

Charity Registration No. 265703

Company Registration No. 01095065 (England and Wales)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

**tc** accounts • tax • legal • financial planning  
**76 New Cavendish Street**  
**London**  
**W1G 9TB**

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                          |  |
|--------------------------|--|
| <b>Trustees</b>          | Julian Allen<br>Dr Laura Janes (Chair)<br>Sonia Kalsi<br>Oliver Rivers (Treasurer)<br>Russell Conway<br>Angela Patrick<br>Heather Thomas |
| <b>Secretary</b>         | Oliver Rivers  |
| <b>Charity number</b>    | 265703   |
| <b>Company number</b>    | 01095065   |
| <b>Principal address</b> | c/o Oliver Fisher<br>Royalty Studios<br>105-109 Lancaster Road<br>London<br>W11 1QF  |
| <b>Registered office</b> | c/o Oliver Fisher<br>Royalty Studios<br>105-109 Lancaster Road<br>London<br>W11 1QF  |
| <b>Auditor</b>           | TC Group<br>76 New Cavendish Street<br>London<br>W1G 9TB   |

---

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **CONTENTS**

---

|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Trustees' report                  | 1 - 5       |
| Independent auditor's report      | 6 - 8       |
| Statement of financial activities | 9           |
| Statement of financial position   | 10          |
| Statement of cash flows           | 11          |
| Notes to the financial statements | 12 - 25     |

---

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, have pleasure in presenting their Report and the Financial Statements for the year ended 31 December 2020, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 of the financial statements and comply with the charity's Memorandum and 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)".

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

#### *Governing document*

L.A.G. Education and Service Trust Limited ("LAG") is a company limited by guarantee and a registered charity, incorporated on 8 February 1973, company number 01095065, and registered as a charity, number 265703, on 21 June 1973.

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.

#### *The trustees*

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Julian Allen  
Dr Laura Janes (Chair)  
Sonia Kalsi  
Oliver Rivers (Treasurer)  
Russell Conway  
Angela Patrick  
Heather Thomas

#### *Appointment of trustees*

Recruitment to the trustee board is by election and co-option. At the 2020 Annual General Meeting (AGM), the trustees on the board who had served for two years resigned and elections were held for new trustees. The Memorandum and Articles of association provided for 11 trustees to be elected and 7 to be co-opted. Angela Patrick, Russell Conway and Oliver Rivers were re-elected to the board.

#### *Organisational structure and decision making*

LAG is both a registered charity and company limited by guarantee. A board of seven trustees and directors is responsible for the governance and strategic management of the organisation. Board members are elected at an AGM of all members and meet every two months throughout the year.

A staff team of six is managed by LAG's chief executive officer. There are two heads of department: Publishing Director and Finance and Admin Manager; and Legal Action Editor. These post holders are responsible for managing department budgets.

#### *Pay policy for senior staff*

All trustees, who are also directors, give their time freely and none of them received remuneration in the year.

The pay of the Chief Executive Officer ("CEO") is reviewed annually, along with staff salaries.

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

---

#### **Objectives and activities**

##### *LAG's charitable objective*

To promote and advance education and knowledge of the law in the United Kingdom and secondly to relieve poor persons in the United Kingdom by promoting and assisting with the provision of legal services which would not otherwise be available to them through lack of means.

##### *LAG's Vision*

Our vision is a fair legal system that excludes no one, upholds equality and social justice, and meets the needs of the people it serves.

Legal Action Group supports and empowers those providing legal services and using the law to achieve justice for those who are disadvantaged, unable to speak for themselves or who struggle to be heard, by:

- Publishing and disseminating accessible, high quality, authoritative and up to date legal information and knowledge.
- Delivering education and training and creating opportunities for the exchange of ideas.
- Being an authoritative voice speaking up for justice and improving law and practice.

On this basis, the Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

##### *Strategic aims*

LAG is a respected commentator on legal aid and access to justice issues. Our magazine Legal Action is the main outlet for our policy messages to achieve our vision. Both the specialist legal media and the wider print and broadcast media perceive LAG as one of the leading commentators in this area of work.

LAG's strategic aims in line with our vision are as follows:

- Strategic aim 1: Publish and disseminate accessible, high quality, authoritative and up to date legal information and knowledge.
- Strategic aim 2: Deliver education and training and creating opportunities for the exchange of ideas.
- Strategic aim 3: Be an authoritative voice speaking up for justice and improving law and practice.

