

# Free Legal Advice Centres Limited

Directors' report and  
financial statements

**Year ended 31 December 2014**

*Registered Number: 49413*

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2 - 3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report	5 - 6
Income and expenditure account	7
Balance sheet	8
Notes to the financial statements	9

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Directors and other information

### **Directors**

Joanne Hyde  
Don Crewe  
Peter Ward  
Jo Kenny  
Julie Herlihy

### **Secretary**

Catherine Hickey

### **Bankers**

Ulster Bank Limited  
33 College Green  
Dublin 2

### **Solicitors**

Mason Hayes & Curran  
South Bank House  
Barrow Street  
Dublin 4

### **Auditor**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

### **Registered office**

13 Lower Dorset Street  
Dublin 1

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2014.

### **Principal activities and business review**

The company provides free legal advice through a network of part-time centres; operates a telephone information line and a strategic casework service. The company also focuses its work on four core areas, civil legal aid, social welfare law, debt law and consumer credit law. It carries out research and publishes a newsletter, annual report and other publications. The company also holds seminars and conferences and runs the Public Interest Law Alliance (PILA). The company exists to promote equal access to justice for all.

The company continues to provide administrative support to the Childcare Law Reporting Project. The company also provided administrative support to the Law Centre for Children and Young People until mid-2014 when it transferred its funds to that company.

The performance of the company in the current year has been impacted by a decrease in funding leading to a decrease in income of 39% to €1,429,256 (2013: €2,337,058). The decrease is partly due to reduced funding from the Department of the Environment Community and Local Government, the ending of the FAS scheme in 2013 and the income received for the Childcare Law Reporting Project in late 2014, €224,000, was deferred until 2015 as this is when the related expenditure will be incurred.

Expenditure for 2014 increased by 14% to €1,659,793 (2013: €1,455,157). This was due primarily to an increase in the amount of expenditure incurred on the Law Centre for Children and Young People.

The key risks and uncertainties facing the future development of the company include continued funding, in part from ex-gratia sources, and the retention of key staff. The Directors have developed a range of strategies to address these and other risks faced by the company.

### **Results**

The results for the year are set out on page 7.

### **Directors and secretary**

All directors retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

On 13 September 2014, Roisin Webb and Liam Thornton retired as directors. On 11 October 2014, Julie Herlihy was appointed as director. On 8 November 2014, Jo Kenny was appointed as director.

### **Health and safety of employees**

The well being of the company's employees is safeguarded through the strict adherence to health and safety standards. The company has taken the necessary action to ensure compliance with relevant Health and Safety legislation, including the adoption of a safety statement.

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Directors' Report *(continued)*

### **Post balance sheet events**

No significant events have occurred after the balance sheet date that would necessitate a revision to the figures or an additional explanatory note to the financial statements.


### **Accounting records**


The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by engaging accounting personnel with appropriate expertise and by engaging adequate resources to the finance function. The accounting records of the company are maintained at the company's premises at 13 Lower Dorset Street, Dublin 1.

### **Auditor**

In accordance with Section 383(2) of the Companies Act 2014, the Auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

  
Julie Herlihy  
Director

  
Peter Ward  
Director

26<sup>th</sup> August 2015

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

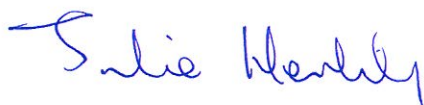
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Julie Herlihy  
Director



Peter Ward  
Director

26<sup>th</sup> August 2015





**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## Independent auditor's report to the members of Free Legal Advice Centres Limited

We have audited the financial statements ("financial statements") of Free Legal Advice Centres Limited for the year ended 31 December 2014 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

### **Opinions and conclusions arising from our audit**

#### ***1 Our opinion on the financial statements is unmodified***

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### ***2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

#### ***3 We have nothing to report in respect of matters on which we are required to report by exception***

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.



