

Report and financial statements For the year ended 31 March 2023



Company number: 1302947
Charity number: 268468

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Reference and administrative information

For the year ended 31 March 2023

Company number Incorporated in England and Wales 1302947

Charity number Registered in England and Wales 268468

Registered office and operational address 38 Devonian Road, London, N1 8JH

Members of the board Members, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lindsay Edkins	Co-Chair
Russell Smith-Becker	Co-Chair
Susan Lee	
Onika Adams	
Jemima Joll	Resigned 26 May 2023
Michael Collins	
Paul Lowenberg	
Steven Lorber	
Marian Ellingworth	Re-appointed 26 May 2023

Key management personnel	Stuart Hearne	Director
	Matthew Brown	Deputy Director

Bankers Lloyds Bank
Highbury Corner
31-33 Holloway Road
London
N7 8JU

Reference and administrative information

For the year ended 31 March 2023

Solicitors	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The objects of Islington Law Centre are as follows:

- (a) The relief of poverty amongst persons resident or working in England and Wales in particular the London Borough of Islington and the surrounding area by providing such persons with legal advice services and representation which they could not otherwise obtain or which it would not be reasonably practicable or appropriate for them to obtain elsewhere; including by the provision of legal advice services and representation to help migrants, refugees and asylum seekers to take steps towards the regularization of immigration status where appropriate;
- (b) To advance the education of the public in the law of England and Wales and the application thereof

Organisational Structure

The Charity has an active Trustee Board, which meets at least 6 times a year.

Staff team

The Charity employs a team that includes: –

Director and Deputy Director

Supervisors (including solicitors) – 8 covering all areas of the Law Centre's work

Solicitors – 15

Caseworkers – 11

Paralegals – 2

Reception and Referral team – 2

Office Manager – 1

The Cost of Living Crisis

The year has been dominated by the Cost of Living Crisis, but for many of our clients and service users the Cost of Living Crisis is nothing new. We have worked with people and families who have been struggling to make ends meet for many years. What is new is the scale of the crisis facing those on low and middle incomes. Many of the issues now facing the community are the result of previous policy changes brought about during the austerity that followed the 2008 financial crash. In particular, the changes to housing benefit, the bedroom tax, the cap on benefits and the fact that the local housing allowance no longer meets the costs of housing for many in the community which reduces the available income to support families and children.

**The Welfare Rights
team secured
over £2 million**

In additional
income for
local people



Achievements and performance

The charity's main activities and who we assist are described below. The Law Centre is focused on assisting people to overcome the effects of poverty and inequality. All its charitable activities focus on people on low incomes and are undertaken to further Islington Law Centre's charitable purposes for the public benefit.

Primary activities include: –

- An open-door reception and referral service available 5 days a week to help people identify the key legal issues they are facing and to link them with appropriate support (both within the organisation and via other agencies)
- Specialist casework teams in debt, education, housing, immigration/asylum, public law and welfare benefits.
- An outreach programme delivering **15 specialist legal advice sessions each week**, normally based in front line services and community venues, but currently operating both face to face and in some cases remotely
- A pro bono programme which includes **3 evening advice sessions each week**, providing direct assistance with the help of volunteer lawyers, as well as other pro bono activity linked to specific projects and other casework teams
- **Specialist projects** focussing on target client groups – the Migrants' Law Project (MLP) and the Migrant and Refugee Children's Legal Unit (MiCLU).

All areas of the charity's activities have been well used by clients and have made an impact during the year.

Reception and Referral Service

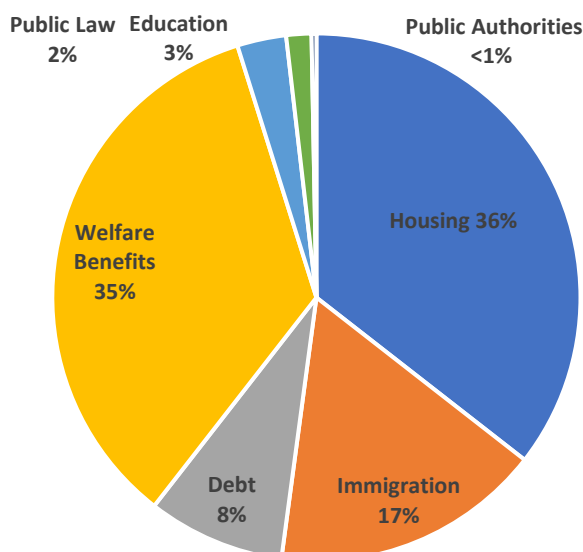


In the year 2022/23, the service dealt with 6,163 enquiries. Our reception is staffed in-person with two receptionists who book appointments and make referrals where the Law Centre either does not have capacity or does not work in the needed area of law.

