

PRO BONO COMMUNITY
(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2020



PRO BONO
COMMUNITY

Charity No: 1153220
Company No: CE000028

PRO BONO COMMUNITY

TRUSTEES' REPORT AND ACCOUNTS

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PRO BONO COMMUNITY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2020

The trustees present their annual report and financial statements of the charity for the year ended 31st August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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.

OUR PURPOSE AND ACTIVITIES

As set out in its constitution, Pro Bono Community's vision is to improve access to justice through legal education and to act in the public benefit through:

- (a) The advancement of legal education and the study of law.
- (b) The prevention and relief of poverty, hardship and distress through the promotion of effective legal education and training in the areas of law most likely to affect those in poverty or need and to benefit of those in poverty or need and the provision of free legal advice and assistance to people who are unable to afford to pay for such advice.
- (c) The promotion of the sound administration and development of the law.

Aims and Objectives

Britain is experiencing a legal advice deficit. Pro Bono Community ('PBC') is a registered charity which provides specialist training so as to equip lawyers, trainees, and law students with the skills and expertise to become effective volunteers, before placing them in advice agencies. By training volunteers and providing them with volunteering placements, we aim to increase the amount - and improve the quality - of free legal advice in the areas of law affecting those in need.

The charity's primary aim is to help advice agencies increase the scope and quality of advice they can offer to some of the most vulnerable people in society. In order to improve access to justice, we have developed rigorous, specialised training courses for lawyers, trainees and law students, delivered by experts in the relevant field. In addition to arranging placements for the volunteers in advice agencies, PBC also seeks to help those organisations overcome the constraints on their capacity to use more volunteers effectively.

Furthermore, by developing a range of high level, standardised courses we aim to improve the quality of education in the advice sector in general. In addition to the benefits to the advice agencies, attendees of PBC's training gain valuable skills and experience in areas of the law they are unlikely to have come across either in law school or practice. We hope that our training will serve to embed the pro bono culture in the hearts and minds of young lawyers and that many of them will go on to become champions for volunteering and pro bono work in their future careers.

One of our strategic objectives is to gain formal accreditation for our training with a view to integrating it into the curriculum of law students, thus increasing the level of support advice agencies receive as well as embedding an understanding of and enthusiasm for social welfare law in young lawyers. We are increasingly making use of technology in innovative ways to achieve our aims.

The charity's key goals over the past year were to:

- Build on the success of the first three years of the student volunteer training and placement project funded by City Bridge Trust and maintain the level of impact over the next two years of the extended grant;
- Consolidate the relationship with City University and encourage other universities to adopt similar models integrating PBC's training into mainstream legal education;
- Seek to expand PBC's activities outside London;
- Develop projects applying the training and placement model PBC has developed and lessons learned from the first five years of the charity's activities;
- Continue to refine the training material delivered by PBC and expand into new areas where a potential demand can be identified;
- Develop grant applications either alone or in partnership with advice agencies, focusing on core costs as well as specific projects, including projects addressing issues around the need for volunteer supervision.

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Activities

Overview: : PBC's sixth full year of operations was interrupted in February 2020 by the coronavirus pandemic and the subsequent national lockdown. At that time, it was not clear what impact the pandemic and its consequences would have on PBC and our mission. Various scenarios were hypothesized and the trustees and management met several times between March and August to monitor the situation and discuss the charity's operational and strategic objectives. These meetings led to decisions to move all our training online and to prepare for the probability that the majority of volunteer placements for the foreseeable future would involve remote working. In the year from September 2019, PBC trained cohorts of lawyers, trainees and students from law firms and universities including Freshfields Bruckhaus Deringer, Farrer, City University, University of Westminster, LSE, University College London, King's College London, the University of Law and BPP. The income derived from sales to law firms and other organisations was supplemented by grant and sponsorship income from Tudor Trust, City Bridge Trust, The Legal Education Foundation and London Community Response Fund.

