

CHARITY NO: SC047423

COMPANY NO: CS002781

GOVAN LAW CENTRE
(Scottish Charitable Incorporated Organisation)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

GOVAN LAW CENTRE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Thomas McMahon Chairperson Georgina Hay Treasurer George Costigan John Owens Michael Dailly (ex officio) Karen Russell
Senior Management	Michael Dailly Principal Solicitor Lorna Walker Candy Walker Alistair Sharp
Secretary	John Owens
Principal Office	Orkney Street Enterprise Centre Units 4 & 6 18-20 Orkney Street Glasgow G51 2BZ
Charity Number:	SC047423
Independent Auditors	Wylie & Bisset (Audit) Ltd Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers	Bank of Scotland 816 Govan Road Govan Glasgow G2 3UP
Solicitors	BTO Solicitors 48 St Vincent Street Glasgow G2 5HS

GOVAN LAW CENTRE

Report of the Trustees for the year ended 31 March 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2021.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Constitution, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information on page one forms part of this report.

Trustees

The Trustees serving during the year and since the year end, unless otherwise stated, were as follows:

Thomas McMahon
Georgina Hay
George Costigan
John Owens
Elaine Melville
Michael Dailly
Karen Russell

Structure, Governance and Management

Governing Document

The charity operates under its constitution as a SCIO which was in effect from 17 May 2017.

Key Management Personnel

The Trustees consider the key management personnel of the SCIO to be Mike Dailly, Principal Solicitor and Lorna Walker, Candy Walker and Alistair Sharp.

Appointment and Induction of Trustees

New trustees are recruited by invitation of the Trustees, and appointed after a successful period of induction; and any foregoing appointment is in compliance with the terms of clauses 4 to 8 of the constitution.

Organisational Structure

The charity is governed by the Board of Trustees. Any leasing or purchasing of capital assets or equipment (over £100) or any contract which binds the Trust must be agreed by the Board of Trustees. All cheques require two signatories. All matters concerned with the running of the legal practice are the responsibility of the Principal Solicitor, and the legal firm. The Board of Trustees monitors the performance of the legal service at its meetings every month, scrutinise reports (including full and detailed financial reports) and devices on the policy of the law centre and its priorities in term of casework; and its future development and delivery of service. The Principal Solicitor is accountable to the Board of Trustees.

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Report of the Trustees for the year ended 31 March 2021

Related Parties

We are an Associate member of the UK Federation of Law Centres, in addition we are members of the Glasgow City Council 'GAIN' advice network.

Risk Management

The major risks which the charity is exposed to and the systems and procedures in place to mitigate those risks are outlined below:

- Employment Law – however no contentious decision is taken in that regard without expert legal advice,
- Public liability – the Trust holds public indemnity insurance which covers accidents on the premises and protects for loss of revenue and capital assets in the event of fire or theft,
- Finance – theft or fraud (see below).

There is no liability on the SCIO for negligence claims as the legal firm of Dailly & Co Solicitors is fully insured through the Law Society's Master Policy (per claim up to £1.5 million) and through the Law Society's Guarantee Fund for any loss caused through dishonesty or fraud by a solicitor. The law centre being the 'client' of the firm is covered in that regard too.

Full financial reports are produced by a Financial Officer and are scrutinised by the Board of Trustees each month. All cheques (except the client account which is under the auspices of the legal practice and is covered by Law Society regular audit and reporting) require two signatories (the chair and treasurer) and any transactions must first be approved by the Principal Solicitor. There are paper trails for every transaction, with all signatories recorded.

OBJECTIVES AND ACTIVITIES

In order to achieve our charitable objectives our Board of Directors set both the strategic direction and policy of the law centre, and monitor performance in relation to financial management and service delivery, on a monthly basis. Our aim is to use access to legal education, advice, and representation to tackle unmet legal need, discrimination and poverty in Scotland.

In that regard, it has been a challenging year for Govan Law Centre (GLC) due to the Covid-19 pandemic and the necessity for radical changes to all of our working practices. Despite these difficulties, throughout the period all targets and outcomes for funders were either met or surpassed, with the quality of work and support to clients being maintained to the highest standard. Our services are accredited to Type 3 advice and representation with the Scottish Government's *Scottish National Standards for Information and Advice Providers*.

The vast majority of our services are free at the point of delivery and we are able to sustain this business model through dedicated funding and the reinvesting of generated income to cross-subsidise free legal services to vulnerable clients with unmet legal needs. This also enables us not to insist upon client "*advice and assistance*" legal aid contributions, saving many clients the best part of a week's income. In cases where civil legal aid certificates are required to defend sheriff court actions, we can request a nominal contribution, in many cases saving the client hundreds of pounds and in some cases several thousands of pounds.

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Report of the Trustees for the year ended 31 March 2021

One of our core partners, Glasgow City Council (GCC) confirmed funding until March 2023 for our Financial Inclusion Service in the South and North East of Glasgow. Sadly, GCC decided to reduce funding across the board for free advice agencies in the city, with cuts of one third to a half. GLC has sustained a 31% cut in GCC funding and has implemented a mitigation strategy to off-set this loss of around £70,000 per annum.

To help off-set these losses and the downturn in self-generated income due to Covid-19 and lockdown rules, we secured funding from the Community Justice Fund and the Scottish Government (SCVO) Covid-19 Fund of almost £55,000 in 2020/21. GLC has robust empirical evidence on how it demonstrates first class value for money and is confident it will secure additional income streams.