6163
reception
enquiries

Casework, advocacy and representation

The Law Centre worked on **3704** cases & enquiries during the year, a slight decrease on the previous year, including:



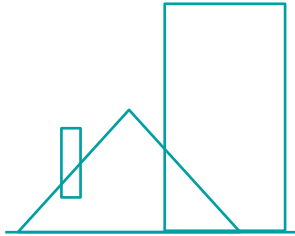
Housing – 1318
Welfare Benefits – 1282
Immigration – 614
Debt – 311
Education – 111
Public Law – 57
Claims Against Public Authorities – 11

Case study– Charlotte

Charlotte's daughter contracted brain cancer when she was in her early twenties, and Charlotte went from working a busy job to needing to spend a lot of time caring for her daughter. She was reliant on her carer's allowance and income support.

A week before Christmas I looked at my bank and my carer's allowance hadn't come in. I was devastated. I rang the DWP and they had decided to stop it as my daughter wasn't going to get DLA anymore. I asked why and they said that after her telephone consultation in October they had decided not to award it. They also advised that income support would be stopping soon. I was crying in the street and a neighbour advised to call ILC.

There was a receptionist and as soon as she answered the phone I couldn't stop crying. I said that my daughter has been diagnosed with brain cancer, she can't do without me, she needs me every day. She falls down all the time. She had so much warmth in her voice, I really trusted her. I had a call back from Megan, and then things really started to happen. It's so traumatic to think about how things could have ended up – I had no fight left in me. Thanks to Megan everything was reinstated. Things for the future are amazing. They gave the benefits until 2025, so she doesn't have to reapply every 18 months. Not to have that worry, is amazing. The oncologist said that there's no reason why she can't live to be 100. She is now disabled, but she is incredible.



We also continued to manage the **Clerkenwell and Shoreditch County Court Possession Duty scheme**, continuing to provide a vital and urgent service to tenants and borrowers facing possession proceedings and eviction. This service went out to tender by the

Legal Aid Agency as part of the new Housing Loss Prevention Advice Service (HLPAS) and the Law Centre have successfully secured this service for residents.



There were significant casework successes in all areas of law, with a reduction in poverty as a result of increased household income, lower indebtedness, as well as improvements in clients' housing, employment and educational situations and resolution of immigration status.



The Law Centre also undertook both legal education and social policy work – for example **providing training to local community organisations** and responding to government consultations. We have also recently worked closely with the Housing Law Practitioners Association in regard to proposed government changes to housing provision as well as responding to numerous consultations from the Home Office relating to immigration.

Outreach

The welfare benefits team have continued to operate their form filling clinic at the Law Centre office and in the past year had 176 appointments. The ILC core immigration team have continued to offer weekly remote advice sessions to clients from Hackney Migrant Centre and Haringey Migrants' Support Centre and have had 130 advice appointments in the past year.

130
Immigration
outreach
appointments

Specialist Advisors also delivered remote outreach advice via Help on Your Doorstep, Islington Bangladesh Association and Community Language Support Services. These sessions enable the Law Centre to **continue to meet the needs of people who may not be able to access mainstream provision**, and to maximise the impact of solicitors and caseworkers' time by building strong partnerships with other agencies.

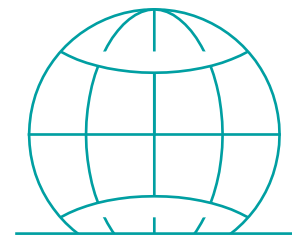
Pro bono activity

256
pro bono
appointments

The Law Centre continued to run **three evening advice sessions each week**, with volunteer lawyers providing initial advice and assistance in drafting documents. The service involves teams of pro bono lawyers from seven City law firms and in-house teams and has assisted clients with issues such as reclaiming deposits from landlords, Criminal Injuries Compensation and small claims proceedings. The pro bono evening clinics had appointments during the year.



