

DERBYSHIRE LAW CENTRE LIMITED

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

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DERBYSHIRE LAW CENTRE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018

Trustees and Management Committee

Mr C Collard, Chair
Mr J Duncan, Treasurer
Miss S White, Secretary
Mr M Gordon
Ms J Flood
Mr D Shaw
Mrs M Thorpe
Ms E Tidd
Mr C Hampton
Mr H Borrell
Mrs J Skill
Mr D Skinner
Mr B Lewis (appointed 23 June 2017)
Mrs A Foster (appointed 8 May 2017)
Mr K Reid (appointed 4 May 2017, resigned 14 February 2018)
Mrs M E Honeyben (resigned 8 November 2017)
Ms S Blank (resigned 4 May 2017)
Mr J Morehen (resigned 8 November 2017)
Mrs J Tuwuru (resigned 8 November 2017)
Mrs M Dooley (resigned 4 May 2017)
Ms T Gilby (resigned 24 April 2017)

Company registered number

02453081

Charity registered number

702419

Registered office

1 Rose Hill East, Chesterfield, S40 1NU

Company secretary

Miss S White

Independent auditors

BHP, Chartered Accountants, 57-59 Saltergate, Chesterfield, S40 1UL

Bankers

Lloyds Bank plc, Rose Hill, Chesterfield, Derbyshire, S40 1LR

DERBYSHIRE LAW CENTRE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees (who are also directors of the charity for the purpose of the Companies Act) present their annual report together with the audited financial statements of Derbyshire Law Centre (the charity) for the year 1 April 2017 to 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The principal objects of the charity are:

- To relieve poor persons resident or working within the area of the Borough of Chesterfield, North East Derbyshire and any other geographical area as directed by the Management Committee by providing such persons with legal services which they could not otherwise obtain through lack of means;
- To advance the education of the public by the improvement and diffusion of knowledge of the law and the practice of the law and the administration of justice, having regard especially to those areas of law which are of particular concern to poor people or are directed to the relief of poverty;
- To promote such other charitable purposes as are for the benefit of the community in the Borough of Chesterfield, North East Derbyshire and any other geographical area as directed by the Management Committee.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit whilst reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. Details of how the charity has delivered public benefit can be found in the review of activities paragraph of this report.

b. Strategies for achieving objectives

The charity's mission is to increase access to justice for disadvantaged communities through the provision of quality assured, accessible, free and low cost legal advice, information and representation to individuals and groups within its geographical area.

The Law Centre's key strategic aims for the next three financial years are:

1. To provide and increase the provision of quality assured specialist legal advice and representation in the following areas of social welfare law: housing and homelessness, employment, debt, community care, immigration and discrimination;
2. To undertake project work in line with our mission statement as funding becomes available;
3. To provide an accessible initial assessment and signposting service to all enquirers;

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

4. To increase and diversify the financial and other resources of the Law Centre to ensure its future sustainability, through positive partnership work and engagement with existing and potential funders;
5. To extend awareness of the rights and remedies available to individuals and communities and the work of the Law Centre through information and publicity;
6. To ensure that the Law Centre has well trained staff to deliver high quality services and well trained trustees to ensure good governance.

And further specific objective:

- To continue our involvement as Trustee Board Members on Law Centres Network, Links CVS, Citizens Advice Derbyshire Districts, Citizens Advice Chesterfield and Derbyshire Unemployed Workers Centre (DUWC), and the Steering Group of Financial Action and Advice Derbyshire to show support and encourage joint working.

Achievements and performance

a. Review of activities

The main area of charitable activity is the provision of quality assured, accessible legal advice and representation.

This year, our caseworkers have dealt with over 900 specialist cases, many of which involved court representation. In addition, our Assessment Team dealt with almost 4,500 telephone enquiries. The enquirers were either referred to our specialist service or signposted on to a more suitable source of legal advice, this being to an alternative organisation or private practice solicitors or may include websites for self help information. Many of the residents seeking advice present with multiple problems and may require several routes of problem solving. Without our volunteers on the Assessment Team, our capacity to take these calls would be vastly reduced.

Specialist Services – Employment

We provide employment advice through our telephone helpline with face to face appointments in Bolsover, Chesterfield, Ilkeston and Ripley. A move around of staff meant that we could employ an additional part time, very experienced employment solicitor to cope with demand. However, demand continues to outweigh staffing resources.

There is a high demand for employment advice, particularly in the wake of the Supreme Court decision to abolish Employment Tribunal fees. It is very difficult to obtain long-term funding for employment advice and, in particular, casework. We have been fortunate in receiving two grants from the Access to Justice Foundation over the last 18 months, but this is not long-term funding, and we cannot depend on it. We continue to apply for additional funding, and are fortunate to be supported by local authorities in enabling us to provide employment advice and assistance, in particular Derbyshire County Council, Chesterfield Borough Council, North East Derbyshire District Council and Bolsover District Council.

We supplement grant funding with income from a charged-for service and over the last few years we have built this up, concentrating our efforts on providing advice on settlement agreements, where a payment is made by an employer on behalf of the employee receiving advice. However this remains a small percentage of our overall income.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Specialist Services – Housing

We also provide a specialist, quality assured legal casework service to people who are facing housing problems, including defending possession proceedings, homelessness, serious disrepair and unlawful eviction. In addition (and where we particularly differ from Citizens Advice), as a solicitor agency we regularly represent clients in court before a judge. Our solicitors have rights of audience which enable them to represent clients in Court and issue court proceedings, which only authorised litigators/solicitors can do. Our work at Chesterfield County Court continues to be a high priority, the majority of this work involves assisting clients in defending possession proceedings to ensure they don't lose their homes.

The casework service is predominantly funded by the Legal Aid Agency and appointments are offered at both of our offices in Chesterfield as well as at Buxton, Ripley, Eckington and Bolsover. Our service in Staveley moved to Eckington at the beginning of 2017. We continue to work efficiently to optimise the financial input on this contract and we have seen a significant increase in higher level certificated work.

We continue to facilitate meetings of the local housing law group. This group is aimed at local legal practitioners providing an opportunity to exchange information and knowledge as well as provide training and updates on housing law.

