

COMPANY NUMBER 2786099  
CHARITY NUMBER 1024148

**THE MARY WARD LEGAL CENTRE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**MARY WARD LEGAL CENTRE  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**THE MARY WARD LEGAL CENTRE  
REPORT FROM THE CHAIR  
FOR THE YEAR ENDED 31 JULY 2020**

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**REPORT FROM THE CHAIR**

Demand for advice at Mary Ward Legal Centre (“the Legal Centre”) continues to far outweigh what it is able to supply. The Legal Centre helped 2,000 people with their legal issues during 2019-20, continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, tax, consumer, general civil litigation, and family law.

Covid-19 has had a significant impact on the Legal Centre and its clients. During the initial phase of lockdown, demand for advice in some areas fell due to measures introduced to reduce the impact of Covid-19, such as debt recovery and housing possession action being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and payment holidays, though demand for employment and family advice has risen dramatically. The Legal Centre is forecasting a surge in demand for advice on housing, debt and welfare benefits over the coming months when the measures to ease the impact of Covid-19 are removed, in particular when housing possession action resumes, and rising unemployment leads to increased debt and more people seeking benefits advice.

To address the impact of Covid-19 the Legal Centre has made a number of successful grant applications, securing funding from Trust for London via the Community Response Fund and the Community Justice Fund, and additional donations from our pro bono partners, including Linklaters, Clifford Chance, Eversheds, and Farrer & Co. The Legal Centre has been able to maintain access to its specialist advice service and pro bono clinic during the lockdown by transforming its services from face-to-face to telephone and email. Prior to the lockdown, the Legal Centre continued to offer advice at various outreach venues across London and continued to develop its housing advice service in Newham and Southwark and grow its public law work. With a new grant from Trust for London and continuation funding from the City Bridge Trust, the Centre has been able to provide much-needed help with welfare benefits appeals and advice to people across London.

The Legal Centre will have the benefit of funding from the Legal Education Foundation, under their Justice First Fellowship Scheme, to pay for another trainee solicitor from January 2021.

We are grateful to the following funders and donors for 2019/20: London Borough of Camden, Legal Aid Agency, Money and Pensions Service, Trust for London, City Bridge Trust, Legal Education Foundation, London Legal Support Trust, Henry Smith Charity, AB Charitable Trust, Linklaters, Clifford Chance, Eversheds, Weil Gotshal & Manges, and Farrer & Co.

*Frances Bates*

22/03/21

Frances Bates

Chair

# MARY WARD LEGAL CENTRE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### REFERENCE DETAILS

Charity number: 1024148  
Company number: 2786099  
Address: 10 Great Turnstile, London WC1V 7JU  
Registered office: 42 Queen Square, London WC1N 3AQ

### KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Centre's Senior Management Team and were represented by the following in 2019-20:

Warden, CEO	Suzanna Jackson
Deputy CEO	Allister Duncan (retired 31 March 2020)
Director of Mary Ward Legal Centre	Paula Twigg
Director of Finance and Resources	Juliet Woodford

### BOARD OF TRUSTEES

A full list of trustees is given on page 8 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Board of Trustees throughout the year under review.

### PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR	Buzzacott LLP 130 Wood Street London EC2V 6DL
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INTERNAL AUDITOR	Haines Watts 30 Camp Road Farnborough Hants GU14 6EW
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BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP
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**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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## **REPORT OF THE BOARD OF TRUSTEES**

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Legal Centre (“the Centre”) for the year ended 31<sup>st</sup> July 2020. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

### **NATURE, OBJECTIVES AND STRATEGIES**

#### **LEGAL STATUS**

The Centre is a company limited by guarantee (number 2786099), is a registered charity (number 1024148) and is governed by its Memorandum of Association dated 25 January 1993.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

#### **THE PURPOSE OF THE CENTRE**

The principal object of the Centre is to provide members of the public in conditions of need, hardship or distress with advice, information, assistance and representation dealing with the question of housing, welfare rights, employment, immigration, taxation, insolvency and bankruptcy and other financial and legal problems.

The Centre’s portfolio of service activities include:

- provision of free specialist legal advice, casework and legal representation services in the following areas of social welfare law: debt, housing and welfare benefits;
- work with local communities to address financial inclusion issues and enable local people to manage their money; and
- provision of general legal advice to Londoners through evening advice clinics staffed by volunteer solicitors and barristers from central London law firms and chambers.

The trustees confirm that they have referred to the Charity Commission’s guidance on public benefit, including the guidance ‘Public benefit: running a charity (PB2)’, when reviewing the Centre’s aims and objectives and in planning future activities.

The Centre is a wholly owned subsidiary of Mary Ward Settlement (“the Settlement”). The Settlement is a registered charity (number 223066) and a company limited by guarantee (number 46188).

#### **CORE VALUES AND OBJECTIVES**

The Centre’s Core Values are:

- Putting the needs and aspirations of current and potential clients at the centre of all that it does;
- Providing consistently high and professional standards across its services;
- Promoting access to justice and providing legal advice for the poorest and most disadvantaged;
- Promoting collaborative work, between the Centre, the Settlement and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all its users;
- Meeting, or exceeding, the expectations of its key stakeholders, service users and partners;
- Aiming for excellence in the outcomes and impact of its services;
- Providing access to training and development in order that all staff may achieve their potential and be motivated and committed to their work and these Core Values; and
- Maintaining an open, honest, accountable and fair approach in all our communications with all its service users, staff and other stakeholders.

The Centre’s Strategic Objectives are:

- To provide a range of services that delivers its Mission in ways that are relevant now and also look to the future;
- To deliver excellent services;
- To maintain an organisational structure and culture which realises the Mission and Core Values;

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**CORE VALUES AND OBJECTIVES** (continued)

- To maintain good financial health in order to ensure the sustainable delivery of its Mission and objectives;
- To provide an environment and facilities that support the delivery of excellent services;
- To plan for and provide equipment and technology that support excellent service delivery and effective management; and
- To develop partnerships and alliances with other organisations that will improve and extend its ability to deliver our Mission and objectives.

