

TOWER HAMLETS LAW CENTRE

England & Wales · Charity number 287282

Details

Status	Registered
Legal form	Charitable company
Company number	01720518
Registered	1983-07-06
Register	View on the Charity Commission register

Contact

Address	Unit 1 St. Anne Street off 789 Commercial Road London
Phone	02075384909
Email	info@thlc.co.uk
Website	www.thlc.co.uk

Activities

Objects: 1. THE ACQUISITION OF THE UNDERTAKING AND ASSETS OF THE UNINCORPORATED ASSOCIATION KNOWN AS THE TOWER HAMLETS LAW CENTRE; 2. THE RELIEF OF POVERTY AMONGST PERSONS RESIDENT OR WORKING IN GREATER LONDON AND IN PARTICULAR THE LONDON BOROUGH OF TOWER HAMLETS (HEREINAFTER CALLED "THE BENEFIT AREA") BY PROVIDING SUCH PERSONS WITH LEGAL SERVICES WHICH THEY COULD NOT OTHERWISE OBTAIN OR WHICH IT WOULD NOT BE REASONABLY PRACTICABLE OR APPROPRIATE TO OBTAIN ELSEWHERE; 3. THE ADVANCEMENT OF EDUCATION AMONGST PERSONS RESIDENT OR WORKING IN THE BENEFIT AREA; 4. THE ADVANCEMENT OF SUCH OTHER CHARITABLE PURPOSES AS ARE BENEFICIAL TO THE COMMUNITY FOR PERSONS RESIDENT OR WORKING IN THE BENEFIT AREA.

Activities: Tower Hamlets Law Centre exists to develop independent Law Centre services for the people of Tower Hamlets and East London. To provide access to justice and to facilitate the awareness of legal rights, particularly targeting the most disadvantaged members of the community

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Disability, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** GREATER LONDON IN PARTICULAR LONDON BOROUGH OF TOWER HAMLETS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£675,236	£680,438	£268,589	16
2024-03-31	£613,551	£615,649	£273,791	15
2023-03-31	£624,977	£623,225	£275,889	15
2022-03-31	£637,188	£566,866	£274,137	16
2021-03-31	£554,790	£548,623	£203,815	17

Trustees

Name	Role	Appointed
Al-Karim Makhani		2023-11-21
Das Debashis		2023-11-21
Maria-Grazia Donvito		2017-02-09
Philippa Salewicz		2022-02-22
Sabrina Jamil		2022-02-22
Steven Pallett		2022-02-22

Accounts

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

KINGSTON BURROWES AUDIT LTD

Statutory Auditors

308 Ewell Road

Surbiton

Surrey

KT6 7AL

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

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TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Reference and Administrative Details

Trustees

James Blythe (to 31 January 2025)
Philippa Salewicz, Chair
Mark Kalderon, Treasurer
Rosalind Shaw, Secretary
Manuhar Ali
Derek Maurice Cox
Catherine Tuitt
Maria-Grazia Donvito
Yvonne Kramo
Philip Bartlett (to 08 August 2025)
Zeno Capucci (to 01 October 2025)
Sabrina Jamil, Vice-Chair
Stephanie Leung (to 11 August 2025)
Steven Pallett
Syed Uddin (to 26 September 2025)
Debashis Das
Al-Karim Makhani

Senior Managers

Martin South
Bolaji Bishi

Company Registered Number

1720518

Charity Registered Number

287282

Registered and Principal Office

Unit 1, St Anne Street
Off 789 Commercial Road
London E14 7HG

Independent Examiner

Kevin Fisher BA FCA CTA
Kingston Burrowes Audit Ltd
308 Ewell Road
Surbiton
Surrey
KT6 7AL

Bankers

HSBC plc
1-3 Bishopsgate
London EC2N 3AQ

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Tower Hamlets Law Centre (the Law Centre) for the year ended 31 March 2025. The Trustees confirm that the annual report and financial statements of the Law Centre comply with the current statutory requirements, the requirements of the Law Centre's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

The trustees have had regard to the advice of the Charities SORP Committee 'Implications of COVID-19 control measures and charity financial reporting', issued in March 2020.

Objectives and Activities

The Law Centre's main purposes are to relieve poverty and advance education by:

- developing independent Law Centre services for the people of Tower Hamlets and East London.
- providing access to justice and facilitating awareness of legal rights, particularly targeting the most disadvantaged members of the community.

The main activities for the year continued to focus on the following;

- Delivery of specialist legal advice for those most disadvantaged in the local community;
- Provision of second tier support and advice for other generalist advice agencies in Tower Hamlets;
- Delivery of community education work to raise awareness of legal rights amongst local people; and
- Active development of services through partnership with other advice-giving organisations.

The law centre's work has a positive and long-lasting impact on our clients' wellbeing, dignity and human rights. For example:

- We help people fleeing persecution overseas to be granted asylum in this country, including an increasing number of unaccompanied minor asylum seekers; help to reunite families separated by international borders; and help women to escape from violence at home.
- We fight to prevent people from being evicted and becoming homeless; help those already homeless to secure accommodation when it has been denied to them; and help people living in unsafe and unhealthy homes to make their landlords repair them.
- We make sure that people get the welfare benefits they are entitled to, including some of the most vulnerable members of society who are fearful and desperate in the face of decisions to withdraw Personal Independence Payments and Education and Support Allowance.
- We help people with all kinds of problems at work, including pay and working conditions, unfair dismissal and redundancy.

Achievements and performance

2025 marks the law centre's 50th anniversary. Its achievements in providing access to justice for our East End community were celebrated at a special event in September 2025 attended by supporters, and present and past staff, trustees and volunteers.

The main objectives set by the trustees related to maintaining the charity's activities, and these were successfully met. In particular:

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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Delivery of Specialist Legal Advice

We delivered specialist casework in housing, immigration, welfare benefits, and employment law throughout the year. Our services were delivered principally from our office in St Anne Street, near Westferry DLR, with advice to individuals provided through face-to-face appointments with specialist caseworkers and solicitors. Our pro-bono evening advice clinics, run in partnership with major City of London law firms and drawing on generous support from them and their staff, continued as telephone services throughout the year.

We were able to re-establish our specialist employment law service from January 2024, thanks to funding from the Access to Justice Foundation's IOTLS grant.

During the year 2024-25 we worked on 1402 cases. This number is more than 25% higher than the total for 2023-24 (1114). The increase is largely due to more stable staffing during the year, and a full range of advice clinics, including a new immigration advice clinic in partnership with KPMG, started in May 2024.

Partnership Working, Provision of Second Tier Support and Community Education

In August 2024, we lost our place on the duty solicitor rota for housing cases at Stratford Hearing Centre as agents for Edwards Duthie Shamash when their bid for a new contract was unsuccessful. In January 2025, we secured a role in January as agents for RCJ Advice, which holds the HLPAS contract for Central London County Court.

We continued to provide second tier support to other advice agencies in the borough, including advice by telephone and supervision support. We participated in the Tower Hamlets Community Advice Network, Advice Tower Hamlets and Tower Hamlets Connect partnerships, which co-ordinate advice services and offer mutual support across the borough.

We also continued to work in partnership with Praxis and RAMFEL on the Street Legal East project, part of a pan-London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

Funding

Earnings from legal aid continued to increase from their low point during and immediately following the Covid-19 pandemic, but at roughly £140,000 are still far from adequate to sustain meaningful activity.

We were immensely grateful for the continuing support of funders like the Legal Education Foundation, the London Legal Support Trust and the A.B. Charitable Trust as well as our corporate supporters, including Freshfields Bruckhaus Deringer and HFW.

Financial Review

The funding environment for advice services has now been increasingly challenging for well over ten years, and despite achieving surpluses or broadly breaking even since 2017/18, the law centre's sustainability remains uncertain and, at the time of writing, under threat.

We have repeatedly predicted and experienced increasing and exceptional pressure on public sector funders, with local authorities continuing to warn of potential 'bankruptcies' on account of pressures including the cost of adult social care. We face a growing challenge in securing funding for the most complex problems, requiring specialist legal support, with money increasingly directed towards services delivering greater numbers of relatively straightforward cases.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

The scope of legal aid is far too narrow to allow access to justice for many people, and the rates of payment for work done, which have not increased since 1996, have now become grossly inadequate. This continues to lead to many practitioners abandoning practice. In response to the 2024 report of the Review of Civil Legal Aid (RoCLA), aimed at developing proposals to ensure the long-term sustainability of the civil legal aid supplier base, the Government promised increased remuneration rates for housing and immigration legal aid cases. Nearly a year after the promise, however, the increases have not been made and no date for their implementation has been announced.

The difficulty of earning money through legal aid has been magnified by a large-scale data breach by the Legal Aid Agency. In response to this, the LAA shut down access to its systems for claiming and paying legal aid and legal help fees. Cumbersome contingency arrangements were put in place while the LAA attempted to create more secure systems, which has led to additional work and delayed cashflow.

Funding from trusts and foundations continues to be harder to secure, as reported last year. In particular, funders are directing their support increasingly towards organisations working towards policy and system change, and away from those concentrating only on casework for individuals.

In 2024-25, the campaign of emergency fundraising led by the trustees in response to a forecast deficit was successful and has reduced the deficit to a modest one, close to break even for the year. We have also taken the opportunity to put in place a new business plan and business model, which will improve our sustainability in future years.

Risk Management

The Trustees have assessed the major risks to which the Law Centre is exposed, and, in particular, those related to its operations and finances. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Law Centre's Strategic Plan seeks to mitigate the risks associated with particular sources of funding and ensure the continued viability of the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre. The maintenance of the Lexcel Quality Standard and compliance with Solicitors' Practice Rules ensure a consistent quality of delivery for all operational activities of the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. The cost-of-living crisis, in particular, has increased both demand for our services and the cost of delivering them. For the moment, our reserves target of £200,000 is unchanged, so that we can direct our income towards delivering services and bolstering the salaries of our staff. The trustees are keeping our reserves under close scrutiny, however, and are satisfied that their current level is adequate.

The amount of unrestricted reserves held by the charity at 31 March 2025 was £268,589. The Trustees anticipate that it will be necessary to draw upon these reserves over the course of the next few years in order to mitigate the effects of inflation, recession and the cost-of-living crisis in the UK. These will increase the cost of running the law centre at the same time as increasing demand for our services. At the same time, the historical underfunding of legal aid is likely to continue, and public sector funders, in particular, will be placed under increasing budgetary pressure.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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Plans for the Future

The Trustees have agreed the Law Centre's Strategic Plan 2025-2028. Our focus for the next three years will be on 'futureproofing'. In many respects, this means that our strategic priorities will not change significantly from those in earlier plans: the key issue remains that of diminishing income versus increasing demand for our services.

Priority One: A High-Performing Organisation

Lead Committee: Finance

We will drive high performance at all levels of the organisation.

For the organisation as a whole, we will:

- Establish a culture in which high performance is both expected and celebrated, including prompt and efficient billing of casework.
- Make each of our specialist teams responsible for the performance and income-generation necessary to sustain itself and contribute to organisational overheads.

For individual staff members, we will:

- Improve appraisal and supervision processes to help people succeed, with clear, measurable objectives, and timely, meaningful reviews.
- Refine our measurement and monitoring of the hours recorded by caseworkers to ensure that targets are challenging but achievable, and that all work carried out is properly credited.
- Set earnings targets for caseworkers alongside targets for casework hours.

Priority Two: A Sustainably Funded Organisation

Lead Committee: Development

We will continue to grow and diversify our sources of income.

- We will increase the proportion of funding from corporate supporters.
- We will earn as much as possible from legal aid, maximising billing by our casework staff.
- We will identify and secure new sources of funding from trusts and foundations.
- We will increase the number of our followers on social media platforms – particularly LinkedIn – as part of our approach to individual giving.
- We will use the opportunity of our 50th anniversary year in 2025 to raise our profile and connect with more potential supporters.

Priority Three: A Modern, Inclusive Employer of Choice

Lead Committee: Personnel

We will be an organisation that people want to work for, enjoy working for, stay and progress in

- We will regularly review pay, terms and conditions to ensure that they are competitive and fit for purpose.
- We will review the composition of our staff team and Board of Trustees to ensure that they are diverse and inclusive.
- We will plan for succession to key roles within the staff team and Board of Trustees.
- We will continue to develop a hybrid working model with and for staff.
- We will identify opportunities for training, development and progression for all staff.
- We will provide a good working environment and equipment.
- We will continue to implement an annual staff survey.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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Priority Four: Engaging More Effectively with the East End Community

Lead: Full Board of Trustees

We will understand our community better, broaden our practice and build links so that our work reflects the needs and priorities of the people we serve.

- We will work in partnership with local people and organisations to train new community advocates.
- We will identify new ways of connecting with the community, including online.
- We will work to ensure our employment law practice is sustainable in the long term, with a range of secure sources of funding and high quality outcomes for clients.
- We will become the community's 'first port of call' for information and advice about legal problems, developing the resources on our website and considering increasing the number and range of our pro bono advice clinics.

Structure, Governance and Management

Governing Document

The Law Centre is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 14 March 1983. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Law Centre's purposes, as set out in its governing document, are:

- The relief of poverty amongst persons resident or working in Greater London and in particular the London borough of Tower Hamlets ("the benefit area") by providing such persons with legal services which they could not otherwise obtain or which it would not be reasonably practicable or appropriate to obtain elsewhere;
- The advancement of education amongst persons resident or working in the benefit area;
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the benefit area.

In December 2016, revised Articles of Association were adopted, but they made no substantive changes to the Law Centre's purposes, which were simply moved from the Memorandum to the Articles.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Trustees. The management of the Law Centre is the responsibility of the Trustees, who are appointed and co-opted under the terms of the Articles of Association. Under the requirements of the Memorandum and Articles of Association one third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, at which time they may be reappointed if eligible.

The Trustees may co-opt any individual, provided the total number of Trustees does not exceed the number allowed by the Articles. Co-opted Trustees hold office only until the next Annual General Meeting, at which time they may be reappointed if eligible.

When more Trustees are needed, the Trustees advertise vacancies widely in order to draw in appropriately qualified individuals to support the development of the Law Centre. Appropriate qualifications may include specific skills, experience and contacts as well as knowledge of the local community.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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Mindful of the advice in the Charity Governance Code, the Trustees intend to introduce a nine-year term limit on trusteeship at this year's Annual General Meeting. They are also conscious, however, that this will result in the enforced retirement of many highly experienced trustees, who provide the Board with invaluable knowledge and understanding of the local community. The Trustees have already embarked on a succession planning process, including the recruitment of new trustees through the East London Business Alliance's BoardMatch scheme.

Trustee Induction and Training

New Trustees are given the opportunity to visit the Law Centre during a working day and meet staff members and volunteers, as well as existing Trustees. All new Trustees receive an induction pack that includes general information about the Law Centre as well as recent copies of minutes, management accounts and senior management reports and a copy of the Memorandum and Articles of Association.

Trustees are invited to attend an individual meeting with the Chief Executive to familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The roles and responsibilities of Trustees
- An overview of the governing document and key policies including equal opportunities and financial management
- The current financial position of the organisation, including an introduction to key funders and their requirements
- An overview of the Business Plan, focusing on future plans and objectives
- An overview of the current Risk Assessment

Related Parties

At a national level, provision and procurement of quality legal advice is ensured principally through the Legal Aid Agency and the Law Society. The charity engages with these bodies through the maintenance of the Lexcel Quality Standard and through compliance with Solicitors' Practice Rules. The charity also maintains membership of the Law Centres Network, which provides important links to wider policy issues and support for the organisation in management practice and strategic development. Locally, the charity is represented on the Tower Hamlets Community Advice Network, a group of advice agencies working in the borough.

Public Benefit

In planning and reviewing the following activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. We are satisfied that in the management of resources to deliver legal advice services we can demonstrate that our work benefits not only our clients but also to the wider community.

Organisational Structure and Decision Making

The Law Centre's members elect its Trustees, who are responsible for the strategic direction of the law centre and oversight of its work and finances.

The Trustees delegate day-to-day responsibility for the provision of services to the Chief Executive and the Senior Solicitor. The Chief Executive is responsible for ensuring the secure financial management and administration of the charity and the Senior Solicitor is responsible for ensuring the quality of the services delivered. Effective management and supervision of the staff team is the responsibility of both the Chief Executive and the Senior Solicitor.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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Remuneration of Key Management Personnel

The remuneration of the charity's key management personnel, the Chief Executive and the Senior Solicitor, is set by the Board of Trustees, taking into account the charity's financial position and the amount paid for comparable roles in comparable organisations.

Volunteers

The Law Centre is grateful for support of its volunteers. In particular, we have been indebted to the trainee solicitors from Freshfields Bruckhaus Deringer, Norton Rose Fulbright, and HFW, who offer pro bono advice on housing, employment, welfare benefits and immigration.