## Independent auditor's report to the members of Free Legal Advice Centres Limited *(continued)*

### **Basis of our report, responsibilities and restrictions on use**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Caroline Flynn*

**for and on behalf of  
KPMG**

**Chartered Accountants, Statutory Audit Firm**

*1 Stokes Place*

*St. Stephen's Green*

*Dublin 2*

26 August 2015



# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

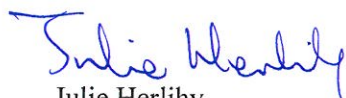
## Income and expenditure account

For the year ended 31 December 2014

	<i>Note</i>	2014 €	2013 €
<b>Operating income</b>		<b>1,429,256</b>	2,337,058
Operating expenses		(1,659,793)	(1,455,157)
<b>(Deficit)/surplus for the financial year before interest</b>		<b>(230,537)</b>	881,901
Interest receivable		65,966	69,903
<b>(Deficit)/surplus for the financial year</b>	8	<b>(164,571)</b>	951,804

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the income and expenditure account.

On behalf of the board

  
Julie Herlihy  
Director

  
Peter Ward  
Director

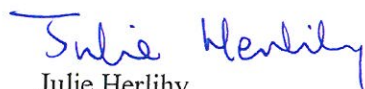
# Free Legal Advice Centres Limited


(Company limited by guarantee and not having share capital)

Balance sheet  
At 31 December 2014

	Note	2014 €	2013 €
<b>Fixed assets</b>			
Tangible assets	5	1,010,029	550,219
<b>Current assets</b>			
Debtors	6	35,004	30,114
Cash at bank and in hand		3,941,804	4,346,419
		3,976,808	4,376,533
Creditors: amounts falling due within one year	7	(770,048)	(545,392)
<b>Net current assets</b>		3,206,760	3,831,141
<b>Net assets</b>		4,216,789	4,381,360
<i>Represented by:</i>			
<b>Income and expenditure account</b>	8	4,216,789	4,381,360

On behalf of the board

  
Julie Herlihy  
Director

  
Peter Ward  
Director

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Notes

*forming part of the financial statements*

### 1 Accounting policies

#### **Basis of preparation**

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland under the historical cost accounting convention, and comply with financial reporting standards of the Financial Reporting Council as promulgated by the Institute of Chartered Accountants in Ireland.

#### **Cash flow statement**

The company meets the size criteria for a small company set by the Companies (Amendment) Act 1986 and has therefore availed of the exemption allowed by *FRS 1: Cash flow statements*, not to prepare a cash flow statement.

#### **Income**

Income consists of third party donations, government grants and interest income received. Income is credited to the income and expenditure account in the year received.

#### **Government grants**

Government grants in respect of the funding of the company's operations are credited to the income and expenditure account in the year of receipt.

#### **Taxation**

The company is exempt from taxation.

#### **Depreciation**

The cost of fixed assets are written off by equal instalments over their expected useful lives as follows:

Buildings	50 years
Computer equipment	4 years
Telephones and other equipment	4 years

#### **Pensions**

The company makes defined contributions to employee retirement plans. The cost of contributing to these plans is charged to the profit and loss account as incurred.

# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

## Notes

forming part of the financial statements

### 2 Guarantee company status

Free Legal Advice Centres Limited is a company limited by guarantee not having a share capital. It is incorporated under the Companies Acts 1963 to 2013. There are 73 members, the liability of each being not more than €1.27.

### 3 Deficit for the financial year

	2014	2013
	€	€
Stated after charging / (crediting):		
Depreciation	25,569	20,024
Auditor's remuneration	-	-
Directors' emoluments	-	-
Rentals payable under operating leases	23,905	29,747
Government grants	(147,931)	(192,200)
Bank interest receivable	(65,966)	(69,903)
	<u>                    </u>	<u>                    </u>

### 4 Employees

The average weekly number of employees, excluding temporary hires, during the year was as follows:

	2014	2013
	No	No
Administration	16	15
	<u>                    </u>	<u>                    </u>

The aggregate payroll cost of these employees was as follows:

	2014	2013
	€	€
Wages and salaries	719,357	716,220
Social welfare costs	69,145	65,413
PRSA/Pension contributions	56,626	72,558
	<u>                    </u>	<u>                    </u>
	<u>845,128</u>	<u>854,191</u>

# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

Notes (continued)

## 5 Tangible fixed assets

	Land and buildings €	Computer equipment €	Telephone and other equipment €	Total €
<i>Cost</i>				
At beginning of year	698,992	115,616	43,050	857,658
Additions in year	485,000	379	-	485,379
<b>At end of year</b>	<b>1,183,992</b>	<b>115,995</b>	<b>43,050</b>	<b>1,343,037</b>
<i>Depreciation</i>				
At beginning of year	153,780	111,902	41,757	307,439
Charge for the year	23,680	797	1,092	25,569
<b>At end of year</b>	<b>177,460</b>	<b>112,699</b>	<b>42,849</b>	<b>333,008</b>
<i>Net book value</i>				
<b>At 31 December 2014</b>	<b>1,006,532</b>	<b>3,296</b>	<b>201</b>	<b>1,010,029</b>
At 31 December 2013	545,212	3,714	1,293	550,219

## 6 Debtors

	2014 €	2013 €
Prepayments and other debtors	35,004	30,114

All amounts fall due within one year.

## 7 Creditors: amounts falling due within one year

	2014 €	2013 €
Trade creditors	8,112	9,526
PAYE/PRSI	47,379	26,509
Accruals and deferred income	714,557	509,357
	<b>770,048</b>	<b>545,392</b>



# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

Notes (continued)

<b>8 Income and expenditure account</b>	<b>2014</b>	<b>2013</b>
	€	€
Retained surplus at beginning of year	<b>4,381,360</b>	3,429,556
(Deficit)/surplus for the financial year	<b>(164,571)</b>	951,804
	<hr/>	<hr/>
	<b>4,216,789</b>	<b>4,381,360</b>
	<hr/> <hr/>	<hr/> <hr/>

## **9 Related party transactions**

There have been no transactions with related parties during the year which would require disclosure under FRS 8 "Related Party Disclosures".

## **10 Government grants received**

### *Department of Justice & Equality*

The value of the Department of Justice and Equity grant received in 2014 was €98,000 (2013: €98,000). This funding contributed to the delivery of information, advice and advocacy services to the public.

The value of the Equality for Women Measure Funds received in 2014 was €32,000 (2013: €35,000) relating to the 'New Opportunities for Women in Law' programme. The contract covered the period 20 October 2014 to 17 April 2015. The Equality for Women Measure 2010-2013 is funded by the European Social Fund (ESF) through the Human Capital Investment Operational Programme 2007-2013 and the Department of Justice and Equality.

### *Department of the Environment, Community and Local Government*

The value of funds received in 2014 from the Department of the Environment, Community and Local Government was €49,931 (2013: €94,200). This includes funding from the Funding Scheme to support National Organisations in the Community and Voluntary Sector from which FLAC received €41,448 to June 2014 when the scheme which had run from July 2011 ended. The funding received contributed to the salaries of the Telephone Information Line Coordinator and the Research Officer (Data Collection Programme). The Scheme to Support National Organisations (SSNO) 2014-2016 began in July 2014 and runs to June 2016. FLAC received €8,483 through this scheme in 2014. This funding part funded the salary of the Research Officer (Data Collection Programme).

### *Citizens Information Board*

The value of funds received in 2014 from the Citizens Information Board was €87,300 (2013: €90,000). This funding contributed to the salaries and associated costs of the Volunteer and Centres Manager and Volunteer and Centres Administrator and the costs associated with volunteer training and support.

## **11 Approval of financial statements**

The financial statements were approved by the directors on 26<sup>th</sup> August 2015.

