

**Charity Registration No. 1168469**

**Company Registration No. 09651107 (England and Wales)**

**AFFORDABLE JUSTICE LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Fawley Judge & Easton**  
**Chartered Certified Accountants**  
**1 Parliament Street**  
**Hull**  
**East Yorkshire**  
**HU1 2AS**

# AFFORDABLE JUSTICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ms J P Cunningham Ms L M Hilder Ms S C Sedgwick
<b>Charity number</b>	1168469
<b>Company number</b>	09651107
<b>Registered office</b>	185 Preston Road Hull East Yorkshire England HU9 5UY
<b>Independent examiner</b>	Fawley Judge & Easton Chartered Certified Accountants 1 Parliament Street Hull East Yorkshire HU1 2AS
<b>Bankers</b>	Unity Bank 9 Brindley Place Birmingham B1 2HB

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# AFFORDABLE JUSTICE LIMITED

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# **AFFORDABLE JUSTICE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

In February 2016, we established Affordable Justice Ltd, a not for profit Family Law firm aimed at offering reasonably priced family law services to women fleeing violence and abuse who require legal advice and representation.

Arising from the need observed and expressed by women coming through the women's centre's specialist domestic violence and support service, the Trustees worked to develop a financially sustainable service to address this need.

Since the changes to Legal Aid entitlement which came into force in April 2013, many women attempting to flee violent relationships have been excluded from accessing vital legal advice and support to ensure their safety and the safety of their children.

Commercial Family Law solicitor's prices in Hull are typically £220 per hour plus VAT, meaning the cost of an injunction or an order for child arrangements can be up to £1500, well beyond the reach of women on benefits or on low incomes. More complex or lengthy matters can incur bills running into thousands of pounds for crucial advice, representation and legal protection.

Women are therefore forced with the choice of either:

- Dropping proceedings, placing themselves and their children at risk
- Taking on unmanageable debt (through credit cards, doorstep lenders or costly loans)
- Attempting to represent themselves in court (where their abuser has the right to cross examine them)

It is a social enterprise, operating on a not for profit basis, employing expert staff at market rates (so as not to compromise quality) and charging affordable hourly rates which are typically less than a third of commercial high street rates with options for payment plans and access to affordable borrowing through the local credit union. It is registered and regulated by the Solicitor's Regulation Authority and subject to all the same governance as any standard commercial law firm.

### ***It is the first and only one of its kind in the country***

As a result of this we have had significant levels of interest locally, regionally and nationally and have delivered seminars and presentations to Law Schools and conferences, particular around the subject of Access to Justice.

Affordable Justice Ltd is a separate company limited by guarantee, which is co-located at Winner, the Preston Road Women's Centre .

Affordable Justice was made possible by a start-up grant from the Tudor Trust to help us get established and begin to operate.

During 2020/21 the charity delivered its charitable objectives as the service was delivered to more than 200 women and was very well used. The practice has become established, even expanding to incorporate a related practice for divorce, separation and financial matters and employing an additional fee earner and office administrator.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# **AFFORDABLE JUSTICE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Reserves policy**

The trustees have a policy to keep no more than three months running costs (approximately £24 000) in reserves in order that the charity's funds can be applied to further its charitable purpose.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Future developments**

In the upcoming year we will continue to establish the service and look at networking with other organisations who have expressed an interest in doing similar things.

We will also explore the possibility of franchising our brand to other women's organisations to enable them to deliver low cost, high quality legal services to their client groups.

### **Structure, governance and management**

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms J P Cunningham

Ms L M Hilder

Ms S C Sedgwick

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees' report was approved by the Board of Trustees.

### **Ms L M Hilder**

Trustee

Dated: 16 June 2022

# AFFORDABLE JUSTICE LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF AFFORDABLE JUSTICE LIMITED

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I report to the trustees on my examination of the financial statements of Affordable Justice Limited (the charity) for the year ended 31 March 2022.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

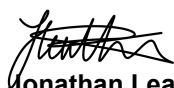
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



**Jonathan Leathley**

**Fawley Judge & Easton**

**Chartered Certified Accountants**

1 Parliament Street

Hull

East Yorkshire

HU1 2AS

Dated: 16 June 2022

# AFFORDABLE JUSTICE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<b><u>Income from:</u></b>			
Legal Work	3	169,356	107,367
<b><u>Expenditure on:</u></b>			
Legal Work	4	144,265	128,093
Other	8	1,123	833
<b>Total expenditure</b>		145,388	128,926
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		23,968	(21,559)
Fund balances at 1 April 2021		(16,717)	4,842
<b>Fund balances at 31 March 2022</b>		7,251	(16,717)

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

All income and expenditure derive from continuing activities.