The Law Centre has also been able to sustain a pro bono immigration project, working with City law firms. The Law Centre is a London partner in an initiative led by Central England Law Centre and Kids in Need of Defence UK, which works with children and young people to secure pro bono legal assistance around issues of immigration status.



Specialist projects

The Law Centre's specialist projects had a highly successful year with not only a range of casework successes but also wider impact on behalf of vulnerable groups.

The Migrants' Law Project (MLP) is a legal and public legal education project that promotes fair treatment and access to justice for migrants, refugees and asylum seekers in the UK. They have worked on many complex refugee family reunion cases, in which relatives abroad are often in positions of extreme hardship.



The Migrant and Children's Refugee Legal Unit (MiCLU) has continued with their 'Breaking the Chains' project in partnership with Shpresa Programme, a charity and refugee community group working with the Albanian speaking community in London.

The project has provided direct representation to 33 children and young people from Albania to assist them with the asylum and trafficking claims throughout the year. The team also delivered 42 one-to-one advice sessions on Zoom, reaching 82 young people who needed advice on working with their lawyer, or support to find legal representation. They successfully referred young people to other law firms and

supported them to access pro bono advice from barristers chambers. The team have also run **education and empowerment sessions** for young Albanians engaged in Shpresa Programme to support their understanding of the asylum system.



100% success
rate for KiND
applications

The Kids in Need of Defence (KiND UK) project also continues– providing training, mentoring and supervision to pro bono partners assisting children who have lived in the UK for 7 years or more to regularise their status in the UK. The total number of KiND cases in the past year was **161**.

KiND continue to hold a 100% success rate to date for their applications.

The organisation's infrastructure

The Law Centre has been benefiting from the improved financial arrangements IT systems that have been established over the past two years.

In addition the Law Centre has now created a training space and facilities to increase the emphasis on training for staff and for other community organisations.

This improvement in the foundation of the Law Centre should build in increased resilience into the organisation and enable us to assist clients in a professional manner into the future.

The Law Centre holds the Law Society's **Lexcel Quality Standard** and was re-awarded this following a reassessment in April 2023. We received very positive feedback including that 'It remains very clear, however, that compliance remains a deeply embedded part of the culture and, in Lexcel terms, the Centre remains **an extremely well run, and extremely well managed organisation.**'

Beneficiaries of our services

The Law Centre works with low-income clients, who are often facing extreme hardship. The majority of clients are women (around 60%) and a large proportion are from black and minority ethnic communities.

Clients increasingly have legal issues that involve more than one matter, or one area of law, and over the last couple of years there has been a sustained increase in the percentage of welfare benefits clients who require assistance with an appeal.

For the Law Centre as a whole, two thirds of our clients have some form of ill-health or disability.

Two thirds of
our clients have
some form of
ill-health/
disability

Beneficiaries can self-refer, or are referred or signposted from other agencies, and a number of referrals are received from mental health professionals, as well as community organisations, children's centres and the local authority.

Clients are asked about their experience of the service via a questionnaire, as well as contacting us independently with feedback, and 96% of clients said that they were very happy. Clients frequently comment on the impact that the service has had on them, not only in terms of their legal issues, but wider access to justice and health, wellbeing and quality of life.



"Anna was excellent along with others literally saved me. I can't thank her and your organisation enough!"

"My advisor, Amber, was patient and easy to talk to. I felt like finally someone was listening to me. I felt supported and Amber always explained every step and option available.

As a young adult living with overwhelming anxiety as well as mobility issues I struggle daily; being listened to was a big relief.

My advisor was warm, welcoming, and very understanding – this has made all the difference in my experience. I would recommend the Law Centre to anyone who is struggling and doesn't know their rights."

"Megan was absolutely amazing she treated me with nothing but kindness and respect and I couldn't have asked for anyone better. Thank you Law Centre and all that you do."