Responsibilities of the Trustees

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

Auditors / Independent Examiners

Kingston Burrowes Chartered Accountants were appointed as our auditors / independent examiners at the Annual General Meeting in November 2024. They have expressed their willingness to accept appointment and a resolution to appoint them for 2025/26 will be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on **07/12/2025** and signed on its behalf, by:



Mark Kalderon
Treasurer

Independent Examiner's Report to the Trustees of:

TOWER HAMLETS LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2025 which are set out on pages 12 to 24.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Kingston Burrowes Audit Ltd
Statutory Auditors
308 Ewell Road
Surbiton
Surrey
KT6 7AL

2025

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Donations	2	174,239	162,078	336,317	269,936
Charitable activities	3	261,130	74,801	335,931	340,100
Investments	4	2,988	-	2,988	3,515
Total		<u>438,357</u>	<u>236,879</u>	<u>675,236</u>	<u>613,551</u>
Expenditure on:					
Charitable activities	5	<u>443,559</u>	<u>236,879</u>	<u>680,438</u>	<u>615,649</u>
Total		<u>443,559</u>	<u>236,879</u>	<u>680,438</u>	<u>615,649</u>
Net income/(expenditure)	9	(5,202)	-	(5,202)	(2,098)
Transfer between funds	15	-	-	-	-
Net movement in funds		(5,202)	-	(5,202)	(2,098)
Reconciliation of funds					
Total funds brought forward	15	<u>273,791</u>	-	<u>273,791</u>	<u>275,889</u>
Total funds carried forward	15	<u>£268,589</u>	<u>£Nil</u>	<u>£268,589</u>	<u>£273,791</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	£	2025	£	£	2024	£
FIXED ASSETS							
Tangible fixed assets	11			1,935			2,987
CURRENT ASSETS							
Debtors	12	107,680			222,589		
Cash at bank and in hand		232,950			122,954		
		<u>340,630</u>			<u>345,543</u>		
CREDITORS: Amounts falling due within one year	13	71,062			74,739		
NET CURRENT ASSETS				<u>269,568</u>			<u>270,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				271,503			273,791
CREDITORS: Amounts falling due after more than one year	14			2,914			-
NET ASSETS	16			<u>£268,589</u>			<u>£273,791</u>
FUNDS							
Restricted	15			-			-
Unrestricted - Designated	15			-			-
Unrestricted - General	15			268,589			273,791
	15			<u>£268,589</u>			<u>£273,791</u>

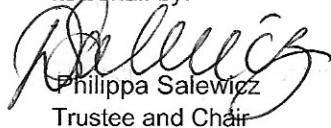
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 07/12 2025 and signed on its behalf by:


Philippa Salewicz
Trustee and Chair

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities:		
Net movement in funds	(5,202)	(2,098)
Adjustments for:		
Interest receivable	(2,988)	(3,515)
Depreciation charges (note 11)	1,052	4,562
Decrease/(increase) in debtors	114,909	(113,343)
(Decrease)/increase in creditors	(763)	9,675
Net cash provided by operating activities	<u>107,008</u>	<u>(104,719)</u>
Cash flows from investing activities:		
Interest received (note 4)	2,988	3,515
Purchase of tangible fixed assets	-	(3,533)
Disposal of tangible fixed assets	-	-
Net cash used in investing activities	<u>2,988</u>	<u>(18)</u>
Change in cash and cash equivalents in the year	109,996	(104,737)
Cash and cash equivalents brought forward	122,954	227,691
Cash and cash equivalents carried forward	<u>£232,950</u>	<u>£122,954</u>
Analysis of cash and cash equivalents	2025	2024
Cash at bank and in hand	<u>£232,950</u>	<u>£122,954</u>

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure on charitable activities comprises the costs associated with delivering specialist legal advice.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for particular purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixtures and fittings	20% straight line
Computer equipment	25% straight line

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025
/contd...

1. ACCOUNTING POLICIES (cont'd)

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer defined benefit pension scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Grants	37,519	162,078	199,597	200,350
Donations	136,720	-	136,720	69,586
	<u>£174,239</u>	<u>£162,078</u>	<u>£336,317</u>	<u>£269,936</u>

Of the £269,936 recognised in 2024, £69,586 was unrestricted and £200,350 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Grants and contracts:				
Legal Aid Agency	140,769	-	140,769	82,182
London Borough of Tower Hamlets/East End Citizens Advice Bureau	-	74,801	74,801	87,946
Housing Possession Court Duty Scheme	9,216	-	9,216	16,488
Trust for London	-	-	-	54,050
Real DPO Limited/Age UK East London	34,511	-	34,511	32,250
Fees from private clients	76,634	-	76,634	67,184
	<u>£261,130</u>	<u>£74,801</u>	<u>£335,931</u>	<u>£340,100</u>

Of the £340,100 recognised in 2024, £198,104 was unrestricted funds and £141,996 was restricted funds.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

4. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2025	Total 2024
Bank interest	£2,988	£Nil	£2,988	£3,515

All of the £3,515 recognised in 2024 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs £	Support costs £	Total 2025 £	Total 2024 £
Housing	91,577	66,736	158,313	162,680
Employment	41,579	23,834	65,413	18,900
Immigration	191,356	147,772	339,128	315,690
Welfare	69,916	47,668	117,584	118,379
	<u>£394,428</u>	<u>£286,010</u>	<u>£680,438</u>	<u>£615,649</u>

Of the £615,649 expenditure recognised in 2024, £273,303 was charged to unrestricted funds and £342,346 was charged to restricted funds.

6. ANALYSIS OF DIRECT COSTS	Total 2025 £	Total 2024 £
Staff costs	382,651	323,554
Other direct costs	11,777	8,043
	<u>£394,428</u>	<u>£331,597</u>

7. ANALYSIS OF SUPPORT COSTS	Total 2025 £	Total 2024 £
Staff and freelance costs	208,272	207,913
Office costs	48,724	46,326
Premises costs	25,364	26,288
Governance costs (see Note 8)	3,650	3,525
	<u>£286,010</u>	<u>£284,052</u>

8. GOVERNANCE COSTS	2025 £	2024 £
Independent examiner's fees - Examination	2,410	2,285
SRA audit	1,240	1,240
Other fees	-	-
	<u>£3,650</u>	<u>£3,525</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

9. NET INCOME/EXPENDITURE FOR THE YEAR	2025	2024
The net income/expenditure for the year is stated after charging:		
Operating lease rentals	£21,000	£21,000
Depreciation of tangible fixed assets	£1,052	£4,562
Independent Examiner's remuneration	£2,410	£2,285
Pension contributions (defined contribution schemes)	£19,328	£10,843
	<u>£21,000</u>	<u>£21,000</u>

10. STAFF COSTS AND NUMBERS	2025	2024
	£	£
Staff costs were as follows:		
Wages and salaries	493,851	436,679
Social security costs	44,074	35,914
Pension costs	19,328	10,843
	<u>£557,253</u>	<u>£483,436</u>

The average number of employees during the year was 16 (2024: 15).

No employee received total benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by key management amounted to £30,996 (2024: £29,944). Under FRS 102, employee benefits includes gross salary, employer's NIC, employer's pension contributions and benefits in kind.

11. FIXED ASSETS	Office & Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
Cost at 1 April 2024	20,240	1,510	21,750
Additions	-	-	-
Disposals	-	-	-
	<u>20,240</u>	<u>1,510</u>	<u>21,750</u>
At 31 March 2025	20,240	1,510	21,750
Depreciation			
At 1 April 2024	17,253	1,510	18,763
Charge for the year	1,052	-	1,052
Eliminated on disposal	-	-	-
	<u>18,305</u>	<u>1,510</u>	<u>19,815</u>
At 31 March 2025	18,305	1,510	19,815
Net Book Value			
At 31 March 2025	<u>£1,935</u>	<u>£Nil</u>	<u>£1,935</u>
At 31 March 2024	<u>£2,987</u>	<u>£Nil</u>	<u>£2,987</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025
/contd...

12. DEBTORS	2025 £	2024 £
Trade debtors	39,552	110,384
Prepayments and accrued income	64,628	95,763
Other debtors	3,500	16,442
	<u>£107,680</u>	<u>£222,589</u>

13. CREDITORS – Amounts falling due within one year	2025 £	2024 £
Trade creditors	18,484	41,143
Accruals and deferred income (see below)	21,094	16,050
Taxation and social security	31,484	17,546
	<u>£71,062</u>	<u>£74,739</u>

DEFERRED INCOME	Balance Brought Forward	Additions in Year	Released to Income	Balance Carried Forward
Grants	<u>£2,862</u>	<u>£15,117</u>	<u>£2,862</u>	<u>£15,117</u>

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets.

14. CREDITORS – Amounts falling due after more than one year	2025 £	2024 £
Pension deficit	<u>£2,914</u>	<u>£Nil</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

15. MOVEMENT IN FUNDS

2025	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	74,801	(74,801)	-	-
Justice First Fellowship Scheme	-	5,000	(5,000)	-	-
Street Legal East	-	15,000	(15,000)	-	-
Solicitor Training	-	35,566	(35,566)	-	-
Access to Justice	-	106,512	(106,512)	-	-
	-	236,879	(236,879)	-	-
Unrestricted funds					
General	273,791	438,357	(443,559)	-	268,589
	273,791	438,357	(443,559)	-	268,589
Total Funds	£273,791	£675,236	£(680,438)	£Nil	£268,589

Specialist Welfare Advice Partnership

The Specialist Welfare Advice Partnership fund represents MainStream Grant funding from Tower Hamlets Council for the provision of specialist welfare advice services.

Immigration Advice Service

Funding received towards provision of legal advice and support to women across East London suffering domestic violence, complicated by immigration and asylum issues.

Capacity Building

The Law Centre has received funding towards the costs of developing its fundraising capacity and also towards salaries and overheads.

Justice First Fellowship Scheme

This is funded by the Legal Aid Foundation for the training of Fellow solicitors.

EU Settlement Scheme

This is funded by the Home Office to support vulnerable EU citizens with completing their EUSS applications.

Crisis Hub Agreement

Support for Crisis's "Skylight Centres" and other frontline organisations.

London Community Response

This was money for and spent on computer equipment.

Street Legal East

This is part of a pan London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

15. MOVEMENT IN FUNDS /contd...

Billing Coordinator

The Billing Coordinator's principal role was to help identify improvements in our financial practices and procedures and to help deal with historical legal aid and legal help billing.

Solicitor Training

This is funded by Law Centres Network, so an existing/new member of staff could train as a Solicitor.

Access to Justice

This fund is for supporting organisations working to sustain and improve access to early social welfare and family legal support and advice, to enable users to resolve these problems as early as possible and avoid the need for court or tribunal proceedings where possible.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

15. MOVEMENT IN FUNDS /contd...

Comparative information for the net movement in funds in the previous year is as follows:

2024	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	87,946	(87,946)	-	-
Immigration Advice Service	-	54,050	(54,050)	-	-
Capacity Building	-	8,333	(8,333)	-	-
Justice First Fellowship Scheme	-	52,268	(52,268)	-	-
EU Settlement Scheme	-	994	(994)	-	-
Street Legal East	-	47,500	(47,500)	-	-
Solicitor Training	-	22,890	(22,890)	-	-
Access to Justice	-	68,365	(68,365)	-	-
	<u>-</u>	<u>342,346</u>	<u>(342,346)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	275,889	271,205	(273,303)	-	273,791
	<u>275,889</u>	<u>271,205</u>	<u>(273,303)</u>	<u>-</u>	<u>273,791</u>
Total Funds	<u>£275,889</u>	<u>£613,551</u>	<u>£(615,649)</u>	<u>£Nil</u>	<u>£273,791</u>

**16. ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

2025

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	1,935	-	1,935
Current assets	340,630	-	340,630
Current liabilities	(71,062)	-	(71,062)
Non-current liabilities	(2,914)	-	(2,914)
As at 31 March 2025	<u>£268,589</u>	<u>£Nil</u>	<u>£268,589</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS /contd...

Comparative information for the analysis of net assets between funds at the end of the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2024			
Fixed Assets	2,987	-	2,987
Current assets	345,543	-	345,543
Current liabilities	(74,739)	-	(74,739)
Non-current liabilities	-	-	-
As at 31 March 2024	<u>£273,791</u>	<u>£Nil</u>	<u>£273,791</u>

17. COMPANY STATUS

Tower Hamlets Law Centre is a private company limited by guarantee with no share capital and is registered in England and Wales. Each member is liable to contribute a sum not exceeding £1 in the event of the company being wound up. The registered office of the company is given in the Reference and Administrative Details of the Trustees' Annual Report.

18. TAXATION

As a registered charity, Tower Hamlets Law Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Due within one year	10,900	11,300
Due within one to five years	-	10,900
	<u>£10,900</u>	<u>£22,200</u>

20. CONTINGENT LIABILITIES

The Pension Trust – The Growth Plan

The charity participates in the above multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

/contd...

20. CONTINGENT LIABILITIES/contd...

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The charity's share of the recovery plan contributions amounts to £5,488 per annum, increasing by 3% each year until 31 January 2025. The total amount due under the original recovery plan amounting to £40,179 was recognised as a liability in the balance sheet in the year ended 31 March 2016. The liability has not been discounted to net present value on the grounds of immateriality.

As a result of changes to the recovery plan, effective from 1 April 2019, an additional liability of £6,484 was recognised in the 31 March 2019 accounts.

The estimated debt on withdrawal from the scheme is £83,208 (effective date 30 September 2020) and it is anticipated that this will reduce over time as a result of the recovery plan contributions and investment returns.

21. CONTINGENT ASSETS

The charity has been awarded some multi-year grants with specified or implied timeframes which preclude recognition of the full amount. The following contingent assets are therefore disclosed as at 31 March 2025:

East End CAB	£149,601	(Welfare Advice)
Law Centres Network	£29,194	(Train and Qualify Solicitor)
Access to Justice Foundation	£24,235	(Welfare Advice)
AB Charitable Trust	£50,000	(Welfare Advice)

22. CLIENT MONIES

In addition to the assets and liabilities included in these financial statements the charity also holds client money amounting to £44,579 as at 31 March 2025 (£154,853 as at 31 March 2024) in a separate client bank account.

23. TRUSTEES

During the year Trustees received no remuneration (2024 : £Nil) or reimbursed expenses (2024 : £Nil).

Match funding of £9,619 was received from third party with regards to time contributed to the charity by one of the trustees.

Accounts

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

KINGSTON BURROWES AUDIT LTD

Statutory Auditors

308 Ewell Road

Surbiton

Surrey

KT6 7AL

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)
(Charity No.: 287282)

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TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Reference and Administrative Details

Trustees

James Blythe (Chair to 03 April 2024)
Philippa Salewicz (Chair from 03 April 2024)
Mark Kalderon, Treasurer
Rosalind Shaw, Secretary
Manuhar Ali
Derek Maurice Cox
Catherine Tuitt
Maria-Grazia Donvito
Yvonne Kramo
Philip Bartlett
Robyn Jones (to 07 August 2023)
Zeno Capucci
Sabrina Jamil (Vice-Chair from 03 April 2024)
Stephanie Leung
Steven Pallett
Syed Uddin (from 23 May 2023)
Debashis Das (from 21 November 2023)
Al-Karim Makhani (from 21 November 2023)

Senior Managers

Martin South
Bolaji Bishi

Company Registered Number

1720518

Charity Registered Number

287282

Registered and Principal Office

Unit 1, St Anne Street
Off 789 Commercial Road
London E14 7HG

Independent Examiner

Kevin Fisher BA FCA CTA
Kingston Burrowes Audit Ltd
308 Ewell Road
Surbiton
Surrey
KT6 7AL

Bankers

HSBC plc
1-3 Bishopsgate
London EC2N 3AQ

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Tower Hamlets Law Centre (the Law Centre) for the year ended 31 March 2024. The Trustees confirm that the annual report and financial statements of the Law Centre comply with the current statutory requirements, the requirements of the Law Centre's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

The trustees have had regard to the advice of the Charities SORP Committee 'Implications of COVID-19 control measures and charity financial reporting', issued in March 2020.

Objectives and Activities

The Law Centre's main purposes are to relieve poverty and advance education by:

- developing independent Law Centre services for the people of Tower Hamlets and East London.
- providing access to justice and facilitating awareness of legal rights, particularly targeting the most disadvantaged members of the community.

The main activities for the year continued to focus on the following;

- Delivery of specialist legal advice for those most disadvantaged in the local community;
- Provision of second tier support and advice for other generalist advice agencies in Tower Hamlets;
- Delivery of community education work to raise awareness of legal rights amongst local people; and
- Active development of services through partnership with other advice-giving organisations.

The law centre's work has a positive and long-lasting impact on our clients' wellbeing, dignity and human rights. For example:

- We help people fleeing persecution overseas to be granted asylum in this country, including an increasing number of unaccompanied minor asylum seekers; help to reunite families separated by international borders; and help women to escape from violence at home.
- We fight to prevent people from being evicted and becoming homeless; help those already homeless to secure accommodation when it has been denied to them; and help people living in unsafe and unhealthy homes to make their landlords repair them.
- We make sure that people get the welfare benefits they are entitled to, including some of the most vulnerable members of society who are fearful and desperate in the face of decisions to withdraw Personal Independence Payments and Education and Support Allowance.
- We help people with all kinds of problems at work, including pay and working conditions, unfair dismissal and redundancy.

Achievements and performance

The main objectives set by the trustees related to maintaining the charity's activities, and these were successfully met. In particular:

Delivery of Specialist Legal Advice

We delivered specialist casework in housing, immigration, welfare benefits, and employment law throughout the year. Our services were delivered principally from our office in St Anne Street, near Westferry DLR, with advice to individuals provided through face-to-face appointments with specialist caseworkers and solicitors. Our pro-bono evening advice clinics, run in partnership with major City of London law firms and drawing on generous support from them and their staff, continued as telephone services throughout the year.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

We were able to re-establish our specialist employment law service from January 2024, thanks to funding from the Access to Justice Foundation's IOTLS grant.

Throughout the year, we kept our website, www.thlc.co.uk, updated with details of our services as well as useful information about special Government measures that were taken in respect of housing, immigration, welfare benefits and employment law to mitigate the effects of Covid-19.

During the year 2023-24 we worked on 1114 cases. This number was lower than 2022-23, and lower than we expected, for three main reasons:

- the ending of an employment advice clinic in April 2023, which did not re-start again until August 2023 when new pro bono support was identified;
- the ending of an immigration advice clinic in August 2023, which did not re-start again until after the end of the financial year; and
- a delay in recruiting to a vacant Welfare Benefits Caseworker post, which reduced our capacity to take on cases.

Partnership Working, Provision of Second Tier Support and Community Education

Throughout the year, we were members of the rota for the Housing Possession Duty Solicitor Scheme at Bow County Court (Stratford Housing Centre), providing assistance, advice and representation at court to those facing possession proceedings.

We continued to provide second tier support to other advice agencies in the borough, including advice by telephone and supervision support. We participated in the Tower Hamlets Community Advice Network, Advice Tower Hamlets and Tower Hamlets Connect partnerships, which co-ordinate advice services and offer mutual support across the borough.

We also continue to work in partnership with Praxis and RAMFEL on the Street Legal East project, part of a pan-London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

Funding

Earnings from legal aid continued to increase from their low point during and immediately following the Covid-19 pandemic, but at roughly £100,000 are still far from adequate to sustain meaningful activity.

We were immensely grateful for the continuing support of funders like the Trust for London, the Legal Education Foundation, the London Legal Support Trust and the A.B. Charitable Trust as well as our corporate supporters, including Freshfields Bruckhaus Deringer, Norton Rose Fulbright and HFW.

Financial Review

The funding environment for advice services has now been increasingly challenging for well over ten years, and despite achieving surpluses since 2017/18, the law centre's sustainability remains uncertain and, at the time of writing, under threat.

