

Registered number: 02524320
Charity number: 1004114

CUMBRIA LAW CENTRE
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CUMBRIA LAW CENTRE
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

V A Lewis, Vice Chair
J Masson, Chair
J R Nicol
J Hunston, Treasurer
L E Rutherford
S Watson
K Lockney

Company registered number
02524320

Charity registered number
1004114

Registered office
8 Spencer Street
Carlisle
Cumbria
CA1 1BG

Senior management team
Pete Moran, Centre Manager

Accountants
Full Circle Accountancy Limited
Chartered Accountants
The Office
Mardale Road
Penrith
CA11 9EH

Bankers
Clydesdale Bank
82 English Street
Carlisle
Cumbria
CA3 8HP

CUMBRIA LAW CENTRE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their Annual Report together with the financial statements of the charity for the 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015). The Trustees (who are also directors of the charity for the purposes of the Companies Act) confirm that the Annual Report and financial statements of the charity comply with current statutory requirements and the requirements of the charity's governing document.

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

Objectives and Activities

POLICIES AND OBJECTIVES

The Law Centre is established for the following purposes:

- (i) to afford those without or lacking access to advice, information or education the ability and opportunity to protect and defend their legal rights and entitlements and to obtain redress for wrongs they have suffered
- (ii) the advancement of education amongst persons resident or working in the benefit area.
- (iii) the advancement of such other charitable purposes as are beneficial to the persons resident or working in the benefit area.

Our purpose is to provide free, easily accessible legal services to local people. Our emphasis is on combating poverty, oppression and social exclusion.

We hope, through the use of legal means, to achieve social change for the better.

MAIN OBJECTIVES FOR THE YEAR WERE:

Budget

- Set and achieve a budget that includes a £15k operating surplus.

Fundraising

- Achieve funding for building upgrade
- Lead on at least one new BLF fund
- 30-year anniversary fundraising events including individual giving

Governance

- Review of centre management structure/performance and future planning including geographical expansion
- Ensure Manco membership at safe levels and complete succession planning
- Significant AGM event to mark 30 years

Other

- Grow partnership with other LCs' such as Newcastle to share/swap contracted work and develop funding and support activities
- Grow participation with LCN

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIES FOR ACHIEVING OBJECTIVES

The Law Centre currently serves the residents of Carlisle, Eden, Allerdale and Copeland. As a Law Centre, our emphasis is on tackling difficulties of poverty and oppression, and we make a priority of addressing the needs of those who cannot access legal help from private solicitors, and those who find it difficult for other reasons of exclusion to access services.

We deliver our core initial legal advice in three ways:

- Telephone advice line (01228 515129) open to any resident of Carlisle, Allerdale, Copeland and Eden for advice on any weekday morning. We receive up to 30 new queries every day.
(Please note that methods of delivering this service were greatly affected by COVID - see details in report below)
- Drop-in advice clinic in Carlisle most mornings (again affected by COVID).
- Working in partnership with organisations such as Eden Housing Association including appointments at their premises and home visits. Home visits have grown as a key way of accessing vulnerable clients.

We conduct in-depth casework to a specialist level in the following areas of law: housing, employment, welfare benefits, debt. Our casework activity is funded chiefly through our contract with the Legal Aid Agency.

Achievements and performance

REVIEW OF ACTIVITIES

The Law Centre continues to face a number of very significant challenges. Across the voluntary sector we see many of the same sorts of issues threatening the work of large and small organisations, despite being long established in their communities. These challenges were of course greatly exacerbated by the effects of Covid and the responses to the pandemic including lockdowns etc. Additionally, the whole mix of work that we would normally do changed and, although there were some real benefits for our clients (such as in the ban on evictions), the effect on legal aid income etc was severe and continues to be. This was mitigated by funds made available through the Community Justice Fund and the law centre made the best possible use of that opportunity. Despite all of the above difficulties, we have performed well against our objectives and even gone on to open up new areas of work. Here is a summary of our achievements against the main objectives listed above:

Our performance against objectives:

Budget

Set and achieve a budget that includes a £15k operating surplus

Fully achieved – through prudent management of both income and expenditure we finished with a surplus of a little over £30k, though we already know that the next two years will be much tougher and will include the setting of only breakeven budgets

Fundraising

Achieve funding for building upgrade

Not achieved – given that our staff group was absent from the building for much of the year due to lockdowns, it simply wasn't practical for us to liaise with contractors etc to put together the necessary proposal for funders. This will roll into the next year and the whole project is likely to take 2-3 years from now to complete.