Areas of Law: PBC has developed modular training courses in a variety of areas of social welfare law. The charity continued to refine its training by tailoring it to the particular needs of clients and advice agencies and offering flexibility in terms of content, format, duration, schedule and venue. The training comprises a general introduction to legal advice and the practical skills involved in volunteering before going on to focus on specialist legal advice topics including welfare benefits, housing and employment law.

Over the spring and summer of 2020, the charity put considerable effort into making its existing training content suitable for digital learning and researched remote learning platforms so that we were ready to provide all or part of our training online if circumstances demanded it in the autumn. PBC prides itself in providing training that is engaging and interactive and we wanted to ensure that these qualities were not lost in the digital environment.

Volunteers: 228 people attended PBC training programmes during the year with the majority going on to undertake volunteering placements at Law Centres and advice agencies and play their part in addressing the need for free legal help, a demand which was exacerbated by the pandemic, particularly in certain areas of social welfare law. In most cases, PBC facilitated these volunteering placements through the network of Law Centres and advice agencies with which it has developed relationships although law firm Farrer commissioned training in order to support its own relationship with Mary Ward Legal Centre.

Grant Projects: In June 2016, PBC was awarded a grant by The City Bridge Trust enabling the charity to train 80 law students per year for three years. Having delivered on all its targets, the project received continuation funding for a further two years from June 2019. This fourth year of the project was interrupted by the coronavirus epidemic but nevertheless saw 71 law students receive training and go on to commence placements at 26 Law Centres and advice agencies. The charity received continuation funding from Tudor Trust for two years from January 2019, an unrestricted grant which makes an important contribution to the charity's running costs. In July 2018, the Legal Education Foundation provided PBC with a new two-year grant supporting the charity's efforts to develop its activities in higher education. In June 2020, PBC was awarded a grant of £17,000 by the London Community Response Fund to set up a digital advice clinic project in association with Citizens Advice Islington which was due to commence in the autumn.

Accreditation: PBC was re-commissioned by City University to deliver two credit-bearing Pro Bono Training modules as options within the University's undergraduate and postgraduate law degrees. The LLB module focused on legal advice and welfare benefits law whilst the LLM/BPTC option featured employment law as its specialist content. PBC delivered two other training and placements programmes which were independently-funded by LSE and University of Westminster. These were not credit-bearing but we hope both universities may look at integrating the modules into their degree courses in the future. PBC had opened conversations with a number of other universities who expressed serious interest in offering either accredited or extra-curricular but fully-funded modules in 2020-21 but these discussions were set back by the coronavirus pandemic.

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FOR THE YEAR ENDED 31ST AUGUST 2020

Clinic Projects: PBC is committed to finding ways to mitigate the constraints on the use of volunteers by advice agencies as a result of limited resources for supervision. In the summer of 2020 we successfully applied for grants from London Community Response Fund and National Lottery Community Fund to set up and run supervised digital advice clinics catering for issues exacerbated by the impact of Covid-19 in partnership with Citizens Advice agencies in Islington and Haringey. Both these project were due to commence in the autumn of 2020.

Achievements and Performance

Overview

Over the course of the year, PBC has trained 228 people across ten cohorts from law firms and universities. This is almost exactly the same as the previous year which we view as a good outcome given the impact of Covid-19. We are usually unable to monitor the impact and activities of the lawyers and trainees we train, but the 175 students we trained who went on to commence volunteering placements completed 1054 volunteering sessions and assisted more than 4,000 people in need of legal help. This represents an average of six sessions per volunteer, which is less than half our usual expectation and reflects the impact of the pandemic on placements. Below, we provide more details of a project which accounts for approximately one-third of the students we train and place.