Our prediction, last year, of increasing and exceptional pressure on public sector funders has proved accurate, with one in four councils in England saying that they are likely to have to apply for emergency government funding to stave off bankruptcy in the next two financial years, 2025/26 and 2026/27 (Local Government Association survey, October 2024). Funding for Tower Hamlets Connect amounted to a £30,000 p.a. cut in grant funding to the law centre, as reported in 2021-22. This significantly reduced the amount of work we can do for Tower Hamlets residents with support needs. In 2023-24, our grant from the Mayor's Community Grants Fund was reduced by £25,000 (about 25%) a year with effect from November 2023. We face a growing challenge in securing funding for the most complex problems, requiring specialist legal support, with money increasingly directed towards services delivering greater numbers of relatively straightforward cases.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

The scope of legal aid is far too narrow to allow access to justice for many people, and the rates of payment for work done, which have not increased since 1996, have now become grossly inadequate. This continues to lead to many practitioners abandoning practice. The Government's Review of Civil Legal Aid (RoCLA), aimed at developing proposals to ensure the long-term sustainability of the civil legal aid supplier base, reported in 2024. It is unclear how the new Labour Government, elected in July 2024, will respond to it, but the spending priorities announced in the October 2024 budget suggest strongly that we should expect no change in the near future.

Funding from trusts and foundations has also reduced and has become harder to secure. In October 2024, the Trust for London did not renew our funding for immigration / domestic violence cases, which had continued for more than 15 years previously, citing financial pressures that had reduced its grant-making capacity from £20M to £7M annually; and a shift in focus from case work to strategic policy change. Meanwhile, the City Bridge Foundation closed its doors completely to new funding application for a year.

At the mid-point of 2024-25, the trustees forecast a deficit that would materially prejudice the ability of the Centre to provide its current range of activities. While the financial position has subsequently ameliorated, the trustees have embarked upon urgent fundraising activities and are exploring restructuring the law centre's income mix and range of activities going forward in order to place it on a more sustainable footing.

Risk Management

The Trustees have assessed the major risks to which the Law Centre is exposed, and, in particular, those related to its operations and finances. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Law Centre's Strategic Plan seeks to mitigate the risks associated with particular sources of funding and ensure the continued viability of the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre. The maintenance of the Lexcel Quality Standard and compliance with Solicitors' Practice Rules ensure a consistent quality of delivery for all operational activities of the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. The cost-of-living crisis, in particular, has increased both demand for our services and the cost of delivering them. For the moment, however, the reserves target is unchanged, so that we can direct our income towards delivering services and bolstering the salaries of our staff. Budgeted expenditure for 2024-25 is a little less than £600,000, and the target for reserves remains £200,000.

The amount of unrestricted reserves held by the charity at 31 March 2024 was £273,791. The Trustees anticipate that it will be necessary to draw upon these reserves over the course of the next few years in order to mitigate the effects of inflation, recession and the cost-of-living crisis in the UK. These will increase the cost of running the law centre at the same time as increasing demand for our services. At the same time, the historical underfunding of legal aid is likely to continue, and public sector funders, in particular, will be placed under increasing budgetary pressure.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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Plans for the Future

The Trustees have agreed the Law Centre's Strategic Plan 2022-2025. In order to improve our focus on the things we most want to achieve, they have selected just four priorities for strategic development. Our three trustees' committees (Finance, Personnel and Development) will each lead on one of the priorities, ensuring that progress is regularly reviewed and any blockages managed. The fourth priority, which concerns community engagement, will be led by the full Board of Trustees, reflecting its central importance in our plans. The four priorities are:

Priority One: A High-Performing Organisation

Lead Committee: Finance

We will drive high performance at all levels of the organisation.

Priority Two: A Well-Funded Organisation

Lead Committee: Development

We will continue to grow and diversify our sources of income.

Priority Three: A Modern, Inclusive Employer of Choice

Lead Committee: Personnel

We will be an organisation that people want to work for, enjoy working for, stay and progress in

Priority Four: A Fully Engaged Voice for the East End Community

Lead: Full Board of Trustees

We will understand our community better, and build links so that our work reflects the needs and priorities of the people we serve.

The current financial year is the last covered by the Strategic Plan 2022-25, and work will start soon on creating a new plan to take us into the future. Inevitably, much of the focus of the plan will be on the financial sustainability of the organisation.

Structure, Governance and Management

Governing Document

The Law Centre is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 14 March 1983. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Law Centre's purposes, as set out in its governing document, are:

- The relief of poverty amongst persons resident or working in Greater London and in particular the London borough of Tower Hamlets ("the benefit area") by providing such persons with legal services which they could not otherwise obtain or which it would not be reasonably practicable or appropriate to obtain elsewhere;
- The advancement of education amongst persons resident or working in the benefit area;
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the benefit area.

In December 2016, revised Articles of Association were adopted, but they made no substantive changes to the Law Centre's purposes, which were simply moved from the Memorandum to the Articles.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024
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Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Trustees. The management of the Law Centre is the responsibility of the Trustees, who are appointed and co-opted under the terms of the Articles of Association. Under the requirements of the Memorandum and Articles of Association one third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, at which time they may be reappointed if eligible.

The Trustees may co-opt any individual, provided the total number of Trustees does not exceed the number allowed by the Articles. Co-opted Trustees hold office only until the next Annual General Meeting, at which time they may be reappointed if eligible.

When more Trustees are needed, the Trustees advertise vacancies widely in order to draw in appropriately qualified individuals to support the development of the Law Centre. Appropriate qualifications may include specific skills, experience and contacts as well as knowledge of the local community.

Mindful of the advice in the Charity Governance Code, the Trustees intend to introduce a nine-year term limit on trusteeship. They are also conscious, however, that to introduce it immediately would result in the enforced retirement of many highly experienced trustees, most of whom provide the Board with invaluable knowledge and understanding of the local community. The Trustees have, therefore, embarked on a review of Board membership and succession planning which is intended to enable them to introduce the term limit next year.

Trustee Induction and Training

New Trustees are given the opportunity to visit the Law Centre during a working day and meet staff members and volunteers, as well as existing Trustees. All new Trustees receive an induction pack that includes general information about the Law Centre as well as recent copies of minutes, management accounts and senior management reports and a copy of the Memorandum and Articles of Association.

Trustees are invited to attend an individual meeting with the Chief Executive to familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The roles and responsibilities of Trustees
- An overview of the governing document and key policies including equal opportunities and financial management
- The current financial position of the organisation, including an introduction to key funders and their requirements
- An overview of the Business Plan, focusing on future plans and objectives
- An overview of the current Risk Assessment

Related Parties

At a national level, provision and procurement of quality legal advice is ensured principally through the Legal Aid Agency and the Law Society. The charity engages with these bodies through the maintenance of the Lexcel Quality Standard and through compliance with Solicitors' Practice Rules. The charity also maintains membership of the Law Centres Network, which provides important links to wider policy issues and support for the organisation in management practice and strategic development. Locally, the charity is represented on the Tower Hamlets Community Advice Network, a group of advice agencies working in the borough.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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Public Benefit

In planning and reviewing the following activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. We are satisfied that in the management of resources to deliver legal advice services we can demonstrate that our work benefits not only our clients but also to the wider community.

Organisational Structure and Decision Making

The Law Centre's members elect its Trustees, who are responsible for the strategic direction of the law centre and oversight of its work and finances.

The Trustees delegate day-to-day responsibility for the provision of services to the Chief Executive and the Senior Solicitor. The Chief Executive is responsible for ensuring the secure financial management and administration of the charity and the Senior Solicitor is responsible for ensuring the quality of the services delivered. Effective management and supervision of the staff team is the responsibility of both the Chief Executive and the Senior Solicitor.

Remuneration of Key Management Personnel

The remuneration of the charity's key management personnel, the Chief Executive and the Senior Solicitor, is set by the Board of Trustees, taking into account the charity's financial position and the amount paid for comparable roles in comparable organisations.

Volunteers

The Law Centre is grateful for support of its volunteers. In particular, we have been indebted to the trainee solicitors from Freshfields Bruckhaus Deringer, Norton Rose Fulbright, and HFW, who offer pro bono advice on housing, employment, welfare benefits and immigration.

Responsibilities of the Trustees

The Trustees (who are also directors of the charitable company 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024
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The Trustees are 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

Myrus Smith Chartered Accountants were appointed as our independent examiners at the Annual General Meeting in November 2023. During the course of the year, Myrus Smith was acquired by Kingston Burrowes Audit Ltd, and has taken over the audit services previously provided. They have expressed their willingness to accept appointment and a resolution to appoint them for 2024/25 will be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 26/11/24 and signed on its behalf, by:



Mark Kalderon
Treasurer

Independent Examiner's Report to the Trustees of:

TOWER HAMLETS LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2024 which are set out on pages 11 to 23.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Kingston Burrowes Audit Ltd
Statutory Auditors
308 Ewell Road
Surbiton
Surrey
KT6 7AL

13-12-2024

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income from:					
Donations	2	69,586	200,350	269,936	322,228
Charitable activities	3	198,104	141,996	340,100	301,939
Investments	4	3,515	-	3,515	810
Total		<u>271,205</u>	<u>342,346</u>	<u>613,551</u>	<u>624,977</u>
Expenditure on:					
Charitable activities	5	<u>273,303</u>	<u>342,346</u>	<u>615,649</u>	<u>623,225</u>
Total		<u>273,303</u>	<u>342,346</u>	<u>615,649</u>	<u>623,225</u>
Net income/(expenditure)	9	(2,098)	-	(2,098)	1,752
Transfer between funds	15	-	-	-	-
Net movement in funds		(2,098)	-	(2,098)	1,752
Reconciliation of funds					
Total funds brought forward	15	<u>275,889</u>	-	<u>275,889</u>	<u>274,137</u>
Total funds carried forward	15	<u>£273,791</u>	<u>£Nil</u>	<u>£273,791</u>	<u>£275,889</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible fixed assets	11	2,987	4,016
CURRENT ASSETS			
Debtors	12	222,589	109,246
Cash at bank and in hand		122,954	227,691
		<u>345,543</u>	<u>336,937</u>
CREDITORS: Amounts falling due within one year	13	<u>74,739</u>	<u>65,064</u>
NET CURRENT ASSETS		<u>270,804</u>	<u>271,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>273,791</u>	<u>275,889</u>
CREDITORS: Amounts falling due after more than one year	14	-	-
NET ASSETS	16	<u>£273,791</u>	<u>£275,889</u>
FUNDS			
Restricted	15	-	-
Unrestricted - Designated	15	-	-
Unrestricted - General	15	<u>273,791</u>	<u>275,889</u>
	15	<u>£273,791</u>	<u>£275,889</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 26/11/2024 and signed on its behalf by:


Philippa Salewicz
Trustee and Chair

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Cash flows from operating activities:		
Net movement in funds	(2,098)	1,752
Adjustments for:		
Interest receivable	(3,515)	(810)
Depreciation charges (note 11)	4,562	4,471
Decrease/(increase) in debtors	(113,343)	(47,320)
(Decrease)/increase in creditors	9,675	(2,218)
Net cash provided by operating activities	(104,719)	(44,125)
Cash flows from investing activities:		
Interest received (note 4)	3,515	810
Purchase of tangible fixed assets	(3,533)	(675)
Disposal of tangible fixed assets	-	-
Net cash used in investing activities	(18)	135
Change in cash and cash equivalents in the year	(104,737)	(43,990)
Cash and cash equivalents brought forward	227,691	271,681
Cash and cash equivalents carried forward	£122,954	£227,691
Analysis of cash and cash equivalents	2024	2023
Cash at bank and in hand	£122,954	£227,691

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure on charitable activities comprises the costs associated with delivering specialist legal advice.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for particular purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixtures and fittings	20% straight line
Computer equipment	25% straight line

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

1. ACCOUNTING POLICIES (cont'd)

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer defined benefit pension scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Grants	-	200,350	200,350	207,637
Donations	69,586	-	69,586	114,591
	<u>£69,586</u>	<u>£200,350</u>	<u>£269,936</u>	<u>£322,228</u>

Of the £322,228 recognised in 2023, £154,263 was unrestricted and £167,965 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Grants and contracts:				
Legal Aid Agency	82,182	-	82,182	61,862
London Borough of Tower Hamlets/East End Citizens Advice Bureau	-	87,946	87,946	97,335
Housing Possession Court Duty Scheme	16,488	-	16,488	17,568
Trust for London	-	54,050	54,050	47,000
Real DPO Limited/Age UK East London	32,250	-	32,250	32,250
Law Centres Network	-	-	-	250
Fees from private clients	67,184	-	67,184	45,674
	<u>£198,104</u>	<u>£141,996</u>	<u>£340,100</u>	<u>£301,939</u>

Of the £301,939 recognised in 2023, £157,604 was unrestricted funds and £144,335 was restricted funds.

TOWER HAMLETS LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

4. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2024	Total 2023
Bank interest	£3,515	£Nil	£3,515	£810

All of the £810 recognised in 2023 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs £	Support costs £	Total 2024 £	Total 2023 £
Housing	86,933	75,747	162,680	216,256
Employment	9,432	9,468	18,900	15,793
Immigration	164,195	151,495	315,690	281,117
Welfare	71,037	47,342	118,379	110,059
	<u>£331,597</u>	<u>£284,052</u>	<u>£615,649</u>	<u>£623,225</u>

Of the £623,225 expenditure recognised in 2023, £310,925 was charged to unrestricted funds and £312,300 was charged to restricted funds.

6. ANALYSIS OF DIRECT COSTS	Total 2024 £	Total 2023 £
Staff costs	323,554	343,227
Other direct costs	8,043	15,023
	<u>£331,597</u>	<u>£358,250</u>

7. ANALYSIS OF SUPPORT COSTS	Total 2024 £	Total 2023 £
Staff and freelance costs	207,913	183,230
Office costs	46,326	46,380
Premises costs	26,288	31,812
Governance costs (see Note 8)	3,525	3,553
	<u>£284,052</u>	<u>£264,975</u>

8. GOVERNANCE COSTS	2024 £	2023 £
Independent examiner's fees - Examination	2,285	2,300
SRA audit	1,240	1,240
Other fees	-	13
	<u>£3,525</u>	<u>£3,553</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

9. NET INCOME/EXPENDITURE FOR THE YEAR 2024 2023

The net income/expenditure for the year is stated after charging:

Operating lease rentals	£21,000	£18,744
Depreciation of tangible fixed assets	£4,562	£4,471
Independent Examiner's remuneration	£2,285	£2,300
Pension contributions (defined contribution schemes)	£10,843	£11,733
	<u>£28,690</u>	<u>£37,248</u>

During the year Trustees received no remuneration (2023: £Nil) or reimbursed expenses (2023: £Nil).

10. STAFF COSTS AND NUMBERS 2024 2023
£ £

Staff costs were as follows:

Wages and salaries	436,679	433,679
Social security costs	35,914	39,174
Pension costs	10,843	11,733
Pension deficit contributions	-	-
	<u>£483,436</u>	<u>£484,586</u>

The average number of employees during the year was 15 (2023: 15).

No employee received total benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by key management amounted to £29,944 (2023: £29,615). Under FRS 102, employee benefits includes gross salary, employer's NIC, employer's pension contributions and benefits in kind.

11. FIXED ASSETS

	Office & Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
Cost at 1 April 2023	23,213	1,510	24,723
Additions	3,533	-	3,533
Disposals	(6,506)	-	(6,506)
At 31 March 2024	<u>20,240</u>	<u>1,510</u>	<u>21,750</u>
Depreciation			
At 1 April 2023	19,197	1,510	20,707
Charge for the year	4,562	-	4,562
Eliminated on disposal	(6,506)	-	(6,506)
At 31 March 2024	<u>17,253</u>	<u>1,510</u>	<u>18,763</u>
Net Book Value			
At 31 March 2024	<u>£2,987</u>	<u>£Nil</u>	<u>£2,987</u>
At 31 March 2023	<u>£7,812</u>	<u>£Nil</u>	<u>£7,812</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024
/contd...

12. DEBTORS	2024 £	2023 £
Trade debtors	110,384	37,492
Prepayments and accrued income	95,763	68,154
Other debtors	16,442	3,600
	<u>£222,589</u>	<u>£109,246</u>

13. CREDITORS – Amounts falling due within one year	2024 £	2023 £
Trade creditors	41,143	35,683
Accruals and deferred income (see below)	16,050	12,333
Taxation and social security	17,546	17,048
	<u>£74,739</u>	<u>£65,064</u>

DEFERRED INCOME	Balance Brought Forward	Additions in Year	Released to Income	Balance Carried Forward
Grants	<u>£8,333</u>	<u>£2,862</u>	<u>£8,333</u>	<u>£2,862</u>

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets.

14. CREDITORS – Amounts falling due after more than one year	2024 £	2023 £
Pension deficit	<u>£Nil</u>	<u>£Nil</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

15. MOVEMENT IN FUNDS

2024	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	87,946	(87,946)	-	-
Immigration Advice Service	-	54,050	(54,050)	-	-
Capacity Building	-	8,333	(8,333)	-	-
Justice First Fellowship Scheme	-	52,268	(52,268)	-	-
EU Settlement Scheme	-	994	(994)	-	-
Street Legal East	-	47,500	(47,500)	-	-
Solicitor Training	-	22,890	(22,890)	-	-
Access to Justice	-	68,365	(68,365)	-	-
	<u>-</u>	<u>342,346</u>	<u>(342,346)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	275,889	271,205	(273,303)	-	273,791
	<u>275,889</u>	<u>271,205</u>	<u>(273,303)</u>	<u>-</u>	<u>273,791</u>
Total Funds	<u>£275,889</u>	<u>£613,551</u>	<u>£(615,649)</u>	<u>£Nil</u>	<u>£273,791</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

15. MOVEMENT IN FUNDS /contd...

Specialist Welfare Advice Partnership

The Specialist Welfare Advice Partnership fund represents MainStream Grant funding from Tower Hamlets Council for the provision of specialist welfare advice services.

Immigration Advice Service

Funding received towards provision of legal advice and support to women across East London suffering domestic violence, complicated by immigration and asylum issues.

Capacity Building

The Law Centre has received funding towards the costs of developing its fundraising capacity and also towards salaries and overheads.

Justice First Fellowship Scheme

This is funded by the Legal Aid Foundation for the training of Fellow solicitors.

EU Settlement Scheme

This is funded by the Home Office to support vulnerable EU citizens with completing their EUSS applications.

Crisis Hub Agreement

Support for Crisis's "Skylight Centres" and other frontline organisations.

London Community Response

This was money for and spent on computer equipment.