In 2020/21, we turned every £1 of Glasgow City Council funding into over £5 by leveraging in additional income, which is spent on improving the health and financial wellbeing of Glaswegians.

This report gives but a summary of the thousands of successful outcomes we achieve for our clients each year, helping them turn a difficult corner in their lives or securing their legal rights that will keep them safe and well. This report also highlights our additional value for Scotland generally, by our wider strategic public interest litigation, policy and law reform work; all of which helps improve the legal rights and wellbeing of many vulnerable citizens across Scotland.

FINANCIAL REVIEW & PLANS FOR FUTURE

The impact of the Covid-19 pandemic has had a significant impact on our ability to see clients on a "face to face" basis, which has in turn made it more challenging to generate income through legal aid and fees from opponents. Moreover, we have had to deal with a surge in employment law advice during the pandemic where most of our clients are not financially eligible for advice and assistance under the legal aid scheme.

With the introduction of lockdown rules at the end of March 2020, GLC immediately reconfigured its services by setting up a digital customer communication platform and a 0800 free-phone line for legal advice and representation. We then prioritised the development of live webchat, downloadable online tools direct online access to help and support. We are also redesigning our service provision with caseworkers and solicitors providing a Crisis Navigator Service focused on those most badly impacted by the economic consequences of Covid-19.

We are following Scottish Government instructions in terms of PPE and social distancing within the office. We have installed protective equipment in office locations to provide service users and staff with a safe environment. We have sanitiser stations for service users and disposable masks and gloves, temperature 'guns', staff wear protective visors and masks. Staff wear face masks at all times.

Reception areas, workspaces and interview areas have protective screens with signage to ensure safe movement about the office space. Waiting areas have socially-distancing and protective screens in place. GLC have introduced new working practices for staff, working in teams to reduce the number of staff in each office to provide a safe working environment. Teams work on a phased rota system from office locations and at home.

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Report of the Trustees for the year ended 31 March 2021

We are providing outreach in the purpose-built Simon Community Access Hub – designed in terms of Covid-19 safety for both staff, outreach workers and service users. We have carried out risk assessments of our outreach venues working with and visiting individual organisations to make sure

Covid-19 safety is in accordance with Scottish Government policy so that outreach can be phased in safely when appropriate.

Although venues are supplying PPE, sanitiser stations, temperature measurement and social distancing is in place, GLC provide a personal Covid-19 protection pack for our outreach staff. Also, paper handling – gloves are used, service users are supplied with nonreturnable pens, surfaces are wiped clean after every client as are telephones; two telephones are required one for staff and one for client all other measures are adhered to. Taking these measures means that we can provide our services, providing a positive impact, rapid response, recovery and building resilience in communities and vulnerable households.

During 2020/21 we secured successful bids for two major new projects, as well as renewing all key grants including a major competitive tender for our national Let's Talk education law service for Scotland.

Our Debt Navigator service is an online portal that serves Scotland for those with debt and money worries. Using a Zendesk IT platform, service users are able to use a chat box to find answers to financial problems very quickly; with the ability to speak to a qualified money adviser or solicitor, Monday to Friday during office hours. The service also triages customers, providing access to a full casework service, with a referral system for those outside of Glasgow. The Debt Navigator service is funded by the Scottish Legal Aid Board for two years to 2023.

Our Women and Children's Rights project is focused on those experiencing domestic abuse and VAWG (violence against women and girls): a trauma informed dedicated legal and caseworker service across Glasgow. Providing advice, assistance, legal representation and social support. The new project will establish a team of solicitors, caseworkers supporting vulnerable women and their children to access their rights, in terms of housing, employment, income, benefits, rights in law and supporting and assisting them to engage with housing, health, social services and other support services. The project aligns with the Scottish Government's Ending Homelessness Together Action Plan in terms of improving housing outcomes for women and children facing domestic abuse. It is funded through the Scottish Government's Third Sector Homelessness Fund.

Our internal operational governance and reporting mechanisms are set out below under the heading, 'Structure, Governance and Management'. Our Board has a Strategic Risk Register for potential barriers that could prevent GLC from delivering its strategic objectives and services. We also mapped out a Covid-19 Risk Register during 2020/21 to mitigate risks to our ability to deliver services. The register is kept under review by the Board on a quarterly basis, and on an on-going basis by the Principal Solicitor and the Senior Management Team.

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Report of the Trustees for the year ended 31 March 2021

All of our core sources of funding have been secured and we are strengthening our financial management systems to maximise income and the recovery of third-party outlays. We have submitted a bid to the second wave of the Community Justice Fund for 2021/22. We have prudent reserves in place for over six months of operation. Unrestricted reserves at the 31st March 2021 are £971,708 compared to £983,964 for the previous year. Included in this figure is a Fixed Assets fund of £39,994 and a redundancy reserve of £100,000 leaving £831,714 in free reserves at 31st March 2021.

ACHIEVEMENTS AND PERFORMANCE

Preventing homelessness

Although our client numbers were down due to the Covid-19 pandemic and public health emergency regulations enforced during 2020/21, we were able to halt evictions, repossessions and rough sleeping for service users and the wider population through our influence on Glasgow City Council and the Scottish Government in terms of law, policy and practice in terms of rough sleeping, affordable housing and homelessness. This has a more far reaching affect across all Scotland's population.