The Centre is on target to meet both the service and Strategic Objectives.

**ACHIEVEMENTS AND PERFORMANCE**

**KEY ACHIEVEMENTS**

The Centre's specific achievements for 2019-20 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Continuing to maintain access to our advice services in response to Covid-19 by transforming our services from face-to-face to telephone/email;
- Securing additional grant funding and donations to deal with the devastating impact of Covid-19;
- Helping 2,000 people with their legal issues;
- Delivering against contractual funding outputs and outcomes;
- Delivering debt advice at outreach venues across London;
- Co-developing and delivering financial capability courses in partnership with local community organisations with funding from Comic Relief and RBS to improve the financial literacy of people living in London;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Passing our Lexcel audit with no corrective action - Lexcel is the Law Society's accredited legal practice quality mark;
- Securing continuation funding from City Bridge Trust to deliver specialist welfare benefits casework and representation;
- Securing funding from the Legal Education Foundation for a trainee solicitor under their Justice First Fellowship programme;
- Supporting more vulnerable clients to sustain their tenancies and help break the cycle of homelessness through our Housing Support Worker;
- Securing long-term funding from the London Borough of Camden to provide specialist advice to people in Camden;
- Playing an active role in the development of the new Camden Advice Network with advice providers in the borough;
- Continuing to deliver housing advice in Newham and Southwark;
- Over £410,000 of clients' debts were written off; and
- Clients receiving help with their welfare benefits matters achieved an average increase of £87 a week in benefits.

The actual performance against the agreed targets is set out in the table below. The figures for the numbers of clients seen have been affected by Covid-19 primarily because the national lockdown from March 2020 meant people could no longer attend our office and outreach centres. Specific measures introduced nationwide at the start of lockdown, to reduce the impact of Covid-19 led to an initial reduction in demand. For example, housing possession cases being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and suspension of debt recovery, and payment holidays. However performance measuring outcomes for clients remains high.

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

**PERFORMANCE INDICATORS**

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2019/20	Achieved 2019/20	Target 2018-19	Achieved 2018-19
Meet annual target for matter starts	2,500	2,009	2,500	2,502
Increase the number of people who get advice through pro bono clinics	350	228	330	358
Maintain a high level of client satisfaction	95%	95%	95%	98%
Maintain the high % of cases that have a positive outcome	92%	93%	92%	92%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	91%	88%	93%

**FINANCIAL REVIEW**

The results for the year are set out on page 15. There has been a surplus for the year of £34,085 (2018-19: deficit £159,329). Income, including the value in kind of pro bono donations of goods or services valued at £136,444 (2018-19: £138,823), rose overall by £101,665 to £1,232,404 (2018-19: £1,130,739). The increase in income reflects donations from several sources in response to the drop in Legal Aid Agency income as a result of the nationwide Covid-19 lockdown, including forgiveness of the long term loan by the Centre's ultimate holding company, Mary Ward Settlement.

Income from the Capitalise (now Debt Free London) contract, at £186,658, was lower than the previous year (2018-19: £223,798), the result of a new contract from April 2019 at approximately 75% of its previous value. Other income for specialist advice, which comes primarily from the Legal Aid Agency and the London Borough of Camden totalled £436,855, lower than the previous year (2018-19: £494,146), primarily because Legal Aid Agency earnings stalled following the national lockdown from March 2020 as a result of housing possessions being stayed. The City Bridge Trust Welfare Benefits project and the Comic Relief Financial Capability project, contributed £49,550 and £16,776 respectively (2018-19: £42,025 and £20,709). Other sources of funding included RBS Financial Capability, the Henry Smith Trust, the London Legal Support Trust, Trust for London, the Legal Education Foundation, and Farrer and Co Charitable Trust, jointly contributing £153,045. The two main corporate funders; Linklaters and Clifford Chance both continued with their generous funding, donating £60,000 and £20,980 respectively (2018-19: £40,000 and £20,980), and both continued to donate the services of legal trainees, pro bono, as in previous periods, which have been valued at a total of £75,000. Income of £26,264 was received from the government's Coronavirus Job Retention Scheme to support the salary costs of staff unable to work during the lockdown period. Mary Ward Settlement, the Centre's ultimate holding company donated £123,757 through the forgiveness of a long term intercompany loan.

Costs fell by £91,749 to £1,198,319 (2018-19: £1,290,068). Total salary costs were £916,270 (2018-19: £989,864), of which £75,000 (£2018-19: £75,000) was the recognised value of donated services from Linklaters LLP and Clifford Chance LLP. This reflects, primarily, a decrease in both operational and administrative staffing costs arising from reductions in staffing levels following the reduction in value of the Debt Free London contract from April 2019, and from other savings made while the premises were closed and working below capacity during the lockdown.

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**FINANCIAL REVIEW (continued)**

The nature of the Centre's work, in particular Legal Aid Agency cases means that there will be a time lag before the Centre is likely to benefit from the increased income streams we expect to be generated by the additional capacity. Costs have continued to be carefully managed where possible; however growth of services is essential in order to meet the future income targets essential for future sustainability, and the targets of our funders. The demand for the Centre's services remains high, and the current disparity between income and costs reflect increase in provision, planned over the next few years.

**TREASURY MANAGEMENT**

Treasury management is the management of the Centre's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

There was a net increase in the cash held by the Centre of £77,675 to £169,230 (2018-19: £91,555). This reflects more careful cash management over the period, and in particular, improved processes around billing for Legal Aid Agency work in progress. Careful treasury management will remain an essential focus for the Centre's Senior Management Team until the Centre's income flows build to a more stable, sustainable level.