Specialist Services – Community Care

We have significantly increased the number of community care cases this year. We have a small legal aid contract to offer free legal advice to people inside and outside Derbyshire. There are few providers of this service nationally and therefore we have opened cases from as far as Cumbria. We also offer a privately funded service. This is important as many community care clients are ineligible for legal aid. The majority of our work supports people to challenge changes/cuts to their care packages.

Specialist Services – Immigration

We have provided a telephone and email advice service for residents of Derbyshire funded by core funds. We submitted an application and were successful in registering the law centre as an organisation with the Office of Immigration Services Commissioner (OISC), to enable us to continue to offer a small fee paying service, which we had suspended part way through the year to ensure registration.

We also received funding from AB Charitable Trust for a 12 month project supporting refugees, families divided by borders as well as vulnerable families. We were able to use this funding to assist a few destitute women with children who had fled domestic violence to regularise their status in the UK as well as support the local initiatives assisting Syrian refugees.

Money Advice Service Debt Project

The Law Centre is funded by the Money Advice Service through East Midlands Money Advice, to deliver free debt advice to those who need it. The project allows us to employ a specialist debt solicitor to deliver a quality assured debt advice service, specialising in housing related debt. We continue to see a high demand for this service. The project is funded nationally until March 2019, under transitional funding, and a new extension to the contract is expected beyond that and is likely to be for at least 3 years. We are pleased that we continue to meet the demanding targets set by the funder.

Living Rights Project

We continued to deliver information and advice sessions as well as presentations to groups of EU citizens across the East Midlands advising them on their employment, housing and immigration entitlements in the UK as part of a Law Centres Network consortium bid, funded by the EU. The 2 year project completed at the end of November 2017, with positive feedback. We have subsequently agreed to be partners in a continuation bid to the EU.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

D2N2 Funded Projects:

Money Sorted in D2N2 is a financial inclusion project helping people with money management issues and improving people's financial well being in the Derbyshire area and is funded by the Building Better Opportunities funds from the European Structural and Investment Fund and the Big Lottery. The partnership project is led by Advice Nottingham and through the employment of a Personal Navigator, the Law Centre provides support and personally tailored interventions for people experiencing the greatest financial difficulty. This then enables individuals to take control, build their confidence and skills and help them tackle barriers in order to improve their financial well being.

Opportunity and Change is a project that supports people with multiple and complex needs to find employment, education or training. It is a Building Better Opportunities programme funded by the Big Lottery and the European Union Social Fund. Derbyshire Law Centre supports participants on the project to access appropriate social care and mental health services in order for them to become economically active. We employ a registered social worker and an advocate.

Sheffield City Region funded project:

Building Better Opportunities: Holistic Support Programme is a project designed to work with individuals with complex needs to take control of their employment journey by co designing a holistic package of work and wellbeing support. This is a partnership project led by South Yorkshire Housing Association and the Law Centre's involvement in this project is to provide specialist advice to participants on the project. This will then reduce the impact of any housing issue on the individuals ability to move forward into employment. Unfortunately, there has been no take up on this project and we are re-considering our involvement.

Amber Valley Independent Advice Project

This project started in October 2015 and is funded by Amber Valley Borough Council. The take up for the project has been high. The funding allows the Law Centre to offer face to face housing advice at our Ripley office. Whilst the project focuses on the prevention of homelessness by challenging possession claims, other housing matters not covered by our Legal Aid Agency contract can be assisted through this fund.

North East Derbyshire Homelessness Prevention Project

Funded by Chesterfield Borough Council, North East Derbyshire District Council and Bolsover District Council, this service allows us to provide legal advice and representation to clients who are facing mortgage repossession, an area that is not covered by legal aid.

Discretionary Housing Payments Project

This pilot project was funded by NEDDC to allow a member of staff to attend at the County Court when there was a housing list and make discretionary housing applications on behalf of the client where this may prevent homelessness.

Trainee Solicitor

Derbyshire Law Centre was successful in obtaining funds via the Justice First Fellowship to fund a Trainee Solicitor. The Law Centre was one of only a handful of host organisations offered the opportunity for a fully funded Trainee Solicitor. The successful applicant started in January 2018.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Derbyshire Bilingual Crisis Buddy Service

Funded by the Big Lottery's Help Through Crisis programme, the Law Centre is a partner in this 5 year project, led by Direct Help and Advice. The project, a joint city and shire project, is designed to work with people whose first language is not English and are in crisis. The Law Centre is responsible for training and supervising "buddies" who work with individuals/families to address the immediate crisis as well as identifying and assisting with other problems to improve the lives of the individuals/families. A number of new 'buddies' have been recruited and trained throughout the year. All targets were met on the project for the year.

Litigants in Person - Employment Tribunal Assistance Project

We had a year's funding to provide assistance for Litigants in Person at the Employment Tribunal. This enabled us to put information on our website about sources of information and advice in employment, and to assist clients across the D2N2 region in taking their own claims to the Employment Tribunal. The project was a great success. It exceeded all its targets and demonstrated that, particularly in areas where we aren't funded to provide advice, there is a large unmet need for assistance with Employment Tribunal claims.

b. Investment policy and performance

Aside from retaining a prudent amount in reserves each year (and designated funds), most of the charity's funds are to be spent in the short term and so all reserves are kept in a deposit account where interest rates are monitored.

Financial review

a. Going concern

The charity is dependent on continued core grant funding from Chesterfield Borough Council, Derbyshire County Council, North East Derbyshire District Council and Bolsover District Council as well as casework funding from the Legal Aid Agency. Grant funding is awarded annually and is only confirmed until 31 March 2019. The Legal Aid Agency contract work is currently contracted until 30 September 2018. However, a new 3 year contract from October 2018 is currently being verified. Whilst inherently there can be no certainty with regards to the future income in the current economic climate, the trustees confirm that there is no reason to believe that this funding will not continue, but acknowledge that this may be at a reduced level in some cases. European Funding, awarded in 2016, will continue until September 2019 and discussions are being held on the Money Sorted Project funding from D2N2 being extended until March 2020. Furthermore, the trustees have taken steps to generate some replacement income to mitigate the potential reductions and regularly review their 3 year funding and financial strategies.

At 31 March 2018 the charity has free reserves of £68,745 after designating funds of £85,560. The charity has produced budgets to 31 March 2020 and financial reports identify the measures necessary to maintain an acceptable level of free reserves.