Financial review

The Law Centre has undertaken considerable work in recent years to strengthen its foundations and improve its resilience. As a result of this improved performance we are now building some reserves and are in a better place to deal with any financial issues that we may face in the future.

Our income for the year increased to £2,577,416 with expenditure of £1,846,975. We have managed to increase our free reserves to £796,747 (5 months reserves) and our overall funds to £2,436,869.

The Trustees have taken this action to build unrestricted income and reserves and to ensure that the organisation has between 3 and 6 months reserves at any one time.

Principal risks and uncertainties

This is an extremely difficult time for specialist legal advice charities. Legal Aid is not available for many of the legal issues for which the Law Centre's clients are seeking help, and Legal Aid rates have been frozen for many years, which has led to a significant reduction in other sources of assistance for our beneficiary group.

The primary risks to the organisation are loss of key management and other personnel and risks associated with running legal aid contracts. We are managing these risks by having brought in a Deputy Director to expand the senior management team and by employing a Director with a solid track record in managing legal aid contracts over many years.

There is increasing competition for funding from Trusts and Foundations, and many of these funds are targeted at discrete client groups and/or areas of work, rather than "open door" services.

We are continuing to see an increase in poverty, and in particular child poverty and in-work poverty, combined with the reduction in the amount of Universal Credit through deductions and sanctions. We are also continuing to assist people to deal with the cost of living crisis which is continuing to affect the poorest members of the community.

Reserves policy and going concern

The Trustees are committed to ensuring reserves are between three months' and six months' normal running costs, that is between £461,742 and £923,484. The free reserves (unrestricted general funds less unrestricted fixed assets) at the year-end were £796,747 which is 5 months' reserves and within the reserves policy.

Trustees closely monitor the level of reserves and are committed to ensuring that the reserves are at least three months of normal running costs in order to enable the organisation to meet operational cash flow needs, be flexible enough to manage changes in funding streams and to meet staff costs in the event of long-term sickness, maternity leave and/or redundancy.

Fundraising

Fundraising activity undertaken by the Law Centre currently includes the preparation and submission of applications to a range of Trusts and Foundations, and this is undertaken by paid staff and often in conjunction with other partner agencies and networks.

The Law Centre has participated in events organised by the London Legal Support Trust, such as an annual sponsored walk and has received donations from corporate law firms, individuals and Trusts.

The Law Centre's fundraising aims are to sustain and enhance existing services, and to build on these to meet new and/or additional needs, and to improve accessibility to those in greatest need.

The Law Centre has not engaged professional fundraisers or commercial participators, and has not undertaken activities which involve targeting members of the general public. It has not received any complaints in relation to fundraising activities nor has it acted in breach of any relevant codes.

Plans for the future

The Law Centre is committed to continuing to work for access to justice, and to ensuring a solid financial base for its services.

The Law Centre holds Legal Aid contracts in housing, debt and welfare benefits, public law and immigration and asylum law.

In 2023/24, our aims include increasing the levels of publicly funded work that we do, thus increasing our percentage of unrestricted income, and to seek additional funds to enable us to respond to local needs, whilst retaining our strategic work and impact. We are also looking to develop our public law work and to look to how to develop and train staff and to grow our own future social welfare lawyers.

Structure, governance and management

The organisation is a charitable company limited by guarantee, it was founded in 1973 and incorporated on 16 March 1977 and registered as a charity on 23 November 1977.

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.

All members of the board give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Appointment of trustees

The Law Centre has a full Trustee Board.

Trustee induction and training

New Trustees receive an induction pack (which includes, for example, our safeguarding and other similar policies) and are invited to attend various training courses.

Bespoke training is also provided for Trustees as a group from time to time.