Student Volunteer Training and Placement Project

In May 2020, PBC completed the fourth consecutive year of an extended five-year volunteer training and placement project funded by City Bridge Trust. Year four of the project missed its delivery targets for the first time but the Trust acknowledged that this was due to the imposition of a national lockdown in March 2020, the cessation of almost all volunteering placements across the advice sector and the closure of many advice agencies. Nevertheless, in spite of these challenging circumstances, the project achieved the following headline outputs:

Target law students trained and placed as volunteers: 80

Actual law students trained and placed as volunteers: 71

Target volunteer days/sessions undertaken: 1040

Actual volunteer days/sessions undertaken: 465

Target client interactions: 3000

Actual client interactions: 1848

Target cost per person assisted: £12

Actual cost per person assisted: £20

During the course of the project, volunteers were placed at the following Law Centres and advice agencies: Age UK Lambeth, Age UK Kensington, Bromley by Bow Centre, Citizens Advice Wandsworth, Citizens Advice Southwark, Citizens Advice Islington, Citizens Advice Kensington and Chelsea, Citizens Advice Hammersmith and Fulham, Citizens Advice Haringey, Citizens Advice Greenwich, Citizens Advice Brent, Citizens Advice Bromley, Community Advice (Highbury Corner Magistrates' Court), Cambridge House Legal Advice Centre, Community Links, Havelock Family Centre, Islington Law Centre, IWGB, Limehouse Project, Nucleus Legal Advice Centre, Paddington Law Centre, Richmond AID, Southwark Law Centre, South West London Law Centres, Step Up Hub and Toynbee Hall.

The volunteers undertook a wide range of tasks depending on their skills, confidence, experience and the needs of the Law Centre or advice agency at which they were volunteering. The activities undertaken included fielding and triaging new clients, signposting or referring clients, manning reception, acting as first point of contact for clients and arranging appointments. The volunteers liaised with third parties on behalf of clients, either over the phone or through written correspondence, for example, to the Department of Work and Pensions and local authorities. Volunteers drafted client advice letters, submissions and letters to court, including PIP and ESA appeals to the Upper Tribunal. They also drafted letters to assist clients with financial problems as a result of COVID-19, including rent freeze and car payment freeze letters. Volunteers provided case summaries and legal research for their supervisors as well as providing advice and information, under supervision, to clients on a range of legal issues including COVID-19-related employment and benefits enquiries. Volunteers interviewed and assessed clients in order to effectively triage and identify next steps for the clients; volunteers did so by manning advice lines as well as in person with clients. Volunteers assisted clients to complete benefits forms such as Universal Credit applications, ESA50 forms and PIP applications.

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Feedback from agencies, clients and volunteers included the following:

"Our volunteer completed complex disability benefit forms with clients so clients would not have to complete the forms alone. Clients will find out the DWP decisions about their benefits in the coming months."

Gail Wagstaff, Welfare Benefits Caseworker, Islington Law Centre

"Vincent L. assisted a client to successfully recover his rent deposit. In doing so, he researched the landlord who had re-registered under a different name. Vincent then researched the protocol for each stage of lodging the claim to recover the deposit and advised the client accordingly. The client was very pleased with the outcome and told us he felt very secure when being advised by Vincent."

Lorna Reid, Chief Executive, Citizens Advice Kensington & Chelsea

"My role at Step Up Hub involved helping clients through the appeals process. I advised a pensioner who had phoned the DWP with the intention of changing his correspondence address. Due to English being his second language there was a miscommunication and his Pension Credit was stopped. I helped the client to prepare the necessary paperwork to take the matter to a tribunal – including evidence gathering, points of appeal and correspondence with HMCTS. We were finally able to get through to the DWP who have now dropped the case and permitted his return to the Pension Credit he was previously receiving. The client was incredibly grateful and was a really lovely guy throughout the whole process, despite being in a very tough position."

Jack Nurney, volunteer at Step Up Hub

University Accreditation

One of PBC's strategic objectives is to integrate our training into mainstream legal education, thus increasing the level of support Law Centres and other advice agencies receive from well-trained and highly-motivated student volunteers, whilst also developing a positive attitude towards pro bono work in young lawyers and making social welfare law part of the curriculum.

The charity took an important step towards achieving this objective when it formed a partnership with City University whereby PBC delivered a credit-bearing, pro bono training module to City University's undergraduate law students from October 2017. In 2018-19, the university commissioned a second credit-bearing module for postgraduate students doing the LLM/BPTC. Both these modules were re-commissioned in 2019-20 and PBC also ran new training and placement modules for LSE and University of Westminster which, though not credit-bearing at this stage, were independently-funded by the universities and may be accredited in the future.