Given these circumstances, the trustees believe it is appropriate for the financial statements to be prepared on a going concern basis. For this reason they continue to adopt the going concern basis in preparing the financial statements.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

b. Results for the year

The year began with a projected deficit of £7,500. However, our 3 year financial strategy identified key financial aims to ensure stability in our progressive organisation, resulting in a surplus of £21,587.

Our Financial Strategy has been supported by a very active Funding Strategy during the year. Our organisation has continued worked hard on attracting new funds. We have continued to work in partnership with organisations, such as the Law Centres Network, to provide new services and funding.

2017/18 was a good year in terms of finances. With new funding from Justice First Foundation, Money Sorted in D2N2 and new local authority funding, aiming to obtain full cost recovery on projects and careful resources allocation, a surplus of £21,587 was achieved.

As reported last year, the Law Centre temporarily moved to the ground floor of the Town Hall to facilitate Chesterfield Borough Council's asbestos removal programme at the Town Hall. The Law Centre moved back to the lower ground floor in September 2017, resulting in almost 5 months' rent free for this financial year. This saving is extremely beneficial for our organisation and will be included in designated funds for office and equipment renewals. This is likely to fund the expansion of our offices within the Town Hall to accommodate further staffing increases during 2018/19 as well as contributing towards the upgrade of our ICT technology.

The area of our work that continues to be the most difficult to fund is employment. Demand continues to outstrip resources in employment. In 2017, we were extremely fortunate to have a new project funded. As mentioned earlier, the Litigants in Person project allowed further investment into this area of law. It allowed the Law Centre to increase our employment staffing resources and addressed an essential area of employment advice; Employment Tribunals. Our South Derbyshire Employment Service (from our outreach services at Ripley and Ilkeston) and charged services both exceeded 17/18 targets. Whilst our South Derbyshire Employment Service is directly funded, the majority of our North Derbyshire service (mainly telephone advice) is funded through core funds.

Our Legal Aid Agency contracts continue to perform well. Paid at a fixed fee, we monitor the time we spend on the cases. If more time is needed, we consider whether they can be billed as an "Escape Case" which allows payment at an hourly rate. Whilst minimal, these cases are on the increase. The Legal Aid contracts were reduced in terms of the number of new cases we were allowed to take on. However, this did not impact on the number or level of service we offered to clients. The contracts, which were due for renewal in April 2018, have been extended until September 2018. Subject to verification, we have been awarded a consolidated Housing and Debt contract for Chesterfield as well as for Community Care. This will mean that the 2018/19 targets will remain unchanged from 2017/18. Our County Court Duty contract was due for renewal from October 2018 but a recent Judicial Review has meant that this is likely to be delayed. As yet, we are awaiting further details. Our housing specialists also provide additional housing support through our County Court work and mortgage repossession advice, funded by local authorities through core grant and Homelessness funds.

With the recruitment of a Paralegal working part of the week on Discretionary Housing Payments and the rest of the week supporting our legal advisers and solicitors, there has been a significant increase in housing certificated cases income. These are more legally challenging cases that are paid at a higher hourly rate instead of fixed fees.

It is pleasing to see that our housing advice work, funded by Amber Valley Borough Council, was extended for 2017/18 along with confirmation that we continue the work throughout 2018/19.

Our work on the Money Advice Service project (EMMA), continues at pace with targets being met. The targets and quality standards are high but the demand is there to fulfil them.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

With the new D2N2 funding came new staff. 2017/18 was about consolidating this project and understanding the reporting requirements of the funds. Unfortunately during the year, we had to make the decision to end one of our projects in the D2N2 work. This was due to many contributory factors including the staff member leaving. This was disappointing as the project had proven effective, if not challenging. However, the Care Act project is doing well, as is the Money Sorted in D2N2 project. In fact, additional funding has become available through the Money Sorted project and another Personal Navigator was employed in March 2018 for the Bolsover and North Nottinghamshire area.

Quality is always a high priority at Derbyshire Law Centre. We continue to provide high quality work to ensure that our clients get the best service and advice and our funders are happy with funding a good organisation. This year, we were audited by the Legal Aid Agency, Money Advice Service and D2N2 project leads (Framework and Advice Nottingham) and next year we will be looking to renew our overall "Service Quality Mark" for our legal services.

Looking at quality, our staff are highly qualified and we encourage professional development through our dedicated training budget and training and development plan. This also attracts other organisations to work with us. Such an example is our recent recruitment of a Trainee Solicitor through the Justice First Fellowship, funded by The Legal Education Foundation. This has given our organisation additional staff resources as well as paid supervisory time.

We have worked in conjunction with Universities, Derby and Sheffield Hallam, providing student placements. This year we had a social work student who was able to contribute to and learn from our Community Care project.

As always, we are grateful to all the organisations that fund our services, both directly and indirectly. The continued support from Chesterfield Borough Council, Derbyshire County Council, Bolsover District Council and North East Derbyshire District Council is essential for the survival of our organisation as they provide core grants. These core funds enable the Law Centre to retain high quality staff, to provide an excellent service and, importantly, to attract/retain other funding from such places as The Big Lottery and more. Thanks also to:

- Legal Aid Agency
- The Big Lottery
- Access to Justice Foundation
- Money Advice Service
- AB Charitable Trust
- Sheffield Hallam University
- European Union
- Amber Valley Borough Council
- Justice First Fellowship/Legal Education Foundation

We are also reliant upon donations. You can find our donations page at www.mydonate.bt.com/charities/derbyshirelawcentre. The Law Centre is also taking advantage of the Gift Aid scheme. Donations are accepted through our Facebook page too.

With income of £592,639 and expenditure of £571,052 we achieved a surplus of £21,587 in comparison to a surplus of £17,663 in the previous financial year.

At 31 March 2018, total funds carried forward are £161,495, of which £4,442 are in restricted funds, £85,560 are in designated funds and £71,493 are in unrestricted general funds.

c. Principal risks and uncertainties

The main financial risks faced by the charity are loss or reduction of Legal Aid Contracts, project funds, and core funding from Local Authorities.