##### *Digital strategy*

A major part of the work of LAG is the publication of information on the law to increase knowledge of legal rights. Most of the charity's income is derived from the sale of publications. In 2020 LAG urgently had to adapt to the circumstances of the pandemic and the move to home-working. This was achieved by increased focus on the availability of digital products and development of multi-user licences for large organisations. LAG also provided a service to lawyers and the advice sector by providing up to date COVID-19 legal resources and making these widely available, including for free for a certain period of time. The training and events programme was completely reorganised with online training courses developed and we ended the year having provided training to over 1000 delegates.

The main priority of LAG's Board of Trustees has been to urgently address LAG's financial position in particular to assist in returning the charity to a trading surplus. LAG continues to follow the recommendations in the Oxford Brookes reports of 2016 and 2018, centred on the implementation of a digital first strategy for LAG's publications to increase income and to provide an improved service to our readers.

##### *Statement on compliance with Charity Commission guidance*

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

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### Achievements and performance

LAG's commercial activities in publications and training meet the objectives of increasing knowledge of legal rights, particularly in those areas of law that have the greatest impact on the vulnerable and socially excluded (strategic aim 1).

LAG now publishes over fifty books on law. The sale of these provides the largest source of revenue for the charity. Much of the activity of the charity is carried out to expand the market for LAG's products and to maintain an efficient and solvent business (strategic aim 1). All books are available in print and digital format and available to buy as 'bundles' of print/digital.

#### Publishing

- New editions of LAG's books were published including *Legal Aid Handbook 2020/21*, *Defending Suspects at Police Stations* and *Manual of Housing Law*
- New titles were developed and LAG published new books including *Adolescent Mental Health Care and the Law*, *Clustered Injustice* and *the level green* and *Justice Matters*.
- Ten editions of *Legal Action* magazine were published. We continue to operate a digital-first policy whereby magazine content is published online as soon as it is edited and tweeted out to LAG's followers. Responding to customer demand, the magazine is now available to subscribers as a pdf in the 'Archive' section of the website. LAG responded to the pandemic and new working relationships for practitioners by offering all COVID-related content for free online during the first lockdown, including law and practice
- *Community Care Law Reports* (CCLR) were published quarterly in print and online.

#### Training Events

- As the pandemic hit in March we were unable to run any of our usual training and events programme in 2020, though by September we had successfully set up a programme of online training to be delivered online. These events included training on Inquests, Introduction and Advanced Actions Against the Police, all of which exceeded delegate numbers from previous years.
- LAG also ran a number of online seminars and book launches which were free to attend which significantly enhanced the reach of the books, increasing sales and exposure.

The continuing decline in the number of civil legal aid providers is the main threat to LAG achieving its objectives. The reduction in charitable advice and legal aid sector, due to cuts in legal aid rates, local government and other public spending, as well as the strain caused by Covid, is another significant threat to LAG achieving its strategic objectives. The shrinking market for our publications though, has led to the withdrawal of competitors from the market and an increase in the need for on-line publications. LAG has responded well to this need; increasing on-line publications and the provision of multi-user licences

#### Key Performance Indicators (KPI) for LAG's activities are:

- Increase in variety and sales of publications measured by additions to existing backlist of products and turnover;
- Increased revenue from courses and conferences;
- Successful implementation of the digital strategy including adoption of and successful use of new accounting and CRM software.
- Media profile of the charity measured by coverage of LAG's policy messages in the specialist and mainstream media;
- Social media profile measured by website traffic and Twitter and Facebook followers.

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

---

#### **Financial review**

LAG incurred an unrestricted surplus of £15,513 (2019: £80,524) for the year and has a combined total surplus £108,613 (2019: £75,889) in restricted and unrestricted balances at the year end.

The Chief Executive Officer and Finance Manager continue to work closely with LAG's Treasurer to ensure the financial stability of the charity. This is achieved by producing regular management accounts and cash flow projections to identify any future cash flow problems so that action can be taken beforehand to ensure the survival of the charity. Regular meetings take place between department heads to identify changes to proposed budgeted income and expenditure.