**RESERVES POLICY**

The Centre aims to hold reserves equivalent of 1 to 3 months' expenditure so that it can continue to provide a service in the event of unexpected financial crisis. Unrestricted reserves at 31<sup>st</sup> July 2020 were £82,707 (2018-19: £48,662) improved from 2018-19 at 83% of the lower end of target (2018-19: 45% of target). This reflects the above-mentioned donations from various sources, including forgiveness of the long term loan by Mary Ward Settlement which offsets what would otherwise have been an in-year deficit. The above-mentioned time lag to Legal Aid Agency income means that it is likely to be several years before the Centre sees a significant improvement in income streams. The expectation is that reserves will remain at the lower end of the target for 2-3 years until the longer term benefits of investment in the larger housing team are seen.

**FUTURE DEVELOPMENTS**

Looking forward the Legal Centre expects to be able to achieve the following:

- To continue to adapt its advice provision to ensure safe access during the Covid-19 crisis, including a mix of face-to-face and remote appointments, and advice via video conference;
- To continue to develop new advice provision in Southwark and Newham;
- To expand its housing advice service and recruit additional solicitors;
- To take an active role in advice networks, and work in partnership with local advice providers.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income;
- To secure continuation funding for its Housing Support Work project to help sustain tenancies and break the cycle of homelessness;
- To secure funding to continue to develop a public legal education programme in financial capability.

**FUNDRAISING**

The Centre aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Centre manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Centre undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2019-20, the Centre received no complaints about its fundraising activities.

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**STRUCTURE GOVERNANCE AND MANAGEMENT**

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Centre to obtain a better understanding of its governance and legal structure. The statement covers the period from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 and up to the date of the approval of the Annual Report and Financial Statements.

The Centre is a registered charity. The Board confirms that it has had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

**THE BOARD**

The directors of the Centre, a charitable company, are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Frances Bates	Chair
Nadine Cartner	
Brian Chandler	resigned 11/11/2019
Graham Collins	
Kim Duong	Treasurer
John Edwards	
Alex Horsup	
Beatriz Montoya	
Raja Nadarajan	
Andrew Peck	
Margaret Wheeler	Vice Chair
Emma Wyatt	
Company Secretary:	Suzanna Jackson

Kim Duong was on maternity leave between June and October 2019.

Brian Chandler was not active as a trustee due to ill health, throughout the period under review.

**APPOINTMENTS TO THE BOARD**

The Centre operates selection criteria for recruitment of trustees to the Board so as to ensure that their skills and experience reflect the governance and operational needs of the Centre. Prospective trustees are interviewed by the Mary Ward Settlement Governance and Nominations Committee, which includes at least one trustee from the Centre. On selection, references will be taken up as to their suitability to be a trustee prior to a vote by the Centre's trustees.

**TRUSTEE INDUCTION AND TRAINING**

Each new trustee will have an induction programme designed to meet their needs as a trustee. The content of the programme will vary depending on their level of experience as a charity trustee and their knowledge and understanding of the Centre.

The programme will include spending time with each of the key management personnel. They are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**ORGANISATION**

The Centre has its own Board of up to 14 members who are trustees, nominated by Mary Ward Settlement. For the period under review Mr J Edwards and Mr R Nadarajan were trustees of the Centre's Board only. All other members were also trustees of the Mary Ward Settlement Board, which provides overall leadership and strategic direction. Sub-committees of the Settlement Board include a Finance Committee, Audit & Risk Committee and a Remuneration Committee which meet as necessary to manage key staffing, finance, fundraising and equal opportunities matters within a clear framework.

Day-to-day operational management of the Centre is delegated to the Chief Executive who is supported by a Senior Management Team consisting of the Director of the Centre, the Deputy Chief Executive, until his retirement on 31 March 2020, and the Director of Finance and Resources.

The Chief Executive and her Senior Management Team oversee the smooth running of the Centre's staff who are divided into teams in accordance with Centre activities and projects.

**RELATED PARTIES AND CO-OPERATION WITH OTHER ORGANISATIONS**

None of the trustees receive remuneration or other benefit from their work with the Centre, unless they are separately employed by the Centre as a member of staff. For the year under review, no trustee received remuneration in the year for their role as a trustee. There were no expenses and no related party transactions for the year ended 31<sup>st</sup> July 2020 (2018-19: none).

Any connection between a trustee or senior manager of the Centre and any organisation associated with the Centre must be disclosed to the Board in the same way as any contractual relationship with a related party. In the current year no such related party transactions were reported.

The Centre has built up strong positive relationships over many years with a range of agencies in both the public, private and charity sector. The Centre continues its outreach activities and the delivery of face-to-face legal advice to financially and socially excluded communities within London boroughs. As such, the Centre enjoys good co-operative working relations with an ever-growing number of partners and stakeholders in relation to a range of borough-based projects and activities that meet core charitable objectives.

**PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The trustees and the Senior Management Team comprise the key management personnel of the Centre in charge of directing and controlling, running and operating the Centre on a day to day basis.

The pay of the Senior Management Team is reviewed annually by the Remuneration Committee, which then makes recommendations to the full Board. The employment costs of the Senior Management Team for their work in relation to the Centre are allocated to the Centre.

**RISK MANAGEMENT**

The Board has a risk management strategy which comprises the following:

- Regular reviews by the Audit and Risk Committee of the principal risks and uncertainties facing the Centre;
- Regular reviews of the policies, systems and procedures in place to mitigate those risks and uncertainties;
- An annual request that trustees identify their own view of what the key risks are;
- An annual report on risk, by the Audit and Risk Committee, for the Board; and
- The implementation of systems and procedures designed to mitigate any potential impact should the risk actually arise.

This work has identified that financial sustainability is the most significant risk to the Centre, given that 70% of its income, excluding value in kind donations, comes from three sources: the Capitalise (now Debt Free London) debt advice contract funded by the Money and Pensions Service, the Legal Aid Agency (LAA); and Camden Council.

**MARY WARD LEGAL CENTRE**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**RISK MANAGEMENT** (continued)

The Centre has expanded its housing advice provision having secured additional legal aid contracts for the London boroughs of Southwark and Newham, which will result in increased income streams as the services are developed.