Street Legal East

This is part of a pan London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

Billing Coordinator

The Billing Coordinator's principal role was to help identify improvements in our financial practices and procedures and to help deal with historical legal aid and legal help billing.

Designated fund – Premises

The Trustees have designated £50,000 towards the potential costs associated with moving to new premises including payment of a lease premium, fit-out costs, removal costs (including Specialist IT costs) and increased rental costs. This is no longer needed and hence transfer was made to General Funds.

Solicitor Training

This is funded by Law Centres Network, so an existing/new member of staff could train as a Solicitor.

Access to Justice

This fund is for supporting organisations working to sustain and improve access to early social welfare and family legal support and advice, to enable users to resolve these problems as early as possible and avoid the need for court or tribunal proceedings where possible.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

15. MOVEMENT IN FUNDS /contd...

Comparative information for the net movement in funds in the previous year is as follows:

2023	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	97,335	(97,335)	-	-
Immigration Advice Service	-	47,000	(47,000)	-	-
Capacity Building	-	56,667	(56,667)	-	-
Justice First Fellowship Scheme	-	41,426	(41,426)	-	-
EU Settlement Scheme	-	30,212	(30,212)	-	-
Street Legal East	-	37,500	(37,500)	-	-
Billing Coordinator	-	2,160	(2,160)	-	-
	<u>-</u>	<u>312,300</u>	<u>(312,300)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	224,137	312,677	(310,925)	50,000	275,889
Designated - Premises	50,000	-	-	(50,000)	-
	<u>274,137</u>	<u>312,677</u>	<u>(310,925)</u>	<u>-</u>	<u>275,889</u>
Total Funds	<u>£274,137</u>	<u>£624,977</u>	<u>£(623,225)</u>	<u>£Nil</u>	<u>£275,889</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	2,987	-	2,987
Current assets	345,543	-	345,543
Current liabilities	(74,739)	-	(74,739)
Non-current liabilities	-	-	-
	<u>£273,791</u>	<u>£Nil</u>	<u>£273,791</u>
As at 31 March 2024	<u>£273,791</u>	<u>£Nil</u>	<u>£273,791</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024
/contd...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS /contd...

Comparative information for the analysis of net assets between funds at the end of the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2023			
Fixed Assets	4,016	-	4,016
Current assets	336,937	-	336,937
Current liabilities	(65,064)	-	(65,064)
Non-current liabilities	-	-	-
	<u>£275,889</u>	<u>£Nil</u>	<u>£275,889</u>
As at 31 March 2023			

17. COMPANY STATUS

Tower Hamlets Law Centre is a private company limited by guarantee with no share capital and is registered in England and Wales. Each member is liable to contribute a sum not exceeding £1 in the event of the company being wound up. The registered office of the company is given in the Reference and Administrative Details of the Trustees' Annual Report.

18. TAXATION

As a registered charity, Tower Hamlets Law Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Due within one year	11,300	9,050
Due within one to five years	10,900	1,200
	<u>£22,200</u>	<u>£10,250</u>

20. CONTINGENT LIABILITIES

The Pension Trust – The Growth Plan

The charity participates in the above multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

/contd...

20. CONTINGENT LIABILITIES/contd...

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The charity's share of the recovery plan contributions amounts to £5,488 per annum, increasing by 3% each year until 31 January 2025. The total amount due under the original recovery plan amounting to £40,179 was recognised as a liability in the balance sheet in the year ended 31 March 2016. The liability has not been discounted to net present value on the grounds of immateriality.

As a result of changes to the recovery plan, effective from 1 April 2019, an additional liability of £6,484 was recognised in the 31 March 2019 accounts.

The estimated debt on withdrawal from the scheme is **£83,208 (effective date 30 September 2020)** and it is anticipated that this will reduce over time as a result of the recovery plan contributions and investment returns.

21. CONTINGENT ASSETS

The charity has been awarded some multi-year grants with specified or implied timeframes which preclude recognition of the full amount. The following contingent assets are therefore disclosed as at 31 March 2024:

Legal Education Fellowship	£105,564	(Justice First Fellowship Scheme)
Age UK East London	£17,702	(Advice and General Advocacy Service)
Law Centres Network	£64,898	(Train and Qualify Solicitor)
Access to Justice Foundation	£140,864	(Welfare Advice)
Street Legal	£15,000	(Street Legal East)

22. CLIENT MONIES

In addition to the assets and liabilities included in these financial statements the charity also holds client money amounting to £154,853 as at 31 March 2024 (£72,013 as at 31 March 2023) in a separate client bank account.

Accounts

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

MYRUS SMITH

Chartered Accountants

Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

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TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Reference and Administrative Details

Trustees

James Blythe, Chair
Mark Kalderon, Treasurer
Rosalind Shaw, Secretary
Manuhar Ali
Derek Maurice Cox
Catherine Tuitt
Maria-Grazia Donvito
Yvonne Kramo
Philip Bartlett
Robyn Jones
Zeno Capucci
Sabrina Jamil
Stephanie Leung
Steven Pallett
Philippa Salewicz
Syed Uddin (from 23 May 2023)

Senior Managers

Martin South, Chief Executive
Bolaji Bishi, Senior Solicitor

Company Registered Number

1720518

Charity Registered Number

287282

Registered and Principal Office

Unit 1, St Anne Street
Off 789 Commercial Road
London E14 7HG

Independent Examiner

Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Bankers

HSBC plc
1-3 Bishopsgate
London EC2N 3AQ

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Tower Hamlets Law Centre (the Law Centre) for the year ended 31 March 2023. The Trustees confirm that the annual report and financial statements of the Law Centre comply with the current statutory requirements, the requirements of the Law Centre's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

The trustees have had regard to the advice of the Charities SORP Committee 'Implications of COVID-19 control measures and charity financial reporting', issued in March 2020.

Objectives and Activities

The Law Centre's main purposes are to relieve poverty and advance education by:

- developing independent Law Centre services for the people of Tower Hamlets and East London.
- providing access to justice and facilitating awareness of legal rights, particularly targeting the most disadvantaged members of the community.

The main activities for the year continued to focus on the following;

- Delivery of specialist legal advice for those most disadvantaged in the local community;
- Provision of second tier support and advice for other generalist advice agencies in Tower Hamlets;
- Delivery of community education work to raise awareness of legal rights amongst local people; and
- Active development of services through partnership with other advice-giving-organisations.

The law centre's work has a positive and long-lasting impact on our clients' wellbeing, dignity and human rights. For example:

- We help people fleeing persecution overseas to be granted asylum in this country, including an increasing number of unaccompanied minor asylum seekers; help to reunite families separated by international borders; and help women to escape from violence at home.
- We fight to prevent people from being evicted and becoming homeless; help those already homeless to secure accommodation when it has been denied to them; and help people living in unsafe and unhealthy homes to make their landlords repair them.
- We make sure that people get the welfare benefits they are entitled to, including some of the most vulnerable members of society who are fearful and desperate in the face of decisions to withdraw Personal Independence Payments and Education and Support Allowance.
- We help people with all kinds of problems at work, including pay and working conditions, unfair dismissal and redundancy.

The trustees have agreed their Strategic Plan 2022-25 (See below, under 'Plans for the Future') which has focused our work for the year. In particular, we launched a community education initiative, 'Our Rights', with significant support from volunteers from Queen Mary University of London; and increased staff pay to ensure that the salaries of our staff were in line with market rates and to help mitigate the effect of increases in the cost of living.

Achievements and performance

The main objectives set by the trustees related to maintaining the charity's activities, and these were successfully met. In particular:

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
/contd...

Delivery of Specialist Legal Advice

We delivered specialist casework in housing, immigration, welfare benefits, and employment law throughout the year. By about the mid-point of the year, our services were delivered principally from our office in St Anne Street, near Westferry DLR, with advice to individuals provided through face-to-face appointments with specialist caseworkers and solicitors. Our pro-bono evening advice clinics, run in partnership with major City of London law firms and drawing on generous support from them and their staff, continued as telephone services throughout the year.

Our specialist employment law service came to an end in August 2022 when our funding effectively ran out and our casework supervisor left us in view of its uncertain future. We will work to re-establish the service as soon as funding can be secured.

Throughout the year, we kept our website, www.thlc.co.uk, updated with details of our services as well as useful information about special Government measures that were taken in respect of housing, immigration, welfare benefits and employment law to mitigate the effects of Covid-19.

During the year 2022-23 we worked on 1307 cases. This number was close to what we expected, following a substantial reduction in the previous year due to Covid-19 (and explained in our report for that year).

Partnership Working, Provision of Second Tier Support and Community Education

We are members of the rota for the Housing Possession Duty Solicitor Scheme at Bow County Court, providing assistance, advice and representation at court to those facing possession proceedings. The scheme resumed operation during the year, when court hearings recommenced following their suspension during Covid-19.

We continued to provide second tier support to other advice agencies in the borough, including advice by telephone and supervision support. We participated in the Tower Hamlets Community Advice Network, Advice Tower Hamlets and Tower Hamlets Connect partnerships, which co-ordinate services and offer mutual support.

During the year, we secured funding with in partnership with Praxis and RAMFEL to establish the Street Legal East project, part of a pan-London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

We also received support from the London Legal Support Trust to employ a part-time Billing Coordinator to help identify improvements in our financial practices and procedures and to help deal with historical legal aid and legal help billing.

Funding

Earnings from legal aid continued to improve from the level they reached during Covid and remain on an upward trajectory.

We are immensely grateful for the continuing support of funders like the City Bridge Trust, the Trust for London, the Legal Education Foundation, the London Legal Support Trust and the A.B. Charitable Trust as well as our corporate supporters, including Freshfields Bruckhaus Deringer and Norton Rose Fulbright.

Our employment law service was supported by a grant from the Law Centres Network Justice Fund. This helped us to continue to provide the service while we tried to find long-term sustainable funding for it.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
/contd...

Financial Review

The funding environment for advice services has now been particularly challenging for well over ten years, and despite achieving surpluses since 2017/18, the law centre's sustainability remains uncertain. We expect inflation, recession and the cost-of-living crisis to put exceptional pressure on public sector funders, who are likely to be required to make budget savings; and even the generous donations of our corporate supporters and grants from trusts and foundations are likely to come under pressure in challenging economic times.

For the 2022-23 year, funding from the L. B. Tower Hamlets Local Community Fund, which we received as part of the Advice Tower Hamlets consortium, continued unchanged. Funding for Tower Hamlets Connect, however, amounted to a £30,000 p.a. cut in grant funding to the law centre, as reported last year. This significantly reduced the amount of work we can do for Tower Hamlets residents with support needs. For 2023-24 we have now had the news that our grant from the Mayor's Community Grants Fund (the successor to the Local Community Fund) will be reduced by £25,000 (about 25%) a year with effect from November 2023. We face a growing challenge in securing funding for the most complex problems, requiring specialist legal support, with money increasingly directed towards services delivering greater numbers of relatively straightforward cases.

The scope of legal aid is far too narrow to allow access to justice for many people, and the rates of payment for work done are inadequate. This continues to lead to many practitioners abandoning practice. The Government's Review of Civil Legal Aid (RoCLA), aimed at developing proposals to ensure the long-term sustainability of the civil legal aid supplier base, is currently underway and due to report in 2024. We await the outcome with interest.

In the meantime, the extension of the 2018 standard civil contract until 31 August 2024 in order to allow time for RoCLA to take place) has evidently proved insufficient: a tendering round took place in the autumn of 2023 for new civil legal aid contracts which may last only a year – again, so that changes to the contract in the wake of RoCLA can be accommodated if necessary.

We currently expect a deficit of around £40,000 for 2023-24, which the trustees agreed to meet from our reserves. Our previous experience, however, has been that even having arrived at the mid-point of our business year, unexpected funds from in-year fundraising can have a significant impact.

Risk Management

The Trustees have assessed the major risks to which the Law Centre is exposed, and, in particular, those related to its operations and finances. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Law Centre's Strategic Plan seeks to mitigate the risks associated with particular sources of funding and ensure the continued viability of the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre. The maintenance of the Lexcel Quality Standard and compliance with Solicitors' Practice Rules ensure a consistent quality of delivery for all operational activities of the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Designated Funds

In their Strategic Plan 2019-2022, the Trustees anticipated that, in order to expand the law centre's services and continue its financial recovery, it would be necessary to move to new, larger premises before the end of March 2022. The trustees designated a fund of £50,000 to deal with the potential costs of moving premises. In the light of the introduction of 'hybrid' working by the law centre and many other organisations in the wake of Covid-19, however, the trustees have now decided that our existing premises (for which we have a lease until at least December 2025) are adequate for our needs; and the designation of the £50,000 from our reserves is no longer needed.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. The cost-of-living crisis, in particular, has increased both demand for our services and the cost of delivering them. For the moment, however, the reserves target is unchanged, so that we can direct our income towards delivering services and bolstering the salaries of our staff. Budgeted expenditure for 2024-25 is around £650,000, but the target for reserves remains £200,000.

The amount of unrestricted reserves held by the charity at 31 March 2023 was £275,889. The Trustees anticipate that it will be necessary to draw upon these reserves over the course of the next few years in order to mitigate the effects of inflation, recession and the cost-of-living crisis in the UK. These will increase the cost of running the law centre at the same time as increasing demand for our services. At the same time, the historical underfunding of legal aid is likely to continue, and public sector funders, in particular, will be placed under increasing budgetary pressure.

Plans for the Future

The Trustees have agreed the Law Centre's Strategic Plan 2022-2025. In order to improve our focus on the things we most want to achieve, they have selected just four priorities for strategic development. Our three trustees' committees (Finance, Personnel and Development) will each lead on one of the priorities, ensuring that progress is regularly reviewed and any blockages managed. The fourth priority, which concerns community engagement, will be led by the full Board of Trustees, reflecting its central importance in our plans. The four priorities are:

Priority One: A High-Performing Organisation

Lead Committee: Finance

We will drive high performance at all levels of the organisation.

Priority Two: A Well-Funded Organisation

Lead Committee: Development

We will continue to grow and diversify our sources of income.

Priority Three: A Modern, Inclusive Employer of Choice

Lead Committee: Personnel

We will be an organisation that people want to work for, enjoy working for, stay and progress in

Priority Four: A Fully Engaged Voice for the East End Community

Lead: Full Board of Trustees

We will understand our community better, and build links so that our work reflects the needs and priorities of the people we serve.

Structure, Governance and Management

Governing Document

The Law Centre is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 14 March 1983. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Law Centre's purposes, as set out in its governing document, are:

- The relief of poverty amongst persons resident or working in Greater London and in particular the London borough of Tower Hamlets ("the benefit area") by providing such persons with legal services which they could not otherwise obtain or which it would not be reasonably practicable or appropriate to obtain elsewhere;
- The advancement of education amongst persons resident or working in the benefit area;
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the benefit area.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
/contd...

In December 2016, revised Articles of Association were adopted, but they made no substantive changes to the Law Centre's purposes, which were simply moved from the Memorandum to the Articles.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Trustees. The management of the Law Centre is the responsibility of the Trustees, who are appointed and co-opted under the terms of the Articles of Association. Under the requirements of the Memorandum and Articles of Association one third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, at which time they may be reappointed if eligible.

The Trustees may co-opt any individual, provided the total number of Trustees does not exceed the number allowed by the Articles. Co-opted Trustees hold office only until the next Annual General Meeting, at which time they may be reappointed if eligible.

When more Trustees are needed, the Trustees advertise vacancies widely in order to draw in appropriately qualified individuals to support the development of the Law Centre. Appropriate qualifications may include specific skills, experience and contacts as well as knowledge of the local community. A recruitment process during the year to 31 March 2022 resulted in the appointment of four new trustees.

Mindful of the advice in the Charity Governance Code, the Trustees intend to introduce a nine-year term limit on trusteeship. They are also conscious, however, that to introduce it immediately would result in the enforced retirement of many highly experienced trustees, most of whom provide the Board with invaluable knowledge and understanding of the local community. The Trustees are, therefore, embarking on a review of Board membership and succession planning which is intended to enable them to introduce the term limit in one to two years' time, with firm proposals made to next year's Annual General Meeting.

Trustee Induction and Training

New Trustees are given the opportunity to visit the Law Centre during a working day and meet staff members and volunteers, as well as existing Trustees. All new Trustees receive an induction pack that includes general information about the Law Centre as well as recent copies of minutes, management accounts and senior management reports and a copy of the Memorandum and Articles of Association.

Trustees are invited to attend an individual meeting with the Chief Executive to familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The roles and responsibilities of Trustees
- An overview of the governing document and key policies including equal opportunities and financial management
- The current financial position of the organisation, including an introduction to key funders and their requirements
- An overview of the Business Plan, focusing on future plans and objectives
- An overview of the current Risk Assessment

Related Parties

At a national level, provision and procurement of quality legal advice is ensured principally through the Legal Aid Agency and the Law Society. The charity engages with these bodies through the maintenance of the Lexcel Quality Standard and through compliance with Solicitors' Practice Rules. The charity also maintains membership of the Law Centres Network, which provides important links to wider policy issues and support for the organisation in management practice and strategic development. Locally, the charity is represented on the Tower Hamlets Community Advice Network, a group of advice agencies working in the borough.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
/contd...

Public Benefit

In planning and reviewing the following activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. We are satisfied that in the management of resources to deliver legal advice services we can demonstrate that our work benefits not only our clients but also to the wider community.

Organisational Structure and Decision Making

The Law Centre's members elect its Trustees, who are responsible for the strategic direction of the law centre and oversight of its work and finances.

The Trustees delegate day-to-day responsibility for the provision of services to the Chief Executive and the Senior Solicitor. The Chief Executive is responsible for ensuring the secure financial management and administration of the charity and the Senior Solicitor is responsible for ensuring the quality of the services delivered. Effective management and supervision of the staff team is the responsibility of both the Chief Executive and the Senior Solicitor.

Remuneration of Key Management Personnel

The remuneration of the charity's key management personnel, the Chief Executive and the Senior Solicitor, is set by the Board of Trustees, taking into account the charity's financial position and the amount paid for comparable roles in comparable organisations.

Volunteers

The Law Centre is grateful for support of its volunteers. In particular, we have been indebted to the trainee solicitors from Freshfields Bruckhaus Deringer, Norton Rose Fulbright, and Ince, who offer pro bono advice on housing, employment, welfare benefits and immigration.

Responsibilities of the Trustees

The Trustees (who are also directors of the charitable company 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
/contd...