#### *Reserves policy*

Reserves are held to provide sufficient working capital to cover seasonal and cyclical fluctuations in trading and to protect against any drop in income. The trustees' longer term aim is to hold a level of unrestricted funds that are not designated or invested in tangible fixed assets (the free reserves), which is not less than one half of the resources expected to be expended during the following twelve months.

The totals funds held in reserves at 31 December 2020 are £108,613 (2019: £75,889). Of this amount, unrestricted funds showed a surplus of £76,003 (2019: surplus of £60,490) while restricted funds showed a surplus £32,610 (2019: surplus of £15,399).

#### *Risk management*

The trustees have reviewed the major business, financial and strategic risks to which the charity is exposed and confirm that steps have been taken to mitigate those risks.

The main risk to the organisation is the continuing decline in the numbers of firms and organisations undertaking legal aid work and the narrowing of the margins on which the remaining firms operate, as these firms are LAG's main customers. Other customers such as local authorities are also operating in difficult financial circumstances.

A second major risk is the availability of working capital. The charity has mitigated this risk by increasing its unrestricted reserves.

Costs are kept under constant review and new markets are being developed for the trading activities. In 2020 the Covid-19 pandemic and the economic consequences of lockdown were not anticipated but while this could have been a severe test of LAG's resilience the move to digital working has obviated the worst effects of the changed environment.

#### **Plans for the future**

Below are some of LAG's plans for 2021 and further ahead:

- LAG plans to expand its income and reach through the sales of digital products as well as printed publications.
- The digital first strategy continues to be implemented to ensure the long term future of the charity.
- To develop a broad training programme, both on-line and in person when possible.
- LAG will be actively exploring options to secure new premises that will enable a blend of home and office working.
- LAG will continue to raise its profile as a commentator on legal aid and access to justice, through the Legal Action magazine and other media outlets and to play a leading role in campaigning on access to justice. Key priorities for the magazine include increasing the proportion of young subscribers – trainees, pupils and students by tailoring content to those age groups as well as marketing to them more effectively. The magazine is also keen to expand its pool of authors so that we have younger and more diverse voices in the magazine.
- We will prioritise working with partners to maximise our impact and will position the charity to play an active part in leading debate on the development of the law, concentrating on our core areas of civil law: housing, employment, community care, immigration and public law including mental health.
- To use the 50th anniversary to enhance and strengthen LAG's profile.
- LAG's new CEO will oversee a review of its current structure and practices to ensure they are best suited to meeting the objectives of the charity.

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Statement of Trustees' responsibilities**

The trustees, who are also the directors of L.A.G. Education and Service Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year 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, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 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.

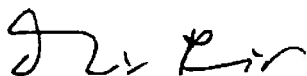
### **Auditor**

TC Group were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



**Oliver Rivers (Treasurer)**

Trustee

Dated: 20 July 2021



# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

---

#### **Opinion**

We have audited the financial statements of L.A.G. Education and Service Trust Limited (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF L.A.G. EDUCATION AND SERVICE TRUST LIMITED

---

Our approach was as follows:

- 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 the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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 (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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.



mark levy (Jul 20, 2021 08:35 GMT+1)