The Capitalise (now Debt Free London) contract ended in March 2020, with new contracts confirmed at lower rates from April 2020 for one year, with the likelihood of extension to March 2022. Funding from Camden Council expired in March 2020 and renewed funding has been confirmed from April 2021 for a 7 year period, though at considerably lower rates. To reduce the impact of Covid-19 the Council made a concession to increase the grant to the pre-April 2020 rates for a further year. Legal Aid Agency funding is secure for three years until September 2021.

The main forms of mitigation are active contract management, with a special emphasis on maintaining good working relationships with each of those key funders. The other on-going mitigating action is to continue to try to diversify our source of funds. The Centre has been successful in accessing new streams of funding, but these are small in comparison to the existing contracts and tend to be time limited to usually no more than 3 years. Nevertheless, the reduction in a key funding stream from April 2020 means that some restructuring of teams has been necessary, with further cost savings likely to be needed from April 2021 if additional income streams cannot be found to replace the funding lost.

Other significant risks facing the Centre are increasing demands being placed on already hard-working staff and quality failure in the advice being offered. The first is mitigated by the use of an effective support and supervision system and regular team meetings, alongside a supportive culture and one that encourages open and honest communication. The second is minimised by the operation of an effective quality management system which is regularly externally assessed.

Other operational risks are considered to be at a low level and are monitored by management.

The Centre's ultimate holding company, Mary Ward Settlement has, and will continue to be supportive of the operations of the Centre, including confirming that it would assist with the provision of financial support, within its own means, should it prove necessary.

**MARY WARD LEGAL CENTRE**  
**STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Centre's trustees (who are also directors of the Centre for the purposes of company law) are responsible for preparing the trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Centre 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Centre 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 Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Centre's web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT AS TO THE DISCLOSURE TO OUR AUDITORS**

In so far as the trustees are aware at the time of approving our trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Centre's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the Centre's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the Centre's auditor is aware of that information.

By order of the Board of Trustees

*Frances Bates*

Frances Bates  
Chair

16 March 2021

### Opinion

We have audited the financial statements of Mary Ward Legal Centre (the 'charitable company') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 July 2020 and of 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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 and financial statements, other than the financial statements and our auditor's 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.

**Other information (continued)**

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.

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

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

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

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*Buzzacott LLP*

25 March 2021

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**MARY WARD LEGAL CENTRE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2020	Unrestricted Funds	Restricted Funds	Total Funds 2019
		£	£	£	£	£	£
<b>INCOME FROM:</b>							
Donations and legacies	3	369,072	-	369,072	222,453	-	222,453
<i>Charitable activities:</i>							
Legal Services	4	15,350	821,703	837,053	28,000	880,090	908,090
Interest income	5	15	-	15	196	-	196
Other - CJRS income	6	26,264	-	26,264	-	-	-
<b>TOTAL INCOME</b>		<b>410,701</b>	<b>821,703</b>	<b>1,232,404</b>	<b>250,649</b>	<b>880,090</b>	<b>1,130,739</b>
<b>EXPENDITURE ON:</b>							
<i>Raising funds:</i>							
Generating donations and grants		22,882	-	22,882	27,863	-	27,863
<i>Charitable activities:</i>							
Legal services	7	-	1,175,437	1,175,437	-	1,262,205	1,262,205
<b>TOTAL EXPENDITURE</b>		<b>22,882</b>	<b>1,175,437</b>	<b>1,198,319</b>	<b>27,863</b>	<b>1,262,205</b>	<b>1,290,068</b>
<b>NET INCOME/(EXPENDITURE) AND MOVEMENT IN FUNDS</b>		<b>387,819</b>	<b>(353,734)</b>	<b>34,085</b>	<b>222,786</b>	<b>(382,115)</b>	<b>(159,329)</b>
Transfers between funds		(353,734)	353,734	-	(382,115)	382,115	-
Net movement in funds		34,085	-	34,085	(159,329)	-	(159,329)
<b>RECONCILIATION OF FUNDS:</b>							
FUNDS AT 1 <sup>st</sup> AUGUST 2019		48,622	-	48,622	207,951	-	207,951
FUNDS AT 31 <sup>st</sup> JULY 2020		<b>82,707</b>	<b>-</b>	<b>82,707</b>	<b>48,622</b>	<b>-</b>	<b>48,622</b>

All income and expenditure derive from continuing activities.

The charitable company has no recognised gains or losses other than those shown above.

The notes on pages 18 to 28 form part of these accounts.

**MARY WARD LEGAL CENTRE  
BALANCE SHEET  
AS AT 31 JULY 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets		-	-
<b>CURRENT ASSETS</b>			
Work in progress	16	122,021	108,535
Debtors	17	152,861	190,467
Cash at bank and in hand		169,230	91,555
		<u>444,112</u>	<u>390,557</u>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	18	(361,405)	(218,178)
<b>NET CURRENT ASSETS</b>		<u>82,707</u>	<u>172,379</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		82,707	172,379
Creditors: amounts falling due after more than one year	20	-	(123,757)
<b>NET ASSETS</b>		<u>82,707</u>	<u>48,622</u>
<b>THE FUNDS OF THE CHARITY:</b>			
<b>UNRESTRICTED FUNDS</b>			
General fund		82,707	48,622
		<u>82,707</u>	<u>48,622</u>
<b>RESTRICTED FUNDS</b>	22	-	-
<b>TOTAL FUNDS</b>		<u>82,707</u>	<u>48,622</u>

The trustees have prepared the Financial Statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual Financial Statements required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 18 to 28 form part of these Financial Statements.

Signed

*Frances Bates*

Frances Bates, Chair of the trustees on behalf of the trustees

Approved by the trustees on 16 March 2021

Company registration number: 2786099

**MARY WARD LEGAL CENTRE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING 31 JULY 2020**

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	Notes	2020 £	2019 £
Net cash flows from operating activities:	25	77,660	(99,561)
Cash flows from investing activities:			
Interest income		15	196
Cash provided by investing activities		<u>15</u>	<u>196</u>
Change in cash and cash equivalents in the year		77,675	(99,365)
Cash and cash equivalents at the beginning of the year		91,555	190,920
Cash and cash equivalents at the end of the year		<u>169,230</u>	<u>91,555</u>

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are laid out below:

a) Basis of preparation

The Financial Statements have been prepared for the year to 31<sup>st</sup> July 2020. They have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below, or the notes to these Financial Statements. They 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Centre meets the definition of a public benefit entity under FRS102.