The processes and strategies for managing these risks are:

- Promoting the positive impact of the Law Centre services
- Producing an Annual Report and holding a high quality AGM
- Building relationships with funders and responding actively to funders
- Ensuring funding streams are varied to reduce the impact of funding loss
- Campaigning through LCN
- Demonstrating the effectiveness of joint working and avoidance of duplicate advice services
- Ensuring that "legal advice" is part of key strategies
- Succession Planning

d. Reserves policy

The Trustees have set a policy to maintain reserves at the minimum requirements if the Law Centre was to cease operations. These reserves cover redundancy costs, salaries levels to satisfy notice periods and lease notices on rent and equipment. At current levels this equates to £176,668. Of this requirement £66,965 has already been set aside in a designated Staff Contingency fund. Therefore, the required level of free reserves is £109,703.

As at 31 March 2018 free reserves are £68,745 which are below the target level. The Trustees have set a financial strategy to 2020 which outlines the financial risks and actions being taken to continue to build up free reserves to the required level.

At present, the Trustees assess the charity as a going concern and therefore do not envisage reserves to cease operations would need to be called upon in the near future.

e. Principal funding

During the year, the principal funding sources for the charity are by way of grant income from Derbyshire County Council, Chesterfield Borough Council, North East Derbyshire District Council and Bolsover District Council. In addition, contract income comes from the Legal Aid Agency. Project funding has been awarded from the Big Lottery, Chesterfield Borough Council, Bolsover District Council, N E Derbyshire District Council, AB Charitable Trust, Amber Valley Borough Council, The Legal Education Foundation, Access to Justice, the European Union, Money Advice Service via contracts with Community Advice and Law Service. Finally a small amount of funding comes by way of donations, and other fundraising.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

a. Constitution

The organisation is a charitable company limited by guarantee, incorporated on 15th December 1989 and registered as a charity on 10th January 1990. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Law Centre reviewed and revised its Articles of Association to reflect current legislation and to more fully reflect the direction of the Law Centre. This was approved at the Annual General Meeting on 18 November 2015. The Management Committee also updated their Personnel and Finance Sub Committees terms of reference.

The change of name from Chesterfield Law Centre to Derbyshire Law Centre was approved by Special Resolution on 13th November 2013 and was subsequently been approved by both the Charity Commission and Companies House.

b. Method of appointment or election 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 members of the Management Committee. Under the requirements of the Memorandum and Articles of Association, the Trustees (who form the Management Committee) are elected to serve for a period of 1 year after which they must be re elected at the next Annual General Meeting. Currently there are 14 members, with 9 elected at the annual general meeting and 5 nominated as representatives by funders. During the year, 1 representative left and 2 joined the Committee. Two of the current members have not served previously on the committee. We currently have 6 vacancies on the Committee. There is a full list of Trustees on page 1 of the Trustees' report.

The Trustees seek to ensure that the diversity of membership of the management committee reflects the diversity of the local communities and any imbalance is addressed by way of co options. The Trustees seek to maintain a broad skill mix. Currently personnel, finance, communication and community liaison skills are well represented.

c. Policies adopted for the induction and training of Trustees

Existing trustees are already familiar with the practical work of the charity, having visited the office and/or spoken to staff.

Additionally, new and existing trustees are invited to meet with one of the Centre Co-ordinators, Teresa Waldron or Sharon Challands. At this meeting, the Co-ordinator works through an induction pack with the trustee covering;

- The rights and responsibilities of Management Committee members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

All Management Committee members are also included in strategic events with staff as a way of developing the Law Centre's business strategy.

The Management Committee, at least annually, reviews the 3 year financial strategy and 3 year business plan document.

d. Pay policy for senior staff

The charity's definition of senior management is staff on the Workers Group and the Trustees on the Management Committee. All Trustees give their time voluntarily and receive no remuneration or other benefits with the exception of out of pocket expenses incurred in the undertaking of their duties as Trustees and as agreed by the Committee. The Workers Group currently consists of 11 members of staff. Their salaries are reviewed annually by the Trustees and are set by reference to "Payscale and Allowances" published by the National Joint Council for Local Government Services.

e. Organisational structure and decision making

The Management Committee meets every two months and is responsible for the strategic direction and policy of the charity. The Management Committee has a Chair, Vice Chair, Secretary (also the Company Secretary) and Treasurer. All officer positions are filled.

The Management Committee has two sub committees; Personnel Sub Committee and Finance Sub Committee. Each sub committee consists of at least four Management Committee members, with normally two staff in attendance, and meet on a quarterly basis. The Management Committee devolves the responsibility for the operational running of the charity to a staff management collective, known as Workers Group.

Workers Group is currently made up of solicitors (3), legal executives (1), caseworkers (2), trainee solicitor (1) and project workers (1), and coordinators (3) and has responsibility for the smooth running of the services, the day to day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continues to develop skills and working practices in line with best practice. Three additional project workers and 1 caseworker help fulfil contract targets. Four admin workers and 1 paralegal provide administrative support to all Workers Group staff.

f. Related party relationships

The Law Centre is a member of the Law Centres Network (LCN). The LCN is a Company Limited by Guarantee and registered in England. Established in 1978, the LCN acts as a co-ordinating body and the voice for Law Centres. It has a catchment area covering England, Wales and Northern Ireland.

The LCN staff team provide an initial point of contact for those seeking information about the work of Law Centres, both within the movement, outside agencies and to the general public. The LCN also encourages the setting up of Steering Committees to establish new Law Centres by providing practical development support and advice.

Law Centres provide free legal advice and representation to the poorest and most disadvantaged members of society. They mainly practice in what is loosely termed Social Welfare Law. There are at present 45 Law Centres nationally.

The LCN also supports and develops specific projects. Currently, these include legal services for young people, promoting equality and human rights and tackling discrimination.

Derbyshire Law Centre has representatives on the Board of Trustees at Community Voluntary Partners (until November 17), Derbyshire Unemployed Workers Centre, Citizens Advice Chesterfield, Citizens Advice Derbyshire Districts and Links CVS.

g. Risk management

The "Office Manual" sets out all the policies and procedures in relation to Risk Management. This is kept constantly under review. The Management Committee has taken steps to mitigate risks identified in its Risk Assessment document which is reviewed on an annual basis.

Our solicitors are members of the Law Society of England and Wales. Legal Executives are members of the Chartered Institute of Legal Executives (CILEX). Solicitors and Legal Executives are subject to the regulatory requirements of the Solicitors Regulatory Authority and CILEX respectively, including responsibility for the supervision of non-qualified staff. The Finance Coordinator is a member of the Association of Accounting Technicians. The Law Centre is also registered with Financial Conduct Authority and the Office of the Immigration Services Commissioner (OISC).