Statement of responsibilities of the trustees

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustee Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee Board is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware

Trustees' annual report

For the year ended 31 March 2023

- members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustee Board is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The members have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the trustees on 12 December 2023 and signed on their behalf by

Russell Smith-Becker
Trustee

Independent auditor's report

To the members of

Islington Law Centre

Opinion

We have audited the financial statements of Islington Law Centre (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Islington Law Centre'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 trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied

Independent auditor's report

To the members of

Islington Law Centre

that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

To the members of

Islington Law Centre

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)
14 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

		Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
	Note						
Income from:							
Donations and legacies	2	92,444	-	92,444	107,410	-	107,410
Charitable activities	3	991,911	1,493,061	2,484,972	661,268	1,363,101	2,024,369
Total income		1,084,355	1,493,061	2,577,416	768,678	1,363,101	2,131,779
Expenditure on:							
Charitable activities	5a	420,866	1,426,109	1,846,975	310,183	1,428,756	1,738,939
Total expenditure		420,866	1,426,109	1,846,975	310,183	1,428,756	1,738,939
Net income / (expenditure) for the year and net movement in funds	6	663,489	66,952	730,441	458,495	(65,655)	392,840
Reconciliation of funds:							
Total funds brought forward		1,469,193	237,235	1,706,428	1,010,698	302,890	1,313,588
Total funds carried forward		2,132,682	304,187	2,436,869	1,469,193	237,235	1,706,428

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16a to the financial statements.

Balance sheet

Company no. 1302947

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	10		78,355		96,101
			78,355		96,101
Current assets:					
Stock	11	748,925		517,247	
Debtors	12	554,504		388,775	
Cash at bank and in hand		1,164,142		846,366	
			2,467,571	1,752,388	
Liabilities:					
Creditors: amounts falling due within one year	13	(109,057)		(142,061)	
Net current assets			2,358,514		1,610,327
Total net assets			2,436,869		1,706,428
The funds of the charity:	16a				
Restricted income funds			304,187		237,235
Unrestricted income funds:					
Designated funds		1,257,580		906,116	
General funds		875,102		563,077	
Total unrestricted funds			2,132,682		1,469,193
Total charity funds			2,436,869		1,706,428

Approved by the Board on 12 December 2023 and signed on their behalf by

Russell Smith-Becker
Trustee

Statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by operating activities	(a)	327,633		278,695	
Cash flows from investing activities:					
Interest paid		-		(768)	
Purchase of fixed assets		<u>(9,857)</u>		<u>(11,737)</u>	
Net cash used in investing activities		(9,857)		(12,505)	
Change in cash and cash equivalents in the year		317,776		266,190	
Cash and cash equivalents at the beginning of the year		846,366		580,176	
Cash and cash equivalents at the end of the year	(b)	1,164,142		846,366	

(a) Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	730,441	392,840
Depreciation charges	27,602	16,710
Interest paid	-	768
Increase in stocks	(231,678)	(75,809)
Increase in debtors	(165,729)	(40,453)
Decrease in creditors	(33,004)	(15,361)
Net cash provided by operating activities	327,633	278,695

(b) Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand	846,366	317,776	-	1,164,142
Total cash and cash equivalents	846,366	317,776	-	1,164,142

1 Accounting policies

Statutory information

Islington Law Centre is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 38 Devonian Road, London, N1 8JH.

Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimation of the value of work in progress.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legal contracts is recognised on the accruals basis. An asset is recognised for work done under legal contracts where the criteria of measurement, probability and entitlement are met.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor or which has been raised by the charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

Expenditure and irrecoverable VAT

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

Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

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

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs are allocated to each activity based on staff time.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

□	Fixtures and fittings - leasehold improvements	15 years straight-line
□	Fixtures and fittings - general	25% reducing balance
□	Office equipment (other assets)	25% reducing balance
□	Computer equipment	3 - 5 years straight-line

Stock

Stock is work in progress and is valued at the net realisable value. Provision is made where necessary for irrecoverable amount of work in progress.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)**Creditors and provisions**

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities as they fall due.

Pensions

The charity operates a defined contribution pension scheme. Costs are allocated between restricted and unrestricted funds in accordance with the time spent on restricted and unrestricted work by staff members. There are no liabilities at year end.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Donations	92,444	-	92,444	107,410	-	107,410
	92,444	-	92,444	107,410	-	107,410