Lead on at least one BLF fund

Partially achieved – we were involved in but in the end didn't lead on one new BLF bid. This was for work to replace the previous Connect project with Mind and the bid was successful and will bring in funding during 2021/22

30-year anniversary fundraising events including individual giving

Not achieved – the anniversary fell right in the lockdown period and it was impossible to create the physically attended event we had hoped. In terms of individual giving, we supported the Law Centres Network 50th Anniversary fund and have benefited from the joint fundraising done there.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Governance

Review of centre management structure/performance and future planning including geographical expansion

Partially achieved – again, Covid interfered with a full review of the service, but we did review our geographical areas. A full review will take place during 2022/23 in conjunction with the new Business Plan.

Ensure Manco membership at safe levels and complete succession planning

Partially achieved – Manco membership has been preserved and at time of writing new members are being added. Work is also being done to define roles of Vice-Chairs and to help with the installation of new people into key roles. Further recruitment is required but a great deal of work has been done by the current office holders to help with succession planning and we are very grateful to those who have stepped forward to take on duties next year.

Significant AGM event to mark 30 years

Not achieved – see above re Covid restrictions and in-person events during 2020.

Other

Grow partnerships with other LCs such as Newcastle to share/swap contracted work and develop funding and support activities

Partially achieved – we have worked with Newcastle LC on a number of cases in which they have provided immigration advice to people with who we were working on benefits or housing issues. We continue to work in partnership with Allerdale Citizens Advice to support people in Allerdale in housing matters including representation at court.

Grow participation with LCN

Fully achieved – Pete Moran undertook work as a spokesperson for LCN helping with potential funders and press in order to support the 50th Anniversary fundraising drive by LCN. He also attended weekly video-based managers' meetings throughout the year in which law centres helped each other and worked with LCN to navigate the worst of the Covid-related challenges.

In conclusion

Whilst all years are challenging for small charities like ours, neither we nor many others have witnessed a year like 2020/21 before. As the previous reporting year came to a close, staff were sitting in an away day at Lanercost Priory. The intended agenda, thinking about the challenges of meeting our clients legal advice needs in the year ahead, was largely scrapped in order for the group to think together about the impending arrival of Covid to UK shores. Of course, it was here already by March 2020. Indeed, as the day progressed, what still seemed an almost unthinkable scenario – a major epidemic of a serious and novel virus – arrived in no uncertain terms. By the end of that very day, two local schools had begun to send students home as a result of positive tests and that evening, we had dinner together as a team for what would be the last time for almost two years and watched the Prime Minister on television giving a grave speech in which he announced early deaths from Covid and warned that they would be the first of many. It was a dark day.

We had resolved in discussions that day to take what action we reasonably could to move our service to one which we would manage IF we had to work from home or if large numbers of our team became ill or were isolating. These things have become the new norm, but on that day it felt unreal. However, we moved quickly and, in the event, only just in time to get laptops and printers for everyone and to set them up on a good VPN so that they would work as normally as possible from home. No sooner was the bulk of that work done than we found ourselves mandated to be at home; the first lockdown began and with it a reporting year like no other.

We are pleased to say that a number of initiatives taken by Government helped our client group enormously and problems in relation to earned and benefit income were greatly ameliorated by the policies enacted and, at the same time, much greater protections for tenants and homeless people were also brought in. This meant that, in the short term, our main challenge become not how to meet demand from clients in crisis, but how to survive financially without the legal aid income that we would normally get from housing work. This represented a very serious hole in our budgeted income for the year.

The latter was potentially helped by the announcement from Government of a fund, The Community Justice Fund, designed to offset some of those issues and to allow providers like ourselves to continue and to adapt to changing

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

demand. We were successful in a substantial bid and we worked closely with Law Centres Network to help communicate the problems facing us to the Ministry of Justice and other funders. This money was also filtered through the Law Centres Network and Access to Justice Foundation and turned out to be a vital contribution to centres like ours. We are very grateful for the understanding of the Ministry of Justice on this matter and for the work of the Law Centres Network and Access to Justice Foundation in making those funds accessible.