The Trustees are 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

Myrus Smith Chartered Accountants were appointed as our independent examiners at the Annual General Meeting in November 2022. They have expressed their willingness to accept appointment and a resolution to appoint them for 2023/24 will be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 21/11/2023 and signed on its behalf, by:



Mark Kalderon
Treasurer

Independent Examiner's Report to the Trustees of:

TOWER HAMLETS LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023 which are set out on pages 11 to 23.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

23 March

2023

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Donations	2	154,263	167,965	322,228	273,699
Charitable activities	3	157,604	144,335	301,939	363,466
Investments	4	810	-	810	23
Total		<u>312,677</u>	<u>312,300</u>	<u>624,977</u>	<u>637,188</u>
Expenditure on:					
Charitable activities	5	310,925	312,300	623,225	566,866
Total		<u>310,925</u>	<u>312,300</u>	<u>623,225</u>	<u>566,866</u>
Net income/(expenditure)	9	1,752	-	1,752	70,322
Transfer between funds	15	-	-	-	-
Net movement in funds		1,752	-	1,752	70,322
Reconciliation of funds					
Total funds brought forward	15	274,137	-	274,137	203,815
Total funds carried forward	15	<u>£275,889</u>	<u>£Nil</u>	<u>£275,889</u>	<u>£274,137</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	£	2023	£	£	2022	£
FIXED ASSETS							
Tangible fixed assets	11			4,016			7,812
CURRENT ASSETS							
Debtors	12	109,246			61,926		
Cash at bank and in hand		227,691			271,681		
		<u>336,937</u>			<u>333,607</u>		
CREDITORS: Amounts falling due within one year	13	65,064			67,282		
NET CURRENT ASSETS				<u>271,873</u>			<u>266,325</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>275,889</u>			<u>274,137</u>
CREDITORS: Amounts falling due after more than one year	14			-			-
NET ASSETS	16			<u><u>£275,889</u></u>			<u><u>£274,137</u></u>
FUNDS							
Restricted	15			-			-
Unrestricted - Designated	15			-		50,000	
Unrestricted - General	15			<u>275,889</u>		<u>224,137</u>	
	15			<u><u>£275,889</u></u>		<u><u>£274,137</u></u>	

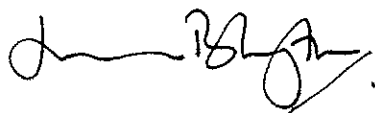
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on **21.11** 2023 and signed on its behalf by:



James Blythe
Trustee and Chair

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net movement in funds	1,752	70,322
Adjustments for:		
Interest receivable	(810)	(23)
Depreciation charges (note 11)	4,471	4,162
Decrease/(increase) in debtors	(47,320)	30,756
(Decrease)/increase in creditors	(2,218)	(18,497)
<i>Net cash provided by operating activities</i>	<u>(44,125)</u>	<u>86,720</u>
Cash flows from investing activities:		
Interest received (note 4)	810	23
Purchase of tangible fixed assets	(675)	-
Disposal of tangible fixed assets	-	1,769
<i>Net cash used in investing activities</i>	<u>135</u>	<u>1,792</u>
Change in cash and cash equivalents in the year	(43,990)	88,512
Cash and cash equivalents brought forward	271,681	183,169
Cash and cash equivalents carried forward	<u>£227,691</u>	<u>£271,681</u>
Analysis of cash and cash equivalents	2023	2022
Cash at bank and in hand	<u>£227,691</u>	<u>£271,681</u>

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure on charitable activities comprises the costs associated with delivering specialist legal advice.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for particular purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixtures and fittings	20% straight line
Computer equipment	25% straight line

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

1. ACCOUNTING POLICIES (cont'd)

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer defined benefit pension scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Grants	39,672	167,965	207,637	193,547
Donations	114,591	-	114,591	80,152
	<u>£154,263</u>	<u>£167,965</u>	<u>£322,228</u>	<u>£273,699</u>

Of the £273,699 recognised in 2022, £95,152 was unrestricted and £178,547 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Grants and contracts:				
Legal Aid Agency	61,862	-	61,862	38,326
London Borough of Tower Hamlets/East End Citizens Advice Bureau	-	97,335	97,335	97,335
Housing Possession Court Duty Scheme	17,568	-	17,568	10,296
Trust for London	-	47,000	47,000	46,000
Real DPO Limited/Age UK East London	32,250	-	32,250	51,799
Crisis Hub Agreement	-	-	-	15,000
Justice Fund	-	-	-	18,000
Law Centres Network	250	-	250	-
Fees from private clients	45,674	-	45,674	86,710
	<u>£157,604</u>	<u>£144,335</u>	<u>£301,939</u>	<u>£363,466</u>

Of the £363,466 recognised in 2022, £107,131 was unrestricted funds and £176,335 was restricted funds.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

4. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2023	Total 2022
Bank interest	<u>£810</u>	<u>£Nil</u>	<u>£810</u>	<u>£23</u>

All of the £23 recognised in 2022 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs £	Support costs £	Total 2023 £	Total 2022 £
Housing	126,827	89,429	216,256	155,924
Employment	12,481	3,312	15,793	63,820
Immigration	155,253	125,864	281,117	215,433
Welfare	<u>63,689</u>	<u>46,370</u>	<u>110,059</u>	<u>131,689</u>
	<u>£358,250</u>	<u>£264,975</u>	<u>£623,225</u>	<u>£566,866</u>

Of the £566,866 expenditure recognised in 2022, £211,984 was charged to unrestricted funds and £354,882 was charged to restricted funds.

6. ANALYSIS OF DIRECT COSTS	Total 2023 £	Total 2022 £
Staff costs	343,227	355,164
Other direct costs	<u>15,023</u>	<u>4,223</u>
	<u>£358,250</u>	<u>£359,387</u>

7. ANALYSIS OF SUPPORT COSTS	Total 2023 £	Total 2022 £
Staff and freelance costs	183,230	137,061
Office costs	46,380	44,723
Premises costs	31,812	22,245
Governance costs (see Note 8)	<u>3,553</u>	<u>3,450</u>
	<u>£264,975</u>	<u>£207,479</u>

8. GOVERNANCE COSTS	2023 £	2022 £
Independent examiner's fees - Examination	2,300	2,200
SRA audit	1,240	1,250
Other fees	<u>13</u>	<u>-</u>
	<u>£3,553</u>	<u>£3,450</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

9. NET INCOME/EXPENDITURE FOR THE YEAR	2023	2022
The net income/expenditure for the year is stated after charging:		
Operating lease rentals	£18,744	£17,532
Depreciation of tangible fixed assets	£4,471	£4,989
Independent Examiner's remuneration	£2,300	£2,200
Pension contributions (defined contribution schemes)	£11,733	£11,734
	<u>£11,733</u>	<u>£11,734</u>

During the year Trustees received no remuneration (2022: £Nil) or reimbursed expenses (2022: £Nil).

10. STAFF COSTS AND NUMBERS	2023	2022
	£	£
Staff costs were as follows:		
Wages and salaries	433,679	434,170
Social security costs	39,174	37,513
Pension costs	11,733	11,734
Pension deficit contributions	-	(12,311)
	<u>£484,586</u>	<u>£471,106</u>

The average number of employees during the year was 15 (2022: 16).

No employee received total benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by key management amounted to £29,615 (2022: £29,073). Under FRS 102, employee benefits includes gross salary, employer's NIC, employer's pension contributions and benefits in kind.

11. FIXED ASSETS	Office & Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
Cost at 1 April 2022	22,538	1,510	24,048
Additions	675	-	675
Disposals	-	-	-
	<u>23,213</u>	<u>1,510</u>	<u>24,723</u>
At 31 March 2023	23,213	1,510	24,723
Depreciation			
At 1 April 2022	14,726	1,510	16,236
Charge for the year	4,471	-	4,471
Eliminated on disposal	-	-	-
	<u>19,197</u>	<u>1,510</u>	<u>20,707</u>
At 31 March 2023	19,197	1,510	20,707
Net Book Value			
At 31 March 2023	<u>£4,016</u>	<u>£Nil</u>	<u>£4,016</u>
At 31 March 2022	<u>£7,812</u>	<u>£Nil</u>	<u>£7,812</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
/contd...

12. DEBTORS	2023 £	2022 £
Trade debtors	37,492	14,423
Prepayments and accrued income	68,154	44,003
Other debtors	3,600	3,500
	<u>£109,246</u>	<u>£61,926</u>

13. CREDITORS – Amounts falling due within one year	2023 £	2022 £
Trade creditors	35,683	18,810
Accruals and deferred income (see below)	12,333	23,389
Taxation and social security	17,048	25,083
	<u>£65,064</u>	<u>£67,282</u>

DEFERRED INCOME	Balance Brought Forward	Additions in Year	Released to Income	Balance Carried Forward
Grants	<u>£15,000</u>	<u>£8,333</u>	<u>£15,000</u>	<u>£8,333</u>

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets.

14. CREDITORS – Amounts falling due after more than one year	2023 £	2022 £
Pension deficit	<u>£Nil</u>	<u>£Nil</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

15. MOVEMENT IN FUNDS

2023	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	97,335	(97,335)	-	-
Immigration Advice Service	-	47,000	(47,000)	-	-
Capacity Building	-	56,667	(56,667)	-	-
Justice First Fellowship Scheme	-	41,426	(41,426)	-	-
EU Settlement Scheme	-	30,212	(30,212)	-	-
Street Legal East	-	37,500	(37,500)	-	-
Biling Coordinator	-	2,160	(2,160)	-	-
	<u>-</u>	<u>312,300</u>	<u>(312,300)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	224,137	312,677	(310,925)	50,000	275,889
Designated - Premises	50,000	-	-	(50,000)	-
	<u>274,137</u>	<u>312,677</u>	<u>(310,925)</u>	<u>-</u>	<u>275,889</u>
Total Funds	<u>£274,137</u>	<u>£624,977</u>	<u>£(623,225)</u>	<u>£Nil</u>	<u>£275,889</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

15. MOVEMENT IN FUNDS /contd...

Specialist Welfare Advice Partnership

The Specialist Welfare Advice Partnership fund represents MainStream Grant funding from Tower Hamlets Council for the provision of specialist welfare advice services.

Immigration Advice Service

Funding received towards provision of legal advice and support to women across East London suffering domestic violence, complicated by immigration and asylum issues.

Capacity Building

The Law Centre has received funding towards the costs of developing its fundraising capacity and also towards salaries and overheads.

Justice First Fellowship Scheme

This is funded by the Legal Aid Foundation for the training of Fellow solicitors.

EU Settlement Scheme

This is funded by the Home Office to support vulnerable EU citizens with completing their EUSS applications.

Crisis Hub Agreement

Support for Crisis's "Skylight Centres" and other frontline organisations.

London Community Response

This was money for and spent on computer equipment.

Street Legal East

This is part of a pan London project that aims to assist vulnerable adults experiencing or threatened with homelessness by addressing their immigration status so that they can have recourse to public funds.

Billing Coordinator

The Billing Coordinator's principal role was to help identify improvements in our financial practices and procedures and to help deal with historical legal aid and legal help billing.

Designated fund – Premises

The Trustees have designated £50,000 towards the potential costs associated with moving to new premises including payment of a lease premium, fit-out costs, removal costs (including Specialist IT costs) and increased rental costs. This is no longer needed and hence transfer was made to General Funds.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

15. MOVEMENT IN FUNDS /contd...

Comparative information for the net movement in funds in the previous year is as follows:

2022	Brought Forward	Income	Expenditure	Transfers Between Funds	Carried Forward
	£	£	£	£	£
Restricted funds					
Specialist Welfare Advice Partnership	-	97,335	(97,335)	-	-
Immigration Advice Service	-	46,000	(46,000)	-	-
Capacity Building	-	43,750	(43,750)	-	-
Justice First Fellowship Scheme	-	45,511	(45,511)	-	-
EU Settlement Scheme	-	39,424	(39,424)	-	-
Crisis Hub Agreement	-	15,000	(15,000)	-	-
Justice Fund	-	18,000	(18,000)	-	-
London Community Response	-	49,862	(49,862)	-	-
	<u>-</u>	<u>354,882</u>	<u>(354,882)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	153,815	282,306	(211,984)	-	224,137
Designated - Premises	50,000	-	-	-	50,000
	<u>203,815</u>	<u>282,306</u>	<u>(211,984)</u>	<u>-</u>	<u>274,137</u>
Total Funds	<u>£203,815</u>	<u>£637,188</u>	<u>£(566,866)</u>	<u>£Nil</u>	<u>£274,137</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
2023			
Fixed Assets	4,016	-	4,016
Current assets	336,937	-	336,937
Current liabilities	(65,064)	-	(65,064)
Non-current liabilities	-	-	-
	<u>£275,889</u>	<u>£Nil</u>	<u>£275,889</u>
As at 31 March 2023			

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

/contd...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS /contd...

Comparative information for the analysis of net assets between funds at the end of the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2022			
Fixed Assets	7,812	-	7,812
Current assets	318,607	15,000	333,607
Current liabilities	(52,282)	(15,000)	(67,282)
Non-current liabilities	-	-	-
As at 31 March 2022	<u>£274,137</u>	<u>£Nil</u>	<u>£274,137</u>

17. COMPANY STATUS

Tower Hamlets Law Centre is a private company limited by guarantee with no share capital and is registered in England and Wales. Each member is liable to contribute a sum not exceeding £1 in the event of the company being wound up. The registered office of the company is given in the Reference and Administrative Details of the Trustees' Annual Report.

18. TAXATION

As a registered charity, Tower Hamlets Law Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Due within one year	9,050	8,994
Due within one to five years	1,200	-
	<u>£10,250</u>	<u>£8,994</u>

20. CONTINGENT LIABILITIES

The Pension Trust – The Growth Plan

The charity participates in the above multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
/contd...

20. CONTINGENT LIABILITIES/contd...

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The charity's share of the recovery plan contributions amounts to £5,488 per annum, increasing by 3% each year until 31 January 2025. The total amount due under the original recovery plan amounting to £40,179 was recognised as a liability in the balance sheet in the year ended 31 March 2016. The liability has not been discounted to net present value on the grounds of immateriality.

As a result of changes to the recovery plan, effective from 1 April 2019, an additional liability of £6,484 was recognised in the 31 March 2019 accounts.

The estimated debt on withdrawal from the scheme is **£83,208 (effective date 30 September 2020)** and it is anticipated that this will reduce over time as a result of the recovery plan contributions and investment returns.

21. CONTINGENT ASSETS

The charity has been awarded some multi-year grants with specified or implied timeframes which preclude recognition of the full amount. The following contingent assets are therefore disclosed as at 31 March 2023:

Legal Education Fellowship	£31,533	(Justice First Fellowship Scheme)
City Bridge Trust	£12,500	(Contribution towards Running Costs)
Trust for London	£47,000	(Immigration Advice Service)
Age UK East London	£49,952	(Advice and General Advocacy Service)
Law Centres Network	£90,650	(Train and Qualify Solicitor)
Access to Justice Foundation	£162,760	(Welfare Advice)

22. CLIENT MONIES

In addition to the assets and liabilities included in these financial statements the charity also holds client money amounting to £72,013 as at 31 March 2023 (£35,046 as at 31 March 2022) in a separate client bank account.

Accounts

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

MYRUS SMITH
Chartered Accountants

Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)
(Charity No.: 287282)

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TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Reference and Administrative Details

Trustees

James Blythe, Chair
Mark Kalderon, Treasurer
Rosalind Shaw, Secretary
Manuhar Ali
Derek Maurice Cox
Catherine Tuitt
Maria-Grazia Donvito
Yvonne Kramo
Kathleen Kurilecz (to 30 November 2021)
Philip Bartlett
Tahera Begum (to 22 February 2022)
Robyn Jones (from 18 May 2021)
Zeno Capucci (from 12 October 2021)
Sabrina Jamil (from 22 February 2022)
Stephanie Leung (from 22 February 2022)
Steven Pallett (from 22 February 2022)
Philippa Salewicz (from 22 February 2022)

Senior Managers

Martin South, Chief Executive
Bolaji Bishi, Senior Solicitor

Company Registered Number

1720518

Charity Registered Number

287282

Registered and Principal Office

Unit 1, St Anne Street
Off 789 Commercial Road
London E14 7HG

Independent Examiner

Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Bankers

HSBC Plc
75 Whitechapel Road
London E1 1DU

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Tower Hamlets Law Centre (the Law Centre) for the year ended 31 March 2022. The Trustees confirm that the annual report and financial statements of the Law Centre comply with the current statutory requirements, the requirements of the Law Centre's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

The trustees have had regard to the advice of the Charities SORP Committee 'Implications of COVID-19 control measures and charity financial reporting', issued in March 2020.

Objectives and Activities

The Law Centre's main purposes are to relieve poverty and advance education by:

- developing independent Law Centre services for the people of Tower Hamlets and East London.
- providing access to justice and facilitating awareness of legal rights, particularly targeting the most disadvantaged members of the community.

The main activities for the year continued to focus on the following:

- Delivery of specialist legal advice for those most disadvantaged in the local community;
- Provision of second tier support and advice for other generalist advice agencies in Tower Hamlets;
- Delivery of community education work to raise awareness of legal rights amongst local people; and
- Active development of services through partnership with other advice-giving organisations.

The law centre's work has a positive and long-lasting impact on our clients' wellbeing, dignity and human rights. For example:

- We help people fleeing persecution overseas to be granted asylum in this country, including an increasing number of unaccompanied minor asylum seekers; help to reunite families separated by international borders; and help women to escape from violence at home.
- We fight to prevent people from being evicted and becoming homeless; help those already homeless to secure accommodation when it has been denied to them; and help people living in unsafe and unhealthy homes to make their landlords repair them.
- We make sure that people get the welfare benefits they are entitled to, including some of the most vulnerable members of society who are fearful and desperate in the face of decisions to withdraw Personal Independence Payments and Education and Support Allowance.
- We help people with all kinds of problems at work, including pay and working conditions, unfair dismissal and redundancy.

The trustees have agreed their Strategic Plan 2019-2022, which builds on the success of its predecessor in restoring the law centre's financial stability and enabling it to begin developing its services. The year ended 31 March 2021 was the final year covered by the Plan, which has been reviewed by the trustees against the criteria that it contains for assessing success. The trustees have prepared a new Strategic Plan for 2022-25 which sets key objectives for the future.