Notes to the financial statements

For the year ended 31 March 2023

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
LB Islington	-	450,000	450,000	-	450,000	450,000
Cripplegate Foundation	-	126,600	126,600	-	162,918	162,918
City Bridge Trust	-	63,000	63,000	-	63,800	63,800
Three Guineas Trust	-	63,500	63,500	-	58,000	58,000
Richard Cloudesley Foundation	-	96,755	96,755	-	29,308	29,308
BBC Children in Need	-	30,500	30,500	-	-	-
Paul Hamlyn Foundation	-	115,000	115,000	-	14,550	14,550
Big Lottery	-	29,402	29,402	-	57,180	57,180
Haringey Migrant Centre	-	10,000	10,000	-	26,244	26,244
Hackney Migrant Centre	-	14,925	14,925	-	10,000	10,000
Strategic Legal Fund (SLF)	-	-	-	-	7,266	7,266
Open Society Foundations	-	-	-	-	31,760	31,760
Trust for London	-	-	-	-	15,000	15,000
Anonymous	-	72,000	72,000	-	-	-
Kids in Need of Defence UK (KIND	-	158,933	158,933	-	150,014	150,014
Strategic Legal Fund (SLF)	-	-	-	-	-	-
Big Lottery - Breaking Chains	-	97,914	97,914	-	107,951	107,951
Esmée Fairbairn Foundation	-	33,000	33,000	-	30,000	30,000
Joseph Rowntree Charitable Trust	-	47,998	47,998	-	27,500	27,500
Baring Foundation	-	31,200	31,200	-	30,000	30,000
Therium	-	-	-	-	30,000	30,000
AB Charitable Trust	-	44,000	44,000	-	40,000	40,000
National Lottery Community Fund	-	-	-	-	10,000	10,000
The Evans Cornish Foundation	-	-	-	-	10,160	10,160
Other	-	-	-	-	1,450	1,450
Islington Children's Services	-	8,334	8,334	41,667	-	41,667
Fees and other income	991,911	-	991,911	619,601	-	619,601
Total income from charitable activities	991,911	1,493,061	2,484,972	661,268	1,363,101	2,024,369

4 Local and Government and Housing Act 1989

The company received financial assistance from the London Borough of Islington. As required by Section 37 of the Local Government and Housing Act 1989 the following information is given.

London Borough of Islington provided funding towards the legal advice services in the following areas;

£450,000 (2022: £450,000) was for the provision of independent advice for residents of London Borough of Islington.

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure - current year

	Charitable activities £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Staff costs (Note 7)	1,527,968	-	-	1,527,968	1,376,222
Other staff costs	10,763	-	-	10,763	11,088
Professional costs	5,171	-	17,706	22,877	24,099
Project costs	66,202	-	-	66,202	38,425
General office costs	5,253	-	95,668	100,921	112,913
Premises costs	35,153	-	3,425	38,578	58,155
Depreciation	-	-	27,602	27,602	16,710
Audit and accountancy	-	32,154	-	32,154	31,797
Irrecoverable VAT	-	-	14,707	14,707	15,530
Bad debt	-	-	5,203	5,203	54,000
	1,650,510	32,154	164,311	1,846,975	1,738,939
Support costs	32,154	(32,154)	-	-	-
Governance costs	164,311	-	(164,311)	-	-
Total expenditure 2023	1,846,975	-	-	1,846,975	1,738,939

Of the total expenditure, £420,866 was unrestricted (2022: £380,183) and £1,426,109 was restricted (2022: £1,428,756).

5b Analysis of expenditure - prior year

	Charitable activities £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 7)	1,376,222	-	-	1,376,222
Other staff costs	11,088	-	-	11,088
Professional overheads	13,658	-	10,441	24,099
Project costs	38,425	-	-	38,425
General office costs	6,302	-	106,611	112,913
Premises costs	55,446	-	2,709	58,155
Depreciation	-	-	16,710	16,710
Audit and accountancy	-	31,797	-	31,797
Irrecoverable VAT	-	-	15,530	15,530
Bad debt	-	-	54,000	54,000
	1,501,141	31,797	206,001	1,738,939
Support costs	31,797	(31,797)	-	-
Governance costs	206,001	-	(206,001)	-
Total expenditure 2022	1,738,939	-	-	1,738,939

Notes to the financial statements

For the year ended 31 March 2023

6 Net income for the year

This is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation	27,602	16,710
Interest payable	-	768
Operating lease rentals:		
Property	22,500	22,500
Auditor's remuneration (excluding VAT):		
Audit	12,200	10,600
Under provision for earlier years	-	-
	<u><u> </u></u>	<u><u> </u></u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	1,347,312	1,222,464
Social security costs	142,642	119,824
Employer's contribution to defined contribution pension schemes	32,647	28,478
Staff training	5,367	5,456
	<u><u>1,527,968</u></u>	<u><u>1,376,222</u></u>

One employee earned more than £60,000 during the year (2022: nil).