A number of other universities had expressed serious interest in offering either accredited or extra-curricular but nevertheless fully-funded modules. However, these discussions were put on hold following the coronavirus outbreak.

Training Programmes

All PBC's training prior to this year had been delivered face-to-face so the charity's decision in the spring of 2020 to move all its training online for the foreseeable future represented a major challenge. We trialled various tools and settled on Zoom as the most effective and reliable platform for digital training. The provision of online training commenced after the scope of this report but the positive feedback we have since received reflects the preparation put into the transformation over the spring and summer and our determination to ensure our training remained as effective and engaging in the digital environment as it had been in face-to-face sessions.

Overcoming the "Supervision Bottleneck"

PBC is committed to finding ways to mitigate the constraints on the use of volunteers by advice agencies as a result of limited resources for supervision. In the summer of 2020 we successfully applied for grants from London Community Response Fund and National Lottery Community Fund to set up and run supervised digital advice clinics which included dedicated resource for supervision and involved PBC more actively in the running of the clinics. Both these projects were due to commence in the autumn of 2020 and so fall outside the scope of this report.

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Expand PBC's Courses to New Regions

PBC has worked hard to develop partnerships with Law Centres, advice agencies, universities, law firms and other potential stakeholders in the regions. These efforts, which included potentially promising discussions with universities and advice agencies in the Leeds & Bradford region, were curtailed by the coronavirus outbreak. However, there was growing evidence through the summer of 2020 that the increased provision of remote advice and the consequent ability to place volunteers at agencies geographically separate from their physical locations would open up new opportunities to work with advice agencies across the country in the future.

Relationships with Law Firms

The demand from law firms for training with or without placements was already sluggish before the coronavirus outbreak. PBC generated income from sales to Freshfields Bruckhaus Deringer and Farrer & Co in 2019-20, but all other discussions with law firms were shelved in March with little likelihood of them being re-opened until at least 2021.

Our volunteers

Although we train and place volunteers, the charity itself does not use volunteers.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

FINANCIAL REVIEW

The financial results for the year are set out in the Statements of Financial Activities on page 12. The charity recorded an overall surplus of £22,345 (2019 – £1,104 deficit). The financial position at the year revealed by the Balance Sheet on page 13 shows net current assets or working capital of £92,406 (2019 – £70,061).

Principal funding sources

The charity aims to develop a diverse funding base for its activities. Pro Bono Community continues to attract funding for its various projects from a wide range of other sources – charitable trusts, private companies, individual donations and the charity's own income generating activities.

Investment powers and policy

The trustees have considered the most appropriate policy for investing surplus funds and have found that bank deposit accounts provide the appropriate combination of security, accessibility and income growth.

Reserves policy

As at 31st August 2020 accounts showed reserves of £92,406 (2019 - £70,061), of which £19,471 (2019 - £10,010) was restricted. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £72,935 (2019 - £60,051).

Pro Bono Community's trustees recognise that charities face a variety of risks and that it is important that there are sufficient free reserves to tide an organisation over in difficult financial circumstances or, in the worst case, to allow an organisation to wind up at the same time as meeting its obligations to staff and service users.

The principal risk to Pro Bono Community is an unexpected shortfall in either sales or grant income and the trustees have agreed to keep a certain level of financial reserves to ensure that main operations can continue for a period in the event of severe financial difficulties.

PRO BONO COMMUNITY
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FOR THE YEAR ENDED 31ST AUGUST 2020

The main concerns of the board are to ensure:

- That staff can continue working, primarily to secure new sales or grant funding; and
- That any service for which income has already been received can be properly fulfilled.

The trustees met several times in the spring and summer of 2020 to assess the impact of the Coronavirus epidemic on the charity's finances and agreed to try to increase the level of unrestricted reserves to keep the charity running for up to a year until more was understood about the likely impact of the crisis on the charity's income streams and society returned to normal.