# Free Legal Advice Centres Limited

*(Company limited by guarantee and not having share capital)*

## Appendix

	2014	2013
	€	€
<b>Income</b>		
Bar Council and Law Society members contributions	156,174	149,795
Donations	13,695	7,315
Department of Justice and Equality grant	98,000	98,000
Department of Environment, Community and Local Government	49,931	94,200
Citizens Information Board grant	87,300	90,000
MABS Technical Support	9,684	18,112
FAS	3,594	59,373
Atlantic Philanthropies	374,700	450,000
Atlantic Philanthropies (PILA)	500,000	655,000
Law Centre for Children and Young People	-	230,000
Training fees	14,156	4,628
Legal costs refund	19,460	50
Community Foundation	-	8,000
J.P. McManus Foundation	-	5,000
Pobal EWM	32,000	35,000
Ireland Funds	10,000	5,000
Reimbursements	13,963	1,504
Small grant income	44,579	12,565
Childcare law reporting project	-	410,308
Fundraising	-	2,665
Royalties received	2,020	543
	<hr/>	<hr/>
	<b>1,429,256</b>	<b>2,337,058</b>
	<hr/>	<hr/>

# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

## Appendix (continued)

	2014 €	2013 €
<b>Expenses</b>		
Salaries	845,128	854,191
Postage and stationery	19,098	13,494
Publications	17,660	28,659
Light and heat	9,804	11,681
Telephone	13,050	12,423
Insurance	16,509	13,348
Repairs and renewals	4,083	7,074
Audit and accountancy	19,173	10,996
Travel	13,944	11,839
Depreciation	25,569	20,024
Training	13,982	15,602
Legal costs and outlay	5,517	487
Document Storage	2,231	2,072
Cleaning	13,212	8,813
Seminars/conferences	24,172	4,002
Donations	951	554
Software	10,757	4,780
IT support	15,232	6,975
Staff recruitment	-	2,508
Computer hardware	-	3,652
Website development	10,547	8,808
Research/campaigns	31,425	4,211
Volunteer support	6,829	4,594
Grants (PILA)	10,000	28,800
Evaluation and strategic planning	20,801	6,103
Dave Ellis Memorial Lecture	4,259	6,355
Debt campaign	-	1,423
Printing – Info Leaflets	19,396	635
Rent and rates	23,905	29,747
Childcare Law Reporting Project	203,087	213,747
Law Centre for Children and Young	192,821	97,179
Clinical Legal Education	455	3,336
Miscellaneous	881	17,045
Premises purchase ancillary fees	2,922	-
Consumer protection campaign	17,320	-
Meeting related expenses	11,780	-
Fundraising expenses	14,774	-
Communication	8,603	-
Staff training	5,916	-
Fellowship	4,000	-
	<hr/>	<hr/>
	1,659,793	1,455,157
	<hr/> <hr/>	<hr/> <hr/>

# Free Legal Advice Centres Limited

(Company limited by guarantee and not having share capital)

## Appendix (continued)

### Government grants – income and expenditure:

<b>1</b>	<b>Department of Justice and Equality</b>	<b>2014</b>
		<b>€</b>
	<b>Income</b>	<b>98,000</b>
	<i>Expenditure</i>	
	Programme and overhead	98,000
	<b>Expenditure</b>	<b>98,000</b>
<b>2</b>	<b>Equality for Woman Measure</b>	<b>2014</b>
		<b>€</b>
	<b>Income</b>	<b>32,000</b>
	<b>Expenditure</b>	<b>-</b>
	Expenditure relating to this grant will be incurred in 2015.	
<b>3</b>	<b>Department of the Environment Community and Local Government</b>	<b>2014</b>
		<b>€</b>
	<b>Income</b>	<b>49,931</b>
	<i>Expenditure</i>	
	Salaries and associated costs	49,931
	<b>Expenditure</b>	<b>49,931</b>
<b>4</b>	<b>Citizens Information Board</b>	<b>2014</b>
		<b>€</b>
	<b>Income</b>	<b>87,300</b>
	<i>Expenditure</i>	
	Programme and overhead	19,511
	Salaries and associated costs	67,789
	<b>Expenditure</b>	<b>87,300</b>