- Govan Law Centre from first lockdown, campaigned and lobbied Government Ministers and cross-party MSPs with direct communication and through joint campaign work to secure, through the Coronavirus (Scotland) Act 2020, a ban on evictions and to make sure everyone who needed accommodation received it including those with no recourse to public funds: in effect rough sleeping was halted.
- GLC also through lobbying and campaign work, achieved the further extension of the ban on evictions and repossessions to end of March and then to September 2021.
- HARSAG (Homelessness and rough Sleeping Action Group) of which our Principal Solicitor is a key member, was reconvened by the Scottish Government who accepted the recommendations set out: these recommendations included actions and solutions needed to eradicate rough sleeping and transform the use of temporary accommodation in Scotland. Ministers were also advised on how to ensure the recommendations are successfully implemented to secure rapid change and improvement towards the Government's goals.
- Following lockdown, we reconfigured and established services reaching people by setting up a digital customer communication platform linking iMessenger, WhatsApp, Facebook, email & Twitter, a free call-back service & 0800 freephone number.
- Since March 2020 we have been contacted by 4,500 service users, resulting in 2,029 type 1 enquiries and 2,471 Type 2 & 3 cases being opened for clients.

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- Of our casework: -

18% Housing issues including homelessness and fear of homelessness

34% Welfare Rights including Universal Credit applications to top up furlough or access Self Employed Income Support Scheme, fear of running out of money

22% related to Employment and government schemes including furlough and involved welfare rights, self-isolation, redundancy and fear of unemployment

26% money advice and debt. These included, housing costs, rent arrears, unmanageable debt, reduction in household income, creditor payments, applications to the Scottish Welfare Fund, mortgage holidays, financial hardship, future debt, concerns of repossession and eviction and harassment from housing officers and the fear of losing one's home.

Maximising client incomes

GLC service user demographic was as follows:

- Households – 57% single adults, 26% single parents, 17% couples with children with 27% households homeless when presenting to GLC.
- Sex & Gender - 52% female, 47% male, 1% LGBT.
- Race - White Scottish 52%, W/British 8%, BAME 35%, Roma 5%. We are continuing to work with BAME Groups across Glasgow so people can access our services easily.
- Economic Status - Working Households 40%, Disabled 39%, Self-employed 8%, Retired, Education and Training 13%; 63% on Welfare Benefits or other entitlements.

To increase incomes of poorer people in Glasgow we continued our casework which assisted 4,500 service users with assistance - 2,029 Type 1, and 2,471 Type 2 & 3 cases. In terms of casework addressing this objective has meant:

- 34% welfare Rights cases including Universal Credit applications to top up furlough or access Self Employed Income Support Scheme, fear of running out of money and, related heavily to Employment and government schemes.
- 22% Employment cases including furlough and related heavily to welfare rights, self-isolation, Guarding, redundancy and fear of unemployment.
- 26% money advice and debt cases including, housing costs, rent arrears, unmanageable debt, reduction in household income, creditor payments, applications to Scottish welfare fund, mortgage holidays, financial hardship, future debt, concerns of repossession and eviction and harassment from housing officers and fear of losing home.

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GLC has an excellent digital reach. Our research tells us that our website is well used, and advice tools are accessed including our Budgeting, Savings Calculator, Money Health Check and Mortgage Calculator. We have a good presence on our active social media – Twitter and Facebook. Our Principal Solicitor has a weekly column in the Glasgow Evening Times that often promotes law centre concerns and solutions.

Through all our media outlets and leaflet distribution, we have been able to reach many more people through publicity, news campaigns and social media with many in terms of self-help accessing our advice and information online.

We have been successful in lobbying and campaigning with other organisations and through our own discussions with Scottish Ministers in terms of eviction and repossession moratorium and debt forbearance. We are working in terms of our humanitarian project with specialised partners: Shelter, LSA, Just Right, the ROOF Coalition, Refugee Council, British Red Cross and Govan Community Project. This group, known as the ROOF Coalition, works with senior and junior counsel who both handle general Human Rights Cases and Human Rights cases specific to both groups' clients. The clients are asylum seekers and people with no recourse to public funds.

In terms of the Roma population in Glasgow, a major influence in the client group melding into the local community is the work carried out with grassroots, local and national groups. Throughout the period, we have worked closely with these groups and have contributed to the Poverty and Strategic Planning group.

We continue to assist and support the Roma and BAME populations in Govanhill by providing free legal advice and income maximisation through a dedicated solicitor and welfare rights caseworker. Our welfare rights caseworker is from the Czech Republic and has the language skills to support our client group. When this is not possible, we instruct interpreters to support the client via conference call facilities. There has been an increase in enquires re benefits due to the leaving of the EU and the confusion and ignorance of the settled status procedures.

Tackling discrimination

Our core funding has allowed us to apply to the Third Sector Homelessness Fund for a 2-year project. Scottish Ministers, after receiving Corra Foundation's recommendation report, have awarded Govan Law Centre a total grant of £144,778 towards a Crisis Navigator Intervention Service for Women and Children experiencing domestic abuse and VAWG (violence against women and girls) providing outreach support, legal advice and representation for vulnerable women and children. We are currently developing this innovative service as a trauma informed person centred dedicated legal and caseworker services across Glasgow. This new service will provide advice, assistance, legal representation and social support.