The Financial Statements are presented in sterling and are rounded to the nearest pound.

b) Preparation of the Financial Statements on a going concern basis

The Centre reported a cash inflow of £77,675 (2019: cash outflow of £99,365). The trustees are of the view that the immediate future for the Centre, over the next 12 to 18 months, is secure and, on that basis, the Centre is a going concern.

The fixed term nature of the major contracts on which the Centre relies continue to represent a significant risk. This has been mitigated, as far as it is possible to do so, by active contract management with a special emphasis on maintaining good working relationships with each of those key funders. Funding for each of the 3 major income sources has been confirmed until at least 2022, of which one, LB Camden, is secure until March 2028.

c) Critical accounting estimates and areas of judgement

Preparation of the Financial Statements requires the trustees to make significant judgements and estimates.

The item in the Financial Statements where these judgements and estimates have been made consist of the recoverability of work in progress and any consequent provision needed against work-in-progress and related debtors, and estimating the value of donated goods and services.

d) Income recognition

Income is recognised in the period in which the Centre has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Centre has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Legal Aid Agency income is recognised for all work carried out on approved Legal Aid Agency cases at the point in time it is earned, at Legal Aid Agency rates. Where cases become eligible for payment at commercial, Inter Partes, rates, the higher fee is recognised only when the case is complete and ready to be billed.

Income comprises donations, bank interest, grants, fee and contractual income and other sundry income.

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES** (continued)

d) Income recognition (continued)

Donations and grants are recognised when the Centre has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Centre is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Centre and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

e) Donated services

Donated professional services are recognised as income when the Centre has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Centre of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Centre which is the amount that the Centre would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Centre. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Centre's work.

h) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Centre to make a payment 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.

All expenditure is accounted for on an accruals basis and is classified as follows:

Expenditure on raising funds includes all expenditure associated with raising funds for the Centre.

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES** (continued)

h) Expenditure recognition (continued)

Expenditure comprises the costs of charitable activities in respect to the Centre's primary charitable purposes as described in the trustees' report.

All expenditure is stated inclusive of irrecoverable VAT.

i) Allocation of support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Centre it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Centre (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned as detailed in note 8.

j) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

The Centre has a 4 and a half year operating lease, until July 2022, with Meraki Holdings on the property it occupies at 10 Great Turnstile. The amount payable by the Centre under the lease (exclusive of rates and service charge) is £66,840 per annum.

k) Tangible fixed assets

Individual fixed assets costing more than £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Furniture, fixtures and office equipment	20%
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l) Work in progress

Work in progress is the estimated value of legal work completed that could have been invoiced at 31<sup>st</sup> July of the year in question. The value is calculated with reference to the time recorded by case workers which is expected to result in billable work, and is valued at standard Legal Aid Agency rates.

m) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

n) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES** (continued)

o) Creditors

Creditors 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. Creditors are recognised at the amount the Centre anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

p) Pension contributions

Contributions in respect of the Centre's defined contribution pension scheme are charged to the Statement of Financial Activities when they are payable to the scheme. The Centre has no liability beyond making its contributions and paying across the deductions for the employees' contributions. The scheme is operated by the National Employers Savings Trust (NEST). Staff make a contribution of 2% and the Centre 6%.

**2. LEGAL STATUS OF THE CENTRE**

The Centre is a company limited by guarantee and has no share capital. In the event of the Centre being wound up, the liability in respect of the guarantee is limited to £1 per member of the Centre.

**3. INCOME FROM DONATIONS AND LEGACIES**

Donations:	2020 £	2019 £
Gifts	108,871	83,630
Long term intercompany loan forgiven by Mary Ward Settlement (note 20)	123,757	-
Donated services	136,444	138,823
	<u>369,072</u>	<u>222,453</u>

Gifts include an annual payment of £60,000 from Linklaters LLP and £20,980 from Clifford Chance LLP. Donated services comprise the estimated value of solicitors attending advice clinics and seconded trainee solicitors by Linklaters LLP and Clifford Chance LLP. The equivalent expenditure of the donated services is included in operational staff costs and professional fees.

The Centre also benefits from the involvement and support of a number of other volunteers. In accordance with FRS102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the Financial Statements.

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2020	2019
	£	£
Legal services:		
Revenue grants	117,973	100,327
Advice and casework	719,080	807,763
	837,053	908,090

**5. INTEREST AND INVESTMENT INCOME**

All of the Centre's interest and investment income of £15 (2019: £196) comes from money held in interest bearing deposit accounts.

**6. OTHER INCOME**

Income of £26,264 was received from the government's Coronavirus Job Retention Scheme to support the salaries of staff unable to work during the lockdown period.

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	2020	2019
	£	£
Salaries (including value in kind services)	676,212	711,068
Casework costs	69,288	61,333
Insurance	2,990	3,107
Other direct costs	20,221	22,517
Support costs	406,726	464,180
	1,175,437	1,262,205

**8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES**

	2020	2019
	£	£
Costs	(1,175,437)	(1,262,205)
Advice and casework contracts	719,080	807,763
Revenue grants	117,973	100,327
	(338,384)	(354,115)

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**9. ANALYSIS OF SUPPORT COSTS (incl. GOVERNANCE COSTS)**

	2020 £	2019 £
Staff costs	229,736	269,383
Recruitment costs	1,000	1,115
Computer costs	29,875	24,499
Audit costs	11,300	10,000
Premises	110,243	112,057
Other support costs	24,571	47,126
	<u>406,725</u>	<u>464,180</u>

**10. NET INCOME/(EXPENDITURE) FOR THE YEAR**

	2020 £	2019 £
This is stated after charging:		
Auditor's remuneration:		
Financial statements audit	5,800	5,000
SAR audit	5,500	5,000
Operating lease rentals	<u>66,840</u>	<u>66,840</u>

**11. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

	2020 £	2019 £
Wages and salaries (including £75,000 value in kind (2019: £75,000))	799,796	865,654
Social security costs	68,388	71,782
Other pension costs	48,086	52,428
	<u>916,270</u>	<u>989,864</u>

No employees' remuneration was above £60,000 in the year (2019: none).

