	538,363	485,514
Employers national insurance	49,635	41,989
Pensions	-	-
	<u>587,998</u>	<u>527,503</u>
 The average number of staff employed during the year were as follows:		
Direct charitable	16	15
Administration & support	1	1
	<u>17</u>	<u>16</u>
 The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows:	<u>0</u>	<u>0</u>

**11 Trustees' remuneration**

The trustees were not paid or received any other benefits from the Charity during the year in their capacity as trustees.

**12 Related party transactions**

There were no related party transactions during the year

**13 Winding up or dissolution of the charity**

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

**14 Corporation Tax**

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**15 Financial commitments under operating leases**

	2021/22	2020/21
	£	£
At the year end the charity had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
Within one year	-	10,118
within two to five years	-	-
	<u>-</u>	<u>10,118</u>



Harrow Law Centre  
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Notes to the financial statements  
for the year ended 31 March 2022

	Property Improvements £	Office Equipment £	Total £
<b>16 Tangible fixed assets</b>			
<b>Cost:</b>			
At 1 April 2021	-	1,973	1,973
Additions	-	-	-
At 31 March 2022	-	1,973	1,973
<b>Depreciation</b>			
At 1 April 2021	-	631	631
Charge in year	-	493	493
At 31 March 2022	-	1,124	1,124
<b>Net book value</b>			
At 31 March 2022	-	849	849
At 31 March 2021	-	1,342	1,342
		<b>2021/22</b>	<b>2020/21</b>
		£	£
<b>17 Stock and work in progress</b>			
Work in progress		192,007	210,864
		<u>192,007</u>	<u>210,864</u>
<b>18 Debtors</b>		<b>2021/22</b>	<b>2020/21</b>
Amounts due within one year:			
Prepayments and accrued income			
Accrued income		99,620	
Prepayments			
Other debtors		2,338	2,296
Staff loans			
		<u>101,958</u>	<u>2,296</u>
<b>19 Creditors</b>		<b>2021/22</b>	<b>2020/21</b>
Amounts falling due within one year:			
Trade creditors		-	1,880
Other taxation & social security		20,886	15,993
Other creditors		2,431	5,375
Accrued expenses and trade creditors		20,796	15,490
Deferred income-restricted funds(note 20)		-	-
Deferred income-Unrestricted & designated funds (note 20)		66,595	66,930
		<u>110,708</u>	<u>105,668</u>
<b>20 Deferred income</b>		<b>2021/22</b>	<b>2020/21</b>
Deferred income comprise advance receipt of nursery fees for 2020/21.			
Balance as at 1 April 2020		66,930	0
Amount released to income earned from charitable activities		(66,930)	0
Amount deferred in the year		66,595	66,930
Balance as at 31 March 2021		<u>66,595</u>	<u>66,930</u>

	2021/22	2020/21
	£	£
<b>21 Analysis of charitable funds</b>		
<b>Analysis of movement in unrestricted funds</b>		
<u>Unrestricted - Functional fixed assets reserve</u>		
Balance at 1 April 2021	1,342	412
Additions	-	1,423
Inter-fund transfers		
Movement in year	(493)	(493)
Balance at 31 March 2022	849	1,342
<u>Unrestricted - General reserve:</u>		
Balance at 1 April 2021	263,361	176,878
Movement in year	(63,499)	87,414
Inter-fund transfers	(64,062)	(930)
Balance at 31 March 2022	135,800	263,362
<u>Restricted funds:</u>		
Balance at 1 April 2021	2,040	2,040
Inter-fund transfers	64,555	-
Balance at 31 March 2022	66,595	2,040
<u>Running costs reserve</u>		
Balance at 1 April 2021	31,027	31,027
Inter-fund transfers		-
Balance at 31 March 2022	31,027	31,027
<b>Total</b>	<b>234,271</b>	<b>297,771</b>

**22 Analysis between fund balances**

	General	Unrestricted		Total
	£	Designated	Restricted	£
Tangible fixed assets	849	-	-	849
Current Assets	277,535	-	66,595	344,130
Current liabilities	(110,708)	-	-	(110,708)
	-	-	-	-
	167,676	-	66,595	234,271

**23 a) Analysis of movement in restricted Funds**

Funders name	Balance 1/4/21 £	Incoming Resources £	Resources Expended £	Balance at 31/3/22 £
The Three Guinea's Trust		101,322.00	-101322	-
Trust for London		29,500.00	-29500	-
Greater London Authority		2,000.00	-2000	-
Bell foundation		62,468.00	-62468	-
A & O		7,500.00	-7500	-
Law Centres Federation		10,823.00	-10823	-
Persula Foundation		5,000.00	-5000	-
Harrow Council		25,000.00	-25000	-
London legal support trust		18,818.00	-18818	-
Legal education Foundation		55,914.00	-55914	-
oak foundation	66,930.00	99,620.00	-166215	-66595
				-
				-
				-
				-
	66,930	417,965	(484,560)	(66,595)

**24 Post-balance sheet events**

At the beginning of the Covid 19 pandemic, the wellbeing and safety of our people and stake holders was the charity's first priority. Where possible individuals are working remotely from home and we are continuing to operate effectively whilst taking appropriate actions to limit the spread of the virus.

**25 Ultimate Controlling Party**

The charity is under the control of its legal members.

Harrow Law Centre  
(Private Company Limited by Guarantee)  
Detailed income and expenditure account  
for the year ended 31 March 2022

	2021/22 £	2020/21 £
Performance Grants receivable	418,300	455,863
Case work fees & disbursements	20,000	53,004
Legal services Commission-Legal Aid/ Help	221,483	228,482
Donations and Legacies	3,597	438
Other income	7	33
	<u>663,387</u>	<u>737,820</u>
Gains/(Losses) on investment	-	-
	<u>663,387</u>	<u>737,820</u>
<b>Direct charitable expenditure - Direct spending:</b>		
Gross wages and salaries -charitable activities	538,363	485,514
Employers NI -charitable activities	49,635	41,989
Pension costs -charitable activities	12,021	10,233
Settlement claim	-	-
Case costs	50,175	37,135
Grants	<u>19,302</u>	<u>10,022</u>
	<u>669,496</u>	<u>584,893</u>
<b>Direct charitable expenditure - Direct trading:</b>		
Solicitors training costs	4,773	3,479
Practicing certificates and accreditation	13,380	9,102
Travel and subsistence	121	437
Rent and room hire	15,390	20,272
Insurance	-	1,456
Telephone, fax, internet	960	1,259
Post & stationery	7,795	8,202
Library costs	-	69
Membership subscriptions	-	-
Computer expenses	8,524	14,387
Advertising and marketing	-	-
Equipment, repairs, expenses and maintenance	-	-
Accountancy fees	1,279	1,364
Staff Welfare	35	570
Bank charges	390	173
Fines and penalties	-	-
Depreciation	<u>493</u>	<u>493</u>
	<u>53,140</u>	<u>61,263</u>
<b>Other expenditure-Governance costs</b>	-	-
Audit fee	3,600	3,600
Statutory accounts preparation fees	<u>650</u>	<u>650</u>
	<u>4,250</u>	<u>4,250</u>
<b>Total charitable expenditure</b>	<u>726,886</u>	<u>650,406</u>
<b>NET INCOMINGS/(OUTGOINGS) IN YEAR</b>	<u>(63,499)</u>	<u>149,269</u>