It will focus on vulnerable women, including women with no recourse to public funds, to enforce their legal, civil and human rights ensuring they have a safe secure home, can look after their children, have an income and are free from violence and sexual exploitation. We will establish a team of solicitors and caseworkers to support vulnerable women and their children to access their rights, in terms of housing, employment, income, benefits, rights in law and to support and assist them to engage with housing, health, social services and other support services they require. We will be able to employ more staff to provide this service.

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Report of the Trustees for the year ended 31 March 2021

This represents an innovative approach providing a service that is targeted toward vulnerable women and their children provided by all female staff and working in partnership with several key organisations that support vulnerable women and tackle domestic abuse and VAWG. GLC will work with specific partners who provide services to women experiencing domestic abuse and VAWG; including grassroots women's support groups.

This new service also links directly into the Scottish Government Ending Homelessness Action Plan, Glasgow City HSCP Rapid Rehousing Transition Plan (every local authority must have this in place) including the Domestic Abuse Pathway, Equally Safe Strategy, Domestic Abuse (Protection) (Scotland) Act 2021 and the Guidance for Housing Associations of Domestic abuse. These give us the opportunity to improve the law, policy and practice.

In terms of the human rights of children and getting the additional support and learning that they need and are entitled to, this support is delivered through our national Education Law Unit. This service is provided by a Helpline (649 cases) and by casework (114 cases) to support children and young people with additional support needs. Many cases require to be argued before the ASN Tribunals before a resolution is obtained.

GLC takes a leading role in informing policy and is a leading member of the Scottish Government's Disabled Children and Young Person's Advisory Group (DCYPAG) and the Working Group responsible for revising the Statutory Code of Practice for the Education (Additional Support for Learning) (Scotland) Act 2004. We are also members of the Children's Rights Strategic Group organised through Clan Child Law.

Particular highlights are participation in the Scottish Government's Forum on Additional Support for Learning which was attended by all 32 local authorities as well as other relevant parties and our extensive input in respect of the national consultation following the government's review of the Additional Support for Learning (Scotland) Act.

We have also undertaken work with the National Transitions Forum, the office of the Children and Young People's Commissioner all with a view to promoting the rights of children and young people within education. This work has mainly focused on restraint, seclusion and exclusion and complex transitions from school into adult services. Education Authorities have changed their policies and practices relating to issues such as transitions, home education and Co-ordinated Support Plans (CSPs) as a result of our strategic casework. In a new development, GLC has been asked to work with other stakeholders to ensure the educational rights and needs of gypsy/traveller families are met.

During the last financial year, we continued to progress a number of test cases in the wider public interest that seek to challenge discriminatory practices in Scotland's supreme court. In *McCue v. Glasgow City Council*, we have used the 2010 Equality Act to challenge the charging policy of a local authority for community care services to severely disabled persons. See further: <https://www.scotcourts.gov.uk/docs/default-source/cos-general-docs/pdf-docs-for-opinions/2020csih51.pdf?sfvrsn=0>. A decision on permission for the case of McCue to be appealed to the UK Supreme Court is awaited.

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In *Adnan and Adnan v. HMRC* we challenged the UK government's interpretation of social security legislation in relation to the saving provisions which enable refugees to claim for child tax credits back to the original date of their claim for asylum in the UK. The Child Poverty Action Group are pursuing a similar test case in London. GLC's petition for judicial review was successful: <https://govanlawcentre.org/2021/06/15/asylum-seekers-are-entitled-to-backdated-child-tax-credits-govan-law-centre-win-landmark-case/> This is a very positive ruling providing vital extra income for financially disadvantaged refugee families across the UK. We understand HMRC intend to appeal our clients' successful decision to Scotland's supreme appellate court.

Campaigns & law reform

On 1st June 2020, the Fair Rents (Scotland) Bill was introduced in the Scottish Parliament. The Bill was drafted by GLC along with all accompanying documents, including a Policy Memorandum, Financial Memorandum, Explanatory Notes, and a Delegated Powers Memorandum. See further: <https://www.parliament.scot/bills-and-laws/bills/fair-rents-scotland-bill>

The Bill sought to change the law about private rented housing in Scotland to try to control rent levels. The Bill would have amended law the Private Housing (Tenancies) (Scotland) Act 2016 to do so. The Fair Rents (Scotland) Bill had three main aims:

- to prevent a landlord from increasing rent by more than a set level (related to inflation)
- create a new right for a tenant to apply to the rent officer to have a 'fair open market rent' set for the property (a tenant can do this only once in any 12-month period) - this right was focused on requiring rent to be reduced where the standard and quality of the property was poor
- require that landlords must include details of the rent they charge in the public register known as the Scottish Landlord Register - this was necessary as there is a dearth of information available on real time rent levels and increases across Scotland.

The Bill also required the Scottish Government to publish a statement within 3 years. The statement must show how the Bill has affected rent levels in Scotland and how affordable private rented housing is.

In June 2020, the Parliament's Local Government Committee met in private session (with no minutes recorded) and advised that the Bill would not be considered due to a lack of time. Two of the members of the committee were private landlords yet no conflicts of interest were publicly declared in the private session of the committee.

GLC working with the Living Rent tenant's union quickly identified a private renter in Edinburgh who would be affected by the inability of the Parliament to consider the need to strengthen fair rents for tenants in the private rented sector. GLC secured legal aid for this client and raised judicial review proceedings against the Scottish Parliament's Corporate

Body seeking a declaration and reduction of the decision of the Local Government Committee not to consider the Bill.