Achievements and performance

The main objectives set by the trustees related to maintaining the charity's activities, and these were successfully met. In particular:

TOWER HAMLETS LAW CENTRE

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FOR THE YEAR ENDED 31 MARCH 2022

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Delivery of Specialist Legal Advice

We delivered specialist casework in housing, immigration, welfare benefits, and employment law throughout the year. By about the mid-point of the year, our services were delivered principally from our office in St Anne Street, near Westferry DLR, with advice to individuals provided through face-to-face appointments with specialist caseworkers and solicitors. The Covid-19 pandemic, and the national response to it, continued to have a significant impact on service delivery for the year, however, with the end of formal restrictions taking place only in the second quarter of the year and precautions around the safe delivery of services continuing well after that. Our pro-bono evening advice clinics, run in partnership with major City of London law firms and drawing on generous support from them and their staff, continued as telephone services throughout the year.

Throughout the year, we kept our website, www.thlc.co.uk, updated with details of our services as well as useful information about special Government measures that were taken in respect of housing, immigration, welfare benefits and employment law to mitigate the effects of Covid-19.

During the year 2021-22 we worked on 1,572 cases. This number was close to what we expected, following a substantial reduction in the previous year due to Covid-19 (and explained in our report for that year).

Partnership Working, Provision of Second Tier Support and Community Education

We are members of the rota for the Housing Possession Duty Solicitor Scheme at Bow County Court, providing assistance, advice and representation at court to those facing possession proceedings. The scheme resumed operation during the year, when court hearings recommenced following their suspension during Covid-19.

We continued to provide second tier support to other advice agencies in the borough, including advice by telephone and supervision support, but many other activities fell into abeyance as we and other agencies focused on maintaining core services to clients. We continued to participate in the Tower Hamlets Community Advice Network and Advice Tower Hamlets partnerships, which met virtually throughout the year to co-ordinate services and offer mutual support. The borough's Local Link service, in which we were a partner, came to an end following a recommissioning exercise by Tower Hamlets council. It was replaced by Tower Hamlets Connect, a new service in which we are also partners, provided by substantially the same organisations as before.

Short-term funding also allowed us to work during the year with Crisis, the Public Law Project and the Law Centres Network on an innovative project providing social welfare and public law advice to Crisis Skylight centres.

Funding

Earnings from legal aid recovered a little from the amounts in 2020-21, but, as predicted, were still very low in 2021-22 compared to their historical level.

We are immensely grateful for the continuing support of funders like the City Bridge Trust, the Trust for London, the Legal Education Foundation, the London Legal Support Trust and the A.B. Charitable Trust as well as our corporate supporters, including Freshfields Bruckhaus Deringer, Norton Rose Fulbright, and Ince.

Our employment law service was supported by a grant from the Law Centres Network Justice Fund. This helped us to continue to provide the service while we tried to find long-term sustainable funding for it.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Financial Review

The funding environment for advice services has been particularly challenging for the last ten years, and despite achieving surpluses since 2017/18, the law centre's sustainability remains uncertain. We expect inflation, recession and the cost-of-living crisis to put exceptional pressure on public sector funders, who are likely to be expected to make budget savings; and even the generous donations of our corporate supporters and grants from trusts and foundations are likely to come under pressure in challenging economic times.

For the time being, funding from the L. B. Tower Hamlets Local Community Fund (which we receive as part of the Advice Tower Hamlets consortium) is continuing unchanged, but funding for Tower Hamlets Connect (which effectively replaced the Local Link programme from July 2021, and now includes the 'front door' for the council's adult social care services) halved our income from this source from £60,000 p.a. to £30,000 p.a. This significantly reduces the amount of work we can do for Tower Hamlets residents with support needs.

The scope of legal aid is far too narrow to allow access to justice for many people, and the rates of payment for work done are inadequate. This had led to many practitioners abandoning practice. We understand that the Government will soon announce a review of civil legal aid, aimed at developing proposals to ensure the long-term sustainability of the civil legal aid supplier base. The 2018 standard civil contract has been extended to 31 August 2024 in order to allow time for the review to take place. We await the outcome with interest.

Our original projections for 2022-23 were for a deficit, which the trustees agreed to meet from our reserves. We now expect to roughly break even as a result of successful in-year fundraising. The outlook for 2023-24 remains uncertain, however: we currently anticipate a deficit, which we are working to mitigate as far as possible.

Risk Management

The Trustees have assessed the major risks to which the Law Centre is exposed, and, in particular, those related to its operations and finances. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Law Centre's Strategic Plan seeks to mitigate the risks associated with particular sources of funding and ensure the continued viability of the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre. The maintenance of the Lexcel Quality Standard and compliance with Solicitors' Practice Rules ensure a consistent quality of delivery for all operational activities of the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity. Our risk register was updated to incorporate specific risks relevant to COVID-19, and those were also the subject of a separate, dedicated risk management exercise.

Designated Funds

In their Strategic Plan 2019-2022, the Trustees anticipated that, in order to expand the law centre's services and continue its financial recovery, it would be necessary to move to new, larger premises before the end of March 2022. The trustees designated a fund of £50,000 to deal with the potential costs of moving premises, including the payment of a lease premium, fit-out costs, removal costs (including specialist IT costs) and increased rental costs.

The trustees intend to review the need for larger premises in the light of the introduction of 'hybrid' working by the law centre and many other organisations in the wake of Covid-19. They have not yet arrived at a final view, but have negotiated a new lease of the existing premises, from which we are unlikely to move until at least December 2025, when it expires. If the trustees decide that larger premises are no longer necessary, the designation of this fund will be removed.

TOWER HAMLETS LAW CENTRE

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FOR THE YEAR ENDED 31 MARCH 2022

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Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. For the moment, the reserves target is unchanged. Budgeted expenditure for 2023-24 is a little over £600,000. The target for reserves is therefore £200,000.

The amount of unrestricted reserves held by the charity at 31 March 2022 was £274,137. The Trustees anticipate that it will be necessary to draw upon these reserves over the course of the next few years in order to mitigate the effects of inflation, recession and the cost-of-living crisis in the UK. These will increase the cost of running the law centre at the same time as increasing demand for our services. At the same time, the historical underfunding of legal aid is likely to continue, and public sector funders, in particular, will be placed under increasing budgetary pressure.

Plans for the Future

The Trustees have agreed the Law Centre's Strategic Plan 2022-2025. In order to improve our focus on the things we most want to achieve, they have selected just four priorities for strategic development. Our three trustees' committees (Finance, Personnel and Development) will each lead on one of the priorities, ensuring that progress is regularly reviewed and any blockages managed. The fourth priority, which concerns community engagement, will be led by the full Board of Trustees, reflecting its central importance in our plans. The four priorities are:

Priority One: A High-Performing Organisation

Lead Committee: Finance

We will drive high performance at all levels of the organisation.

Priority Two: A Well-Funded Organisation

Lead Committee: Development

We will continue to grow and diversify our sources of income.

Priority Three: A Modern, Inclusive Employer of Choice

Lead Committee: Personnel

We will be an organisation that people want to work for, enjoy working for, stay and progress in

Priority Four: A Fully Engaged Voice for the East End Community

Lead: Full Board of Trustees

We will understand our community better, and build links so that our work reflects the needs and priorities of the people we serve.

Structure, Governance and Management

Governing Document

The Law Centre is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 14 March 1983. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Law Centre's purposes, as set out in its governing document, are:

- The relief of poverty amongst persons resident or working in Greater London and in particular the London borough of Tower Hamlets ("the benefit area") by providing such persons with legal services which they could not otherwise obtain or which it would not be reasonably practicable or appropriate to obtain elsewhere;
- The advancement of education amongst persons resident or working in the benefit area;
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the benefit area.

In December 2016, revised Articles of Association were adopted, but they made no substantive changes to the Law Centre's purposes, which were simply moved from the Memorandum to the Articles.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Trustees. The management of the Law Centre is the responsibility of the Trustees, who are appointed and co-opted under the terms of the Articles of Association. Under the requirements of the Memorandum and Articles of Association one third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, at which time they may be reappointed if eligible.

The Trustees may co-opt any individual, provided the total number of Trustees does not exceed the number allowed by the Articles. Co-opted Trustees hold office only until the next Annual General Meeting, at which time they may be reappointed if eligible.

When more Trustees are needed, the Trustees advertise vacancies widely in order to draw in appropriately qualified individuals to support the development of the Law Centre. Appropriate qualifications may include specific skills, experience and contacts as well as knowledge of the local community. A recruitment process during the year to 31 March 2022 has resulted in the appointment of four new trustees.

Trustee Induction and Training

New Trustees are given the opportunity to visit the Law Centre during a working day and meet staff members and volunteers, as well as existing Trustees. All new Trustees receive an induction pack that includes general information about the Law Centre as well as recent copies of minutes, management accounts and senior management reports and a copy of the Memorandum and Articles of Association.

Trustees are invited to attend an individual meeting with the Chief Executive to familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The roles and responsibilities of Trustees
- An overview of the governing document and key policies including equal opportunities and financial management
- The current financial position of the organisation, including an introduction to key funders and their requirements
- An overview of the Business Plan, focusing on future plans and objectives
- An overview of the current Risk Assessment

Related Parties

At a national level, provision and procurement of quality legal advice is ensured principally through the Legal Aid Agency and the Law Society. The charity engages with these bodies through the maintenance of the Lexcel Quality Standard and through compliance with Solicitors' Practice Rules. The charity also maintains membership of the Law Centres Network, which provides important links to wider policy issues and support for the organisation in management practice and strategic development. Locally, the charity is represented on the Tower Hamlets Community Advice Network, a group of advice agencies working in the borough.

Public Benefit

In planning and reviewing the following activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. We are satisfied that in the management of resources to deliver legal advice services we can demonstrate that our work benefits not only our clients but also to the wider community.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Organisational Structure and Decision Making

The Law Centre's members elect its Trustees, who are responsible for the strategic direction of the law centre and oversight of its work and finances.

The Trustees delegate day-to-day responsibility for the provision of services to the Chief Executive and the Senior Solicitor. The Chief Executive is responsible for ensuring the secure financial management and administration of the charity and the Senior Solicitor is responsible for ensuring the quality of the services delivered. Effective management and supervision of the staff team is the responsibility of both the Chief Executive and the Senior Solicitor.

Remuneration of Key Management Personnel

The remuneration of the charity's key management personnel, the Chief Executive and the Senior Solicitor, is set by the Board of Trustees, taking into account the charity's financial position and the amount paid for comparable roles in comparable organisations.

Volunteers

The Law Centre is grateful for support of its volunteers. In particular, we are indebted to the trainee solicitors from Freshfields Bruckhaus Deringer, Norton Rose Fulbright, Ashurst, and Ince, who offer pro bono advice on housing, employment, welfare benefits and immigration.

Responsibilities of the Trustees

The Trustees (who are also directors of the charitable company 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Independent Examiner

Stephen Jones of Myrus Smith Chartered Accountants was appointed as our independent examiner at the Annual General Meeting in November 2020. He has expressed his willingness to accept appointment and a resolution to appoint him for 2021/22 will be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 29/11/2022 and signed on its behalf, by:



Mark Kalderon
Treasurer

Independent Examiner's Report to the Trustees of:

TOWER HAMLETS LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022 which are set out on pages 11 to 23.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

1 December 2022

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from:					
Donations	2	95,152	178,547	273,699	194,508
Charitable activities	3	187,131	176,335	363,466	360,191
Investments	4	23	-	23	91
Total		<u>282,306</u>	<u>354,882</u>	<u>637,188</u>	<u>554,790</u>
Expenditure on:					
Charitable activities	5	211,984	354,882	566,866	548,623
Total		<u>211,984</u>	<u>354,882</u>	<u>566,866</u>	<u>548,623</u>
Net income/(expenditure)		<u>70,322</u>	<u>-</u>	<u>70,322</u>	<u>6,167</u>
Transfer between funds	15				
Net movement in funds		<u>70,322</u>	<u>-</u>	<u>70,322</u>	<u>6,167</u>
Reconciliation of funds					
Total funds brought forward	15	203,815	-	203,815	197,648
Total funds carried forward	15	<u>£274,137</u>	<u>£Nil</u>	<u>£274,137</u>	<u>£203,815</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

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BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible fixed assets	11		7,812		13,743
CURRENT ASSETS					
Debtors	12	61,926		92,682	
Cash at bank and in hand		271,681		183,169	
		<u>333,607</u>		<u>275,851</u>	
CREDITORS: Amounts falling due within one year	13	67,282		68,593	
NET CURRENT ASSETS			<u>266,325</u>		<u>207,258</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>274,137</u>		<u>221,001</u>
CREDITORS: Amounts falling due after more than one year	14		-		17,186
NET ASSETS	16		<u>£274,137</u>		<u>£203,815</u>
FUNDS					
Restricted	15		-		-
Unrestricted - Designated	15		50,000		50,000
Unrestricted - General	15		224,137		153,815
	15		<u>£274,137</u>		<u>£203,815</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 29/11/2022 and signed on its behalf by:

James Blythe
Trustee and Chair



The notes form part of the financial statements.

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net movement in funds	70,322	6,167
Adjustments for:		
Interest receivable	(23)	(91)
Depreciation charges (note 11)	4,162	6,379
Decrease/(increase) in debtors	30,756	(27,458)
(Decrease)/increase in creditors	(18,497)	22,859
Net cash provided by operating activities	<u>86,720</u>	<u>7,856</u>
Cash flows from investing activities:		
Interest received (note 4)	23	91
Purchase of tangible fixed assets	-	(15,041)
Disposal of tangible fixed assets	1,769	-
Net cash used in investing activities	<u>1,792</u>	<u>(14,950)</u>
Change in cash and cash equivalents in the year	88,512	(7,094)
Cash and cash equivalents brought forward	183,169	190,263
Cash and cash equivalents carried forward	<u>£271,681</u>	<u>£183,169</u>
Analysis of cash and cash equivalents	2022	2021
Cash at bank and in hand	<u>£271,681</u>	<u>£183,169</u>

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure on charitable activities comprises the costs associated with delivering specialist legal advice.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for particular purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixtures and fittings	20% straight line
Computer equipment	25% straight line

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

1. ACCOUNTING POLICIES (cont'd)

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer defined benefit pension scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants	15,000	178,547	193,547	122,115
Donations	80,152	-	80,152	72,393
	<u>£95,152</u>	<u>£178,547</u>	<u>£273,699</u>	<u>£194,508</u>

Of the £194,508 recognised in 2021, £87,393 was unrestricted and £107,115 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants and contracts:				
Legal Aid Agency	38,326	-	38,326	32,200
London Borough of Tower Hamlets/East End Citizens Advice Bureau	-	97,335	97,335	102,335
Housing Possession Court Duty Scheme	10,296	-	10,296	288
Trust for London	-	46,000	46,000	45,000
Real DPO Limited	51,799	-	51,799	53,631
Crisis Hub Agreement	-	15,000	15,000	5,000
Justice Fund	-	18,000	18,000	-
COVID-19 Specialist Advice Services	-	-	-	100,000
Fees from private clients	86,710	-	86,710	21,737
	<u>£187,131</u>	<u>£176,335</u>	<u>£363,466</u>	<u>£360,191</u>

Of the £360,191 recognised in 2021, £107,856 was unrestricted funds and £252,335 was restricted funds.

TOWER HAMLETS LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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4. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2022	Total 2021
Bank interest	£23	£Nil	£23	£91

All of the £91 recognised in 2021 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs £	Support costs £	Total 2022 £	Total 2021 £
Housing	99,848	56,076	155,924	170,789
Employment	41,390	22,430	63,820	16,646
Immigration	131,320	84,113	215,433	220,448
Welfare	86,829	44,860	131,689	140,740
	<u>£359,387</u>	<u>£207,479</u>	<u>£566,866</u>	<u>£548,623</u>

Of the £548,623 expenditure recognised in 2021, £182,505 was charged to unrestricted funds and £366,118 was charged to restricted funds.

6. ANALYSIS OF DIRECT COSTS	Total 2022 £	Total 2021 £
Staff costs	355,164	329,249
Other direct costs	4,223	7,929
	<u>£359,387</u>	<u>£337,178</u>

7. ANALYSIS OF SUPPORT COSTS	Total 2022 £	Total 2021 £
Staff and freelance costs	137,061	145,091
Office costs	44,723	40,656
Premises costs	22,245	22,248
Governance costs (see Note 8)	3,450	3,450
	<u>£207,479</u>	<u>£211,445</u>

8. GOVERNANCE COSTS	2022 £	2021 £
Independent examiner's fees - Examination	2,200	2,200
SRA audit	1,250	1,250
	<u>£3,450</u>	<u>£3,450</u>

TOWER HAMLETS LAW CENTRE
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022
/contd...

9. NET INCOME/EXPENDITURE FOR THE YEAR 2022 2021

The net income/expenditure for the year is stated after charging:

Operating lease rentals	£17,532	£17,532
Depreciation of tangible fixed assets	£4,989	£6,379
Independent Examiner's remuneration	£2,200	£2,200
Pension contributions (defined contribution schemes)	£11,734	£9,646
	<u>£17,532</u>	<u>£17,532</u>

During the year Trustees received no remuneration (2021: £Nil) or reimbursed expenses (2021: £Nil).

10. STAFF COSTS AND NUMBERS 2022 2021
£ £

Staff costs were as follows:

Wages and salaries	434,170	415,012
Social security costs	37,513	33,542
Pension costs	11,734	9,646
Pension deficit contributions	(12,311)	-
	<u>£471,106</u>	<u>£458,200</u>

The average number of employees during the year was 16 (2021: 17).

No employee received total benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by key management amounted to £29,073 (2021: £29,082). Under FRS 102, employee benefits includes gross salary, employer's NIC, employer's pension contributions and benefits in kind.

11. FIXED ASSETS

	Office & Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
Cost at 1 April 2021	24,307	1,510	25,817
Additions	-	-	-
Disposals	1,769	-	1,769
At 31 March 2022	<u>22,538</u>	<u>1,510</u>	<u>24,048</u>
Depreciation			
At 1 April 2021	10,866	1,208	12,074
Charge for the year	4,687	302	4,989
Eliminated on disposal	(827)	(-)	(827)
At 31 March 2022	<u>14,726</u>	<u>1,510</u>	<u>16,236</u>
Net Book Value			
At 31 March 2022	<u>£7,812</u>	<u>£Nil</u>	<u>£7,812</u>
At 31 March 2021	<u>£13,441</u>	<u>£302</u>	<u>£13,743</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

12. DEBTORS

	2022 £	2021 £
Trade debtors	14,423	21,613
Prepayments and accrued income	44,003	67,569
Other debtors	3,500	3,500
	<u>£61,926</u>	<u>£92,682</u>

13. CREDITORS – Amounts falling due within one year

	2022 £	2021 £
Trade creditors	18,810	36,323
Accruals and deferred income (see below)	23,389	20,719
Taxation and social security	25,083	11,551
	<u>£67,282</u>	<u>£68,593</u>

DEFERRED INCOME

	Balance Brought Forward £	Additions in Year £	Released to Income £	Balance Carried Forward £
Grants	<u>10,750</u>	<u>15,000</u>	<u>10,750</u>	<u>15,000</u>

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets.