Plans for future periods

a. Future developments

Housing and Homelessness

We will have a new Legal Aid Agency Housing and Debt contract starting in October 2018, and will work to maximise the number of clients we assist. We have recently finalised funding for a new paralegal to work specifically on the additional challenges introduced by the Homelessness Reduction Act 2017. We will also have a new Legal Aid Agency County Court Duty Scheme contract led by Derby City Law Centre to run the Chesterfield County Court Scheme to assist unrepresented people facing possession and eviction orders.

Employment Service

We will continue to promote the importance of the service to local and national funders to maintain this valuable service. Outreach advice sessions in Ilkeston and Ripley, funded by Derbyshire County Council, will continue and we will actively seek funding to extend this to other locations in the County. We will continue to offer a charged for service, at not-for-profit rates, and explore the potential for alternative case funding through Legal Expenses insurance and pro bono referrals to other employment specialists. We hope to develop web based and digital on-line advice and support for residents of Derbyshire. We have had success in the past two years in securing short term funding for a Litigants in Person Support project and a Pro Bono Employment Tribunal Representation Service. The challenge in the years ahead is to continue to secure funding for this work.

Debt advice

Our work continues on the East Midlands Money Advice scheme, providing debt advice across North Eastern Derbyshire. Funding from the Money Advice Service has been secured for the coming years.

Community Care

We expect to increase the size of our Legal Aid contract in 2018, enabling us to expand this area of work.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Immigration

The Law Centre is now registered with the Office of the Immigration Services Commissioner (OISC) and intend to expand our free initial advice service to residents of Derbyshire, under our core funding, and complement and expand the service by offering a charged for service for detailed immigration applications. Provided the income targets can be achieved we intend to increase the number of OISC qualified advisers.

We will also seek specific funding to be able to assist vulnerable individuals and families whose immigration status is precarious and cannot afford to pay to regularise their status.

Given the number of complexities raised by BREXIT, we hope to be able to offer a specialist service to European citizens concerned about their post BREXIT status in the UK and are currently working with the Law Centres Network in developing projects subject to funding.

Discrimination

We undertake a lot of work tackling discrimination as part of our other specialist casework services, particularly discrimination in employment and will continue to do so.

Technology and other resources to support our services

We operate in a largely rural county. Through our good partnership relationships, we have access to Citizen Advice and other partner offices across the County in order to see people, but we need to be accessible to as many people as possible in as many ways as possible. We intend to develop our website further to make it more client focused and make increased use of Social Media and are seeking funding to invest in on-line communication such as web-chat, video conferencing and increase our on line accessibility at the offices of partner agencies.

We shall continue to maintain a secure IT network, working with DCC and the LCN to keep up to date in IT developments.

A particular challenge for us in the coming years is our office space. We are nearly at capacity and intend to engage with our funders and partners to seek additional office space as lack of this may impact on our ability to recruit further staff, limiting our funding opportunities.

North East Derbyshire Homelessness Prevention Work

This is an important project to us that has enjoyed continued funding for the past few years.

It demonstrates that we work well in partnership with local authority housing providers towards the shared goal of preventing homelessness. We are currently funded by 3 local authorities annually specifically to carry out the Mortgage Repossession court work and follow up support work. We will continue to meet with other local authorities and social housing providers in Derbyshire to offer Service Level Agreements to secure additional funding ensuring the continued viability of this service.

Fee Charging Service

We are at our core, a not for profit service. However, we need to continue to be sustainable to be able to bring our services to the people of Derbyshire. One important development in this is our charged for Employment Casework service, an area of law where legal aid is no longer available and other sources of advice in short supply. At present, the charged for employment service is small, but helps retain specialist staff and, with the help of further marketing, we intend to increase this service and generate an income to support our core service.

We see an immigration advice service as being beneficial to the community. As legal aid is not available in most areas of immigration work and, in the absence of any other local provider, we have developed a fee charging model for immigration advice, and will offer a service in this area of law also.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

D2N2 projects and Big Lottery Funded projects

We are running a number of projects funded by the EU and Big Lottery, working with numerous other partners. The common theme of all these projects is that we use 'personal navigators' and 'buddies', to work on a one-to-one basis with clients with multiple and complex needs to resolve their various issues. The D2N2 projects will run until 2019 and the Bilingual Crisis Buddy Service will run until 2021. We are developing this model of holistic one-to-one working with clients with multiple problems, to expand into other projects and future funding bids. Through partnership work with Sheffield Hallam University, we placed a 3rd year social worker student alongside our social worker. The student was able to attend meetings and assist in assessments, working directly with clients.

Universal Housing Advice Project

The roll out of Universal Credit in Derbyshire is affecting many people and whilst we do not specialise in Benefits advice, some of our clients are being put in crisis due to debts and rent arrears and require our help. We have just been awarded a small amount of Local Authority funding to alleviate problems for people in high need areas and will seek further funding to mirror this work in other areas of the County.

Initial assessment and signposting service

Volunteers are a crucial part of our team. They provide a front of house assessment service which directs clients to the appropriate service (both internally and externally). We intend to develop and expand this service in the next three years and seek additional funding to increase the recruitment and training of volunteers as part of our core service.

We intend to increase the use of university and college students in our assessment and initial advice teams and work closely with universities in exploring avenues of mutual benefit.

Funding

We are fortunate to have excellent relationships with our Local Authority funders, ensuring that, through their funding, we contribute to their priorities and plans for local services, whilst maintaining our independence. Core funding is crucial in supporting bids for funding applications that require match funding as well as a public recognition of our good reputation and the value of our work. We will finalise funding agreements with the County Council and 3 local authorities in the next few weeks. We plan to arrange meetings with other local authorities in the course of the year to secure further core funding.

We will also meet with other public authorities to explore funding opportunities through supporting shared outcomes and partnership work.

We shall maintain a three year financial strategy and produce regularly updated funding strategies bringing together a map of funding opportunities that will achieve the aims in this strategic plan.

Information and publicity

We have worked hard in developing a long term, comprehensive, marketing and communications strategy that we will continue to implement and develop, increasing awareness of our services. We intend to develop our website further with inclusion of more content and direct links to our services.

In the medium to long term we hope to increase publicity of our work throughout the county and so increase its volume, thereby attracting funding from new stakeholders.