We also gained some extra support from Esmée Fairbairn Foundation and were very grateful for continued contributions from Indigo Trust and Cumbria Community Foundation. Those foundations all showed huge flexibility in terms of both use of funds and reporting and we greatly appreciate their sensitivity and pragmatism at this time.

Local authorities continued to be supportive and we thank Copeland, Allerdale and Carlisle Councils for their thoughtful support, both financially and as partners. We also appreciate a small grant made by Cumbria County Council to support some work in Eden during this period.

The year was difficult psychologically, practically and financially. But, on finances at least, we managed to finish the year with a small surplus, indeed a bigger one than we had planned. However, it should be noted that part of the reason for that was the loss of an excellent solicitor, Christina Ward, during the early part of 2021. We were not able to replace her expertise during that financial year. Christina brought much to the centre as a worker, staff rep and colleague and we all wish her well in her new job in local government to which she will bring much.

In May 2021, we also said a fond farewell to Annette Oxley who had served the centre so well for over ten years as Office Manager. She was an incredibly effective worker who brought huge and varied expertise and experience to the centre and we will all miss her both professionally and personally. We all extend our sincere thanks for the contributions she made – contributions recently marked by Law Centres Network by way of a special award. We all wish her a happy and healthy (and well earned) retirement.

All in all though, we should be pleased that we maintained our key business practices and procedures, passed our first remote Lexcel audit with flying colours and continued to meet emergency demand from clients using novel approaches and considerable flexibility. We were disappointed not to be able to celebrate our 30th anniversary with a large and social AGM but we still plan to hold such a celebration, belatedly, when conditions improve.

For now, let me take the opportunity to sincerely thank the staff team and volunteers who all continued to contribute to the centres and its clients in such difficult circumstances and also to my colleagues in the Management Committee who also adapted quickly to new technology and ways of working and have continued to provide guidance and wisdom working hard for the centre.

At the time of writing, we continue to grapple with funding and the challenges of providing both remote and face to face services in difficult conditions. But we are doing well and we remain a vital source of help for those in financial or social crisis – and, most often both together.

Carlisle City Council
Allerdale Borough Council
Copeland Borough Council
Esmée Fairbairn Foundation
The Big Lottery (and Carlisle and Eden Mind)
Cumbria Community Foundation
Indigo Trust
Eden Housing Association
Community Justice Fund (Access to Justice Foundation and Law Centres Network)
Cumbria County Council

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

RESERVES POLICY

In order to enable the uninterrupted service of the charity, free reserves equivalent to three months' of the total unrestricted expenditure should be maintained. If the level of free reserves should fall below this level, the trustees and management committee will be informed at the first available meeting and action shall be decided upon to obviate any risk to service.

At the year end, there are insufficient free reserves to meet the target reserves of three months operating expenditure. The trustees are aware of this shortfall in reserves and aim to restore the required level as soon as possible but realise that this will not be achieved in the short term. Improved working practices have resulted in improved income from the Legal Aid Agency; however the Trustees continue to seek additional sources of income to restore the reserves position.

PRINCIPAL FUNDING

The Law Centre's chief sources of income are the Legal Aid Agency, Eden Housing Association and the local authorities, Carlisle City Council, Allerdale Borough Council and Copeland Borough Council. The Management Committee are grateful to all three local authorities for their continuing support for the Law Centre's vital work. In this financial year the Law Centre has also benefited from funds received from Indigo Trust and The Big Lottery as well as Cumbria Community Foundation.

In order to sustain all of the Law Centre's activities, additional funding is required, and the current business plan contemplates successful bids for new funding over the next few years. We continue to work hard to find alternative sources to help us continue as much of our provision as possible.

MATERIAL INVESTMENTS POLICY

Cumbria Law Centre operates in accordance with the powers detailed within its Memorandum and Articles of Association.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

CONSTITUTION

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 20 July 1990. The Memorandum and Articles of Association comprise the governing document.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Under the Law Centre's Articles of Association the Trustees are known as the management committee. The committee is re-elected each year at the Annual General Meeting. The Law Centre seeks to ensure that its management committee is representative of the communities that it serves.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Law Centre recognises the need for its management committee members to be familiar with the work of the organisation. The Law Centre runs an annual Staff and Trustee training day and arranges other in-house training to meet identified needs. Trustees are also encouraged to attend external training to develop their skills and to keep their knowledge current. An annual budget is set aside for Trustees' training.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

There shall not be fewer than five, nor more than thirteen members of the Trustees (management committee). Following the amendments to the Constitution made in 2014, Trustees are no longer drawn from particular organisations but are chosen from the community on their own merits following open recruitment.