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Report of the Trustees for the year ended 31 March 2021

The petition for judicial review called in Court of Session before Lady Wise on 15 September 2020. The court declined to grant permission to proceed on the grounds that procedural decisions of the Scottish Parliament were not amenable to review on the courts. GLC believed the authorities for this proposition were weak and with our client's instructions reclaimed (appealed) the decision to Scotland's highest civil court. While the matter was subject to appeal, the Scottish Parliament announced in early October that it would now consider the Bill: <https://www.dailyrecord.co.uk/news/politics/msps-look-again-fair-rents-22846543>

This U-turn enabled tenants' groups and civic society in Scotland to engage in a Parliamentary "Stage 1" enquiry on the principles of the Fair Rents (Scotland) Bill. This process has enabled significant public support for rent sustainable measures and controls to be secured - with the Local Government Committee accepting that there are serious problems in this area that need to be addressed.

See further:

<https://digitalpublications.parliament.scot/Committees/Report/LGC/2021/3/24/e3a12f80-40e7-4b00-a62c-bdc89076974e>

The Scottish Government announced on 10 March 2021 that they would bring forward a new Housing Bill (if re-elected) that would tackle unreasonable high rents in Scotland and increase the rights of tenants: <https://www.gov.scot/news/action-on-rented-homes/> Without the campaign and law reform work on the Fair Rents Bill, GLC believes this issue would not have received the political attention it has; and ultimately our campaign and law reform work over the last year has placed the issue of unfair private rents high up on the Scottish political agenda.

GOVAN LAW CENTRE

Report of the Trustees for the year ended 31 March 2021

STRUCTURE, GOVERNANCE & MANAGEMENT

GLC is a Scottish Charitable Incorporated Organisation (SCIO, Scottish charity number SC047423). GLC is governed by an independent Board of Directors with a wide range of professional skills and life experience. The Board meets monthly and monitors financial management and performance, strategic development and risk, service delivery and performance in relation to our charitable aims and legal obligations, and sets the policies of the organisation.

The Principal Solicitor has operational responsibility and accountability for the organisation's service and casework. Legal services are provided by the independent legal practice of Dailly & Co., Solicitors which is regulated by the Law Society of Scotland and subject to the quality assurance rules of the Scottish Legal Aid Board.

All income of the legal practice is the property of the SCIO. The Principal Solicitor is fully supported by a Senior Management Team, comprising of the Service Manager, and the Prevention of Homelessness Services Manager, and the law firm's legal Partner. The organisational diagram below sets out the internal governance and management structure of GLC.

GOVAN LAW CENTRE

Report of the Trustees for the year ended 31 March 2021

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information of which the charity's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charity's auditors are aware of that information.

Approved by the board of trustees and signed on their behalf.

Name: Thomas McMahan (Chair)

Date: 17 August 2021

GOVAN LAW CENTRE

Independent Auditor's Report to the Trustees of Govan Law Centre for the Year Ended 31 March 2021

Qualified Opinion

We have audited the financial statements of Govan Law Centre (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for Qualified Opinion

Due to the nature of the charity's accounting records, we were unable to obtain sufficient appropriate audit evidence in relation to the valuation of work in progress and the recoverability of trade debtors in respect of legal aid funded services, having values of £66,700 and £74,802 respectively.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.,

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

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Independent Auditor's Report to the Trustees of Govan Law Centre for the Year Ended 31 March 2021

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

Matters on which we are required to report by exception

In respect of the limitation on our work relating to the valuation of work in progress described in the basis for qualified opinion section:

- We have not obtained all the information and explanations that we considered necessary for the purpose of the audit; and
- We were unable to determine whether adequate accounting records had been maintained.

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees are responsible for the preparation of 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.

GOVAN LAW CENTRE

Independent Auditor's Report to the Trustees of Govan Law Centre for the Year Ended 31 March 2021

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations, including The Law Society of Scotland; and
- Compliance with Coronavirus Job Retention Scheme under the Coronavirus Act 2020

GOVAN LAW CENTRE

Independent Auditor's Report to the Trustees of Govan Law Centre for the Year Ended 31 March 2021

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.
- Overstated Coronavirus Job Retention Scheme claims.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.
- Substantive testing of Coronavirus Job Retention Scheme and gift aid claims.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

GOVAN LAW CENTRE

Independent Auditor's Report to the Trustees of Govan Law Centre for the Year Ended 31 March 2021

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Dalrymple (Senior Statutory Auditor)

*168 Bath Street
Glasgow
G2 4TP*

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Date: 17 August 2021

GOVAN LAW CENTRE
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	5	10,606	886,201	896,807	37,618	893,690	931,308
Charitable activities	6	59,932	63,301	123,233	147,255	64,910	212,165
Investments	7	635	-	635	6,215	-	6,215
Other Incoming Resources	8	-	27,601	27,601	3,883	-	3,883
Total Income		71,173	977,103	1,048,276	194,971	958,600	1,153,571
Expenditure on:							
Charitable activities	9	97,119	957,403	1,054,522	166,017	968,068	1,134,085
Total Expenditure		97,119	957,403	1,054,522	166,017	968,068	1,134,085
Net (expenditure)/ income		(25,946)	19,700	(6,246)	28,954	(9,468)	19,486
Transfers between funds		13,690	(13,690)	-	-	-	-
Net movement in funds		(12,256)	6,010	(6,246)	28,954	(9,468)	19,486
Funds reconciliation							
Total Funds brought forward	17	983,964	3,000	986,964	955,010	12,468	967,478
Total Funds carried forward	17	971,708	9,010	980,718	983,964	3,000	986,964

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

All income and expenditure derive from continuing activities.