We will continue our involvement as Trustee Board Members on Links CVS, Citizens Advice Derbyshire Districts, Citizens Advice Chesterfield and Derbyshire Unemployed Workers Centre (DUWC), and the Steering group of Financial Action and Advice Derbyshire to show support and encourage joint working.

DERBYSHIRE LAW CENTRE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Trainee Solicitors

We are committed to training the next generation of social welfare lawyers and ensure the sustainability of the Law Centre's work. In 2017, we were proud to have been accepted by the Justice First Fellowship, part of the Legal Education Foundation, as a host organisation for Justice First Fellows and are now fully funded to employ a trainee solicitor for 2 years until 2020. In addition, we will be employing a further trainee solicitor fully funded by the Law Society Diversity Access Scheme from summer 2019. Hopefully, these lawyers, once fully trained, will remain with us to ensure succession and the longevity of Derbyshire Law Centre and we will continue to respond to funding opportunities to take on and train further advisers in the future.

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 (FRS102);
- 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 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.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 19/07/18 and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'C Collard', is written over the date '19/07/18'.

Mr C Collard, Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE LAW CENTRE LIMITED

Opinion

We have audited the financial statements of Derbyshire Law Centre Limited (the 'charity') for the year ended 31 March 2018 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE LAW CENTRE LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

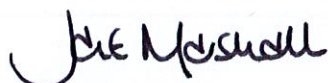
DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE LAW CENTRE LIMITED

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP, Chartered Accountants

Statutory Auditors

57-59 Saltergate

Chesterfield

S40 1UL

Date:

16 August 2018

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	169,503	239,374	408,877	305,932
Charitable activities	3	129,401	50,399	179,800	192,310
Investments	4	62	-	62	50
Other income	5	3,900	-	3,900	4,072
Total income		302,866	289,773	592,639	502,364
Expenditure on:					
Raising funds	6	3,242	983	4,225	2,421
Charitable activities	7	259,171	307,656	566,827	482,280
Total expenditure		262,413	308,639	571,052	484,701
Net income / (expenditure) before transfers		40,453	(18,866)	21,587	17,663
Transfers between funds	15	(13,300)	13,300	-	-
Net income / (expenditure) before other recognised gains and losses		27,153	(5,566)	21,587	17,663
Net movement in funds		27,153	(5,566)	21,587	17,663
Reconciliation of funds:					
Total funds brought forward		129,900	10,008	139,908	122,245
Total funds carried forward		157,053	4,442	161,495	139,908

DERBYSHIRE LAW CENTRE LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 02453081****BALANCE SHEET****AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	9		2,748		952
Current assets					
Debtors	10	139,572		76,865	
Cash at bank and in hand		79,949		152,211	
		<u>219,521</u>		<u>229,076</u>	
Creditors: amounts falling due within one year	11	<u>(60,774)</u>		<u>(90,120)</u>	
Net current assets			<u>158,747</u>		<u>138,956</u>
Net assets			<u>161,495</u>		<u>139,908</u>
Charity Funds					
Restricted funds	15	4,442			10,008
Unrestricted funds	15	157,053			129,900
Total funds			<u>161,495</u>		<u>139,908</u>

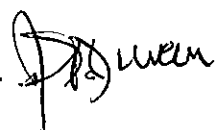
The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19/07/18 and signed on their behalf, by:

Mr C Collard, Chair



Mr J Duncan, Treasurer



The notes on pages 23 to 40 form part of these financial statements.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	<u>(69,580)</u>	<u>22,708</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		62	50
Purchase of property, plant and equipment		<u>(2,744)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(2,682)</u>	<u>50</u>
Change in cash and cash equivalents in the year	18	(72,262)	22,758
Cash and cash equivalents brought forward		<u>152,211</u>	<u>129,453</u>
Cash and cash equivalents carried forward	18	<u>79,949</u>	<u>152,211</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102) as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derbyshire Law Centre Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in £ sterling which is the functional currency of the company.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

Assets purchased with project funds are not to be subject to depreciation and are to be written off in the year of purchase.

1.7 Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

1.8 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.13 Financial instruments

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

1.14 Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

DERBYSHIRE LAW CENTRE LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****2. Income from donations and legacies**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,229	-	1,229	712
Chesterfield Borough Council	41,697	12,000	53,697	53,697
Derbyshire County Council	90,124	-	90,124	90,124
N E Derbyshire District Council	18,453	21,869	40,322	30,453
Bolsover District Council	18,000	12,000	30,000	30,000
Amber Valley Borough Council	-	12,000	12,000	12,000
Access to Justice - Litigants in Person	-	22,500	22,500	5,625
European Union - Living Rights Project	-	9,950	9,950	3,455
Police & Crime Commissioner	-	-	-	717
Big Lottery Fund - Building Better Opportunities	-	112,063	112,063	45,481
Big Lottery Fund - Help Through Crisis Buddy Project	-	20,588	20,588	24,668
Grassland Hasmoor Big Local Project	-	-	-	1,500
AB Charitable Trust - Derbyshire Resettlement Advice Service	-	7,500	7,500	7,500
Legal Education Foundation - Trainee Solicitor Project	-	8,474	8,474	-
Derbyshire & Nottinghamshire Housing Law Group	-	430	430	-
Total	169,503	239,374	408,877	305,932

In 2017, of the total income from charitable activities, £168,986 was to unrestricted funds and £136,946 was to restricted funds.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
LAA: Legal help contract	42,494	-	42,494	42,171
LAA: Disbursements (Legal help contract)	1,012	-	1,012	772
LAA: Legal representative	44,068	-	44,068	26,989
LAA: Disbursements (Legal rep)	10,900	-	10,900	26,484
LAA: County Court Duty Scheme	6,153	-	6,153	10,064
Case work fees	6,908	-	6,908	7,018
EMMA project	-	50,399	50,399	62,930
Charged services income	17,866	-	17,866	15,882
Total	129,401	50,399	179,800	192,310

In 2017, of the total income from charitable activities, £129,380 was to unrestricted funds and £62,930 was to restricted funds.