RELATED PARTY RELATIONSHIPS

There are none to declare.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The major risk to which the charity is exposed is the financial risk of lack of committed long term core funding. While the charity is funded by the Legal Aid Agency (formerly the Legal Services Commission), or by service level agreements with local authorities, the provision of services is always dependent upon the goodwill and continued support of these bodies. The trustees have been active in ensuring that the requirements of the ongoing Legal Aid Agency contracts have been met by staff. This has been a key piece of work during this period.

In order to mitigate the risk, the management committee through the Head of Centre seeks to meet all contract and agreement targets, and to negotiate continued realistic funding, which will allow service provision and the Law Centre to meet its constitutional objectives.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' INDEMNITIES

The charity has insurance that provides an indemnity for a trustee against any liability in connection with any negligence, default, breach of duty or breach of trust by them relation to the charity.

Plans for future periods

FUTURE DEVELOPMENTS

MAIN OBJECTIVES FOR THE YEAR AHEAD

Service Delivery

1. Continue with Covid-safe business practices in changing conditions.
2. Succeed in attaining new Legal Aid housing contract if and when tendered.
3. Develop our funded housing work in areas such as injunctions.
4. Retain delivery of employment law and develop charging for services potential.
5. Retain our cooperation with Eden Housing Association.
6. Continue work on upgrades and redecoration of our building – Lottery bid.
7. Ensure compliance with Lexcel Standards.

Finance/Funding

1. Set and achieve a budget which represents breakeven performance over the years 2021-22.
2. Enhance fundraising capabilities either by working with fundraisers or recruiting development worker.
3. Find one new major funder of £50k per annum or more.
4. Protect our local authority funding where possible and prepare for implications of Unitary Authority.

Personnel/Recruitment

1. Recruit new solicitor / caseworker in housing.
2. Recruit new solicitor / caseworker in employment
3. Successfully recruit to replace retiring office manager.
4. Manco development - review and recruit as necessary for future stability.

Outreach

1. Event to mark 30-year anniversary – missed due to lockdowns in 2020
2. Further develop links with commercial practices to enhance our services and sharing of supervision etc.
3. Enhance CLC's membership programme.

MEMBERS' LIABILITY

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 20 December 2021 and signed on their behalf by:

J Hunston, Treasurer

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CUMBRIA LAW CENTRE (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

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

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

INDEPENDENT EXAMINER'S STATEMENT

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

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

Signed:

Dated: 20 December 2021

Jonathan Miller FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED
Chartered Accountants

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	93,599	-	93,599	1,615
Charitable activities	3	214,209	80,000	294,209	389,068
Investments	4	76	-	76	262
TOTAL INCOME		307,884	80,000	387,884	390,945
EXPENDITURE ON:					
Charitable activities	7	334,484	19,962	354,446	393,192
TOTAL EXPENDITURE	8	334,484	19,962	354,446	393,192
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(26,600)	60,038	33,438	(2,247)
NET MOVEMENT IN FUNDS		(26,600)	60,038	33,438	(2,247)
RECONCILIATION OF FUNDS:					
Total funds brought forward		83,030	11,592	94,622	96,869
TOTAL FUNDS CARRIED FORWARD		56,430	71,630	128,060	94,622

The notes on pages 13 to 23 form part of these financial statements.

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REGISTERED NUMBER: 02524320

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	12		15,700		17,426
CURRENT ASSETS					
Debtors	13	9,817		4,126	
Cash at bank and in hand		116,776		176,129	
		<u>126,593</u>		<u>180,255</u>	
CREDITORS: amounts falling due within one year	14	(14,233)		(103,059)	
NET CURRENT ASSETS			<u>112,360</u>		<u>77,196</u>
NET ASSETS			<u>128,060</u>		<u>94,622</u>
CHARITY FUNDS					
Restricted funds	15		71,630		11,592
Unrestricted funds	15		56,430		83,030
TOTAL FUNDS			<u>128,060</u>		<u>94,622</u>