14. CREDITORS – Amounts falling due after more than one year

	2022 £	2021 £
Pension deficit	<u>£Nil</u>	<u>£17,186</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022
/contd...

15. MOVEMENT IN FUNDS

2022	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	97,335	(97,335)	-	-
Immigration Advice Service	-	46,000	(46,000)	-	-
Capacity Building	-	43,750	(43,750)	-	-
Justice First Fellowship Scheme	-	45,511	(45,511)	-	-
EU Settlement Scheme	-	39,424	(39,424)	-	-
Crisis Hub Agreement	-	15,000	(15,000)	-	-
Justice Fund	-	18,000	(18,000)	-	-
London Community Response	-	49,862	(49,862)	-	-
	<u>-</u>	<u>354,882</u>	<u>(354,882)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	153,815	282,306	(211,984)	-	224,137
Designated - Premises	50,000	-	-	-	50,000
	<u>203,815</u>	<u>282,306</u>	<u>(211,984)</u>	<u>-</u>	<u>274,137</u>
Total Funds	<u>£203,815</u>	<u>£637,188</u>	<u>£(566,866)</u>	<u>£Nil</u>	<u>£274,137</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

15. MOVEMENT IN FUNDS /contd...

Specialist Welfare Advice Partnership

The Specialist Welfare Advice Partnership fund represents MainStream Grant funding from Tower Hamlets Council for the provision of specialist welfare advice services.

Immigration Advice Service

Funding received towards provision of legal advice and support to women across East London suffering domestic violence, complicated by immigration and asylum issues.

Capacity Building

The Law Centre has received funding towards the costs of developing its fundraising capacity and also towards salaries and overheads.

Justice First Fellowship Scheme

This is funded by the Legal Aid Foundation for the training of Fellow solicitors.

EU Settlement Scheme

This is funded by the Home Office to support vulnerable EU citizens with completing their EUSS applications.

ROMA

This is funded by the Law Centre Network to provide housing advice to Roma migrants.

Crisis Hub Agreement

Support for Crisis's "Skylight Centres" and other frontline organisations.

London Community Response

This was money for and spent on computer equipment.

Designated fund – Premises

The Trustees have designated £50,000 towards the potential costs associated with moving to new premises including payment of a lease premium, fit-out costs, removal costs (including Specialist IT costs) and increased rental costs.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022
/contd...

15. MOVEMENT IN FUNDS /contd...

Comparative information for the net movement in funds in the previous year is as follows:

2021	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Access to Justice	-	6,000	(6,000)	-	-
Specialist Welfare Advice Partnership	-	102,335	(102,335)	-	-
Immigration Advice Service	-	45,000	(45,000)	-	-
Solicitor Training	6,668	-	(6,668)	-	-
Capacity Building	-	18,750	(18,750)	-	-
Justice First Fellowship Scheme	-	39,273	(39,273)	-	-
EU Settlement Scheme	-	31,351	(31,351)	-	-
Crisis Hub Agreement	-	5,000	(5,000)	-	-
COVID-19 Specialist Advice Services	-	100,000	(100,000)	-	-
London Community Response	-	11,741	(11,741)	-	-
	<u>6,668</u>	<u>359,450</u>	<u>(366,118)</u>		
Unrestricted funds					
General	140,980	195,340	(182,505)	-	153,815
Designated - Premises	50,000	-	-	-	50,000
	<u>190,980</u>	<u>195,340</u>	<u>(182,505)</u>		<u>203,815</u>
Total Funds	<u>£197,648</u>	<u>£554,790</u>	<u>£(548,623)</u>	<u>£Nil</u>	<u>£203,815</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2022			
Fixed Assets	7,812	-	7,812
Current assets	318,607	15,000	333,607
Current liabilities	(52,282)	(15,000)	(67,282)
Non-current liabilities	-	-	-
As at 31 March 2022	<u>£274,137</u>	<u>£Nil</u>	<u>£274,137</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS /contd...

Comparative information for the analysis of net assets between funds at the end of the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2021			
Fixed Assets	13,743	-	13,743
Current assets	265,101	10,750	275,851
Current liabilities	(57,843)	(10,750)	(68,593)
Non-current liabilities	(17,186)	-	(17,186)
As at 31 March 2021	<u>£203,815</u>	<u>£Nil</u>	<u>£203,815</u>

17. COMPANY STATUS

Tower Hamlets Law Centre is a private company limited by guarantee with no share capital and is registered in England and Wales. Each member is liable to contribute a sum not exceeding £1 in the event of the company being wound up. The registered office of the company is given in the Reference and Administrative Details of the Trustees' Annual Report.

18. TAXATION

As a registered charity, Tower Hamlets Law Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Due within one year	8,994	9,242
Due within one to five years	-	744
	<u>£8,994</u>	<u>£9,986</u>

20. CONTINGENT LIABILITIES

The Pension Trust – The Growth Plan

The charity participates in the above multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

20. CONTINGENT LIABILITIES/contd...

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The charity's share of the recovery plan contributions amounts to £5,488 per annum, increasing by 3% each year until 31 January 2025. The total amount due under the original recovery plan amounting to £40,179 was recognised as a liability in the balance sheet in the year ended 31 March 2016. The liability has not been discounted to net present value on the grounds of immateriality.

As a result of changes to the recovery plan, effective from 1 April 2019, an additional liability of £6,484 was recognised in the 31 March 2019 accounts.

The estimated debt on withdrawal from the scheme is **£83,208 (effective date 30 September 2020)** and it is anticipated that this will reduce over time as a result of the recovery plan contributions and investment returns.

21. CONTINGENT ASSETS

The charity has been awarded some multi-year grants with specified or implied timeframes which preclude recognition of the full amount. The following contingent assets are therefore disclosed as at 31 March 2022:

London Borough of Tower Hamlets/ East End Citizens Advice Bureau	£97,336	(Specialist Welfare Advice Partnership)
Legal Education Fellowship	£72,959	(Justice First Fellowship Scheme)
Home Office & Law Centres Network	£5,000	(EU Settlement Scheme)
City Bridge Trust	£75,000	(Contribution towards Running Costs)
Trust for London	£94,000	(Immigration Advice Service)

22. CLIENT MONIES

In addition to the assets and liabilities included in these financial statements the charity also holds client money amounting to £35,046 as at 31 March 2022 (£95,994 as at 31 March 2021) in a separate client bank account.

Accounts

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MYRUS SMITH

Chartered Accountants

Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

TOWER HAMLETS LAW CENTRE

(Company No.: 01720518)

(Charity No.: 287282)

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TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Reference and Administrative Details

Trustees

James Blythe, Chair
Mark Kalderon, Treasurer
Rosalind Shaw, Secretary
Manuhar Ali
Derek Maurice Cox
Abdus Salam (to 04 February 2021)
Catherine Tuitt
Maria-Grazia Donvito
Yvonne Kramo
Dyna Zekaoui (to 20 March 2021)
Kathleen Kurilecz
Philip Bartlett (from 14 July 2020)
Tahera Begum (from 13 October 2020)
Robyn Jones (from 18 May 2021)

Senior Managers

Martin South, Chief Executive
Bolaji Bishi, Senior Solicitor

Company Registered Number

1720518

Charity Registered Number

287282

Registered and Principal Office

Unit 1, St Anne Street
Off 789 Commercial Road
London E14 7HG

Independent Examiner

Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Bankers

HSBC Plc
75 Whitechapel Road
London E1 1DU

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Tower Hamlets Law Centre (the Law Centre) for the year ended 31 March 2021. The Trustees confirm that the annual report and financial statements of the Law Centre comply with the current statutory requirements, the requirements of the Law Centre's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

The trustees have had regard to the advice of the Charities SORP Committee 'Implications of COVID-19 control measures and charity financial reporting', issued in March 2020.

Objectives and Activities

The Law Centre's main purposes are to relieve poverty and advance education by:

- developing independent Law Centre services for the people of Tower Hamlets and East London.
- providing access to justice and facilitating awareness of legal rights, particularly targeting the most disadvantaged members of the community.

The main activities for the year continued to focus on the following;

- Delivery of specialist legal advice for those most disadvantaged in the local community;
- Provision of second tier support and advice for other generalist advice agencies in Tower Hamlets;
- Delivery of community education work to raise awareness of legal rights amongst local people; and
- Active development of services through partnership with other advice-giving organisations.

The law centre's work has a positive and long-lasting impact on our clients' wellbeing, dignity and human rights. For example:

- We help people fleeing persecution overseas to be granted asylum in this country, including an increasing number of unaccompanied minor asylum seekers; help to reunite families separated by international borders; and help women to escape from violence at home.
- We fight to prevent people from being evicted and becoming homeless; help those already homeless to secure accommodation when it has been denied to them; and help people living in unsafe and unhealthy homes to make their landlords repair them.
- We make sure that people get the welfare benefits they are entitled to, including some of the most vulnerable members of society who are fearful and desperate in the face of decisions to withdraw Personal Independence Payments and Education and Support Allowance.
- We help people with all kinds of problems at work, including pay and working conditions, unfair dismissal and redundancy.

The trustees have agreed their Strategic Plan 2019-2022, which builds on the success of its predecessor in restoring the law centre's financial stability and enabling it to begin developing its services. The year ended 31 March 2021 was the second year covered by the Plan, which has been reviewed by the trustees against the criteria that it contains for assessing success. The trustees are preparing a new Strategic Plan for 2022-25 which will set key objectives for the future.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

Achievements and performance

The main objectives set by the trustees related to maintaining the charity's activities, and these were successfully met. In particular:

Delivery of Specialist Legal Advice

We delivered specialist casework in housing, immigration, welfare benefits, and (from January 2021) employment law throughout the year. Under normal circumstances, we would have delivered this service principally from our office in St Anne Street, near Westferry DLR, with advice to individuals provided at drop in, evening and outreach sessions or during individual casework appointments with specialist caseworkers and solicitors. The Covid-19 pandemic, and the national response to it, had a significant impact on service delivery for the year, however, with the first lockdown starting only a few weeks before the start of our business year.

Thanks to the efforts of our dedicated staff and volunteers, we were able to maintain all our casework services except for face-to-face interviews following lockdown. Staff worked mostly from home and none were furloughed.

From mid-April 2020, we restored our pro bono advice clinics (which were suspended as lockdown started) in housing, employment and immigration law, all as telephone services.

In August 2020, we reintroduced face-to-face interviews for the clients who needed them most, and have maintained them since (although we also kept this under review in the light of the progress of the pandemic and Government guidance).

In January 2021, we extended our services to cover legal casework in employment law, in response to a surge in demand from people who had been thrown out of work or otherwise disadvantaged in their employment by the pandemic.

Throughout the year, we kept our website, www.thlc.co.uk, updated with details of our services as well as useful information about special Government measures that had been taken in respect of housing, immigration, welfare benefits and employment law.

During the year 2020-21 we worked on 1,231 cases. This number was substantially smaller than we would have expected if not for the effect of Covid-19. The reasons for this included the following:

- some potential new clients were unable to access services using email, phone or more advanced communications technology like video calling; others were able to access services in this way but preferred to wait before seeking advice in the hope that face-to-face services would be generally restored;
- the process of introducing new arrangements for digital home working required the investment of a lot of time and energy. Our staff, who were unfailingly positive and supportive, had to adjust to new ways of working, which had an impact on productivity;
- special measures that the Government introduced (for example the suspension of housing possession proceedings; the extension of leave to remain in immigration cases; and the suspension of new reviews and reassessments in welfare benefits cases) meant that there was a temporary reduction in cases at the point when we would normally take them on, such as appeals and court appearances.

We continue to be supported by generous donations from our supporters and grants from trusts and foundations.

TOWER HAMLETS LAW CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021
/contd...

Partnership Working, Provision of Second Tier Support and Community Education

The Housing Possession Duty Solicitor Scheme at Bow County Court, providing assistance, advice and representation at court to those facing possession proceedings, was suspended throughout the year.

We continued to provide second tier support to other advice agencies in the borough, including advice by telephone and supervision support, but many other activities fell into abeyance as we and other agencies focused on maintaining core services to clients. We continued to participate in the Tower Hamlets Community Advice Network and the Advice Tower Hamlets and Local Link partnerships, which met virtually throughout the year to co-ordinate services and offer mutual support.

IT and Communications Systems

By the beginning of our business year, we were already pursuing the goal, set out in our Strategic Plan 2019-2022, of moving all our IT systems to the cloud and introducing paperless working. This helped us to respond quickly and effectively to the challenges of the Covid-19 lockdown and home working.

From the start of lockdown, staff could access all the IT systems they needed to continue working from home, but we took further steps in order to improve data security and ensure that staff had access to consistent and high quality equipment. In particular, in June 2020, we supplied all staff with new laptops and associated equipment (17 in all) with the generous support of the London Community Response Fund, the Law Centres Network and the Legal Education Foundation. In January 2021, we supplied all staff with headsets and switched our telephony to Microsoft Teams, enabling seamless call handling from any location and full integration with our communications and file management systems.

Financial Review

Earnings from legal aid were greatly reduced in 2020-21.

During 2020-21, we were helped by the flexibility of our existing funders and – very significantly – by a grant from the part of the Community Justice Fund that was devoted to law centres. We are immensely grateful for the continuing support of funders like the City Bridge Trust, the Trust for London, the Legal Education Foundation, the London Legal Support Trust and the A.B. Charitable Trust as well as our corporate supporters, including Freshfields Bruckhaus Deringer, Norton Rose Fulbright, Ashurst and Ince.

Income from legal aid will continue to be greatly reduced in 2021-22.

The funding environment for advice services has been particularly challenging for nearly ten years, and despite achieving surpluses since 2017/18, the law centre's sustainability remains uncertain. We continue to be supported by generous donations from our corporate supporters and grants from trusts and foundations. The (understandable and welcome) focus by funders on emergency funding during 2020-21 has also meant that many funders were late in turning their attention to the following years, making it harder to plan and address funding from trusts and foundations for 2021-22 and beyond.

Funding from the L. B. Tower Hamlets Local Community Fund (which we receive as part of the Advice Tower Hamlets consortium) is continuing unchanged, but funding for the Local Link programme will end in 2021-22 and we are likely to result in a significantly reduced income from this source under the council's recommissioned service.

Overall, we expect to end 2021-22 with a small deficit, which the trustees have agreed to meet from our reserves.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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Risk Management

The Trustees have assessed the major risks to which the Law Centre is exposed, and, in particular, those related to its operations and finances. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Law Centre's Strategic Plan seeks to mitigate the risks associated with particular sources of funding and ensure the continued viability of the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre. The maintenance of the Lexcel Quality Standard and compliance with Solicitors' Practice Rules ensure a consistent quality of delivery for all operational activities of the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity. Our risk register has been updated to incorporate specific risks relevant to COVID-19, and those have also been the subject of a separate, dedicated risk management exercise.

Designated Funds

In their Strategic Plan 2019-2022, the Trustees anticipated that, in order to expand the law centre's services and continue its financial recovery, it would be necessary to move to new, larger premises before the end of March 2022. The trustees designated a fund of £50,000 to deal with the potential costs of moving premises, including the payment of a lease premium, fit-out costs, removal costs (including specialist IT costs) and increased rental costs. The trustees intend to review the need for larger premises in the light of the COVID-19 pandemic, which has seen staff largely working from home since the end of March 2020. They have not yet arrived at a final view, but will remain in the existing premises until at least December 2022, when the current lease expires.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. They have revised their target for reserves (the unrestricted funds not committed in tangible fixed assets by the charity) from a sum equivalent to about three months' expenditure to a sum equivalent to about four months' expenditure. They have done so in the light of the charity's potential liabilities; the inherent risks associated with growth; and the uncertainty of the economic, social and political context within which the law centre operates, including Brexit. Although the trustees did not increase their target for reserves in anticipation of the risks and challenges of the COVID-19 pandemic (which was not known at the time) they consider that it demonstrates the prudence of the measure and may consider a further increase to the target in time.

For the moment, the reserves target is unchanged. Budgeted expenditure for 2021-22 is a little less than £600,000. The target for reserves is therefore £200,000. The Trustees will seek to increase reserves incrementally over the coming years until they reach the target level.

The amount of unrestricted reserves held by the charity at 31 March 2021 was £203,815 which is above the target of £200,000.

Plans for the Future

The Trustees have agreed the Law Centre's Strategic Plan 2019-2022. The plan's objectives include:

- Diversifying our income to mitigate risks and improve our sustainability
- Upgrading our IT systems and introducing paperless working
- Expanding our services, including pro bono services
- Raising the law centre's public profile
- Moving to new premises if necessary

The trustees have started work on a new Strategic Plan 2022-25, which will take account of performance against the current Plan, and also the different and more challenging circumstances introduced by the COVID-19 pandemic.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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Structure, Governance and Management

Governing Document

The Law Centre is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 4 May 1983. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The Law Centre's purposes, as set out in its governing document, are:

- The relief of poverty amongst persons resident or working in Greater London and in particular the London borough of Tower Hamlets ("the benefit area") by providing such persons with legal services which they could not otherwise obtain or which it would not be reasonably practicable or appropriate to obtain elsewhere;
- The advancement of education amongst persons resident or working in the benefit area;
- The advancement of such other charitable purposes as are beneficial to the community for persons resident or working in the benefit area.

In December 2016, revised Articles of Association were adopted, but they made no substantive changes to the Law Centre's purposes, which were simply moved from the Memorandum to the Articles.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Trustees. The management of the Law Centre is the responsibility of the Trustees, who are appointed and co-opted under the terms of the Articles of Association. Under the requirements of the Memorandum and Articles of Association one third (or the number nearest one third) of the Trustees must retire at each Annual General Meeting, at which time they may be reappointed if eligible.