GOVAN LAW CENTRE

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets	13	39,994	39,807
Total fixed assets		<u>39,994</u>	<u>39,807</u>
Current assets:			
Debtors	14	868,030	827,685
Cash at bank and in hand	20	157,915	169,863
Total current assets		<u>1,025,945</u>	<u>997,548</u>
Liabilities:			
Creditors falling due within one year	15	(85,221)	(50,391)
Net current assets		<u>940,724</u>	<u>947,157</u>
Net assets		<u>980,718</u>	<u>986,964</u>
The funds of the charity:			
Unrestricted income funds	17	971,708	983,964
Restricted funds	17	9,010	3,000
Total charity funds		<u>980,718</u>	<u>986,964</u>

Approved by the trustees on 17 August 2021 and signed on their behalf by:

Name: Thomas McMahon (Chair)

Name: Mike Dailly

GOVAN LAW CENTRE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	19	1,137	14,189
<i>Cash flows from investing activities:</i>			
Proceeds from the sale of fixed assets		-	3,883
Dividends, interest and rents from investments		635	6,215
Purchase of property, plant and equipment		(13,690)	(25,802)
Interest paid		(30)	(30)
Net cash (used in) investing activities		<u>(13,085)</u>	<u>(15,734)</u>
Change in cash and cash equivalents in the year		(11,948)	(1,545)
Cash and cash equivalents brought forward		169,863	171,408
Cash and cash equivalents carried forward	20	<u>157,915</u>	<u>169,863</u>

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

These financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or charity deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 17.

c) Income recognition

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.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met (see note 16).

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

- Expenditure on charitable activities includes Law Centre costs and other activities undertaken to further the purposes of the charity and their associated support costs;

e) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Computer Equipment	25% straight line
Fixtures and fittings	25% straight line
Other Equipment	25% straight line

f) Taxation

The company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

g) Work in progress

Amounts included within work in progress represents turnover on unbilled case work at the balance sheet date. These amounts are recognised by reference to the assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the case work.

h) Debtors

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

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

i) Cash at bank and in hand

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

j) Creditors and provisions

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

k) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity in respect of the year to which they apply.

The money purchase plan is managed independently and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The Trust has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

l) 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.

m) Operating leases

The charity classifies the lease of printing equipment as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

n) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are not considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Key sources of estimation have been applied as follows:

Bad debt provision - the charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of debtors, management considers factors including credit rating of the customer, previous payment patterns and ageing of the debt.

Depreciation - management assess the depreciation rate by giving consideration to the useful life of each asset class and of its' use within the charity.

WIP - the charity makes an estimate of the recoverable value of WIP and provision is made against any WIP balances that are not considered recoverable.

3. Legal status of the Charity

Govan Law Centre is registered as a Scottish Charitable Incorporated Organisation (SCIO) with the Registrar of Companies.

4. Related party transactions and trustees' expenses and remuneration

Due to the nature of the company's operations and the composition of its Board of Directors it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted at arm's length and in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

Michael Dailly, trustee, is also a paid employee of the charity. He received £82,163 (2020: £82,163) of remuneration and other benefits in the year.

No other trustee nor any person connected with them received any remuneration during the year. Nor did any trustee receive any reimbursement of expenses.

Michael Dailly is also a Partner of M. Dailly & Co Solicitors, an independent law firm which provides legal advice free of charge to Govan Law Centre.

5. Income from donations and legacies

	2021	2020
	£	£
Donations	1,496	17,152
Grants	895,311	914,156
	<u>896,807</u>	<u>931,308</u>

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****6. Income from charitable activities**

	2021	2020
	£	£
Law centre income	123,233	212,165
	<u>123,233</u>	<u>212,165</u>

7. Investment income

	2021	2020
	£	£
Interest received	635	6,215
	<u>635</u>	<u>6,215</u>

8. Other income

	2021	2020
	£	£
Gain on disposal of fixed assets	-	3,883
Coronavirus Job Retention Scheme	27,601	-
	<u>27,601</u>	<u>3,883</u>

9. Analysis of expenditure on charitable activities

	Law Centre	Law Centre
	2021	2020
	£	£
Staff and other associated costs	859,882	877,676
Premises costs	59,616	59,605
Running costs	116,566	179,545
Interest and finance charges	30	30
Depreciation	13,503	12,298
Governance costs	4,925	4,931
	<u>1,054,522</u>	<u>1,134,085</u>

	2021	2020
	£	£
Governance costs:		
Auditor's remuneration	4,925	4,931
	<u>4,925</u>	<u>4,931</u>

10. Analysis of staff costs and remuneration of key management personnel

	2021	2020
	£	£
Salaries and wages	766,315	782,114
Social security costs	65,934	66,021
Employer pension costs	27,633	28,806
Total staff costs and employee benefits	<u>859,882</u>	<u>876,941</u>

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****10. Analysis of staff costs and remuneration of key management personnel (continued)**

One employee had employee benefits in excess of £60,000 (2020: One).