The Centre's trustees were not paid (2019: £nil) nor did they receive any other benefits from employment, nor were they reimbursed any expenses (2019: £nil) except where they were employed separately by the Centre's parent company, Mary Ward Settlement, or by the Settlement's operating entity, the Mary Ward Centre. No Centre trustee received payment for professional or other services supplied to the Centre (2019: £nil).

The key management personnel of the Centre comprise the trustees and the Director of the Legal Centre. It also comprises members of the Senior Management Team of Mary Ward Settlement who provided services to the Legal Centre as part of their role for the Mary Ward Settlement. These members of staff did not receive any additional remuneration for their work on behalf of the Legal Centre, however, a portion of their costs were recharged by the Mary Ward Settlement. Total recharged costs from the Mary Ward Settlement for recharged staff was £154,964 (2019: £180,276), of which £10,477 (2019: £14,067) related to the Senior Management Team. Total key management personnel remuneration for the year was £68,030 (2019: £68,045).

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**12. STAFF NUMBERS**

The average number of staff employed each month was 24 (2019: 24). The average number of staff, in both number and full-time equivalent, employed each month was as follows:

	2020		2019	
	No.	fte	No.	fte
Operational staff	20	15	19	16
Support staff	4	3	5	4
	<u>24</u>	<u>18</u>	<u>24</u>	<u>20</u>

**13. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

Mary Ward Settlement, a registered charity (Charity Registration Number 223066) and company (Company Registration Number 46188) is the ultimate parent undertaking of the Centre. The Financial Statements do not include disclosure of transactions between the Centre and the Settlement. As a 100% controlled subsidiary undertaking, the Centre is exempt from the requirement to disclose such transactions under Financial Reporting Standard 102 Section 33.

There were no other related party transactions in the year (2019: none).

**14. GOVERNMENT GRANTS**

The Centre receives income from both the Legal Aid Agency and the London Borough of Camden. However all of the funding is contractual and relates directly to the provision of services.

**15. CORPORATION TAXATION**

The Centre is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**16. WORK IN PROGRESS**

Work in progress is the value of legal casework not assessed by the Legal Aid Agency.

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	89,806	160,358
Other debtors	-	696
Prepayments and accrued income	63,055	29,413
	<u>152,861</u>	<u>190,467</u>

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	2,651	1,147
Taxes and social security costs	24,725	32,320
Accruals and deferred income	191,122	114,601
Annual leave accrual	14,319	21,629
Other creditors	-	1,786
Amounts owed to group companies	128,588	46,695
	<u>361,405</u>	<u>218,178</u>

**19. DEFERRED INCOME**

Deferred income is made up of income, received in advance, for services to be delivered after the 31<sup>st</sup> July 2020.

	2020	2019
	£	£
Opening balance as at 1 <sup>st</sup> August	82,312	68,141
Amount released to income earned from charitable activities	(82,312)	(68,141)
Amount deferred in year	159,864	82,312
Balance as at 31 <sup>st</sup> July	<u>159,864</u>	<u>82,312</u>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Mary Ward Settlement	-	123,757
	<u>-</u>	<u>123,757</u>

The interest free loan from the Centre's ultimate holding company was forgiven during the year.

**21. LEASE OBLIGATIONS**

At 31st July the Centre had minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
<b>Land and buildings</b>		
Not later than one year	66,840	66,840
Later than one year	66,840	91,745
	<u>133,680</u>	<u>158,585</u>

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**22. ANALYSIS OF CHARITABLE FUNDS**

	Balance 1 August 2019 as restated £	Movement in resources Income £	Expenditure £	Transfers £	Balance 31 July 2020 £
<b>Restricted funds:</b>					
Legal Aid Agency	-	192,165	(274,774)	82,608	-
Money and Pensions Service - Debt Free London	-	186,658	(266,898)	80,240	-
London Borough of Camden Advice Services	-	244,690	(349,878)	105,188	-
Housing Possession Court Duty Scheme (HPCDS)	-	4,300	(6,148)	1,848	-
Cardinal Hume Centre	-	8,031	(11,484)	3,453	-
Comic Relief	-	16,776	(23,988)	7,212	-
City Bridge Trust	-	49,550	(71,850)	22,300	-
RBS Financial Capability	-	6,904	(9,872)	2,968	-
The Henry Smith Charity	-	26,017	(37,201)	11,184	-
Legal Education Foundation	-	21,068	(30,125)	9,057	-
St Andrews Holborn Trust for London	-	9,656	(13,807)	4,151	-
Trust for London (Covid)	-	43,888	(62,754)	18,866	-
	-	12,000	(16,658)	4,658	-
<b>Total restricted funds</b>	<b>-</b>	<b>821,703</b>	<b>(1,175,437)</b>	<b>353,734</b>	<b>-</b>
<b>Unrestricted funds:</b>					
General fund	48,622	410,701	(22,882)	(353,734)	82,707
<b>Total unrestricted funds</b>	<b>48,622</b>	<b>410,701</b>	<b>(22,882)</b>	<b>(353,734)</b>	<b>82,707</b>
<b>Total funds</b>	<b>48,622</b>	<b>1,232,404</b>	<b>(1,198,319)</b>	<b>-</b>	<b>82,707</b>

Where income has been received specifically for services provided by the Centre it is shown as restricted income. Expenditure has been fully allocated to those services provided by the Centre based on operational headcount. Unrestricted income and/or reserves are shown as transfers to the Centre's activities where allocated expenditure exceeds the sources of restricted income for each service.