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

# AFFORDABLE JUSTICE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		1,301		1,698
<b>Current assets</b>					
Stocks	10	5,036		5,036	
Debtors	11	6,641		8,004	
Cash at bank and in hand		3,229		8,522	
		<u>14,906</u>		<u>21,562</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(8,956)</u>		<u>(39,977)</u>	
Net current assets/(liabilities)			5,950		(18,415)
<b>Total assets less current liabilities</b>			<u>7,251</u>		<u>(16,717)</u>
<b>Income funds</b>					
Unrestricted funds			7,251		(16,717)
			<u>7,251</u>		<u>(16,717)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 16 June 2022

Ms L M Hilder  
**Trustee**

**Company registration number 09651107**



# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

Affordable Justice Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 185 Preston Road, Hull, East Yorkshire, HU9 5UY, England.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably, Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% on a straight line basis
Fixtures and fittings	20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

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

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.9 Cash and cash equivalents

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

##### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### **1.11 Employee benefits**

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

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

#### **1.12 Retirement benefits**

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

### 2 Critical accounting estimates and judgements

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 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.

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 3 Legal Work

	Legal Work 2022 £	Legal Work 2021 £
Fees	91,875	102,367
Other income	77,481	5,000
	<u>169,356</u>	<u>107,367</u>

### 4 Legal Work

	Legal Work 2022 £	Legal Work 2021 £
Staff costs	109,522	108,557
Depreciation and impairment	397	480
Insurance	3,283	3,747
Postage and stationery	2,779	1,031
Advertising	7,748	145
Sundries	1,493	1,947
Bad debts	556	-
	<u>125,778</u>	<u>115,907</u>
Share of support costs (see note 5)	10,849	5,161
Share of governance costs (see note 5)	7,638	7,025
	<u>144,265</u>	<u>128,093</u>

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff training	119	-	119	-	-	-
IT and computer services	10,730	-	10,730	5,161	-	5,161
Accountancy & legal fees	-	7,638	7,638	-	7,025	7,025
	<u>10,849</u>	<u>7,638</u>	<u>18,487</u>	<u>5,161</u>	<u>7,025</u>	<u>12,186</u>
Analysed between Charitable activities	<u>10,849</u>	<u>7,638</u>	<u>18,487</u>	<u>5,161</u>	<u>7,025</u>	<u>12,186</u>

### 6 Trustees

Mrs S Sedgewick, trustee, was also a paid employee throughout the year, providing legal services.

There were no other trustee remuneration or other benefits for the year ended 31 March.

### 7 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>4</u>	<u>4</u>
<b>Employment costs</b>	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	98,300	97,686
Social security costs	9,012	8,679
Other pension costs	2,210	2,192
	<u>109,522</u>	<u>108,557</u>

There were no employees whose annual remuneration was more than £60,000.

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 8 Other

	Unrestricted funds	Total
	2022	2021
	£	£
Financing costs	1,123	833
	<u>1,123</u>	<u>833</u>
	<u><u>1,123</u></u>	<u><u>833</u></u>

### 9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2021	2,990	369	3,359
At 31 March 2022	<u>2,990</u>	<u>369</u>	<u>3,359</u>
<b>Depreciation and impairment</b>			
At 1 April 2021	1,365	296	1,661
Depreciation charged in the year	325	72	397
At 31 March 2022	<u>1,690</u>	<u>368</u>	<u>2,058</u>
<b>Carrying amount</b>			
At 31 March 2022	<u>1,300</u>	<u>1</u>	<u>1,301</u>
At 31 March 2021	<u><u>1,625</u></u>	<u><u>73</u></u>	<u><u>1,698</u></u>

### 10 Stocks

	2022 £	2021 £
Work in progress	<u>5,036</u>	<u>5,036</u>

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,397	4,069
Prepayments and accrued income	4,244	3,935
	<u>6,641</u>	<u>8,004</u>

# AFFORDABLE JUSTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	5,169	9,238
Trade creditors	2,107	29,059
Accruals and deferred income	1,680	1,680
	<u>8,956</u>	<u>39,977</u>

### 13 Related party transactions

#### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Wages 2022 £	2021 £
Winner, The preston Road Womens Centre Ltd	109,522	108,557
	<u>109,522</u>	<u>108,557</u>