**Mark Levy (Senior Statutory Auditor)**

**For and on behalf of TC Group**

**Statutory Auditor**

**Date** 20 July 2021.....

**Office:** London

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

|   | Notes | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Total<br>2020<br>£ | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b><u>Income from:</u></b>                                |       |                                    |                                  |                    |                                    |                                  |                    |
| Donations and legacies                                    | 3     | 14,114                             | 37,725                           | 51,839             | 11,387                             | 13,590                           | 24,977             |
| Charitable activities                                     | 4     | 487,174                            | -                                | 487,174            | 594,692                            | -                                | 594,692            |
| Investments   | 5     | 13                                 | -                                | 13                 | -                                  | -                                | -                  |
| <b>Total income</b>                                       |       | <b>501,301</b>                     | <b>37,725</b>                    | <b>539,026</b>     | <b>606,079</b>                     | <b>13,590</b>                    | <b>619,669</b>     |
| <b><u>Expenditure on:</u></b>                             |       |                                    |                                  |                    |                                    |                                  |                    |
| Raising funds   | 6     | 430                                | -                                | 430                | 738                                | -                                | 738                |
| Charitable activities                                     | 7     | 487,084                            | 18,788                           | 505,872            | 524,817                            | 38,445                           | 563,262            |
| <b>Total resources<br/>expended</b>                       |       | <b>487,514</b>                     | <b>18,788</b>                    | <b>506,302</b>     | <b>525,555</b>                     | <b>38,445</b>                    | <b>564,000</b>     |
| <b>Net incoming<br/>resources before<br/>transfers</b>    |       | <b>13,787</b>                      | <b>18,937</b>                    | <b>32,724</b>      | <b>80,524</b>                      | <b>(24,855)</b>                  | <b>55,669</b>      |
| Gross transfers<br>between funds                          |       | 1,726                              | (1,726)                          | -                  | -                                  | -                                | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>15,513</b>                      | <b>17,211</b>                    | <b>32,724</b>      | <b>80,524</b>                      | <b>(24,855)</b>                  | <b>55,669</b>      |
| Fund balances at 1<br>January 2020                        |       | 60,490                             | 15,399                           | 75,889             | (20,034)                           | 40,254                           | 20,220             |
| <b>Fund balances at 31<br/>December 2020</b>              |       | <b>76,003</b>                      | <b>32,610</b>                    | <b>108,613</b>     | <b>60,490</b>                      | <b>15,399</b>                    | <b>75,889</b>      |

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.

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## STATEMENT OF FINANCIAL POSITION

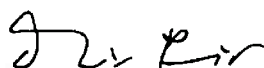
AS AT 31 DECEMBER 2020

|  | Notes | 2020<br>£        | £              | 2019<br>£        | £             |
|--|-------|------------------|----------------|------------------|---------------|
| <b>Fixed assets</b>  |       |                  |                |                  |               |
| Tangible assets  | 11    |                  | 2,546          |                  | 1,216         |
| <b>Current assets</b>  |       |                  |                |                  |               |
| Stocks   | 12    | 62,561           |                | 83,686           |               |
| Debtors  | 13    | 99,040           |                | 125,850          |               |
| Cash at bank and in hand                                       |       | 109,054          |                | 21,401           |               |
|  |       | <u>270,655</u>   |                | <u>230,937</u>   |               |
| <b>Creditors: amounts falling due within one year</b>          | 15    | <u>(113,301)</u> |                | <u>(152,147)</u> |               |
| Net current assets   |       |                  | 157,354        |                  | 78,790        |
| <b>Total assets less current liabilities</b>                   |       |                  | 159,900        |                  | 80,006        |
| <b>Creditors: amounts falling due after more than one year</b> | 16    |                  | (51,287)       |                  | (4,117)       |
| <b>Net assets</b>  |       |                  | <u>108,613</u> |                  | <u>75,889</u> |
| <b>Income funds</b>  |       |                  |                |                  |               |
| Restricted funds   | 18    |                  | 32,610         |                  | 15,399        |
| Unrestricted funds   |       |                  | 76,003         |                  | 60,490        |
|  |       |                  | <u>108,613</u> |                  | <u>75,889</u> |

The financial statements were approved by the Trustees on 20 July 2021



Dr Laura Janes (Chair)  
Trustee



Oliver Rivers (Treasurer)  
Trustee

Company Registration No. 01095065

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

|   | Notes | 2020<br>£ | £       | 2019<br>£ | £        |
|---|-------|-----------|---------|-----------|----------|
| <b>Cash flows from operating activities</b>                   |       |           |         |           |          |
| Cash generated from/(absorbed by) operations                  | 23    |           | 40,465  |           | (12,458) |
| <b>Investing activities</b>                                   |       |           |         |           |          |
| Purchase of tangible fixed assets                             |       | (2,825)   |         | (961)     |          |
| Investment income received                                    |       | 13        |         | -         |          |
| <b>Net cash used in investing activities</b>                  |       |           | (2,812) |           | (961)    |
| <b>Financing activities</b>                                   |       |           |         |           |          |
| Proceeds of new bank loans                                    |       | 50,000    |         | -         |          |
| <b>Net cash generated from/(used in) financing activities</b> |       |           | 50,000  |           | -        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | 87,653  |           | (13,419) |
| Cash and cash equivalents at beginning of year                |       |           | 21,401  |           | 34,820   |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 109,054 |           | 21,401   |

# **L.A.G. EDUCATION AND SERVICE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **1 Accounting policies**

#### **Charity information**

L.A.G. Education and Service Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office and place of business are c/o Oliver Fisher, Royalty Studios, 105-109 Lancaster Road, London, W11 1QF.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's [governing document], 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)". The charity is a Public Benefit Entity as defined by 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 £.