	2023	2022
£60,000 - £69,999	1	-

The total employee benefits including employer NI and pension contributions of the key management personnel were £130,417 (2022: £119,567).

The trustees were not paid and received no other benefits from employment with the charity in the year (2022: £nil). No member received payment for professional or other services supplied to the charity (2022: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023	2022
	No.	No.
Average staff	39	39
	<u><u>39</u></u>	<u><u>39</u></u>

Notes to the financial statements

For the year ended 31 March 2023

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At the start of the year	120,708	80,720	11,375	212,803
Additions in year	8,520	1,336	-	9,857
At the end of the year	<u>129,228</u>	<u>82,056</u>	<u>11,375</u>	<u>222,660</u>
Depreciation				
At the start of the year	27,315	78,785	10,603	116,703
Charge for the year	25,477	1,933	192	27,602
At the end of the year	<u>52,792</u>	<u>80,718</u>	<u>10,795</u>	<u>144,305</u>
Net book value				
At the end of the year	<u>76,436</u>	<u>1,338</u>	<u>581</u>	<u>78,355</u>
At the start of the year	<u>93,393</u>	<u>1,935</u>	<u>773</u>	<u>96,101</u>

All of the above assets are used for charitable purposes.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Computer equipment	<u>1,338</u>	<u>1,935</u>

All of the above assets are used for charitable purposes.

11 Stock

	2023 £	2022 £
Work in progress	<u>748,925</u>	<u>517,247</u>
	<u>748,925</u>	<u>517,247</u>

Notes to the financial statements

For the year ended 31 March 2023

12 Debtors

	2023 £	2022 £
Trade debtors	508,603	357,472
Other debtors	4,572	4,571
Prepayments	24,603	20,824
Accrued income	16,726	5,908
	554,504	388,775

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	27,497	16,769
Other creditors	67,160	86,460
Accruals	14,400	30,500
Deferred income	-	8,332
	109,057	142,061

14 Deferred income

	2023 £	2022 £
Balance at the beginning of the year	8,332	76,978
Amount released to income in the year	(8,332)	(76,978)
Amount deferred in the year	-	8,332
	-	8,332

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	78,355	-	-	78,355
Net current assets	796,747	1,257,580	304,187	2,358,514
Net assets at 31 March 2023	875,102	1,257,580	304,187	2,436,869

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	96,101	-	-	96,101
Net current assets	466,976	906,116	237,235	1,610,327
Net assets at 31 March 2022	563,077	906,116	237,235	1,706,428

16a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
City Bridge Trust	-	63,000	(63,000)	-	-
Cripplegate Foundation	47,918	126,600	(113,035)	-	61,483
LB Islington	16,211	450,000	(466,211)	-	-
Three Guineas Trust	43,101	63,500	(106,601)	-	-
Richard Cloudesley Foundation	-	96,755	(64,255)	-	32,500
Big Lottery	37,186	127,316	(133,582)	-	30,920
Haringey Migrant Centre	-	10,000	(10,000)	-	-
Hackney Migrant Centre	-	14,925	(14,925)	-	-
BBC Children in need	-	30,500	(30,500)	-	-
Open Society Foundations	1,068	-	(1,068)	-	-
Islington Children's Services	-	8,334	(8,334)	-	-
Kids in Need of Defence UK (KIND UK)	57,661	158,933	(176,859)	-	39,735
Paul Hamlyn Foundation	848	115,000	(60,848)	-	55,000
Esmée Fairbairn Foundation	10,475	33,000	(35,975)	-	7,500
Joseph Rowntree Charitable Trust	-	47,998	(43,998)	-	4,000
Baring Foundation	-	31,200	(23,400)	-	7,800
Anonymous	-	72,000	(12,000)	-	60,000
AB Charitable Trust	22,767	44,000	(61,517)	-	5,250
Total restricted funds	237,235	1,493,061	(1,426,109)	-	304,187
Unrestricted funds:					
Designated funds:					
Migrants' Law Project	388,869	203,816	(84,030)	-	508,655
WIP	517,247	231,678	-	-	748,925
Total designated funds	906,116	435,494	(84,030)	-	1,257,580
General funds	563,077	648,861	(336,836)	-	875,102
Total unrestricted funds	1,469,193	1,084,355	(420,866)	-	2,132,682
Total funds	1,706,428	2,577,416	(1,846,975)	-	2,436,869