<u>Name of Fund</u>	<u>Description, nature and purpose of fund</u>
General Fund	Funds that can be used for any purpose consistent with the achievement of the Centre's charitable objectives.
Legal Aid Agency	Funding for housing advice and representation (where applicable) for people eligible for legal aid
Money and Advice Service - Debt Free London	Funding to provide face-to-face debt advice
London Borough of Camden Advice Services	Funding to provide specialist advice in the areas of debt, housing and welfare benefits, to people who live, work, or study in Camden.
Housing Possession Court Duty Scheme	Funding for one-off advice provided at the court for people facing possession proceedings as part of the duty scheme.
Comic Relief	Funding to develop and deliver free financial capability courses to users of local community organisations in Camden.

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**22. ANALYSIS OF CHARITABLE FUNDS (continued)**

<u>Name of Fund</u>	<u>Description, nature and purpose of fund</u>			
City Bridge Trust	Funding for a welfare benefits caseworker to provide specialist welfare benefits advice pan-London and supporting volunteers to help provide disability benefits form filling.			
Money Advice Trust	One-off grant under their innovation grant scheme to develop financial capability resources for people with English as a second language.			
RBS Financial Capability	Funding to develop and deliver free financial capability courses pan-London.			
The Henry Smith Charity	Funding for a Housing Support Worker to work with vulnerable clients to provide a holistic service to the Centre's housing clients to help sustain tenancies and break the cycle of homelessness.			
The Trust for London	Originally set up to help fund the Centre's employment legal advice service. However, following the changes to Legal Aid funding, this service was closed and the fund now exists to help meet the cost of the Centre's pro bono employment advice clinic.			
Legal Education Foundation	Funding for a trainee solicitor at the Centre as part of the LEF's Justice First Fellowship			
St Andrews Holborn	Funding towards the core costs of providing specialist welfare rights advice to those living within St Andrew Holborn's area of benefit.			
	<i>Balance</i>	<i>Movement in resources</i>		<i>Balance</i>
	<i>1 August</i>	<i>Income</i>	<i>Expenditure</i>	<i>31 July</i>
	<i>2018</i>			<i>2019</i>
	<i>as restated</i>			
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Restricted funds:</i>				
<i>Legal Aid Agency</i>	-	249,456	(307,227)	57,771
<i>Money and Pensions Service - Capitalise Debt Funding</i>	-	223,798	(338,900)	115,102
<i>London Borough of Camden Advice Services</i>	-	244,690	(370,538)	125,848
<i>HPCDS at Clerkenwell Court</i>	-	6,043	(9,151)	3,108
<i>Cardinal Hume Centre</i>	-	3,000	(4,543)	1,543
<i>Comic Relief</i>	-	20,709	(31,360)	10,651
<i>City Bridge Trust</i>	-	42,025	(63,639)	21,614
<i>RBS Financial Capability</i>	-	18,042	(27,321)	9,279
<i>The Henry Smith Charity</i>	-	24,600	(37,252)	12,652
<i>Legal Education Foundation</i>	-	42,727	(64,702)	21,975
<i>The Law Society TLEF Skype Project</i>	-	5,000	(7,572)	2,572
<i>Total restricted funds</i>	<u>-</u>	<u>880,090</u>	<u>(1,262,205)</u>	<u>382,115</u>
<i>Unrestricted funds:</i>				
<i>General fund</i>	207,951	250,649	(27,863)	(382,115)
<i>Total unrestricted funds</i>	<u>207,951</u>	<u>250,649</u>	<u>(27,863)</u>	<u>(382,115)</u>
<i>Total funds</i>	<u>207,951</u>	<u>1,130,739</u>	<u>(1,290,068)</u>	<u>-</u>

**MARY WARD LEGAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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

	Fixed assets £	Current assets £	Liabilities £	2020 Total £
General fund	-	444,112	(351,405)	82,707
Restricted funds	-	-	-	-
	<u>-</u>	<u>444,112</u>	<u>(351,405)</u>	<u>82,707</u>
				2019 Total
<i>General fund</i>	-	390,557	(341,935)	48,622
<i>Restricted funds</i>	-	-	-	-
	<u>-</u>	<u>390,557</u>	<u>(341,935)</u>	<u>48,622</u>

**24. POST BALANCE SHEET EVENTS**

There have been no events that will have a material impact on the Financial Statements.

**25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net movement in funds	34,085	(159,329)
(Increase) in work in progress	(13,486)	(49,860)
Decrease in debtors	37,606	30,915
Increase in creditors	19,470	78,909
Interest earned	(15)	(196)
	<u>77,660</u>	<u>(99,561)</u>
Net cash used in operating activities		

**Analysis of net debt**

	At 1 August 2019 £	Cash flows £	Other non- cash changes £	At 31 July 2020 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<u>91,555</u>	<u>77,675</u>	<u>-</u>	<u>169,230</u>

**26. CLIENT MONIES**

As at 31<sup>st</sup> July 2020 the Centre held money on behalf of clients in "Client" bank accounts of £66,986 (2019: £65,441).