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

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Trustees on 20 December 2021 and signed on their behalf, by:

J Hunston, Treasurer

The notes on pages 13 to 23 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

I. ACCOUNTING POLICIES

I.1 Basis of preparation of financial statements

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

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

I.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

I.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

I. ACCOUNTING POLICIES (continued)

I.4 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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

Freehold property	-	10% reducing balance
Fixtures and fittings	-	20% reducing balance and 20% straight line
Property improvements	-	17% reducing balance

I.5 Interest receivable

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

I.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

I.7 Debtors

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

I.8 Cash at Bank and in hand

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

I.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

I.10 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

1.11 Corporation Tax

The charity is exempt from corporation tax on its charitable activities.

1.12 Fund accounting

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

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

1.13 Valued added tax

The charity is registered for VAT. Expenditure is shown net of VAT where a reclaim of VAT is allowed under the terms of the registration.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	620	-	620	1,615
Grants	81,800	-	81,800	-
Government grants	11,179	-	11,179	-
	<u>93,599</u>	<u>-</u>	<u>93,599</u>	<u>1,615</u>
Total donations and legacies				
	<u>1,615</u>	<u>-</u>	<u>1,615</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Legal Services	39,083	-	39,083	78,107
Grants	175,126	80,000	255,126	310,961
	<u>214,209</u>	<u>80,000</u>	<u>294,209</u>	<u>389,068</u>
Total 2020	<u>267,707</u>	<u>121,361</u>	<u>389,068</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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Grants received

	2021 £	2020 £
Carlisle City Council	75,100	105,100
Allerdale Borough Council	19,500	19,500
Copeland Borough Council	15,000	15,000
Eden Housing Association	30,000	60,000
Carlisle and Eden Mind	15,526	11,361
Esmee Fairbairn Trust	25,000	50,000
Cumbria County Council	5,000	-
Cumbria Community Foundation	20,000	-
The Indigo Trust	50,000	50,000
	<u>255,126</u>	<u>310,961</u>
Total	<u>255,126</u>	<u>310,961</u>

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	76	-	76	262
	<u>76</u>	<u>-</u>	<u>76</u>	<u>262</u>
<i>Total 2020</i>	<u>262</u>	<u>-</u>	<u>262</u>	

5. DIRECT COSTS

	Legal Services £	Total 2021 £	Total 2020 £
Premises expenses	3,390	3,390	3,903
Computer costs	307	307	4,247
Travel and subsistence	-	-	3,302
Legal and professional	10,912	10,912	22,118
Equipment leasing	7,031	7,031	6,937
Sundry	1,103	1,103	3,214
Training	2,041	2,041	1,432
Wages and salaries	269,082	269,082	280,630
National insurance	20,421	20,421	22,342
Pension cost	13,389	13,389	13,928
Depreciation	3,229	3,229	3,279
	<u>330,905</u>	<u>330,905</u>	<u>365,332</u>
<i>Total 2020</i>	<u>365,332</u>	<u>365,332</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. SUPPORT COSTS

	Legal Services £	Total 2021 £	Total 2020 £
Telephone	4,686	4,686	3,615
Computer costs	1,512	1,512	643
Printing postage stationery	4,680	4,680	6,016
Legal and professional	1,023	1,023	-
Repairs and maintenance	3,652	3,652	2,506
Sundry	679	679	5,377
Insurances	5,607	5,607	7,765
	<u>21,839</u>	<u>21,839</u>	<u>25,922</u>
<i>Total 2020</i>	<u>25,922</u>	<u>25,922</u>	

During the year ended 31 March 2021, the charity incurred the following Governance costs:

£NIL (2020 -£NIL) included within the table above in respect of .

£NIL (2020 -£NIL) included within the table above in respect of .

7. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Accountancy	1,700	-	1,700	1,820
Bank charges	2	-	2	118
	<u>1,702</u>	<u>-</u>	<u>1,702</u>	<u>1,938</u>

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Legal Services	302,892	49,852	352,744	391,254
Expenditure on governance	-	1,702	1,702	1,938
	<u>302,892</u>	<u>51,554</u>	<u>354,446</u>	<u>393,192</u>
<i>Total 2020</i>	<u>316,900</u>	<u>76,292</u>	<u>393,192</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021	<i>2020</i>
	£	<i>£</i>
Depreciation of tangible fixed assets:		
- owned by the charity	3,229	<i>3,279</i>
Pension costs	13,389	<i>13,928</i>
	=====	<i>=====</i>

During the year, no Trustees received any remuneration (2020 -£NIL).