FUTURE ACTIVITIES

PBC's principal strategic objective is to address the urgent and growing need for increased access to high-quality pro bono advice from well-trained and highly-motivated volunteers at advice agencies. This mission is even more urgent in the light of Covid-19 and the damage it has done to the economy, causing people who have never needed advice before to seek assistance with problems related to employment, housing, welfare benefits, debt and other areas of social welfare law.

In the late summer and early autumn of 2020, it remained unclear how long it would be before the country would recover sufficiently for things to return to some semblance of normality. In that context, the charity's immediate objective is to get through the crisis and remain stable and active whilst doing so, without unduly depleting its reasonable reserves built up over a number of years. Our aim is to maintain at least the same level of income-generating activity as in the previous two years and to continue to seek new sources of grant funding, emphasising the need to obtain funding for core costs as well as for specific projects.

Additionally, the range of objectives during 2020-21 and beyond include, but are not limited to, the following:

- Building on the success of the first four years of the student volunteer training and placement project funded by City Bridge Trust and maintaining the level of impact over the final year of the current grant;
- Consolidating the relationships with City University, LSE and University of Westminster and encouraging other universities to adopt similar models integrating PBC's training into mainstream legal education;
- Seeking to expand PBC's activities outside London, particularly using the opportunity presented by the growth of remote working to link advice agencies in the regions with students based in London and elsewhere;
- Developing grant applications which apply the training and placement model PBC has developed and lessons learned from the first six years of the charity's activities and apply them to specific projects, particularly ones including dedicated resource for volunteer supervision and addressing the needs of people whose lives have been adversely affected by Covid-19 and its consequences; and
- Continuing to refine the training material delivered by PBC and expand into new areas where a potential demand can be identified.

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FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a Charitable Incorporated Organisation ("CIO") registered as a charity with the Charity Commission on 2 August 2013 (Charity no. 1153220). The charity is established under a written constitution that established the objects and powers of the charity and is also governed under this constitution.

Recruitment and appointment of Trustees

PBC recruits and appoints trustees in accordance with the following process:

- The trustees publish an advertisement with a Role Description.
- Interested persons are invited to contact the existing trustees, upon which they are provided with an Application Form, Declaration of Eligibility Forms and the details of current trustees.
- Applicants are shortlisted and invited for interview, in accordance with internal selection criteria.
- Following a successful interview, the proposed candidate is presented to the board of trustees for approval and formal appointment.
- Successful candidates are notified and provided with accounts, the constitution and the Code of Good Governance.

Trustee induction and training

The trustees maintain a good working knowledge of charity governance and best practice by regular reading of charity press articles and scrutiny of the Charity Commission and other Government and voluntary organisation advisory websites. New trustees are given copies of previous minutes and attend an induction session given by an experienced trustee.

Organisational Structure

The board of trustees takes strategic and major financial decisions. The trustees of PBC have delegated day-to-day management of PBC to Executive Director Bill Skirrow who, in turn, supervises the work of the part-time training and volunteer coordinator as well as any external suppliers and freelance assistance such as trainers and consultants. The Executive Director works with the trustees to deliver the objectives set out in PBC's business plan and in the terms and conditions of its grants. The Executive Director supervises and manages the relationship with partner organisations including law firms, course providers, Law Centres, advice agencies, suppliers and other third sector organisations.

Risk Management

The trustees have considered the major risks to which PBC is exposed and have reviewed those risks and established systems and procedures to manage them.

PBC's trustees consider that the principal risk to PBC is an unexpected shortfall in either sales or grant income. The charity mitigates this risk in the following ways:

- PBC's income is derived from both sales and grant income, enabling the charity to spread the risk from a shortfall in one income stream or the other.
- PBC has a very lean infrastructure and outsources the majority of its service provision to third parties who are not themselves paid until the relevant income has been received by PBC.