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	62	-	62	50
Total 2017	50	-	50	

5. Other income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Training fees	1,900	-	1,900	3,072
Placement student funding	2,000	-	2,000	1,000
Total	3,900	-	3,900	4,072

In 2017, of the total other income, £4,072 was to unrestricted funds and £Nil was to restricted funds.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Expenditure on raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Publicity and promotion	3,242	983	4,225	2,421

In 2017, of the total expenditure on raising funds, £1,117 was to unrestricted funds and £1,304 was to restricted funds.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Wages and salaries	173,036	232,676	405,712	321,489
National insurance	18,914	15,343	34,257	23,582
Pension cost	11,484	8,738	20,222	20,423
Recruitment	-	-	-	3,655
Practising certificates	511	1,144	1,655	1,840
Telephone	4,260	741	5,001	4,442
Affiliations, reference books and education	3,470	655	4,125	4,095
Subscriptions	3,508	491	3,999	2,405
Staff expenses	4,448	4,010	8,458	6,158
Participant expenses	6	3,624	3,630	-
Committee expenses	834	44	878	1,082
Staff training costs	4,279	1,071	5,350	3,421
DBS checks	-	50	50	-
Volunteer's expenses	629	62	691	940
Training delivery	825	96	921	2,066
Disbursements	19,198	44	19,242	27,634
Professional indemnity	1,462	188	1,650	1,643
Rent	7,262	2,154	9,416	15,843
Insurance	1,447	69	1,516	1,805
Repairs and cleaning	2,095	262	2,357	2,293
Stationery, office consumables and postage	7,034	1,436	8,470	8,510
Equipment maintenance, mobility aids, repair and replacement	15,443	3,089	18,532	16,997
Interpretation costs	60	90	150	577
Hospitality	1,416	173	1,589	1,377
Computer and website costs	610	818	1,428	3,034
Bank charges, interest and card facility charges	294	-	294	165
Legal and professional	2,041	-	2,041	1,259
Depreciation	948	-	948	1,425
Audit costs	3,785	460	4,245	4,120
Running costs contribution	(30,128)	30,128	-	-
Total	259,171	307,656	566,827	482,280

In 2017, of the total expenditure on charitable activities, £288,626 was to unrestricted funds and £193,654 was to restricted funds.

DERBYSHIRE LAW CENTRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	948	1,425
Auditor's remuneration - audit	4,245	4,120
	<u>4,245</u>	<u>4,120</u>

9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2017	9,660	16,038	25,698
Additions	-	2,744	2,744
At 31 March 2018	<u>9,660</u>	<u>18,782</u>	<u>28,442</u>
Depreciation			
At 1 April 2017	9,660	15,086	24,746
Charge for the year	-	948	948
At 31 March 2018	<u>9,660</u>	<u>16,034</u>	<u>25,694</u>
Net book value			
At 31 March 2018	<u>-</u>	<u>2,748</u>	<u>2,748</u>
At 31 March 2017	<u>-</u>	<u>952</u>	<u>952</u>

10. Debtors

	2018 £	2017 £
Trade debtors	41,234	6,284
Contract and other debtors	79,708	62,431
Prepayments and accrued income	18,630	8,150
	<u>139,572</u>	<u>76,865</u>

DERBYSHIRE LAW CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	24,764	16,448
Other taxation and social security	2,519	5,244
Other creditors	9,784	3,804
Accruals and deferred income	23,707	64,624
	<u>60,774</u>	<u>90,120</u>

Deferred income

	£
Deferred income at 1 April 2017	39,901
Resources deferred during the year	7,500
Amounts released from previous years	(39,901)
Deferred income at 31 March 2018	<u>7,500</u>

Deferred income relates to project funding for 2018/2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	405,712	321,489
Social security costs	34,257	23,582
Other pension costs	20,222	20,423
	<hr/>	<hr/>
	460,191	365,494
	<hr/>	<hr/>

The average number of persons employed by the charity during the year was as follows:

2018	2017
No.	No.
18	14

Average headcount expressed as a full time equivalent:

2018	2017
No.	No.
16	14

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by key management personnel is £288,660 (2017: £269,569). The charity considers its key management personnel comprise the staff on Workers Group and the Trustees on the Management Committee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. Pension commitments

The company operates a defined contribution scheme for its employees.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,222 (2017: £20,423). £498 (2017: £7,204) was outstanding at the year end and included within creditors.

14. Operating lease commitments

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	16,318	14,958
Between 1 and 5 years	9,506	19,025
Total	25,824	20,598

DERBYSHIRE LAW CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<i>Designated funds</i>					
Staff contingency	62,330	-	-	4,635	66,965
Office and equipment renewals	14,656	-	-	-	14,656
Staff car parking	3,495	-	-	444	3,939
	<u>80,481</u>	<u>-</u>	<u>-</u>	<u>5,079</u>	<u>85,560</u>
<i>General funds</i>					
General funds	49,419	302,866	(262,413)	(18,379)	71,493
Total unrestricted funds	<u>129,900</u>	<u>302,866</u>	<u>(262,413)</u>	<u>(13,300)</u>	<u>157,053</u>

Restricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Derbyshire & Nottinghamshire Housing Law Group	101	430	(71)	-	460
Trainee Solicitor Project	-	8,474	(8,317)	261	418
NED Homelessness Prevention	-	36,000	(36,737)	737	-
EMMA project	1,383	50,399	(54,672)	2,890	-
Amber Valley Independent Advice	-	12,000	(15,363)	3,363	-
Living Rights Project	-	9,950	(12,437)	2,487	-
Derbyshire Bilingual Help Through Crisis Buddy Project	3,534	20,588	(24,122)	-	-
Building Better Opportunities - Opportunity and Change Programme	4,968	112,063	(113,872)	375	3,534
Derbyshire Resettlement Advice Service	22	7,500	(7,535)	13	-
Litigants in Person - Employment Tribunal Assistance Project	-	22,500	(25,338)	2,868	30
DHP Project	-	9,869	(10,175)	306	-
	<u>10,008</u>	<u>289,773</u>	<u>(308,639)</u>	<u>13,300</u>	<u>4,442</u>
Total of funds	<u>139,908</u>	<u>592,639</u>	<u>(571,052)</u>	<u>-</u>	<u>161,495</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. Statement of funds (continued)

Transfers from unrestricted funds are made to cover restricted funds in deficit and to provide for designated funds.

Designated funds

Staff Contingency Fund

Staff redundancy costs are covered in the contingency fund. This designated fund will, for 2017/18, consist of 80% of staff redundancy costs at statutory minimum levels.

Office and Equipment Renewals

This is a capital fund which allows for the replacement of office and capital equipment as required.