The financial statements have been prepared under the historical cost convention. 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 Incoming resources**

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.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. These grants tend to be for specific purposes, for example, the writing of a report, and are therefore treated as restricted funds.

Income received for future courses and *Legal Action* magazine and CCLR subscriptions received in advance are deferred until the charity is entitled to these amounts. The amounts are released to the statement of financial activities in the period to which it relates.



# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

Income from *Legal Action* magazine and CCLR sales are apportioned evenly over the period of the subscription. The charity offers subscription lengths of either 1 year or 2 years.

Income from book sales are recognised in the month of sale.

Interest is included when receivable by the charity.

#### 1.5 Resources expended

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Certain expenditure that can be directly attributable to specific activities has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

The direct costs of fundraising activities and the proportion of overheads required to support these activities.

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

Support costs are those expenses incurred to support the activities in furtherance of the charity's objects.

#### 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:

|                       |                     |
|-----------------------|---------------------|
| Fixtures and fittings | 33.33% straightline |
|-----------------------|---------------------|

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

#### 1.7 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.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

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

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

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

##### **Basic financial assets**

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 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.

#### 1.10 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.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 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.

### 3 Donations and legacies

|  | Unrestricted<br>funds | Restricted<br>funds | Total         | Unrestricted<br>funds | Restricted<br>funds | Total         |
|--|-----------------------|---------------------|---------------|-----------------------|---------------------|---------------|
|  | 2020<br>£             | 2020<br>£           | 2020<br>£     | 2019<br>£             | 2019<br>£           | 2019<br>£     |
| Donations and gifts                          | 7,520                 | 4,820               | 12,340        | 3,610                 | -                   | 3,610         |
| Grant income                                 | 729                   | 32,905              | 33,634        | -                     | 13,590              | 13,590        |
| Membership fees                              | 5,865                 | -                   | 5,865         | 7,777                 | -                   | 7,777         |
|  | <u>14,114</u>         | <u>37,725</u>       | <u>51,839</u> | <u>11,387</u>         | <u>13,590</u>       | <u>24,977</u> |
| <b>Donations and gifts</b>                   |                       |                     |               |                       |                     |               |
| Other  | 7,520                 | 4,820               | 12,340        | 3,610                 | -                   | 3,610         |
|  | <u>7,520</u>          | <u>4,820</u>        | <u>12,340</u> | <u>3,610</u>          | <u>-</u>            | <u>3,610</u>  |
| <b>Grants receivable for core activities</b> |                       |                     |               |                       |                     |               |
| Other  | 729                   | 32,905              | 33,634        | -                     | 13,590              | 13,590        |
|  | <u>729</u>            | <u>32,905</u>       | <u>33,634</u> | <u>-</u>              | <u>13,590</u>       | <u>13,590</u> |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Charitable activities

|                                    | 2020<br>£      | 2019<br>£      |
|------------------------------------|----------------|----------------|
| <i>Legal Action</i> magazine sales | 146,027        | 157,435        |
| Book sales                         | 307,997        | 363,963        |
| Courses income                     | 33,150         | 73,294         |
|                                    | <u>487,174</u> | <u>594,692</u> |

### 5 Investments

|                     | Unrestricted<br>funds | Total     |
|---------------------|-----------------------|-----------|
|                     | 2020<br>£             | 2019<br>£ |
| Interest receivable | 13                    | -         |
|                     | <u>13</u>             | <u>-</u>  |