The trustees also consider ensuring that funds are properly managed and accounted for is a major risk and the measures put in place to manage this risk include the Board of Trustees receiving regular financial reports from the Executive Director who takes routine day-to-day financial decisions. The Chairman, Secretary and Executive Director have access to the charity's bank account and monitor payments in and out of the account on a regular basis. No payments of more than £500 may be made without the authorisation of two of the three designated account operators. The charity's payroll is handled by the National Pro Bono Centre's Head of Financial and Administration, Andrew Ledward.

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Related parties

PBC is one of several organisations that worked from the National Pro Bono Centre in Chancery Lane until June 2020. These organisations all operate within the field of pro bono legal assistance but there is no constitutional relationship between PBC and any other organisation. PBC has established informal relationships with organisations in the sector including The London Legal Support Trust, Advice Services Alliance, Advocate, Advice UK, Law Centres Network and LawWorks. PBC has developed a relationship with several universities to explore what scope there is to embed the charity's training in their undergraduate and postgraduate courses.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number: 1153220

Company Number: CE000028

Trustees: Oliver Hyams (Chair)
Livia Cullens (Co-Vice Chair & Secretary)
Dinah Crystal OBE (Co-Vice Chair) – Appointed 24/09/2019
David Dowling
Adam Johnson QC
Lindsey Poole
Steve Levett
Daniel Laking – Appointed 24/09/2019
Stephanie Cunningham – Appointed 11/03/2020

Senior Management: Bill Skirrow – Executive Director

Registered Office: 93 Tabernacle Street, London EC2A 4BA

Correspondence Address: PBC, PO Box 409, Cobham KT11 9FR

Independent Examiner: Mr D Terry, Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA

Bankers: Triodos Bank, Deanery Road, Bristol BS1 5AS

PRO BONO COMMUNITY

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31ST AUGUST 2020

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees 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).


The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources, including the income and expenditure 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 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 charitable incorporated organisation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report was approved by the Trustees on 22nd March 2021 and signed on its behalf:

.....

Oliver Hyams
(Chair)

REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF

PRO BONO COMMUNITY

I report on the accounts of the charitable incorporated organisation for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



D TERRY – Chartered Accountant
RAMON LEE LTD
93 TABERNACLE STREET
LONDON EC2A 4BA

22nd March 2021

PRO BONO COMMUNITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2020

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income					
Donations	2	25,000	-	25,000	25,000
Income from charitable activities	3	50,800	60,757	111,557	79,188
Investment income	4	49	-	49	47
Total income		75,849	60,757	136,606	104,235
Expenditure					
Cost of raising funds	5	21,237	-	21,237	19,908
Charitable activities	5	41,728	51,296	93,024	85,431
Total expenditure		62,965	51,296	114,261	105,339
Net income/(expenditure) and net movement in funds for the year		12,884	9,461	22,345	(1,104)
<i>Reconciliation of funds</i>					
Total funds, brought forward		60,051	10,010	70,061	71,165
Total funds, carried forward		72,935	19,471	92,406	70,061

CONTINUING OPERATIONS

None of the Charity's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 14 to 21 form part of these accounts.

PRO BONO COMMUNITY
BALANCE SHEET AS AT 31ST AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Current assets					
Debtors	11	1,109		389	
Cash at bank and in hand		<u>95,926</u>		<u>80,401</u>	
		97,035		80,790	
Liabilities					
Creditors falling due within one year	12	<u>(4,629)</u>		<u>(10,729)</u>	
Net current assets			92,406		70,061
Net assets			<u><u>92,406</u></u>		<u><u>70,061</u></u>
The funds of the charity:					
Unrestricted funds	13	72,935		60,051	
Restricted funds	13	19,471		10,010	
Total charity funds			<u><u>92,406</u></u>		<u><u>70,061</u></u>

Approved by the Trustees on 22nd March 2021 and were signed on its behalf by:

.......... OLIVER HYAMS (CHAIR)

.......... LIVIA CULLENS (SECRETARY)

The notes on pages 14 to 21 form part of these accounts.