During the year, no Trustees received any benefits in kind (2020 -£NIL).

During the year, no Trustees received any reimbursement of expenses (2020 -£NIL).

10. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,200 (2020 - £1,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	269,082	280,630
Social security costs	20,421	22,342
Other pension costs	13,389	13,928
	302,892	316,900

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

	2021 No.	2020 No.
Charitable staff	9	10
Support staff	2	3
	11	13

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Property improvements £	Total £
Cost					
At 1 April 2020	81,310	43,054	15,498	21,020	160,882
Additions	-	1,503	-	-	1,503
	81,310	44,557	15,498	21,020	162,385
Depreciation					
At 1 April 2020	72,763	41,374	9,076	20,243	143,456
Charge for the year	855	637	1,605	132	3,229
	73,618	42,011	10,681	20,375	146,685
Net book value					
At 31 March 2021	7,692	2,546	4,817	645	15,700
At 31 March 2020	8,547	1,680	6,422	777	17,426

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. DEBTORS

	2021	<i>2020</i>
	£	£
Trade debtors	3,018	<i>-</i>
Prepayments and accrued income	6,799	<i>4,126</i>
	<hr/> 9,817 <hr/>	<hr/> <i>4,126</i> <hr/>

14. CREDITORS: Amounts falling due within one year

	2021	<i>2020</i>
	£	£
Trade creditors	3,824	<i>10,578</i>
Other taxation and social security	5,521	<i>10,623</i>
Other creditors	3,688	<i>5,558</i>
Accruals and deferred income	1,200	<i>76,300</i>
	<hr/> 14,233 <hr/>	<hr/> <i>103,059</i> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Fund	83,030	307,884	(334,484)	56,430
Restricted funds				
Restricted funds	11,592	80,000	(19,962)	71,630
Total of funds	<u>94,622</u>	<u>387,884</u>	<u>(354,446)</u>	<u>128,060</u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
General funds				
General Fund	79,429	269,584	(265,983)	83,030
Restricted funds				
Restricted funds	17,440	121,361	(127,209)	11,592
Total of funds	<u>96,869</u>	<u>390,945</u>	<u>(393,192)</u>	<u>94,622</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	83,030	307,884	(334,484)	56,430
Restricted funds	11,592	80,000	(19,962)	71,630
	<u>94,622</u>	<u>387,884</u>	<u>(354,446)</u>	<u>128,060</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£
General funds	79,429	269,584	(265,983)	83,030
Restricted funds	17,440	121,361	(127,209)	11,592
	<u>96,869</u>	<u>390,945</u>	<u>(393,192)</u>	<u>94,622</u>
	<u><u>96,869</u></u>	<u><u>390,945</u></u>	<u><u>(393,192)</u></u>	<u><u>94,622</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	15,700	-	15,700
Current assets	51,275	75,318	126,593
Creditors due within one year	(10,545)	(3,688)	(14,233)
	<u>56,430</u>	<u>71,630</u>	<u>128,060</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	17,426	-	17,426
Current assets	164,975	15,280	180,255
Creditors due within one year	(99,371)	(3,688)	(103,059)
	<u>83,030</u>	<u>11,592</u>	<u>94,622</u>

17. OPERATING LEASE COMMITMENTS

At 31 March 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts payable:		
Between 1 and 5 years	<u>22,000</u>	<u>23,600</u>

18. VOLUNTEERS

We would like to acknowledge the work of all of those who volunteer for the centre. This includes my fellow Management Committee members but also, of course, the many who give their time to provide help with reception duties and all kinds of clerical work. They also undertake research and other specific projects and all in all contribute to the centre to at least the value of a full time role. It is likely that we would need to at least raise a further £20,000-£30,000 each year to cover the work done by our volunteers. As well as those her primarily to staff reception , we also have groups of students both from sixth forms and universities who come to learn about social welfare law. We continue to receive excellent feedback from them despite the restrictions placed on us during this period. That is testament to the hard and imaginative work of our volunteer coordinator, Fiona McCrum. Sincere thanks go to her.