	2021	2020
	£	£
Key management personnel remuneration	<u>209,411</u>	<u>209,412</u>

	2021	2020
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>28</u>	<u>29</u>

11. Net income/(expenditure) for the year

This is stated after charging:	2021	2020
	£	£
Depreciation	13,503	12,298
Auditor's remuneration: Audit fees	4,925	4,931

12. Government Grants

	2021	2020
	£	£
Big Lottery	-	61,862
Integrated Grant Funding	111,330	228,580
Glasgow Communities Fund	88,060	-
Scottish Government – Let's Talk	125,360	100,000
HMRC Job Retention Scheme	<u>27,601</u>	<u>-</u>
	<u>352,351</u>	<u>390,442</u>

There are no unfulfilled conditions and contingencies attaching to the grants or any indications of other forms of government assistance.

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****13. Tangible Fixed Assets**

	Computer Equipment £	Fixtures fittings, and equipment £	Other Equipment £	Refurbishment £	Total £
Cost or valuation					
At 1 April 2020	57,072	907	1,272	3,050	62,301
Additions	13,690	-	-	-	13,690
Disposals	-	-	-	-	-
At 31 March 2021	<u>70,762</u>	<u>907</u>	<u>1,272</u>	<u>3,050</u>	<u>75,991</u>
Depreciation					
At 1 April 2020	18,788	907	1,272	1,527	22,494
Charge for the year	12,741	-	-	762	13,503
Eliminated on disposals	-	-	-	-	-
At 31 March 2021	<u>31,529</u>	<u>907</u>	<u>1,272</u>	<u>2,289</u>	<u>35,997</u>
Net book value					
At 31 March 2020	<u>38,284</u>	<u>-</u>	<u>-</u>	<u>1,523</u>	<u>39,807</u>
At 31 March 2021	<u><u>39,233</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>761</u></u>	<u><u>39,994</u></u>

14. Debtors

	2021 £	2020 £
Trade debtors	74,802	96,082
Other debtors	600,305	555,927
Work in Progress	66,700	51,911
Prepayments and accrued income	<u>126,223</u>	<u>123,765</u>
	<u>868,030</u>	<u>827,685</u>

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	80,679	39,759
Taxation and social security	<u>4,542</u>	<u>10,632</u>
	<u>85,221</u>	<u>50,391</u>

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****16. Deferred income**

	2021
	£
Balance as at 1 April 2020	-
Amount released to income earned from charitable activities	-
Amount deferred in year	31,915
Balance as at 31 March 2021	<u>31,915</u>

Deferred income comprises grant funding received in advance.

17. Analysis of charitable funds

Analysis of Fund movements 2021	Balance b/fwd	Income	Expenditure	Transfers	Funds c/fwd
	£	£	£	£	£
Unrestricted funds					
Fixed Asset fund	39,807	-	13,503	13,690	39,994
Computer upgrade	4,198	-	-	(4,198)	-
Redundancy reserve	80,000	-	-	20,000	100,000
Total designated funds	124,005	-	13,503	29,492	139,994
General funds	859,959	71,173	83,616	(15,802)	831,714
Total unrestricted funds	983,964	71,173	97,119	13,690	971,708
Restricted funds					
The Glasgow Communities Fund	-	88,060	88,060	-	-
Integrated Grant Fund	-	111,330	111,330	-	-
Inspiring Scotland	-	75,000	75,000	-	-
Corra Foundation	-	116,000	114,855	(1,145)	-
Access to Justice Fund	-	27,880	27,880	-	-
CHAP	-	63,301	63,301	-	-
Foundation Scotland	-	30,000	30,000	-	-
Children First	-	28,701	28,701	-	-
Scottish Government – Let’s talk	3,000	125,360	125,228	(132)	3,000
SLAB – Debt Advice Project	-	17,034	3,914	(7,110)	6,010
Oak Foundation	-	200,000	200,000	-	-
SCVO	-	17,152	11,849	(5,303)	-
Govanhill Housing Association Express Grant	-	2,000	2,000	-	-
The Hunter Foundation (Wellbeing)	-	41,295	41,295	-	-
Baring Foundation	-	6,389	6,389	-	-
Coronavirus Job Retention Scheme	-	27,601	27,601	-	-
Total restricted funds	3,000	977,103	957,403	(13,690)	9,010
TOTAL FUNDS	986,964	1,048,276	1,054,522	-	980,718

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****17. Analysis of charitable funds (continued)**

Analysis of Fund movements 2020	Balance b/fwd £	Income £	Expenditure £	Transfers £	Funds c/fwd £
Unrestricted funds					
Fixed Asset fund	26,303	-	12,298	25,802	39,807
Computer upgrade	30,000	-	-	(25,802)	4,198
Redundancy reserve	80,000	-	-	-	80,000
Total designated funds	136,303	-	12,298	-	124,005
General funds	818,707	194,971	153,719	-	859,959
Total unrestricted funds	955,010	194,971	166,017	-	983,964
Restricted funds					
Big Lottery Investing in Communities	-	61,862	61,862	-	-
CHAP	-	64,910	64,910	-	-
Integrated Grant Fund	-	228,580	228,580	-	-
Children First	-	31,314	31,314	-	-
Scottish Government – Let's talk	-	100,000	97,000	-	3,000
Legal Education Foundation	12,468	64,801	77,269	-	-
Oak Foundation	-	200,000	200,000	-	-
Lloyds TSB	-	116,000	116,000	-	-
Bank of Scotland Foundation	-	16,133	16,133	-	-
Voluntary Action Fund	-	75,000	75,000	-	-
Total restricted funds	12,468	958,600	968,068	-	3,000
TOTAL FUNDS	967,478	1,153,571	1,134,085	-	986,964

The unrestricted funds are available to be spent for any of the purposes of the charity

The Trustees have created the following designated funds:

Fixed Asset Fund

This is a designated fund representing the unexpired depreciation on fixed assets. It is not available for direct expenditure on charitable activities. These funds are not readily available to spend.