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

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) – Charity SORP (FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Pro Bono Community meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net income of £22,345 (2019 – Net expenditure £1,104) for the year and free reserves of £72,935. The trustees are of the view that these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

1.3 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- (a) Income received by way of grants and donations are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of Grants and Donations as shown under note 2. Performance related grants and donations which have conditions for a specific outcome are included as Income from Charitable Activities as shown in Note 3.
- (d) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.
- (e) Investment income is included when receivable.

1.4 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No such donations were received during the year.

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1.5 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Cost of raising funds includes staff time used to raise grants and donations and their associated support costs.
- (b) Expenditure on charitable activities include expenditure associated with the main objectives of the Charity and include both direct costs and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 6.

1.7 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term cash deposits.

1.9 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.

1.10 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1.12 Judgement and key sources of estimation uncertainty

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

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

1.13 Pension

The Charity operates a defined contribution pension scheme on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period in which they are payable. The assets of the scheme are held separately from those of the charity in an independently administered fund.

1.14 Cash flow statement

The charitable incorporated organisation qualifies as a small charity and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 2, not to prepare a cash flow statement.

2. GRANTS AND DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Tudor Trust	25,000	-	25,000	25,000
	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>

Grants and donations income in 2019 totalling £25,000 was attributed to unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<i>Legal Advice Training</i>				
<i>Grant income</i>				
City Bridge Trust	-	35,702	35,702	36,863
The Legal Education Foundation	-	7,875	7,875	10,500
London Community Response Fund	-	17,180	17,180	-
Training fees and sponsorship	50,800	-	50,800	31,825
	<u>50,800</u>	<u>60,757</u>	<u>111,557</u>	<u>79,188</u>

Income from charitable activities in 2019 totalling £79,188 was attributed £47,363 to restricted funds and £31,825 to unrestricted funds.

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST AUGUST 2020

4. INVESTMENT INCOME

	Unrestricted Funds £	Total 2020 £	Total 2019 £
Interest Income	49	49	47
	<u>49</u>	<u>49</u>	<u>47</u>

Investment income in 2019 totalling £47 was attributed to unrestricted funds.

5. ANALYSIS OF EXPENDITURE

	Raising funds £	Legal advice training £	2,020 £	2,019 £
Salary costs	16,159	46,471	62,630	60,373
Other direct costs	-	26,109	26,109	23,020
Marketing and Promotion	-	130	130	585
Support costs (Note 6)	4,820	19,282	24,102	20,101
Governance costs (Note 6)	258	1,032	1,290	1,260
	<u>21,237</u>	<u>93,024</u>	<u>114,261</u>	<u>105,339</u>

Of the £114,261 expenditure in 2020 (2019 - £105,339), £62,965 was charged to unrestricted funds (2019 - £54,936) and £51,296 to restricted funds (2019 - £50,403).

6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's key activity undertaken (see note 5) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of staff time allocated to each activity.

	Support costs £	Governance costs £	2020 £	2019 £
Office and administration staff	16,159	-	16,159	12,775
Premises costs	3,794	-	3,794	5,280
Communication and IT costs	2,171	-	2,171	1,021
Insurance	575	-	575	549
Staff recruitment Expense	325	-	325	75
Miscellaneous expenses	1,078	-	1,078	401
Independent Examiner's fee	-	1,290	1,290	1,260
	<u>24,102</u>	<u>1,290</u>	<u>25,392</u>	<u>21,361</u>

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST AUGUST 2020

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2020	2019
	£	£
Independent Examination	<u>1,290</u>	<u>1,260</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

STAFF COSTS

The total staff costs were:

	2020	2019
	£	£
Wages and salaries	71,098	66,035
Social security costs	4,182	3,844
Pension	3,510	3,269
	<u>78,790</u>	<u>73,148</u>

No employee received remuneration in excess of £60,000 during the year (2019 – £NIL).

No trustee or member of the Management Committee received any remuneration or reimbursed expenses during the year (2019 - £nil).

The key management personnel of the charity comprise the Executive Director. The total employee benefits of the key management personnel of the charity were £64,637 (2019 - £62,544).