**MARY WARD LEGAL CENTRE**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2020**

This page does not form part of the audited Financial Statements

	Unrestricted Funds	Restricted Funds	Total Funds 2020	<i>Unrestricted Funds as restated</i>	<i>Restricted Funds as restated</i>	<i>Total Funds 2019 as restated</i>
	£	£	£	£	£	£
<b>INCOME</b>						
<b>Grants</b>						
Farrer & Co Charitable Trust	5,000	-	5,000	3,000	-	3,000
The Henry Smith Charity	-	26,017	26,017	-	24,600	24,600
London Legal Support Trust	10,000	-	10,000	10,000	-	10,000
Legal Education Foundation - fellowship funding	-	21,068	21,068	-	42,727	42,727
Trust for London	-	43,888	43,888	-	-	-
Trust for London (Covid)	-	12,000	12,000	-	-	-
AB Charitable Trust	-	-	-	15,000	-	15,000
The Law Society	-	-	-	-	5,000	5,000
	<u>15,000</u>	<u>102,973</u>	<u>117,973</u>	<u>28,000</u>	<u>72,327</u>	<u>100,327</u>
<b>Advice, casework and net disbursements</b>						
Legal Aid Agency - NfP grant	-	50,673	50,673	-	59,215	59,215
Legal Aid Agency - HPCDS at Clerkenwell CC	-	4,300	4,300	-	6,043	6,043
Debt Free London project	-	186,658	186,658	-	223,798	223,798
LB Camden Specialist Advice Services	-	161,100	161,100	-	161,100	161,100
LB Camden Disability project	-	83,590	83,590	-	83,590	83,590
Comic Relief financial capability project	-	16,776	16,776	-	20,709	20,709
City Bridge welfare benefits project	-	49,550	49,550	-	42,025	42,025
St Andrew Holborn	-	9,656	9,656	-	-	-
Cardinal Hume Centre	-	8,031	8,031	-	3,000	3,000
RBS Financial Capability	-	6,904	6,904	-	18,042	18,042
Training income	-	-	-	-	-	-
Other advice, casework & net disbursements	-	141,842	141,842	-	190,241	190,241
	<u>-</u>	<u>719,080</u>	<u>719,080</u>	<u>-</u>	<u>807,763</u>	<u>807,763</u>
<b>Other</b>						
General donations and fundraising	141,228	-	141,228	18,170	-	18,170
Linklaters donations	60,000	-	60,000	40,000	-	40,000
Clifford Chance donations	30,890	-	30,890	20,980	-	20,980
Value in kind - Linklaters	86,444	-	86,444	88,823	-	88,823
Value in kind - Clifford Chance	50,000	-	50,000	50,000	-	50,000
Clients' contributions	420	-	420	4,480	-	4,480
Interest on deposit account	15	-	15	196	-	196
CJRS furlough rebate	26,264	-	26,264	-	-	-
	<u>410,351</u>	<u>-</u>	<u>422,351</u>	<u>222,649</u>	<u>-</u>	<u>222,649</u>
<b>TOTAL INCOME</b>	<b>410,351</b>	<b>822,053</b>	<b>1,232,404</b>	<b>250,649</b>	<b>880,090</b>	<b>1,130,739</b>
<b>TOTAL EXPENDITURE</b>	<b>(22,882)</b>	<b>(1,175,437)</b>	<b>(1,198,319)</b>	<b>(27,863)</b>	<b>(1,262,205)</b>	<b>(1,290,068)</b>
<b>SURPLUS (DEFICIT)</b>	<b><u>399,469</u></b>	<b><u>(365,384)</u></b>	<b><u>34,085</u></b>	<b><u>222,786</u></b>	<b><u>(382,115)</u></b>	<b><u>(159,329)</u></b>

**MARY WARD LEGAL CENTRE**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2020**

This page does not form part of the audited Financial Statements

	Unrestricted	Restricted	Total Funds	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total Funds</i>
	Funds	Funds	2020	<i>Funds</i>	<i>Funds</i>	<i>2019</i>
	£	£	£	£	£	£
<b>EXPENDITURE</b>						
<b>ADMINISTRATION</b>						
Salaries and related contributions	-	240,088	240,088	10,796	268,000	278,796
Recruitment advertising + other costs	-	1,000	1,000	-	1,115	1,115
Postage and carriage	-	5,902	5,902	-	7,299	7,299
Telephone and fax	-	5,971	5,971	-	8,482	8,482
Printing and stationery	-	3,435	3,435	-	9,043	9,043
Photocopying	-	1,782	1,782	-	1,738	1,738
Audit and accountancy	-	11,300	11,300	-	10,000	10,000
Legal & professional fees	11,372	-	11,372	17,067	13,242	30,309
Travelling	-	472	472	-	1,557	1,557
General office expenses (incl. H&S)	-	348	348	-	461	461
General computer expenses	-	29,875	29,875	-	24,499	24,499
PR literature/brochures & fundraising	-	525	525	-	325	325
Bank charges	-	327	327	-	965	965
	<b>11,372</b>	<b>300,327</b>	<b>311,629</b>	<b>27,863</b>	<b>346,726</b>	<b>374,589</b>
<b>ESTABLISHMENT</b>						
Rent	-	65,616	65,616	-	66,914	66,914
Service charge	-	15,340	15,340	-	15,931	15,931
General + water rates	-	12,290	12,290	-	12,820	12,820
Electricity + gas	-	8,377	8,377	-	8,542	8,542
Cleaning	-	5,015	5,015	-	6,702	6,702
Premises maintenance	-	3,605	3,605	-	1,148	1,148
	-	<b>110,243</b>	<b>110,243</b>	-	<b>112,057</b>	<b>112,057</b>
<b>OPERATIONAL</b>						
Salaries and related contributions	11,510	664,702	676,212	-	711,068	711,068
Irrecoverable disbursements	-	182	182	-	85	85
Client compensation claims	-	4,625	4,625	-	-	-
Case cost drafting fees	-	2,782	2,782	-	10,666	10,666
File storage	-	8,228	8,228	-	7,328	7,328
Solicitors practising certificates	-	2,589	2,589	-	2,944	2,944
Insurance	-	9,969	9,969	-	7,121	7,121
Books + subscriptions	-	3,964	3,964	-	3,001	3,001
Volunteers' expenses	-	387	387	-	1,492	1,492
Refreshments / other staff expenses	-	687	687	-	1,382	1,382
Professional Fees	-	61,699	61,699	-	50,583	50,583
Training costs	-	5,054	5,054	-	7,395	7,395
Project related costs	-	-	-	-	357	357
	<b>11,510</b>	<b>764,867</b>	<b>776,377</b>	-	<b>803,422</b>	<b>803,422</b>
<b>TOTAL EXPENDITURE</b>	<b>22,882</b>	<b>1,175,437</b>	<b>1,198,319</b>	<b>27,863</b>	<b>1,262,205</b>	<b>1,290,068</b>