### 6 Raising funds

|                                  | Unrestricted<br>funds | Unrestricted<br>funds |
|----------------------------------|-----------------------|-----------------------|
|                                  | 2020<br>£             | 2019<br>£             |
| <u>Fundraising and publicity</u> |                       |                       |
| Other fundraising costs          | 430                   | 738                   |
|                                  | <u>430</u>            | <u>738</u>            |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Charitable activities

|   | Publication<br>& courses<br>2020<br>£ | Policy &<br>educational<br>work<br>2020<br>£ | Total<br>2020<br>£ | Publication<br>& courses<br>2019<br>£ | Policy &<br>educational<br>work<br>2019<br>£ | Total<br>2019<br>£ |
|---|---------------------------------------|--|--------------------|---------------------------------------|--|--------------------|
| Staff costs                               | 191,017                               | 2,952  | 193,969            | 176,653                               | 619  | 177,272            |
| Depreciation                              | -                                     | 1,495  | 1,495              | -                                     | 1,020  | 1,020              |
| Other direct costs                        | 205,712                               | 15,356                                       | 221,068            | 245,262                               | 37,826                                       | 283,088            |
|   | <u>396,729</u>                        | <u>19,803</u>                                | <u>416,532</u>     | <u>421,915</u>                        | <u>39,465</u>                                | <u>461,380</u>     |
| Share of support costs<br>(see note 8)    | 22,939                                | 9,587  | 32,526             | 40,619                                | 7,376  | 47,995             |
| Share of governance costs<br>(see note 8) | 56,814                                | -  | 56,814             | 53,887                                | -  | 53,887             |
|   | <u>476,482</u>                        | <u>29,390</u>                                | <u>505,872</u>     | <u>516,421</u>                        | <u>46,841</u>                                | <u>563,262</u>     |
| <b>Analysis by fund</b>                   |                                       |  |                    |                                       |  |                    |
| Unrestricted funds                        | 476,482                               | 10,602                                       | 487,084            | 516,421                               | 8,396  | 524,817            |
| Restricted funds                          | -                                     | 18,788                                       | 18,788             | -                                     | 38,445                                       | 38,445             |
|   | <u>476,482</u>                        | <u>29,390</u>                                | <u>505,872</u>     | <u>516,421</u>                        | <u>46,841</u>                                | <u>563,262</u>     |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Support costs

|                        | Support costs | Governance costs | 2020          | Support costs | Governance costs | 2019           |
|------------------------|---------------|------------------|---------------|---------------|------------------|----------------|
|                        | £             | £                | £             | £             | £                | £              |
| Staff costs            | -             | 49,164           | 49,164        | -             | 46,109           | 46,109         |
| Office costs           | 7,876         | -                | 7,876         | 20,900        | -                | 20,900         |
| Telephone              | 455           | -                | 455           | 697           | -                | 697            |
| Postage and stationery | 767           | -                | 767           | 589           | -                | 589            |
| Computer support costs | 3,390         | -                | 3,390         | 3,467         | -                | 3,467          |
| Bank charges           | 1,677         | -                | 1,677         | 2,524         | -                | 2,524          |
| Sundry expenses        | 12,991        | -                | 12,991        | 17,201        | -                | 17,201         |
| Membership costs       | 1,036         | -                | 1,036         | 1,883         | -                | 1,883          |
| Bad debt write off     | 4,334         | -                | 4,334         | 734           | -                | 734            |
| Audit fees             | -             | 7,650            | 7,650         | -             | 7,700            | 7,700          |
| Cost of meetings       | -             | -                | -             | -             | 78               | 78             |
|                        | <u>32,526</u> | <u>56,814</u>    | <u>89,340</u> | <u>47,995</u> | <u>53,887</u>    | <u>101,882</u> |
| Analysed between       |               |                  |               |               |                  |                |
| Charitable activities  | <u>32,526</u> | <u>56,814</u>    | <u>89,340</u> | <u>47,995</u> | <u>53,887</u>    | <u>101,882</u> |

Governance costs includes payments to the auditors of £7,650 (2019 - £7,700) for audit fees.

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                | 2020<br>Number | 2019<br>Number |
|----------------|----------------|----------------|
| Administration | 3              | 3              |
| Publishing     | 1              | 2              |
| Editorial      | 2              | 2              |
|                | <u>6</u>       | <u>7</u>       |

#### Employment costs

|                       | 2020<br>£      | 2019<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 211,108        | 193,660        |
| Social security costs | 17,494         | 16,283         |
| Other pension costs   | 14,531         | 13,438         |
|                       | <u>243,133</u> | <u>223,381</u> |