9. STAFF NUMBERS

The average monthly equivalent full time number of staff employed by the Charity during the period was as follows:

	2020	2019
Direct charitable work	1.00	1.00
Raising funds	0.25	0.25
Office and administration	0.25	0.25
	<u>1.50</u>	<u>1.50</u>

10. DEBTORS

	Total 2020	Total 2019
	£	£
Prepayments	788	389
Other Debtors	321	-
	<u>1,109</u>	<u>389</u>

PRO BONO COMMUNITY

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST AUGUST 2020

11. CREDITORS: amounts falling due within one year

	Total 2020 £	Total 2019 £
Taxation and social security	1,339	1,272
Accruals	1,290	2,957
Deferred Income (Note 14)	2,000	6,500
	<u>4,629</u>	<u>10,729</u>

12. NET MOVEMENTS IN FUNDS

	Balance as at 01.04.19 £	Income £	Expenditure £	Balance as at 31.03.20 £
Restricted funds:				
City Bridge Trust	7,345	35,702	40,691	2,356
Law Society Charity	1,790	-	-	1,790
The Legal Education Foundation	875	7,875	8,750	-
London Community Response Fund	-	17,180	1,855	15,325
	<u>10,010</u>	<u>60,757</u>	<u>51,296</u>	<u>19,471</u>
Unrestricted funds:				
General funds	60,051	75,849	62,965	72,935
Total funds	<u><u>70,061</u></u>	<u><u>136,606</u></u>	<u><u>114,261</u></u>	<u><u>92,406</u></u>

Net movement in funds – previous year

	Balance as at 01.09.18 £	Income £	Expenditure £	Balance as at 31.08.19 £
Restricted funds				
City Bridge Trust	10,385	36,863	39,903	7,345
Law Society Charity	1,790	-	-	1,790
Legal Education Foundation - University accreditation	875	10,500	10,500	875
Total restricted funds	<u>13,050</u>	<u>47,363</u>	<u>50,403</u>	<u>10,010</u>
Unrestricted funds				
General funds	58,115	56,872	54,936	60,051
Total funds	<u><u>71,165</u></u>	<u><u>104,235</u></u>	<u><u>105,339</u></u>	<u><u>70,061</u></u>

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST AUGUST 2020

Description, nature and purpose of restricted funds:

City Bridge Trust: Grant towards a part-time salary, training costs and overheads to train law students to volunteer in community advice agencies.

Law Society Charity: Grant towards activities in London.

Legal Education Foundation – Developing programmes: Grant funding towards developing new training programmes areas of social welfare law, gain accreditation from City Law School in the current academic year, developing digital tools- an on-line volunteer monitoring and evaluation interface and expanding PBC's courses to new regions.

Legal Education Foundation- University accreditation: Grant funding of towards Pro Bono Community Accredited Volunteer Training and Placement Scheme.

London Community Response Fund: Grant funding for a digital advice clinic project in June 2020.

Description, nature and purpose of unrestricted funds:

General funds: General fund represents funds available to spend at the discretion of the Trustees.

13. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Net current assets	72,935	19,471	92,406
	<u>72,935</u>	<u>19,471</u>	<u>92,406</u>

Analysis of fund balances between net assets – previous year

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Net current assets	60,051	10,010	70,061
	<u>60,051</u>	<u>10,010</u>	<u>70,061</u>

PRO BONO COMMUNITY
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST AUGUST 2020

14. DEFERRED INCOME

	Total 2020 £	Total 2019 £
Balance as at 1st September	6,500	6,500
Amount released to income in the year	(4,500)	-
Amount Deferred in the year	-	-
Balance as at 31st August	<u>2,000</u>	<u>6,500</u>

Deferred income represents training programme income received for training not yet delivered for Carmelite Chambers £2,000.

15. PENSION COSTS

The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,510 (2019 - £3,269). Contributions totalling £175 (2019 - £Nil) were prepayment to the fund at the year end and are included in debtors.

16. RELATED PARTY TRANSACTIONS

No related party transactions took place in the year.