The Trustees may co-opt any individual, provided the total number of Trustees does not exceed the number allowed by the Articles. Co-opted Trustees hold office only until the next Annual General Meeting, at which time they may be reappointed if eligible.

When more Trustees are needed, the Trustees advertise vacancies widely in order to draw in appropriately qualified individuals to support the development of the Law Centre. Appropriate qualifications may include specific skills, experience and contacts as well as knowledge of the local community.

Trustee Induction and Training

New Trustees are given the opportunity to visit the Law Centre during a working day and meet staff members and volunteers, as well as existing Trustees. All new Trustees receive an induction pack that includes general information about the Law Centre as well as recent copies of minutes, management accounts and senior management reports and a copy of the Memorandum and Articles of Association.

Trustees are invited to attend an individual meeting with the Chief Executive to familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The roles and responsibilities of Trustees
- An overview of the governing document and key policies including equal opportunities and financial management
- The current financial position of the organisation, including an introduction to key funders and their requirements
- An overview of the Business Plan, focusing on future plans and objectives
- An overview of the current Risk Assessment

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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Related Parties

At a national level, provision and procurement of quality legal advice is ensured principally through the Legal Aid Agency and the Law Society. The charity engages with these bodies through the maintenance of the Lexcel Quality Standard and through compliance with Solicitors' Practice Rules. The charity also maintains membership of the Law Centres Network, which provides important links to wider policy issues and support for the organisation in management practice and strategic development. Locally, the charity is represented on the Tower Hamlets Community Advice Network, a group of advice agencies working in the borough.

Public Benefit

In planning and reviewing the following activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. We are satisfied that in the management of resources to deliver legal advice services we can demonstrate that our work benefits not only our clients but also to the wider community.

Organisational Structure and Decision Making

The Law Centre's members elect its Trustees, who are responsible for the strategic direction of the law centre and oversight of its work and finances.

The Trustees delegate day-to-day responsibility for the provision of services to the Chief Executive and the Senior Solicitor. The Chief Executive is responsible for ensuring the secure financial management and administration of the charity and the Senior Solicitor is responsible for ensuring the quality of the services delivered. Effective management and supervision of the staff team is the responsibility of both the Chief Executive and the Senior Solicitor.

Remuneration of Key Management Personnel

The remuneration of the charity's key management personnel, the Chief Executive and the Senior Solicitor, is set by the Board of Trustees, taking into account the charity's financial position and the amount paid for comparable roles in comparable organisations.

Volunteers

The Law Centre is grateful for support of its volunteers. In particular, we are indebted to the trainee solicitors from Freshfields Bruckhaus Deringer, Norton Rose Fulbright, Ashurst, and Ince, who offer pro bono advice on housing, employment, welfare benefits and immigration.

Responsibilities of the Trustees

The Trustees (who are also directors of the charitable company 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

TOWER HAMLETS LAW CENTRE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

Responsibilities of the Trustees /contd...

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 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

Stephen Jones of Myrus Smith Chartered Accountants was appointed as our independent examiner at the Annual General Meeting in November 2020. He has expressed his willingness to accept appointment and a resolution to appoint him for 2021/22 will be proposed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 23 November 2021 and signed on its behalf, by:



Mark Kalderon
Treasurer

Independent Examiner's Report to the Trustees of:

TOWER HAMLETS LAW CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 11 to 23.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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


Stephen Jones FCA
% Myrus Smith, Chartered Accountants
Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

23. 11. 2021

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations	2	87,393	107,115	194,508	181,882
Charitable activities	3	107,856	252,335	360,191	342,833
Investments	4	91	-	91	315
Total		<u>195,340</u>	<u>359,450</u>	<u>554,790</u>	<u>525,030</u>
Expenditure on:					
Charitable activities	5	<u>182,505</u>	<u>366,118</u>	<u>548,623</u>	<u>486,061</u>
Total		<u>182,505</u>	<u>366,118</u>	<u>548,623</u>	<u>486,061</u>
Net income/(expenditure)	9	12,835	(6,668)	6,167	38,969
Transfer between funds	15	-	-	-	-
Net movement in funds		12,835	(6,668)	6,167	38,969
Reconciliation of funds					
Total funds brought forward	15	<u>190,980</u>	<u>6,668</u>	<u>197,648</u>	<u>158,679</u>
Total funds carried forward	15	<u>£203,815</u>	<u>£Nil</u>	<u>£203,815</u>	<u>£197,648</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible fixed assets	11		13,743		5,081
CURRENT ASSETS					
Debtors	12	92,682		65,224	
Cash at bank and in hand		183,169		190,263	
		<u>275,851</u>		<u>255,487</u>	
CREDITORS: Amounts falling due within one year	13	68,593		39,622	
NET CURRENT ASSETS			<u>207,258</u>		<u>215,865</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			221,001		220,946
CREDITORS: Amounts falling due after more than one year	14		17,186		23,298
NET ASSETS	16		<u>£203,815</u>		<u>£197,648</u>
FUNDS					
Restricted	15		-		6,668
Unrestricted - Designated	15		50,000		50,000
Unrestricted - General	15		153,815		140,980
	15		<u>£203,815</u>		<u>£197,648</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 23 November 2021 and signed on its behalf by:

James Blythe
Trustee and Chair



The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net movement in funds	6,167	38,969
Adjustments for:		
Interest receivable	(91)	(315)
Depreciation charges (note 11)	6,379	2,618
Decrease/(increase) in debtors	(27,458)	11,605
(Decrease)/increase in creditors	22,859	(28,161)
	<u>7,856</u>	<u>24,716</u>
Net cash provided by operating activities		
	<u>7,856</u>	<u>24,716</u>
Cash flows from investing activities:		
Interest received (note 4)	91	315
Purchase of tangible fixed assets	(15,041)	(3,935)
	<u>(14,950)</u>	<u>(3,620)</u>
Net cash used in investing activities		
	<u>(14,950)</u>	<u>(3,620)</u>
Change in cash and cash equivalents in the year	(7,094)	21,096
Cash and cash equivalents brought forward	<u>190,263</u>	<u>169,167</u>
Cash and cash equivalents carried forward	<u>£183,169</u>	<u>£190,263</u>
	<u>£183,169</u>	<u>£190,263</u>
Analysis of cash and cash equivalents	2021	2020
Cash at bank and in hand	<u>£183,169</u>	<u>£190,263</u>

The notes form part of the financial statements.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure on charitable activities comprises the costs associated with delivering specialist legal advice.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for particular purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixtures and fittings	20% straight line
Computer equipment	25% straight line

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021+

/contd...

1. ACCOUNTING POLICIES (cont'd)

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer defined benefit pension scheme. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

2. DONATIONS

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants	15,000	107,115	122,115	113,654
Donations	72,393	-	72,393	68,228
	<u>£87,393</u>	<u>£107,115</u>	<u>£194,508</u>	<u>£181,882</u>

Of the £181,882 recognised in 2020, £78,228 was unrestricted and £103,654 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants and contracts:				
Legal Aid Agency	32,200	-	32,200	61,056
London Borough of Tower Hamlets/East				
End Citizens Advice Bureau	-	102,335	102,335	120,964
Housing Possession Court Duty Scheme	288	-	288	13,536
Trust for London	-	45,000	45,000	45,000
Real DPO Limited	53,631	-	53,631	57,621
Crisis Hub Agreement	-	5,000	5,000	-
COVID-19 Specialist Advice Services	-	100,000	100,000	-
Fees from private clients	21,737	-	21,737	44,656
	<u>£107,856</u>	<u>£252,335</u>	<u>£360,191</u>	<u>£342,833</u>

Of the £342,833 recognised in 2020, £176,869 was unrestricted funds and £165,964 was restricted funds.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

4. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2021	Total 2020
Bank interest	£91	£Nil	£91	£315
	<u>£91</u>	<u>£Nil</u>	<u>£91</u>	<u>£315</u>
All of the £315 recognised in 2020 was unrestricted funds.				
5. EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
Housing	95,273	75,516	170,789	123,985
Employment	9,094	7,552	16,646	-
Immigration	129,829	90,619	220,448	217,271
Welfare	102,982	37,758	140,740	144,805
	<u>£337,178</u>	<u>£211,445</u>	<u>£548,623</u>	<u>£486,061</u>

Of the £486,061 expenditure recognised in 2020, £203,111 was charged to unrestricted funds and £282,950 was charged to restricted funds.

6. ANALYSIS OF DIRECT COSTS	Total 2021 £	Total 2020 £
Staff costs	329,249	254,009
Other direct costs	7,929	28,595
	<u>£337,178</u>	<u>£282,604</u>
7. ANALYSIS OF SUPPORT COSTS	Total 2021 £	Total 2020 £
Staff and freelance costs	145,091	138,674
Office costs	40,656	39,094
Premises costs	22,248	21,984
Governance costs (see Note 8)	3,450	3,705
	<u>£211,445</u>	<u>£203,457</u>
8. GOVERNANCE COSTS	2021 £	2020 £
Independent examiner's fees - Examination	2,200	2,295
SRA audit	1,250	1,410
	<u>£3,450</u>	<u>£3,705</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021
/contd...

9. NET INCOME/EXPENDITURE FOR THE YEAR 2021 2020

The net income/expenditure for the year is stated after charging:

Operating lease rentals	£17,532	£16,121
Depreciation of tangible fixed assets	£6,379	£2,618
Independent Examiner's remuneration	£2,200	£2,295
Pension contributions (defined contribution schemes)	£9,646	£8,560
	<u>£35,757</u>	<u>£29,594</u>

During the year Trustees received no remuneration (2020: £Nil) or reimbursed expenses (2020: £Nil).

10. STAFF COSTS AND NUMBERS 2021 2020

	£	£
Staff costs were as follows:		
Wages and salaries	415,012	334,345
Social security costs	33,542	28,279
Pension costs	9,646	8,560
	<u>£458,200</u>	<u>£371,184</u>

The average number of employees during the year was 17 (2020: 14).

No employee received total benefits (excluding employer pension costs) amounting to more than £60,000 in either year.

Total employee benefits received by key management amounted to £29,082 (2020: £29,103). Under FRS 102, employee benefits includes gross salary, employer's NIC, employer's pension contributions and benefits in kind.

11. FIXED ASSETS

	Office & Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
Cost at 1 April 2020	9,266	1,510	10,776
Additions	15,041	-	15,041
Disposals	-	-	-
At 31 March 2021	<u>24,307</u>	<u>1,510</u>	<u>25,817</u>
Depreciation			
At 1 April 2020	4,789	906	5,695
Charge for the year	6,077	302	6,379
Eliminated on disposal	-	-	-
At 31 March 2021	<u>10,866</u>	<u>1,208</u>	<u>12,074</u>
Net Book Value			
At 31 March 2021	<u>£13,441</u>	<u>£302</u>	<u>£13,743</u>
At 31 March 2020	<u>£4,477</u>	<u>£604</u>	<u>£5,081</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

12. DEBTORS	2021 £	2020 £
Trade debtors	21,613	23,001
Prepayments and accrued income	67,569	38,723
Other debtors	3,500	3,500
	<u>£92,682</u>	<u>£65,224</u>

13. CREDITORS – Amounts falling due within one year	2021 £	2020 £
Trade creditors	36,323	17,640
Accruals and deferred income (see below)	20,719	8,465
Taxation and social security	11,551	13,517
	<u>£68,593</u>	<u>£39,622</u>

DEFERRED INCOME	Balance Brought Forward £	Additions in Year £	Released to Income £	Balance Carried Forward £
Grants	<u>-</u>	<u>16,250</u>	<u>(5,500)</u>	<u>10,750</u>

Deferred income reflects grant income received in advance for the following financial year, to be expended in accordance with specified or implied timeframes and agreed budgets.

14. CREDITORS – Amounts falling due after more than one year	2021 £	2020 £
Pension deficit	<u>£17,186</u>	<u>£23,298</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

15. MOVEMENT IN FUNDS

2021	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Access to Justice	-	6,000	(6,000)	-	-
Specialist Welfare Advice Partnership	-	102,335	(102,335)	-	-
Immigration Advice Service	-	45,000	(45,000)	-	-
Solicitor Training	6,668	-	(6,668)	-	-
Capacity Building	-	18,750	(18,750)	-	-
Justice First Fellowship Scheme	-	39,273	(39,273)	-	-
EU Settlement Scheme	-	31,351	(31,351)	-	-
Crisis Hub Agreement	-	5,000	(5,000)	-	-
COVID-19 Specialist Advice Services	-	100,000	(100,000)	-	-
London Community Response	-	11,741	(11,741)	-	-
	<u>6,668</u>	<u>359,450</u>	<u>(366,118)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General	140,980	195,340	(182,505)	-	153,815
Designated - Premises	50,000	-	-	-	50,000
	<u>190,980</u>	<u>195,340</u>	<u>(182,505)</u>	<u>-</u>	<u>203,815</u>
Total Funds	<u>£197,648</u>	<u>£554,790</u>	<u>£(548,623)</u>	<u>£Nil</u>	<u>£203,815</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

15. MOVEMENT IN FUNDS /contd...

Access to Justice

Money invested in the infrastructure of the organisation including training and consultancy.

Specialist Welfare Advice Partnership

The Specialist Welfare Advice Partnership fund represents MainStream Grant funding from Tower Hamlets Council for the provision of specialist welfare advice services.

Immigration Advice Service

Funding received towards provision of legal advice and support to women across East London suffering domestic violence, complicated by immigration and asylum issues.

Solicitor Training

The Law Centre received a grant in 2018/19 towards the costs of a training contract for a member of staff which commenced in April 2019.

Capacity Building

The Law Centre has received funding towards the costs of developing its fundraising capacity and also towards salaries and overheads.

Justice First Fellowship Scheme

This is funded by the Legal Aid Foundation for the training of Fellow solicitors.

EU Settlement Scheme

This is funded by the Home Office to support vulnerable EU citizens with completing their EUSS applications.

ROMA

This is funded by the Law Centre Network to provide housing advice to Roma migrants.

Crisis Hub Agreement

Support for Crisis's "Skylight Centres" and other frontline organisations.

COVID-19 Specialist Advice Services

This was money which enabled services to continue throughout the worst of the pandemic.

London Community Response

This was money for and spent on computer equipment.

Designated fund – Premises

The Trustees have designated £50,000 towards the potential costs associated with moving to new premises including payment of a lease premium, fit-out costs, removal costs (including Specialist IT costs) and increased rental costs.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

15. MOVEMENT IN FUNDS /contd...

Comparative information for the net movement in funds in the previous year is as follows:

2020	Brought Forward £	Income £	Expenditure £	Transfers Between Funds £	Carried Forward £
Restricted funds					
Specialist Welfare Advice Partnership	-	120,964	(120,964)	-	-
Immigration Advice Service	-	45,000	(45,000)	-	-
Solicitor Training	20,000	-	(13,332)	-	6,668
Capacity Building	-	50,000	(50,000)	-	-
Justice First Fellowship Scheme	-	9,568	(9,568)	-	-
EU Settlement Scheme	-	31,586	(31,586)	-	-
ROMA	-	12,500	(12,500)	-	-
	<u>20,000</u>	<u>269,618</u>	<u>(282,950)</u>	<u>-</u>	<u>6,668</u>
Unrestricted funds					
General	88,679	255,412	(203,111)	-	140,980
Designated - Premises	50,000	-	-	-	50,000
	<u>138,679</u>	<u>255,412</u>	<u>(203,111)</u>	<u>-</u>	<u>190,980</u>
Total Funds	<u>£158,679</u>	<u>£525,030</u>	<u>£(486,061)</u>	<u>£Nil</u>	<u>£197,648</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed Assets	13,743	-	13,743
Current assets	265,101	10,750	275,851
Current liabilities	(57,843)	(10,750)	(68,593)
Non-current liabilities	(17,186)	-	(17,186)
As at 31 March 2021	<u>£203,815</u>	<u>£Nil</u>	<u>£203,815</u>

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS /contd...

Comparative information for the analysis of net assets between funds at the end of the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2020			
Fixed Assets	5,081	-	5,081
Current assets	248,819	6,668	255,487
Current liabilities	(39,622)	-	(39,622)
Non-current liabilities	(23,298)	-	(23,298)
As at 31 March 2020	<u>£190,980</u>	<u>£6,668</u>	<u>£197,648</u>

17. COMPANY STATUS

Tower Hamlets Law Centre is a private company limited by guarantee with no share capital and is registered in England and Wales. Each member is liable to contribute a sum not exceeding £1 in the event of the company being wound up. The registered office of the company is given in the Reference and Administrative Details of the Trustees' Annual Report.

18. TAXATION

As a registered charity, Tower Hamlets Law Centre is exempt from taxation under Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Due within one year	9,242	9,242
Due within one to five years	744	1,736
	<u>£9,986</u>	<u>£10,978</u>

20. CONTINGENT LIABILITIES

The Pension Trust – The Growth Plan

The charity participates in the above multi-employer pension scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

TOWER HAMLETS LAW CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

/contd...

20. CONTINGENT LIABILITIES/contd...

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The charity's share of the recovery plan contributions amounts to £5,488 per annum, increasing by 3% each year until 31 January 2025. The total amount due under the original recovery plan amounting to £40,179 was recognised as a liability in the balance sheet in the year ended 31 March 2016. The liability has not been discounted to net present value on the grounds of immateriality.

As a result of changes to the recovery plan, effective from 1 April 2019, an additional liability of £6,484 was recognised in the 31 March 2019 accounts.

The estimated debt on withdrawal from the scheme is £83,208 (effective date 30 September 2020) and it is anticipated that this will reduce over time as a result of the recovery plan contributions and investment returns.

21. CONTINGENT ASSETS

The charity has been awarded some multi-year grants with specified or implied timeframes which preclude recognition of the full amount. The following contingent assets are therefore disclosed as at 31 March 2021:

London Borough of Tower Hamlets/ East End Citizens Advice Bureau	£194,670	(Specialist Welfare Advice Partnership)
City Bridge Trust	£12,500	(Capacity Building)
Trust for London	£38,120	(London Community Response)
Legal Education Fellowship	£28,705	(Justice First Fellowship Scheme)
Law Centres Network	£13,000	(Crisis Hub Agreement)
Home Office & Law Centres Network	£29,710	(EU Settlement Scheme)
City Bridge Trust	£100,000	(Contribution towards Running Costs)

22. CLIENT MONIES

In addition to the assets and liabilities included in these financial statements the charity also holds client money amounting to £95,994 as at 31 March 2021 (£33,381 as at 31 March 2020) in a separate client bank account.