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

### 11 Tangible fixed assets

|                                    | Fixtures and fittings<br>£ |
|------------------------------------|----------------------------|
| <b>Cost</b>                        |                            |
| At 1 January 2020                  | 9,020                      |
| Additions                          | 2,825                      |
| Disposals                          | (5,000)                    |
| At 31 December 2020                | <u>6,845</u>               |
| <b>Depreciation and impairment</b> |                            |
| At 1 January 2020                  | 7,804                      |
| Depreciation charged in the year   | 1,495                      |
| Eliminated in respect of disposals | (5,000)                    |
| At 31 December 2020                | <u>4,299</u>               |
| <b>Carrying amount</b>             |                            |
| At 31 December 2020                | <u>2,546</u>               |
| At 31 December 2019                | <u>1,216</u>               |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Stocks

|                                     | 2020<br>£ | 2019<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 62,561    | 83,686    |

### 13 Debtors

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 85,839    | 98,966    |
| Other debtors                               | 257       | 10,809    |
| Prepayments and accrued income              | 12,944    | 16,075    |
|   | 99,040    | 125,850   |

### 14 Loans and overdrafts

|                        | 2020<br>£ | 2019<br>£ |
|------------------------|-----------|-----------|
| Bank loans             | 50,000    | -         |
| Payable after one year | 50,000    | -         |

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

|                                    | Notes | 2020<br>£ | 2019<br>£ |
|------------------------------------|-------|-----------|-----------|
| Other taxation and social security |       | 8,388     | 5,544     |
| Deferred income                    | 17    | 52,186    | 57,158    |
| Trade creditors                    |       | 30,019    | 50,337    |
| Accruals                           |       | 22,708    | 39,108    |
|                                    |       | 113,301   | 152,147   |

### 16 Creditors: amounts falling due after more than one year

|                 | Notes | 2020<br>£ | 2019<br>£ |
|-----------------|-------|-----------|-----------|
| Bank loans      | 14    | 50,000    | -         |
| Deferred income | 17    | 1,287     | 4,117     |
|                 |       | 51,287    | 4,117     |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 17 Deferred income

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Arising from deferred membership<br>subscriptions and course fees | 53,473    | 61,275    |

Deferred income is included in the financial statements as follows:

|                         | 2020<br>£ | 2019<br>£ |
|-------------------------|-----------|-----------|
| Current liabilities     | 52,186    | 57,158    |
| Non-current liabilities | 1,287     | 4,117     |
|                         | 53,473    | 61,275    |



# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

|                                 | Balance at<br>1 January 2019 | Movement in funds     |                       | Balance at<br>1 January 2020 | Movement in funds     |                       | Balance at<br>31 December<br>2020 |
|---------------------------------|------------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------------------|
|                                 | £                            | Incoming<br>resources | Resources<br>expended | £                            | Incoming<br>resources | Resources<br>expended | £                                 |
| Housing Disrepair Project (TFL) | 5,105                        | -                     | (1,332)               | 3,773                        | -                     | (3,773)               | -                                 |
| Brenda Hale Book Project        | 28,860                       | 550                   | (24,099)              | 5,311                        | 2,874                 | (4,225)               | 3,960                             |
| Employment Law MyPay Project    | 4,815                        | -                     | (4,815)               | -                            | -                     | -                     | -                                 |
| LEF Digitisation Grant          | 1,474                        | -                     | (1,474)               | -                            | -                     | -                     | -                                 |
| LEF Red Pencil Grant            | -                            | 6,540                 | (3,200)               | 3,340                        | -                     | (2,250)               | 1,090                             |
| Garden Court Special Fund       | -                            | 3,000                 | (3,000)               | -                            | -                     | -                     | -                                 |
| Access to Justice Fund - MyPay  | -                            | 3,500                 | (525)                 | 2,975                        | -                     | (1,009)               | 1,966                             |
| Trust for London Covid-19 Grant | -                            | -                     | -                     | -                            | 7,905                 | (7,905)               | -                                 |
| Leicester Law Society           | -                            | -                     | -                     | -                            | 594                   | -                     | 594                               |
| LEF Sustainability Grant        | -                            | -                     | -                     | -                            | 25,000                | -                     | 25,000                            |
| Lockdown Lawyers Project        | -                            | -                     | -                     | -                            | 1,352                 | (1,352)               | -                                 |
|                                 | 40,254                       | 13,590                | (38,445)              | 15,399                       | 37,725                | (20,514)              | 32,610                            |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Restricted funds

(Continued)

The Housing Disrepair project is funded from Trust for London.