Computer Upgrade

New computer hardware and software to update Windows 7 to Windows 10 and to provide a new backup system.

Redundancy reserve

In the possible event of the project having to close as a result of lack of funding it is thought prudent to designate reserves for this event. The trustees believe that if funding ceased it would require a period of time to finalise all existing cases. During this time staff costs and various other running costs would be incurred.

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Analysis of charitable funds (continued)

Restricted funds comprise:

The Glasgow Communities Fund

To provide support and assistance to the most vulnerable in the South and North East of the city.

Inspiring Scotland

Funding is received for provision of legal advice in Govanhill.

Corra Foundation

Funding received to provide expert education law advice to enable Govan Law Centre to be a national entre for excellence for education law.

Access to Justice Fund

Grant received to avert closure and remain operational – providing specialist legal advice services throughout COVID

CHAP

Funding is received from the Scottish Legal Aid Board and remitted to the charity by CHAP. The charity and CHAP have a partnership agreement to provide housing legal advice and money advice in Ayrshire.

Foundation Scotland

This award was to contribute towards staffing costs for a solicitor experienced in employment, court work and other relevant civil law and an experienced Debt and Money Adviser specialising in sequestration, debt work and financial inclusion.

Children First

To provide debt and financial capability advice – reflecting the 'Tackling Money Worries' programme.

Scottish Government – Lets Talk

Funding is received from the Scottish Government for provision of an education law advice service. Transfers are made from general fund to cover project deficits.

SLAB – Debt Advice Project

Grant to provide a debt navigator rapid response service. Using technology it will increase capacity to provide a high-volume quality specialist debt navigator service across Scotland.

Oak Foundation

Funding is received from Oak Foundation for the charity's homelessness prevention project, via provision of housing legal advice, in South West Glasgow.

SCVO

Grant to deliver new activity identified as a priority due to COVID-19 impact.

Govanhill Housing Association Express Grant

This grant was for disbursal to organisations providing Covid-19 pandemic relief in the Govanhill area.

The Hunter Foundation (Wellbeing)

Grant to expand and make sure our services reach vulnerable households and those in most need as a result of Covid 19.

Baring Foundation

Grant for providing training, weekly legal surgeries and telephone advice to partner organisations.

Coronavirus Job Retention Scheme

Funding received from the Government in relation to furloughed employees.

GOVAN LAW CENTRE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17. Analysis of charitable funds (continued)

Big Lottery Investing in Communities

Funding from this grant is used for the outreach right hubs in Glasgow to provide legal advice and budgeting support to vulnerable people.

Integrated Grant Fund

To provide support and assistance to the most vulnerable in the South and North East of the city.

Legal Education Foundation

Funding was received for the creation of the virtual reality law centre to cover Argyle and Bute and to fund the salary of the trainee solicitor.

Lloyds TSB

Funding received to provide expert education law advice to enable Govan Law Centre to be a national centre for excellence for education law.

Bank of Scotland Foundation

Funding to cover the costs of delivering an outreach financial service and advice centre.

Voluntary Action Fund

Funding is received from Voluntary Action Fund for provision of legal advice in Govanhill.

18. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fixed assets	39,994	-	39,994
Debtors	861,641	6,389	868,030
Bank	155,294	2,621	157,915
Current liabilities	(85,221)	-	(85,221)
	<u>971,708</u>	<u>9,010</u>	<u>980,718</u>

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed Assets	39,807	-	39,807
Debtors	827,685	-	827,685
Bank	166,863	3,000	169,863
Current liabilities	(50,391)	-	(50,391)
	<u>983,964</u>	<u>3,000</u>	<u>986,964</u>

GOVAN LAW CENTRE**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****19. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021	2020
	£	£
Net (expenditure)/income for the year (as per the Statement of Financial Activities)	(6,246)	19,486
Adjustments for:		
Depreciation charges	13,503	12,298
Dividends, interest and rents from investments	(635)	(6,215)
Gain on sale of fixed assets	-	(3,883)
Interest Payable	30	30
(Increase)/decrease in debtors	(40,345)	36,420
Increase/(decrease) in creditors	34,830	(43,947)
Net cash provided by operating activities	<u>1,137</u>	<u>14,189</u>

20. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	157,915	169,863
Total cash and cash equivalents	<u>157,915</u>	<u>169,863</u>

21. Operating lease commitments

The charity had annual commitments under non-cancellable leases as set out below:

Other operating leases	2021	2020
	£	£
Operating leases which expire:		
Within one year	10,909	11,065
In the second to fifth years inclusive	3,412	14,321
	<u>14,321</u>	<u>25,386</u>