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2023

16b Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
City Bridge Trust	-	63,800	(63,800)	-	-
Cripplegate Foundation	-	162,918	(115,000)	-	47,918
LB Islington	100,910	450,000	(534,699)	-	16,211
Three Guineas Trust	32,222	58,000	(47,121)	-	43,101
Richard Cloudesley Foundation	32,221	29,309	(61,530)	-	-
Big Lottery	37,186	165,131	(165,131)	-	37,186
Haringey Migrant Centre	-	26,244	(26,244)	-	-
Hackney Migrant Centre	-	10,000	(10,000)	-	-
Strategic Legal Fund (SLF)	-	7,266	(7,266)	-	-
Open Society Foundations	-	31,760	(30,692)	-	1,068
Islington Children's Services	-	-	-	-	-
Trust for London	-	15,000	(15,000)	-	-
Kids in Need of Defence UK (KIND UK)	75,976	150,013	(168,328)	-	57,660
Paul Hamlyn Foundation	-	14,550	(13,702)	-	848
Esmée Fairbairn Foundation	24,375	30,000	(43,900)	-	10,475
Joseph Rowntree Charitable Trust	-	27,500	(27,500)	-	-
Baring Foundation	-	30,000	(30,000)	-	-
National Lottery Community Fund	-	10,000	(10,000)	-	-
The Evans Cornish Foundation	-	10,160	(10,160)	-	-
Therium	-	30,000	(30,000)	-	-
AB Charitable Trust	-	40,000	(17,233)	-	22,767
Other	-	1,450	(1,450)	-	-
Total restricted funds	302,890	1,363,101	(1,428,756)	-	237,235
Unrestricted funds:					
Designated funds:					
Migrants' Law Project	284,149	144,716	(39,996)	-	388,869
WIP	441,438	75,809	-	-	517,247
Total designated funds	725,587	220,525	(39,996)	-	906,116
General funds	285,111	548,153	(270,187)	-	563,077
Total unrestricted funds	1,010,698	768,678	(310,183)	-	1,469,193
Total funds	1,313,588	2,131,779	(1,738,939)	-	1,706,428

Purposes of restricted funds

General social welfare and core services includes core funding for General Legal Advice Services and the Three Advice Projects.

The Migrant and Refugee Children's Legal Unit was funded to work for social justice by changing policy and practice to ensure respect for the rights, and improve the lives, of migrant and refugee children in the UK through strategic casework, training, consultancy and policy work. The Migrant and Refugee Children's Legal Unit received restricted funding from Paul Hamlyn Foundation, Kids in Need of Defence, AB Charitable Trust and the National Lottery.

The Migrants' Law Project is a legal and public legal education project, which aims to improve the rights of migrants, refugees and asylum seekers through the use of public law. The Migrants' Law Project received restricted funding from Joseph Rowntree Foundation, Esmée Fairbairn, Therium and Trust for London.

17 Movements in funds (continued)**Purposes of designated funds****Migrants' Law Project**

Funds have been set aside by the Management Committee for the work of the Migrants' Law Project at the Law Centre to further the project objectives.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2023	2022
	£	£
Less than one year	22,500	22,500
Between 1-5 Years	82,500	90,000
Over 5 years	-	15,000
	105,000	127,500

19 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.

20 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

21 Post balance sheet event

From 16 June 2023 the Migrant Law Project at Islington Law Centre transferred to another organisation, Asylum Aid. The transfer included staff working on the project, £200,000 in unrestricted funds, unspent restricted project funding allocated to the project, and work in progress on project files totalling approximately £200,000.