The Brenda Hale book project is funded from donations and a grant from Sigrid Rausing Trust. The book about Brenda Hale's life will be published in the autumn.

The Employment Law project is mainly funded by a grant from the Trust for London with most of the work done in 2018. There are some residual costs in 2019.

A series of grants connected to the implementation of LAG's digital first strategy have been awarded by The Legal Education Foundation. The first phase of this project, which involved business planning and the replacement of hardware and software, was completed in 2017 and the second phase, is nearly finished regarding the transfer of published content to an online service. There will be some residual costs in 2019.

The LEF Red Pencil grant is to fund marketing for the sale of the Brenda Hale book.

The Garden Court Fund was given to help promote the 70th anniversary of Legal Aid through a conference and LA magazine articles.

The Access to Justice Fund is being used to consolidate the MyPay project which is an interactive Employment Law online tool to help the public access advice regarding employment problem.

The Trust for London Covid-19 grant is funding to help with any Covid-19 related additional expenditure.

Leicester Law society - this is funding to cover the costs of distribution of Equal to Everything (Brenda Hale book) to schools in Leicester in 2021.

The LEF Sustainability grant is a grant to help LAG's sustainability.

Lockdown Lawyers was a LAG publication but funded from donations from Jon Whitfield QC and Doughty Street Chambers.

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Analysis of net assets between funds

|   | Unrestricted funds | Restricted funds | Total          | Unrestricted funds | Restricted funds | Total         |
|---|--------------------|------------------|----------------|--------------------|------------------|---------------|
|   | 2020               | 2020             | 2020           | 2019               | 2019             | 2019          |
|   | £                  | £                | £              | £                  | £                | £             |
| Fund balances at 31 December 2020 are represented by: |                    |                  |                |                    |                  |               |
| Tangible assets                                       | 2,546              | -                | 2,546          | 1,216              | -                | 1,216         |
| Current assets/ (liabilities)                         | 157,354            | 32,010           | 157,354        | 63,391             | 15,399           | 78,790        |
| Long term liabilities                                 | (51,287)           | -                | (51,287)       | (4,117)            | -                | (4,117)       |
|   | <u>108,613</u>     | <u>32,010</u>    | <u>108,613</u> | <u>60,490</u>      | <u>15,399</u>    | <u>75,889</u> |

### 20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                 | 2020     | 2019         |
|-----------------|----------|--------------|
|                 | £        | £            |
| Within one year | <u>-</u> | <u>1,833</u> |

### 21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 22 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2020           | 2019          |
|------------------------|----------------|---------------|
|                        | £              | £             |
| Aggregate compensation | <u>102,030</u> | <u>89,617</u> |

# L.A.G. EDUCATION AND SERVICE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

|    |   |                           |                 |                             |
|----|---|---------------------------|-----------------|-----------------------------|
| 23 | Cash generated from operations                                    | 2020<br>£                 | 2019<br>£       |                             |
|    | Surplus for the year  | 32,724                    | 55,669          |                             |
|    | Adjustments for:  |                           |                 |                             |
|    | Investment income recognised in statement of financial activities | (13)                      | -               |                             |
|    | Depreciation and impairment of tangible fixed assets              | 1,495                     | 1,020           |                             |
|    | Movements in working capital:                                     |                           |                 |                             |
|    | Decrease/(increase) in stocks                                     | 21,125                    | (19,993)        |                             |
|    | Decrease/(increase) in debtors                                    | 26,810                    | (38,081)        |                             |
|    | (Decrease)/increase in creditors                                  | (33,874)                  | 6,114           |                             |
|    | (Decrease) in deferred income                                     | (7,802)                   | (17,187)        |                             |
|    | <b>Cash generated from/(absorbed by) operations</b>               | <b>40,465</b>             | <b>(12,458)</b> |                             |
| 24 | Analysis of changes in net funds                                  |                           |                 |                             |
|    |   | At 1 January<br>2020<br>£ | Cash flows<br>£ | At 31 December<br>2020<br>£ |
|    | Cash at bank and in hand  | 21,401                    | 87,653          | 109,054                     |
|    | Loans falling due after more than one year                        | -                         | (50,000)        | (50,000)                    |
|    |   | 21,401                    | 37,653          | 59,054                      |