Staff Car Parking Fund

This is set aside to fund parking at work costs.

Restricted funds

Derbyshire & Nottinghamshire Housing Law Group

Subscription based group. Legal practitioners from the Derbyshire and Nottinghamshire areas meet to exchange information on Housing. Formal housing training has also been undertaken by the group.

Trainee Solicitor Project

These are funds from the Legal Education Foundation for the placement of a Justice First Fellowship Trainee Solicitor at Derbyshire Law Centre for 2 years.

North Eastern Derbyshire Homelessness Prevention:

Funded jointly by Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council, this project allows DLC to assist clients that are facing mortgage repossession.

East Midlands Money Advice (EMMA) Project

The Law Centre is a partner of this regional project, funded by the Money Advice Service, through East Midlands Money Advice. Our project allows us to employ an additional specialist debt caseworker who delivers a quality assured debt service to people who are struggling to maintain essential payments for their home (rent or mortgage) because of other debts.

Amber Valley Independent Advice

This work is funded by Amber Valley Borough Council and is for housing work that is out of scope in Ripley.

Living Rights Project

The Living Rights Project is a European Funded project, led by the Law Centres Network and DLC is funded to provide information and raise awareness for EU citizens in the UK including immigration, housing and employment rights.

Derbyshire Bilingual Help Through Crisis Buddy Project

Funded by the Big Lottery's Help Through Crisis programme, the Law Centre is a partner in this project which is led by Direct Help and Advice. The project, a joint city and shire project, is designed to work with people whose first language is not English who are in crisis. The Law Centre is responsible for training and supervising "buddies" who will work with individuals/families to address the crisis as well as identifying and assisting in any areas of law that we specialise in.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Statement of funds (continued)

Building Better Opportunities - Opportunity and Change Programme

The programme is part of the national Building Better Opportunities programme funded by the Big Lottery Fund and The European Union through its European Social Fund. This funds the Opportunity and Change project and the Money Sorted in D2N2 projects.

Derbyshire Resettlement Advice Service

Funded by AB Charitable Trust, this project is designed to contribute towards the expansion of our immigration service, this project has, alongside the Living Rights Project, increased the number of immigration enquiries.

Litigants in Person - Employment Tribunal Assistance Project

Funding from Access to Justice to enable a service to assist clients in taking their own claims to Employment Tribunal.

DHP Project

This pilot project was funded by NEDDC to allow a member of staff to attend at the County Court when there was a housing list and make Discretionary housing applications on behalf of the client where this may prevent homelessness.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds					
Staff contingency	56,915	-	-	5,415	62,330
Office and equipment renewals	10,665	-	-	3,991	14,656
Staff car parking	2,227	-	-	1,268	3,495
	<u>69,807</u>	<u>-</u>	<u>-</u>	<u>10,674</u>	<u>80,481</u>
General funds					
General funds	49,339	302,488	(289,743)	(12,665)	49,419
Total Unrestricted funds	<u>119,146</u>	<u>302,488</u>	<u>(289,743)</u>	<u>(1,991)</u>	<u>129,900</u>

Restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Hate and Harassment Project (PCP)	-	717	(717)	-	-
Derbyshire & Nottinghamshire Housing Law Group	101	-	-	-	101
NED Homelessness Prevention	-	36,000	(36,072)	72	-
Home for Good project	1,602	-	(1,666)	64	-
EMMA project	15	62,930	(61,562)	-	1,383
Amber Valley Independent Advice	-	12,000	(12,944)	944	-
Access to Justice Pro Bono Project	-	5,625	(5,672)	47	-
Living Rights Project	1,381	3,455	(5,700)	864	-
Money Sorted in D2N2	-	13,555	(11,978)	-	1,577
Derbyshire Bilingual Help Through Crisis Buddy Project	-	24,668	(21,134)	-	3,534
Grassland Hasmoor Big Local Project	-	1,500	(1,500)	-	-
Building Better Opportunities - Opportunity and Change Programme	-	31,926	(28,535)	-	3,391
Derbyshire Resettlement Advice Service	-	7,500	(7,478)	-	22
	<u>3,099</u>	<u>199,876</u>	<u>(194,958)</u>	<u>1,991</u>	<u>10,008</u>
Total of funds	<u>122,245</u>	<u>502,364</u>	<u>(484,701)</u>	<u>-</u>	<u>139,908</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	80,481	-	-	5,079	85,560
General funds	49,419	302,866	(262,413)	(18,379)	71,493
	<u>129,900</u>	<u>302,866</u>	<u>(262,413)</u>	<u>(13,300)</u>	<u>157,053</u>
Restricted funds	10,008	289,773	(308,639)	13,300	4,442
	<u>139,908</u>	<u>592,639</u>	<u>(571,052)</u>	<u>-</u>	<u>161,495</u>

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds	69,807	-	-	10,674	80,481
General funds	49,339	302,488	(289,743)	(12,665)	49,419
	<u>119,146</u>	<u>302,488</u>	<u>(289,743)</u>	<u>(1,991)</u>	<u>129,900</u>
Restricted funds	3,099	199,876	(194,958)	1,991	10,008
	<u>122,245</u>	<u>502,364</u>	<u>(484,701)</u>	<u>-</u>	<u>139,908</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,748	-	2,748
Current assets	215,079	4,442	219,521
Creditors due within one year	(60,774)	-	(60,774)
	<u>157,053</u>	<u>4,442</u>	<u>161,495</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	952	-	952
Current assets	219,068	10,008	229,076
Creditors due within one year	(90,120)	-	(90,120)
	<u>129,900</u>	<u>10,008</u>	<u>139,908</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of financial activities)	21,587	17,663
Adjustment for:		
Depreciation charges	948	1,425
Dividends, interest and rents from investments	(62)	(50)
Increase in debtors	(62,707)	(18,320)
(Decrease)/increase in creditors	(29,346)	21,990
Net cash (used in)/provided by operating activities	<u>(69,580)</u>	<u>22,708</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	79,949	152,211
Total	<u>79,949</u>	<u>152,211</u>

19. Related party transactions

Committee members receive no remuneration for their services. Their travelling and other expenses are reimbursed in respect of expenses incurred on the company's business. In the year ended 31 March 2018 3 members claimed expenses totalling £451 (2017: 2 members totalling £131).